

BOND YIELD (SHORT-TERM) UPDATE : HEADING LOWER STILL. Many daily charts saw yields stall last week, thus we are back on track for heading a lot LOWER.

The LONGTERM charts remain unaffected.

The curve rotation was a good FLAG for the yield bounce.

****REMEMBER CTAs KEEP buying for their trend-momentum returns irrespective of yield levels.****

Real money has already been buying EM to lock in more attractive yields, am sure soon to ADD.

The long-term quarterly-monthly charts continue to forecast MUCH lower yields and little obstacles in their path!

On paper the quarterly and monthly charts are obvious, its MUCH lower yields. We are failing MANY RARE 50 and 100 period moving averages aided by RSI dislocations that date back to 1980's. The formations are staggering given the previous upsets in and around 2000 - 2007.

It seems from a chart perspective everyone is convinced rates are going MUCH HIGHER based on the HISTORICAL RSI dislocations. Expectation and positioning is way too optimistic.

The weekly charts are more optimistic for a HOLD but daily negate that almost instantly.

Daily charts have persisted in remaining sub numerous 200 day moving averages, so ideally its all a matter of time.

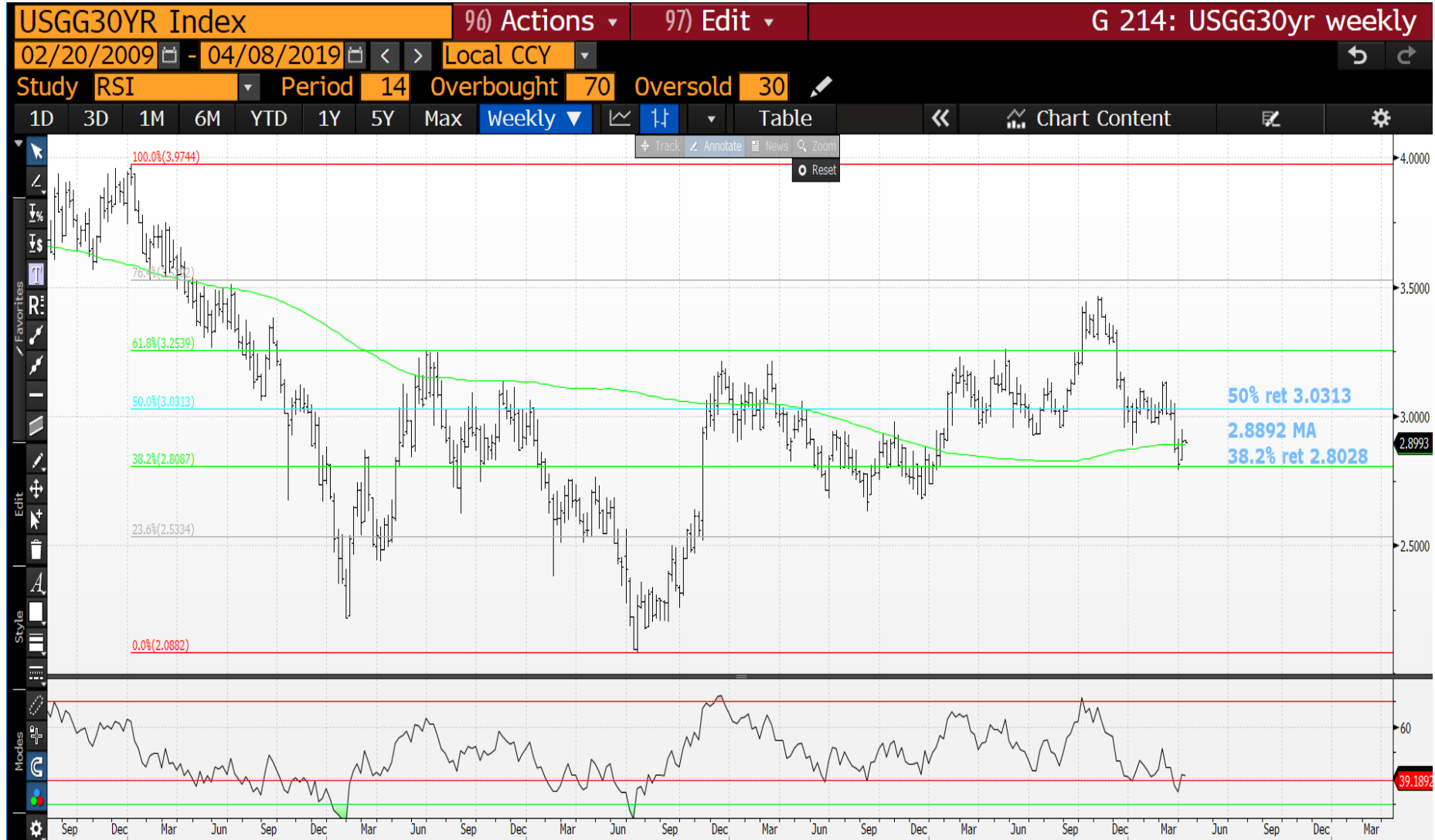
Germany and UK also point to lower yields, whilst Italy is pausing at a recent low.

USGG30yr monthly : Although the RSI is neutral we persist in remaining sub the 100 period moving average 3.0977, so all still negative for yields.



