

US CURVES TIME TO FLIP : FLIP FROM BACK END STEEPENERS (THAT HAVE WORKED WELL) TO FRONTEND STEEPENERS VIA EITHER THE 2-5-10 OR 2-5-30 FLY. (OPTIMUM FLY SEEMS TO BE THE US 2-7-30).

I Have long advocated US back end steepeners for some time but now it is time to focus on the frontend.

Frontend curves are finally showing signs of basing that JUST as the 5-30 and 10-30 fail MAJOR multi year resistance.

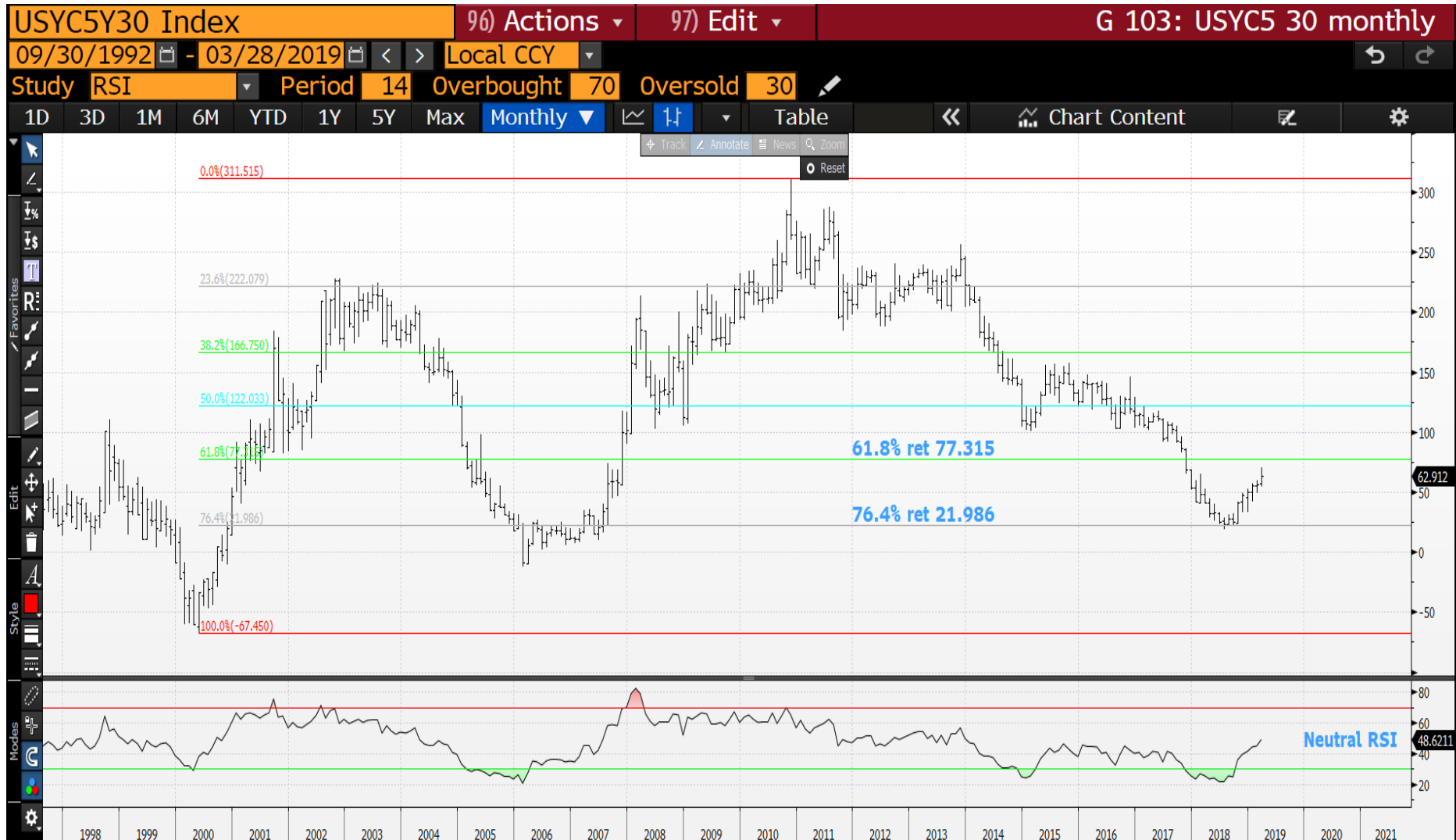
I think the timing is perfect right now for that switch-fly trade.

