

US CURVES TIME TO FLIP : We are getting an immediate response to the CURVE-FLY call yesterday, reflecting the back end curve retracement hit. We should confirm a directional change today as quarter end approaches.

Not yet sure this endorses a directional change in yields, but worth bearing in mind.

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 : We have generated a nice sizeable upside pierce so this curve should flatten.



29/03/2019

US 5-30 weekly : The RSI has kicked in and endorsed this with a significant weekly reversal pierce. We should see considerable flattening.



29/03/2019

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. We have a reasonable reversal on the month and a close sub the 61.8% ret 38.721 will be a very negative endorsement.



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, we have a long way to go now.



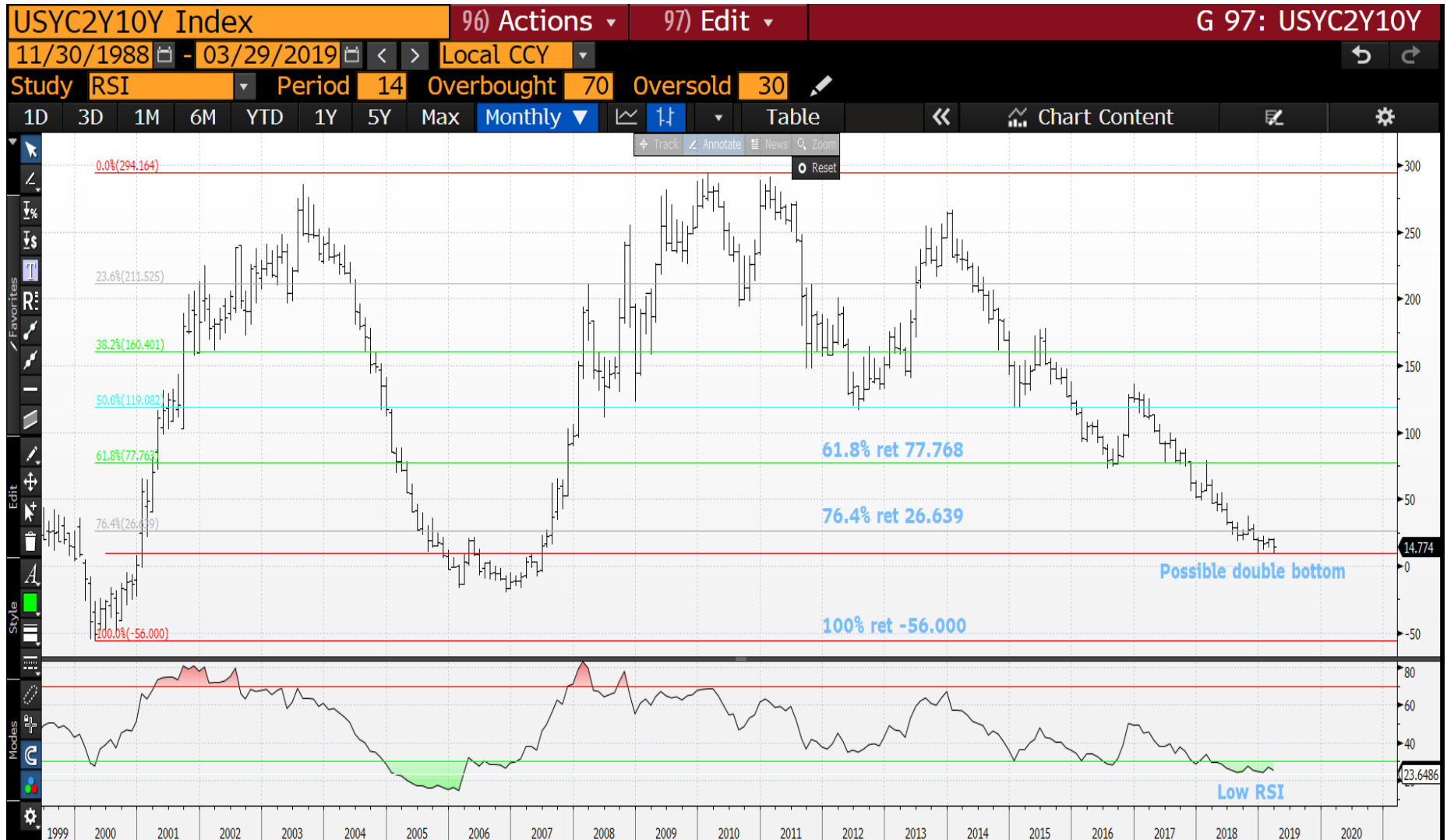
29/03/2019

US 2-5 monthly : The RSI isn't the lowest ever but should be sufficient to prompt a HOLD. The pierce is gaining more prominence and should confirm a base-low by the end of today. Stop all steepeners sub this low -9.323.