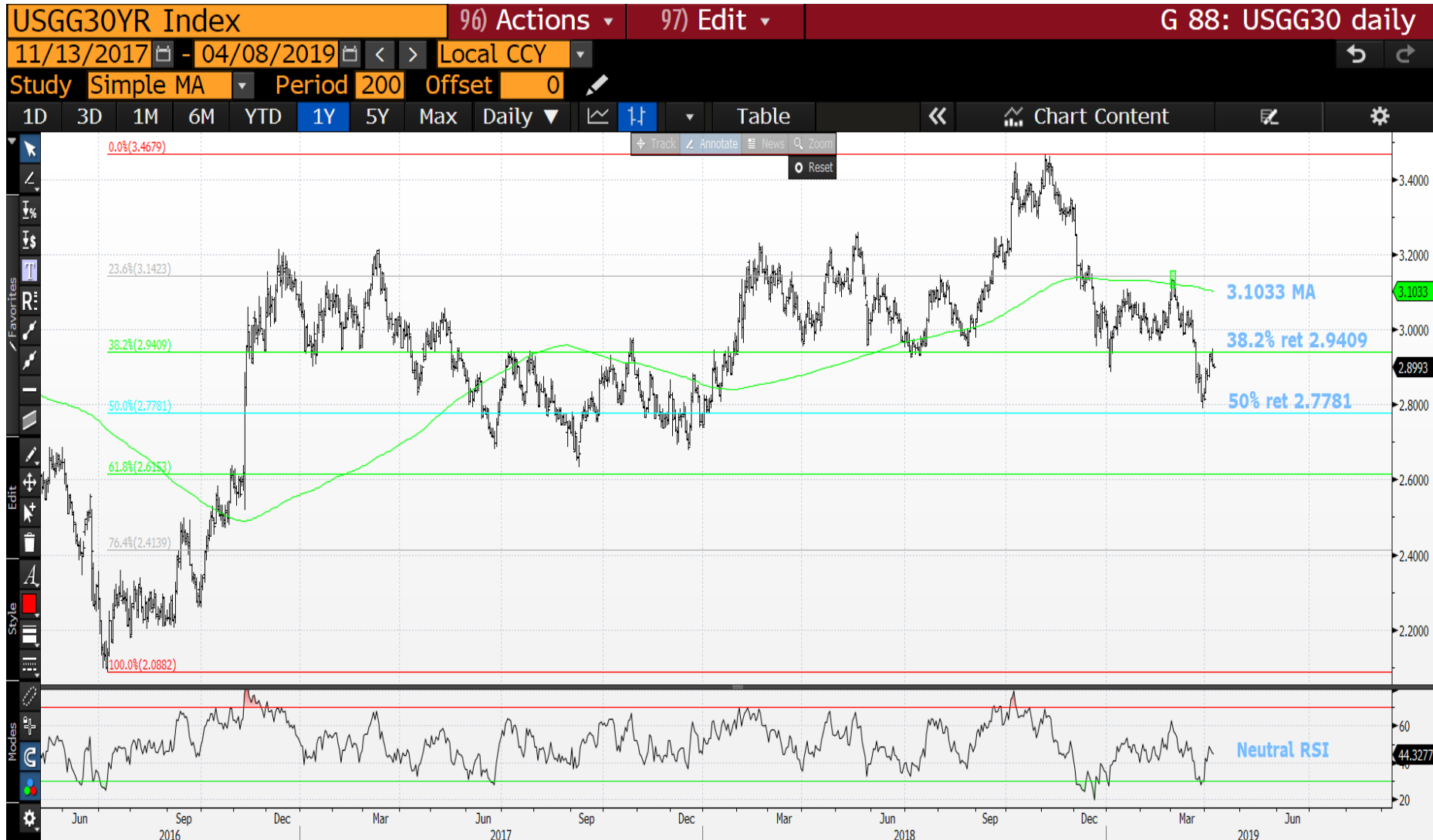
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USGG30yr weekly : We made full use of the LOW RSI and 38.2% ret 2.8028. We need to decide if we fail the 50% ret 3.0313 or 2.892 moving average.



08/04/2019

USGG30yr daily : The RSI is neutral but we are STALLING against the 38.2% ret 2.9409 so a good chance we head lower. A close sub the 50% ret 2.7781 will open the flood gates.



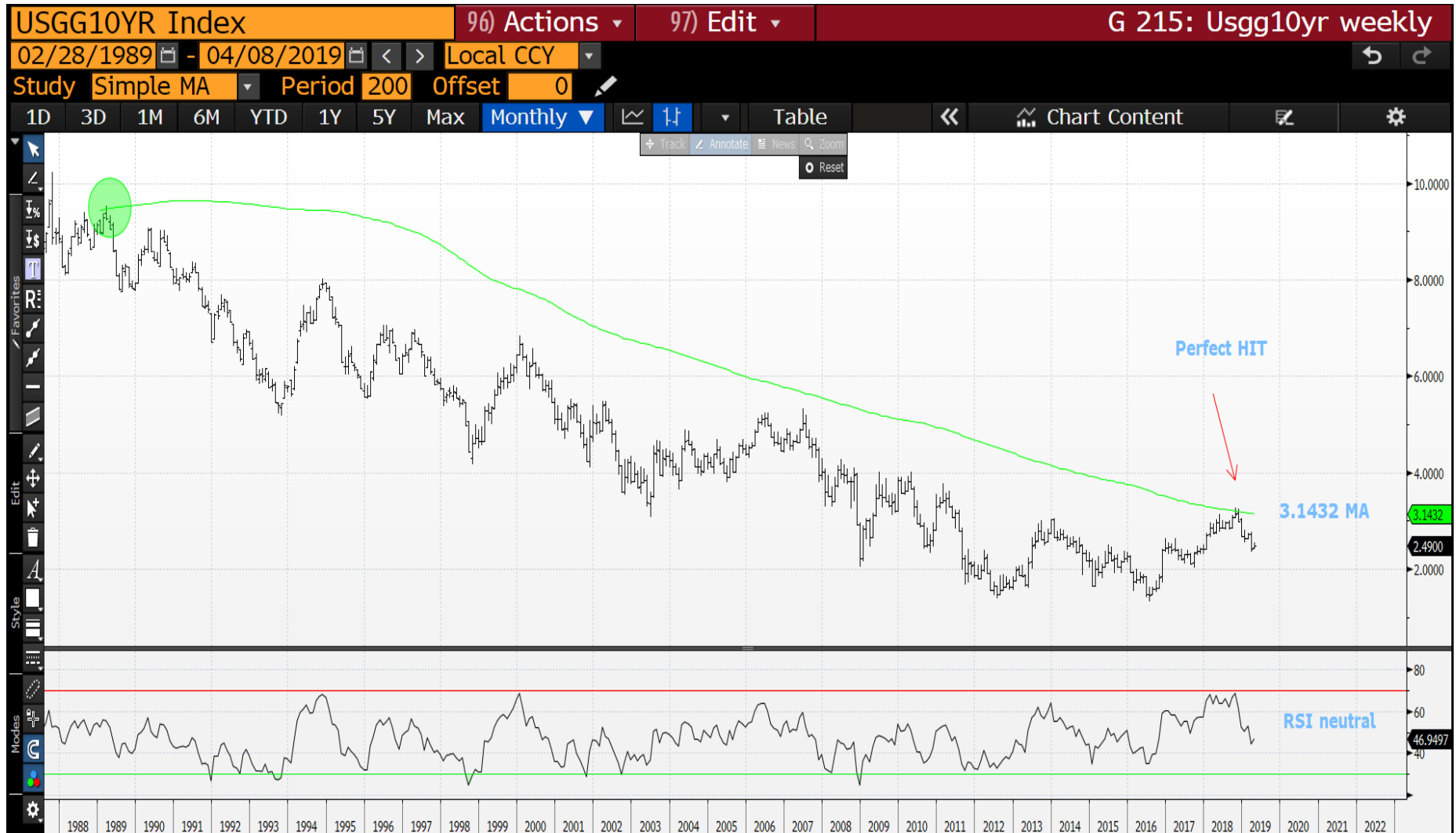
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US 10yr yield quarterly : Whilst sub the 2.7333 moving average history repeats itself.