The flies themselves have major multi year dislocations and retracement support.

****A LOT OF THESE CURVE CHARTS HAVE HAD AN AMAZING TECHNICAL PERFORMANCE HENCE THINK ITS WELL WORTH A LOOK AND DISCUSSION.****

****ASIDE THE USUAL FUTURES FLY OUR RESIDENT SWAPS GURU DAVID SANSOM IS WORKING ON SWAPS ALTERNATIVES** HAPPY TO DISCUSS ANY IDEAS.**

US 5-30 monthly : This has recovered well from the lows and PERFECT hit of the 76.4% ret 21.986.



28/03/2019

US 5-30 weekly : As mentioned previously this has done VERY well on the bull steepening rally BUT we should FAIL here. We have multi year resistance at the 23.6% ret 74.701 and the RSI has not been this high since 2010. Definitely time to reduce any steepener if have that bias on.



US 10-30 monthly : Another back end bull steepener that has worked very well from the near perfect hit of the multi year 76.4% ret 7.545.



28/03/2019

US 10-30 weekly : ****This is a PERFECT chart.**** We have hit and now failing the multi year 23.6% ret 47.246 with an RSI last seen in 2010.



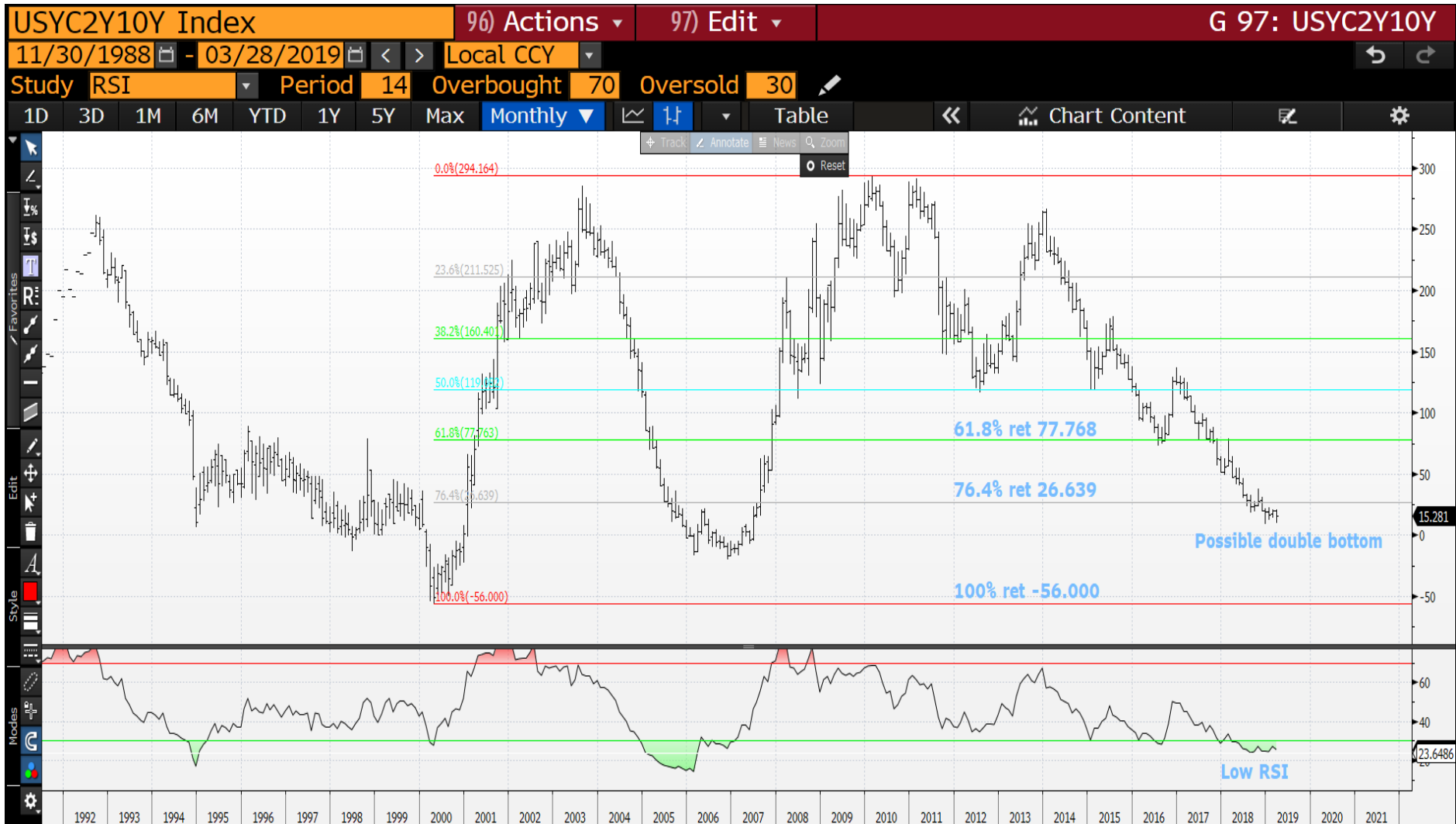
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US 2-5 monthly : The RSI isn't the lowest ever but should be sufficient to prompt a HOLD. We are additionally attempting a downside pierce. We now have the possibility of a bounce.