29/03/2019

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.



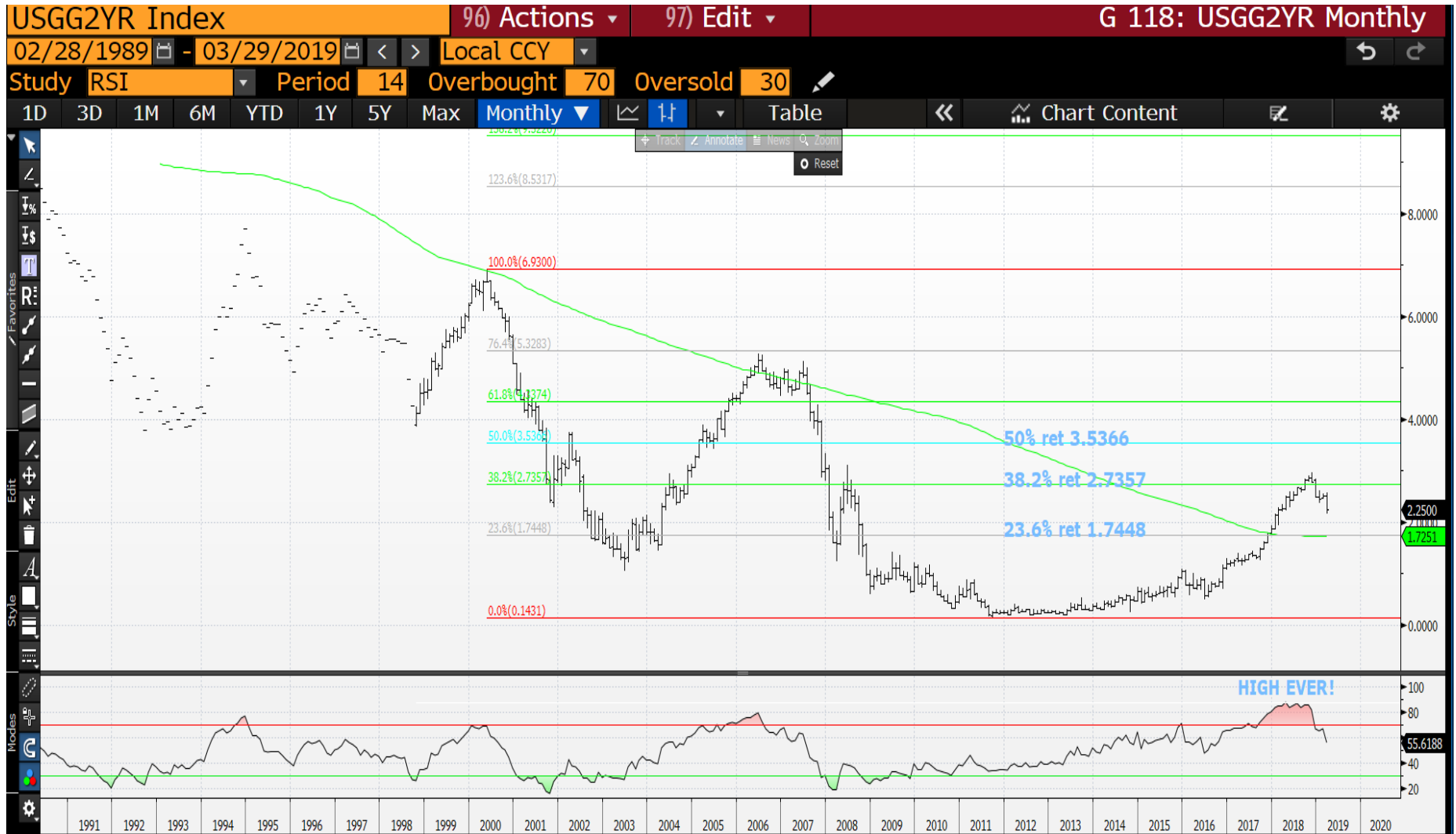
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US 2yr quarterly : I have used this chart before to explain the level of anticipation- expectation for higher US rates has gone WAY too far, outstripping 2000 and 2007. We do according to this have a major opportunity for 2 year US yields to head a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