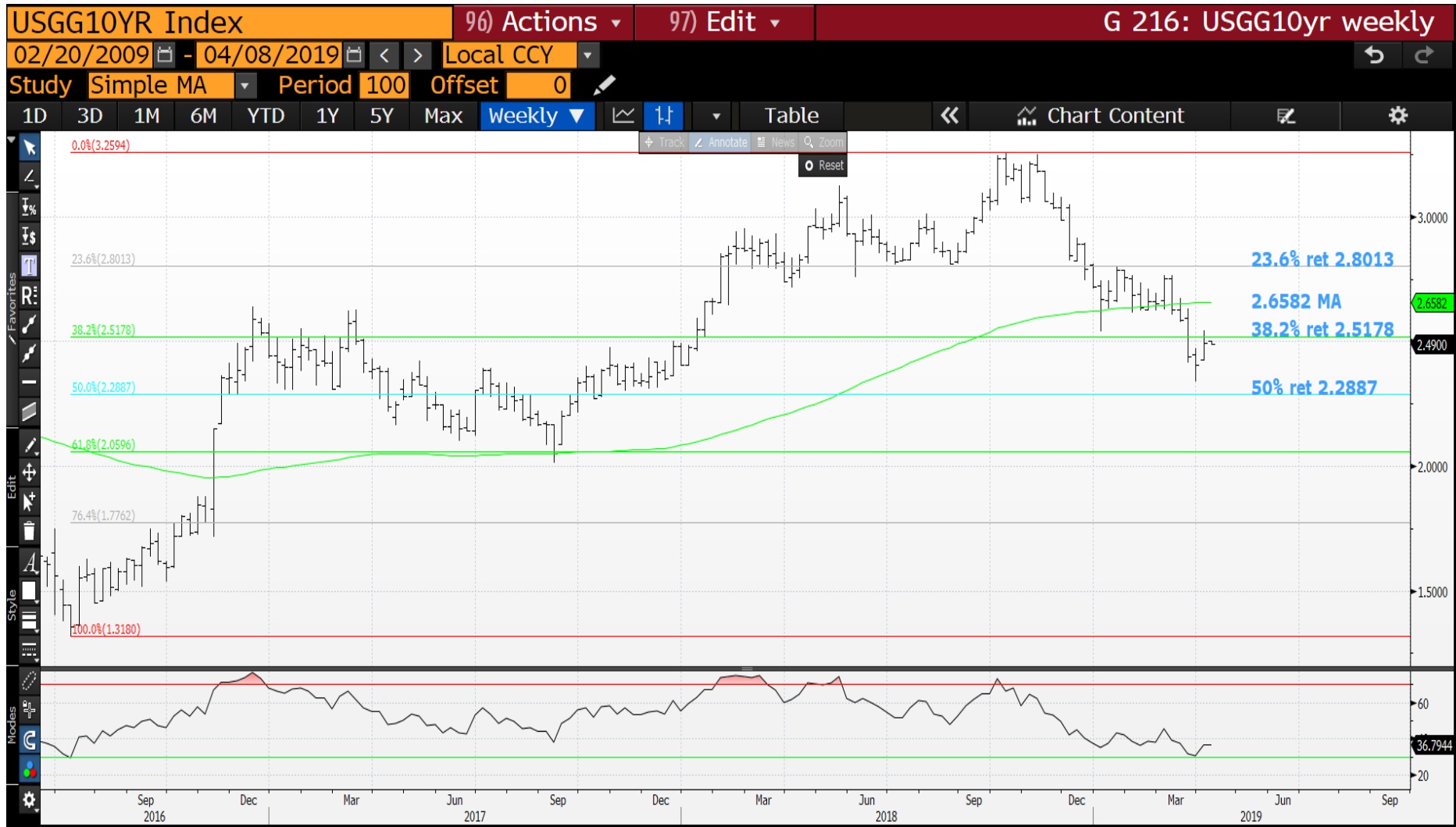
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US 10yr yield monthly : A PERFECT hit on this 200 period monthly moving average 3.1433, talk about RARE! There is very little in the way of downside support till 2.000!