28/03/2019

US 2-10 monthly : Another lowish RSI but the price action looks to be basing, a breach of the 76.4% ret 26.639 will confirm the move higher.



28/03/2019

US 2yr quarterly : I have used this chart before to explain the level of anticipation-
expectation for higher US rates has gone WAY too far, outstripping 2000 and 2007. We do
according to this have a major opportunity for 2 year US yields to head a lot lower. Time for
the frontend to “bite back”.



28/03/2019

US 2yr yield monthly : Again further evidence of lower 2yr yields targetting the 23.6% ret 1.7448.



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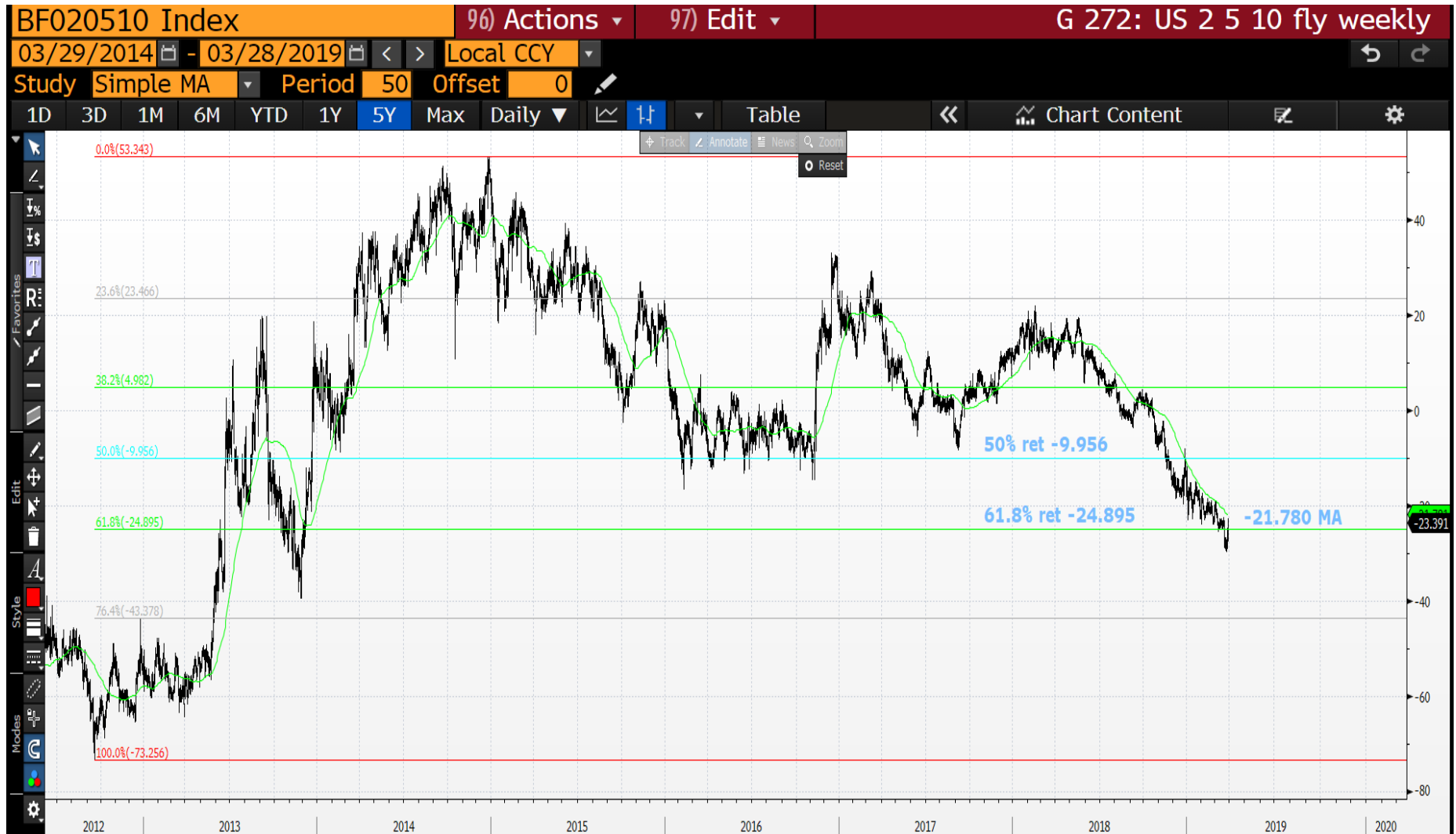
US 2-5-10 weekly fly : The chart is pretty self explanatory, we have one of the lowest RSI's for many years and have snuck above the multi year 38.2% ret -24.845. We should head higher from here.