29/03/2019

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

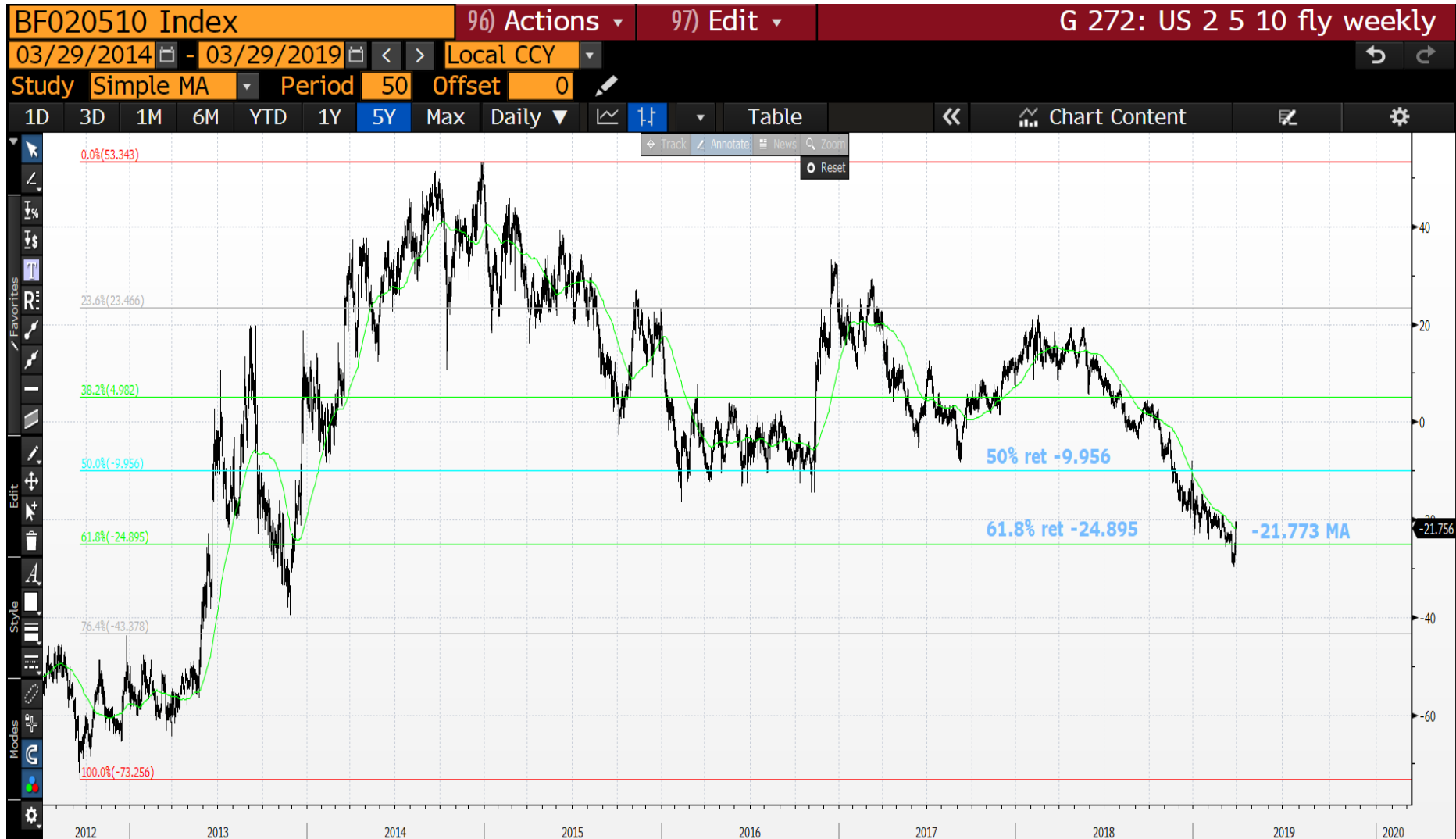


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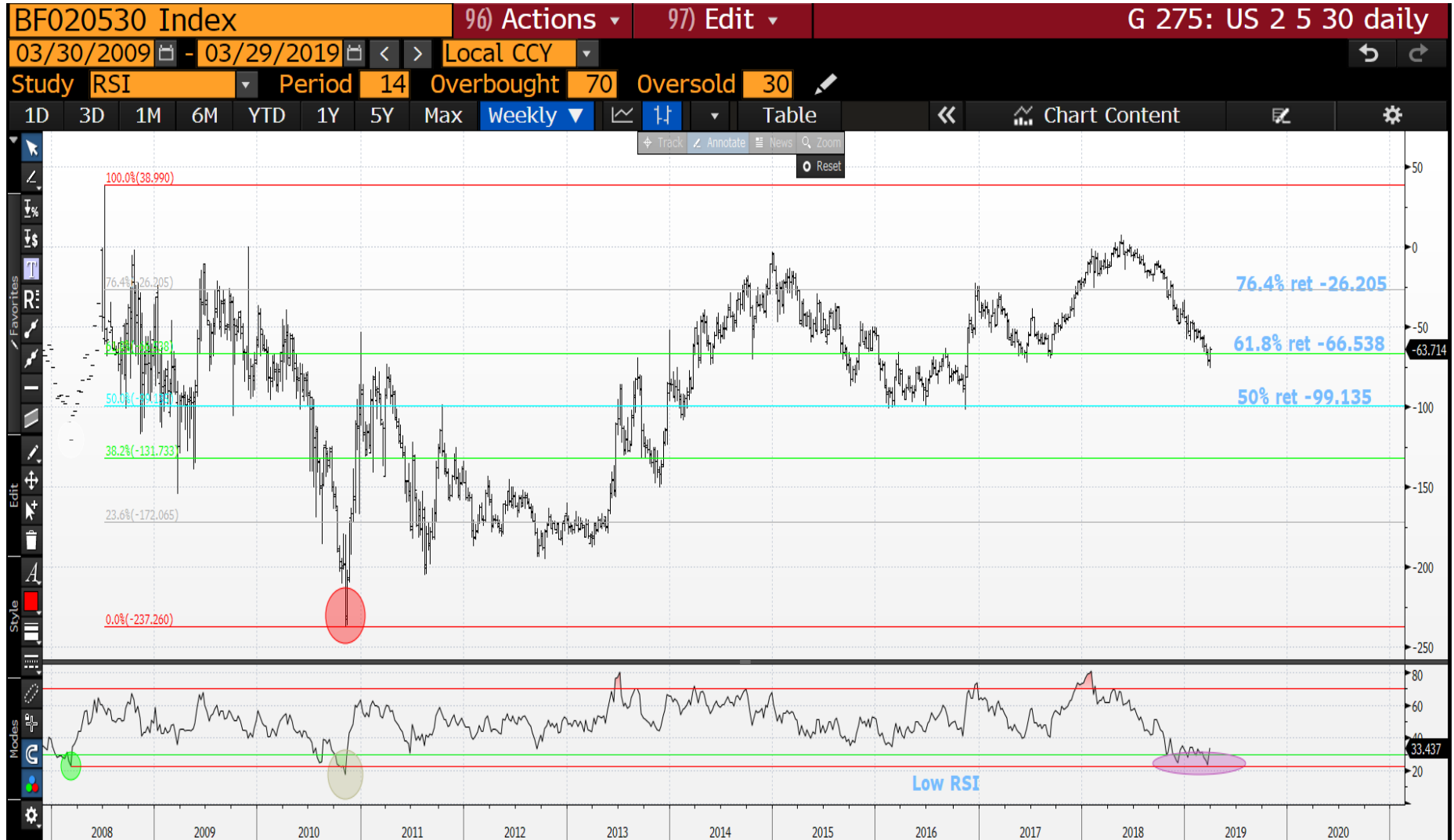
US 2-5-10 weekly fly : The chart is pretty self explanatory, we have one of the lowest RSI's for many years and have snuck above the multi year 38.2% ret -24.845. This looks like a NICE BASE and should head higher from here, a lot higher.