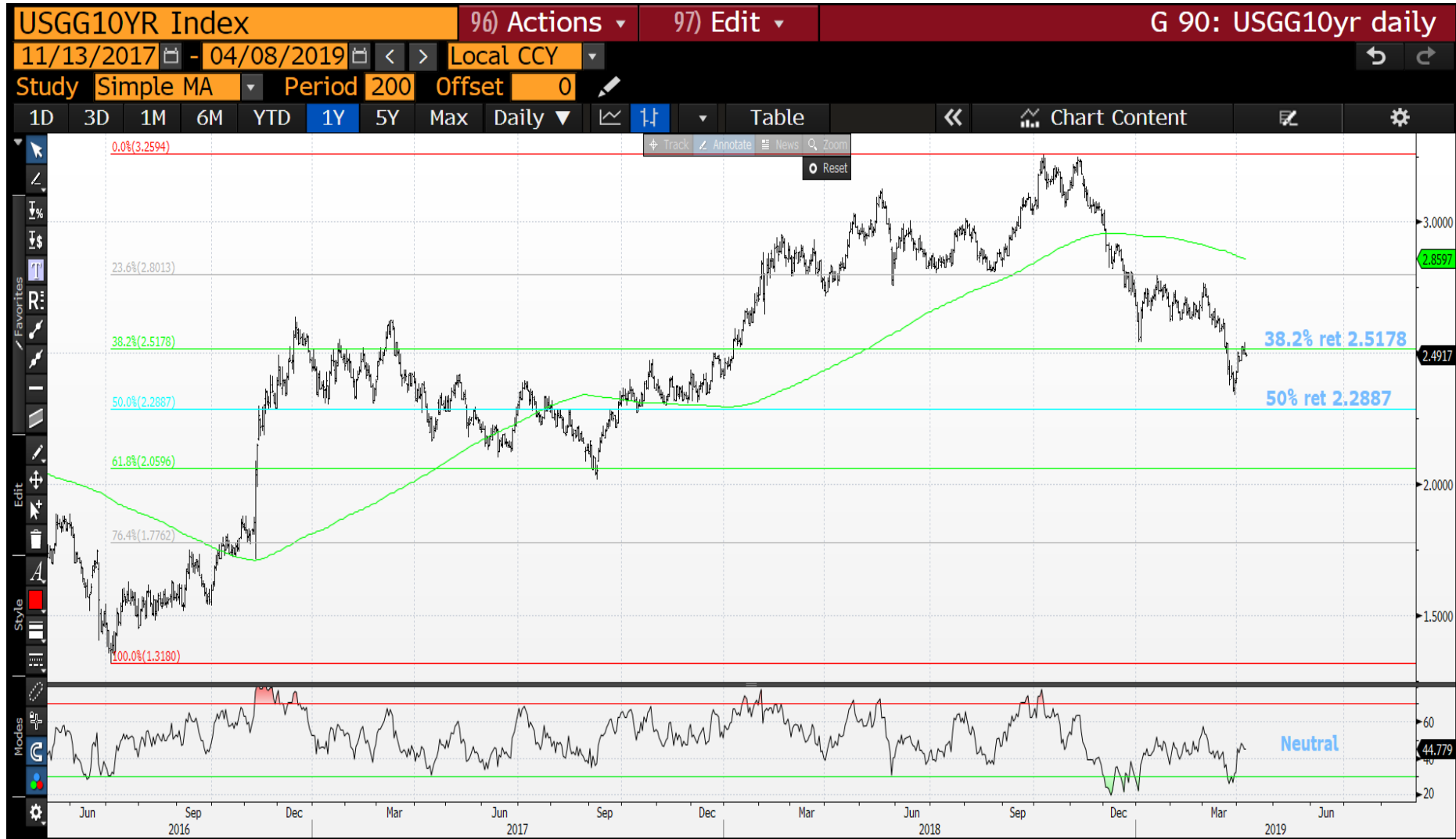
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USGG10yr weekly : A nice upside rejection last week and opening sub the 38.2% ret 2.5178 highlights a VERY WEAK bounce.



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USGG10yr daily : The RSI is neutral BUT we are already FAILING the 38.2% ret 2.5178, very negative opening.



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USGG5yr quarterly : We are well on the way to testing the 1.9968 50 period moving average but the “clincher” is the RSI, it is at 1981 proportions! Historically it is telling me peoples perceptions on rate expectations have gotten ahead of reality.



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USG5yr monthly : This time the 200 period moving average 2.4305 is very useful. We have breached it and in some style leaving the door WIDE OPEN for much lower yields.