28/03/2019

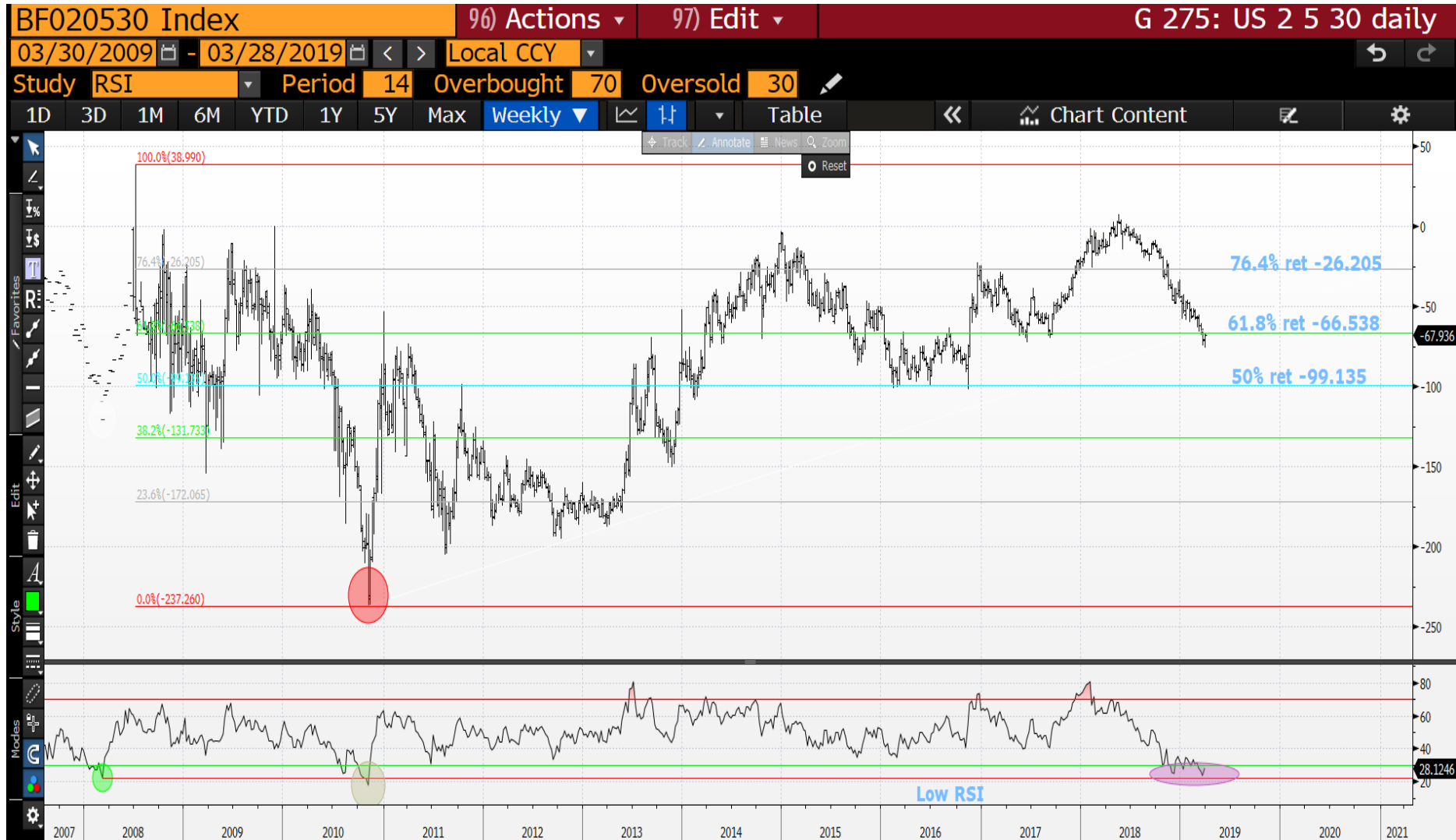
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US 2-5-10 daily fly : One give away of a new path higher is if we breach the 50 day moving average @ -21.780.