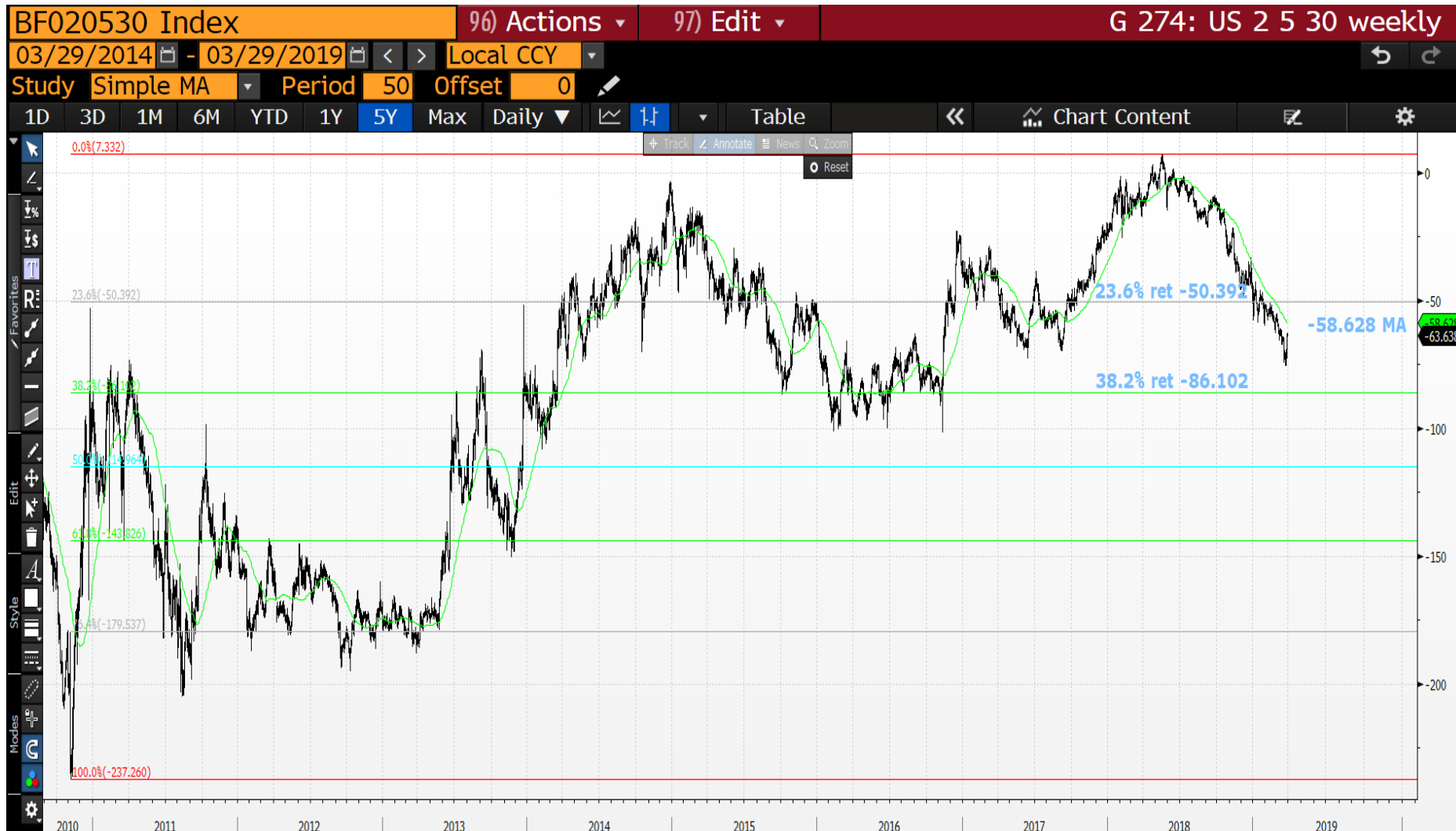
US 2-5-10 daily fly : First confirmation, we are now above the 50 day moving average @ -21.773.



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. Confirmation again as we have popped the 61.8% ret -66.538.



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. Ideally we can breach the moving average by the close.



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! We have held and a close above the previous low -31.3224 will help.



29/03/2019

US 2-7-30 weekly fly : We seem to be holding nicely and head higher.



US 2-7-30 daily fly : We have now popped the 76.4% ret -34.5726 thus confirming a bounce.



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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