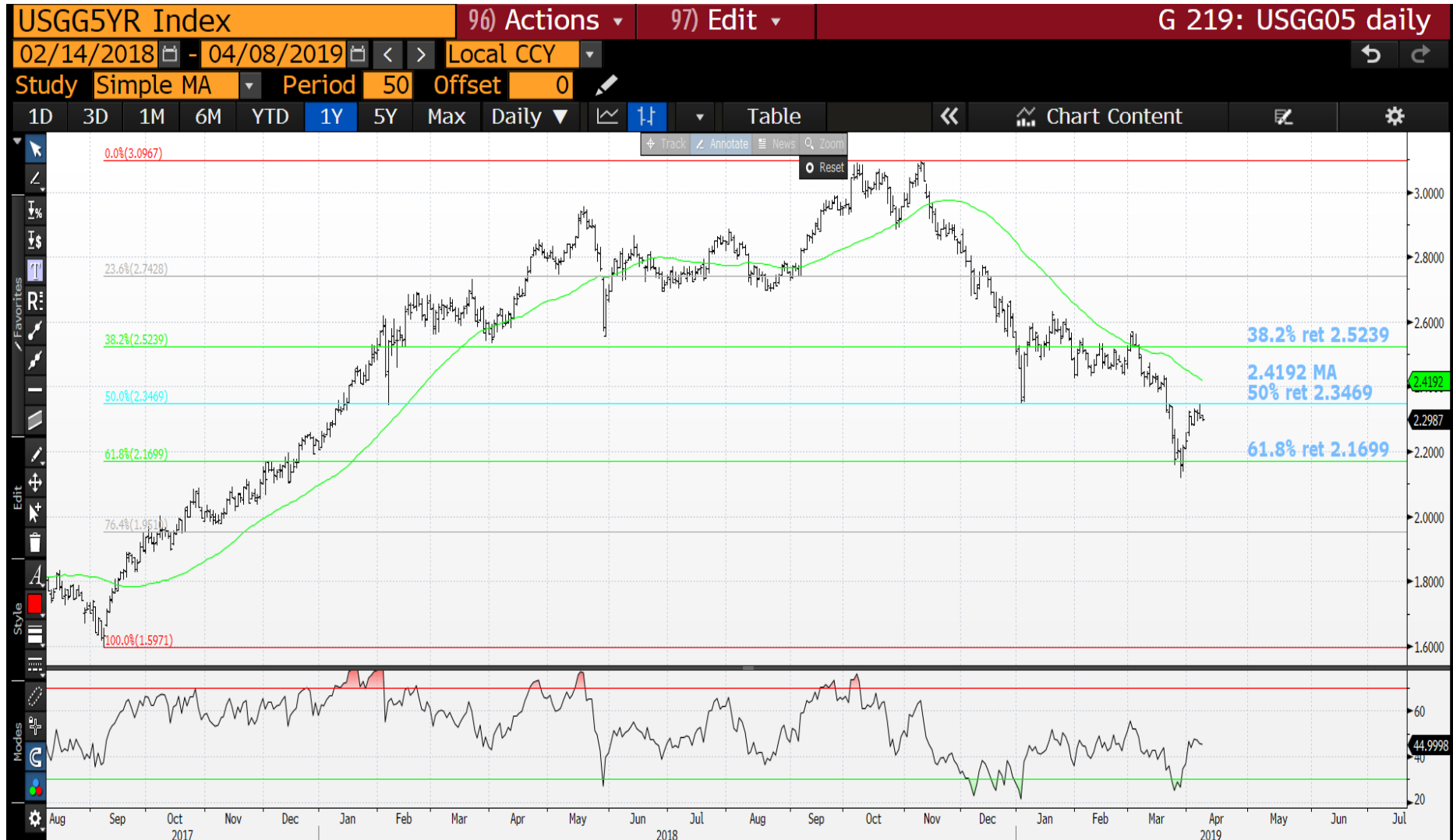
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USGG5yr weekly : Again we are failing the 38.2% ret 2.3298 thus a VERY weak bounce, we should head lower from here.



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USGG5yr daily : The RSI is off its lows and we are stalling nicely against the 50% ret 2.3469.



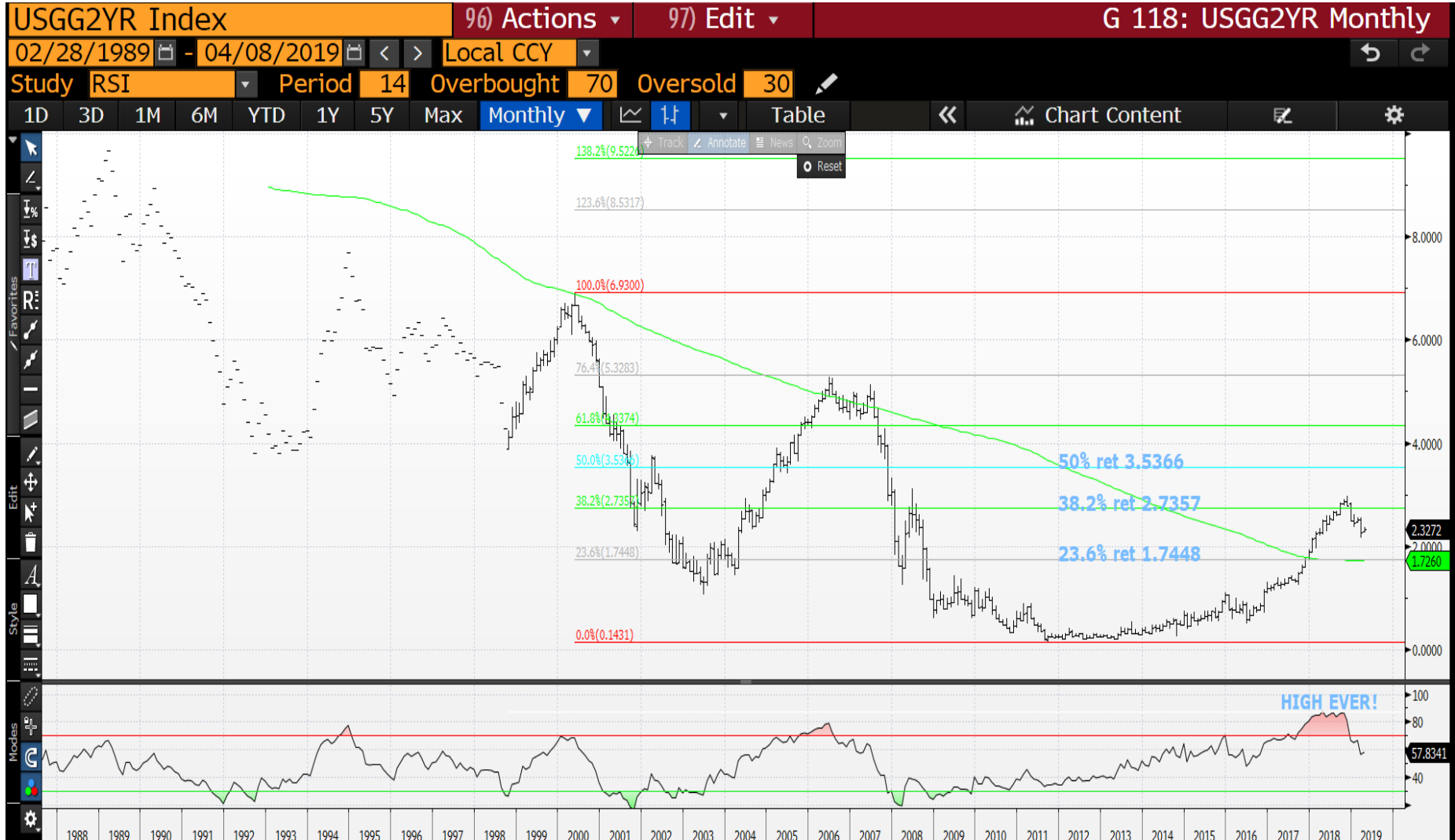
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USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9414 with an RSI dislocation matching that of 1980. It is worth noting that since 1980 we have had other event miles-stones that failed to really influence the RSI, as NOW.