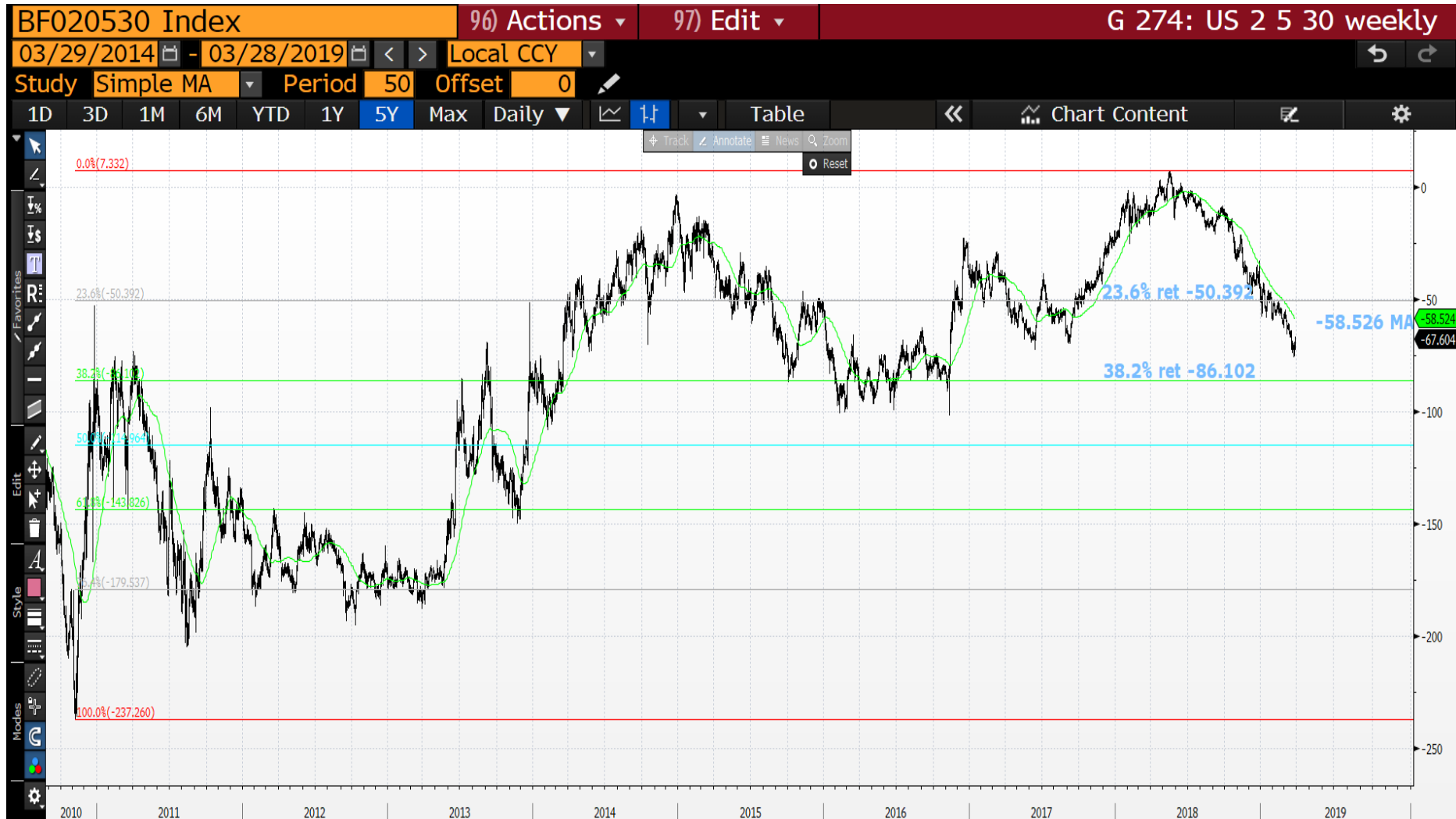
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US 2-5-30 weekly fly : The RSI is more prominent so think this is a slightly better fly to put on, all will be confirmed if we breach the 61.8% ret -66.538. Only twice since 2008 has the RSI been this low.



28/03/2019

US 2-5-30 daily fly : Again the 50 day moving average should come in useful as above the -58.526 moving average will help.



28/03/2019

US 2-7-30 monthly fly : The RSI is key here as few time it has been this low and on all occasions has bounced!



US 2-7-30 weekly fly : A further RSI endorsement.



US 2-7-30 daily fly : This time the 76.4% ret -34.5726 is key, a close above this will signal a major move higher.



This research was prepared by Chris Williams. He is a self-employed contractor with Astor Ridge. A history of his research can be provided upon request in compliance with the European Commission's Market Abuse Regulation.

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