This tells me there is a lot of positions and expectation on this bet for higher rates!



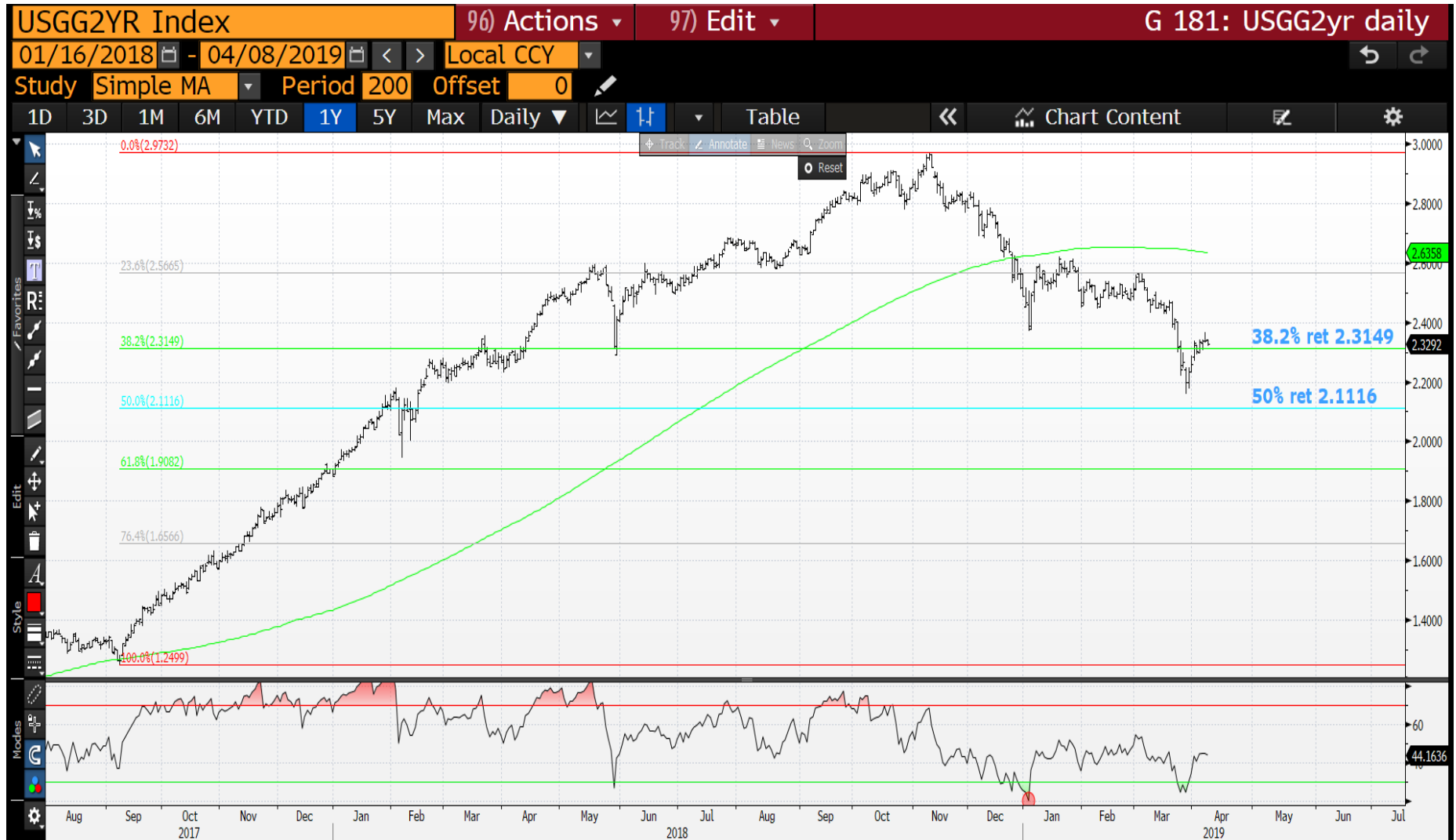
USGG2yr monthly : We are well on the way lower and the 23.6% ret 1.7448 is a natural draw.



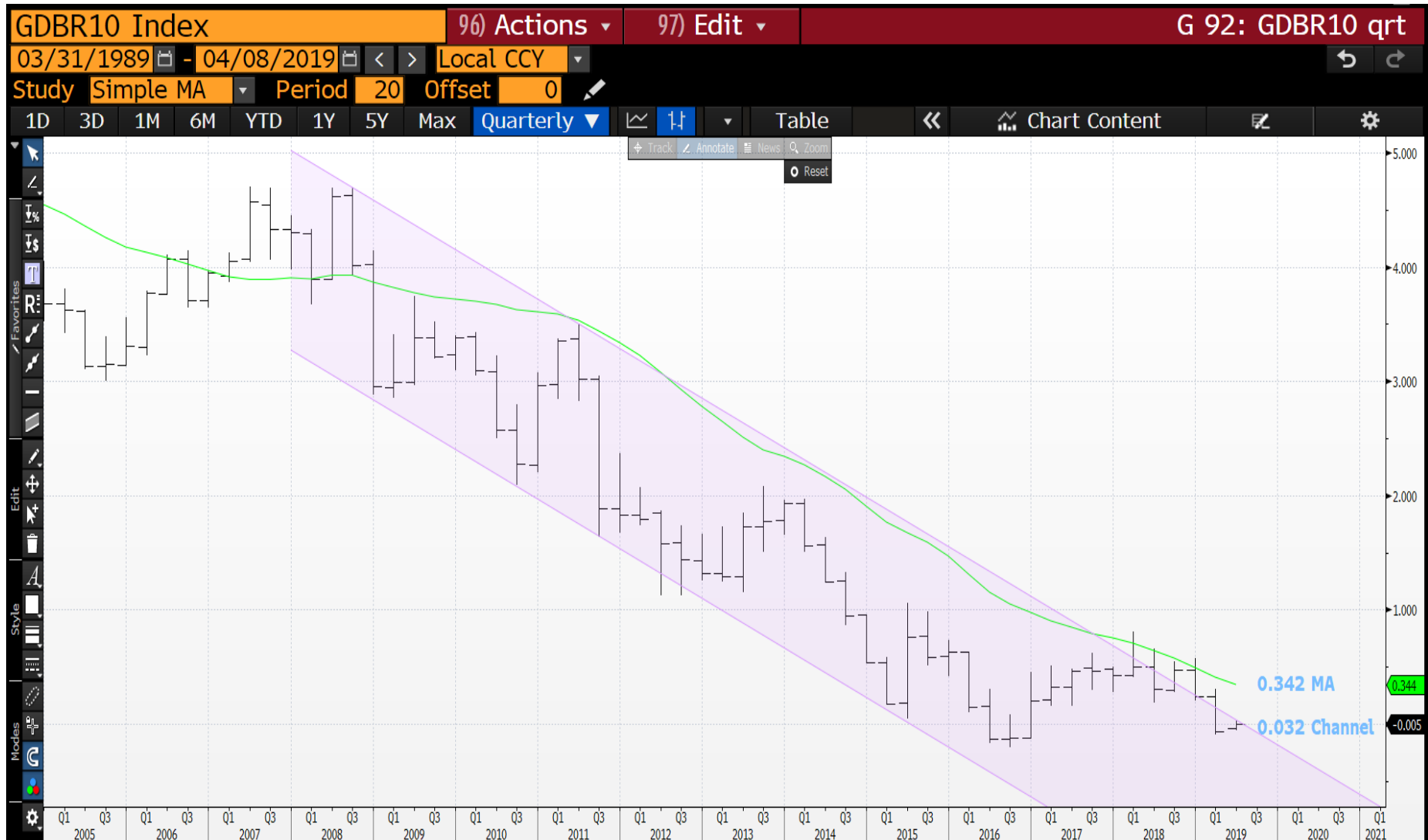
USGG2yr weekly : This seems to be a decent hit of the 100 period moving average and thus a decent level to breach subsequently.



USGG2yr daily : The RSI is off its lows and ideally we breach the 38.2% ret 2.3149 to compliment the upside pierce of last week.

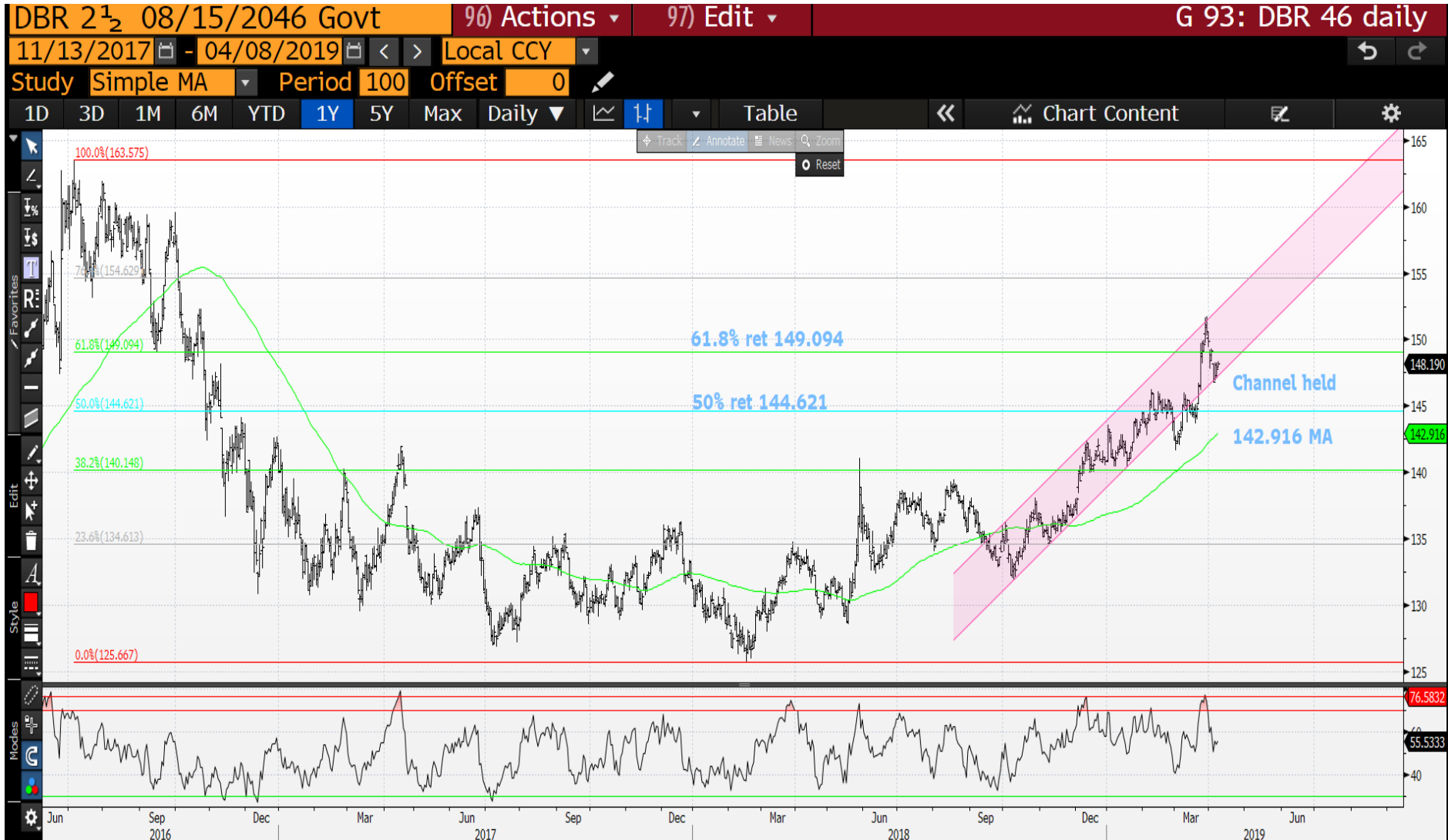


Generic German 10yr quarterly : The CHANNEL seems to be working really well as we stall against the 0.032 resistance.



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DBR 46 daily : Yet again this bond HOLDS the right level i.e. channel support, we should rally from here.



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Italian generic 10yr daily : We are TEASING the all IMPORTANT 2.463 previous low, should this be breached it will free fall.



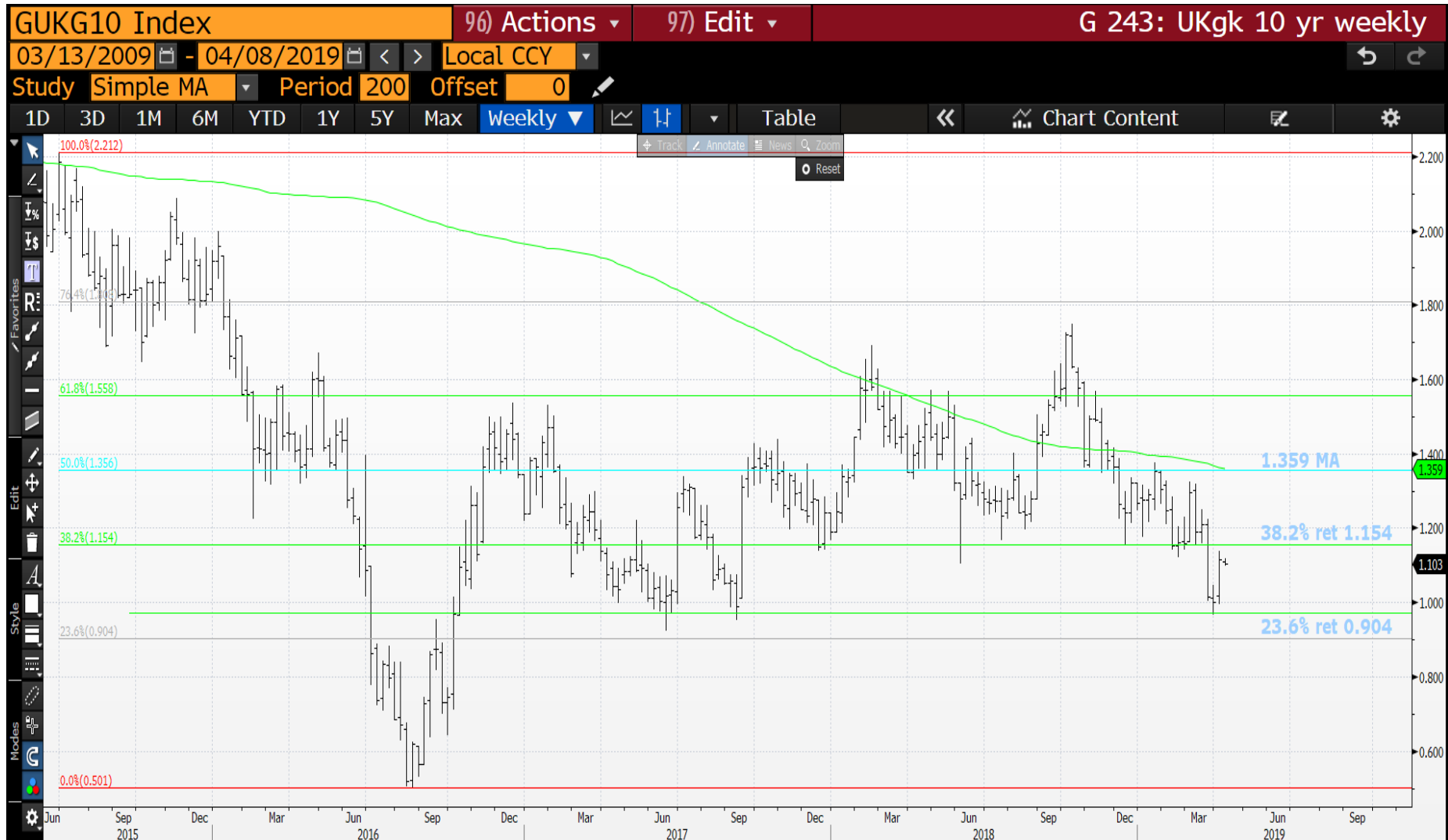
GUKG10 monthly : This highlights a singular trend lower, sub the 100 period 1.373 moving average since 2009. PLENTY of room left.



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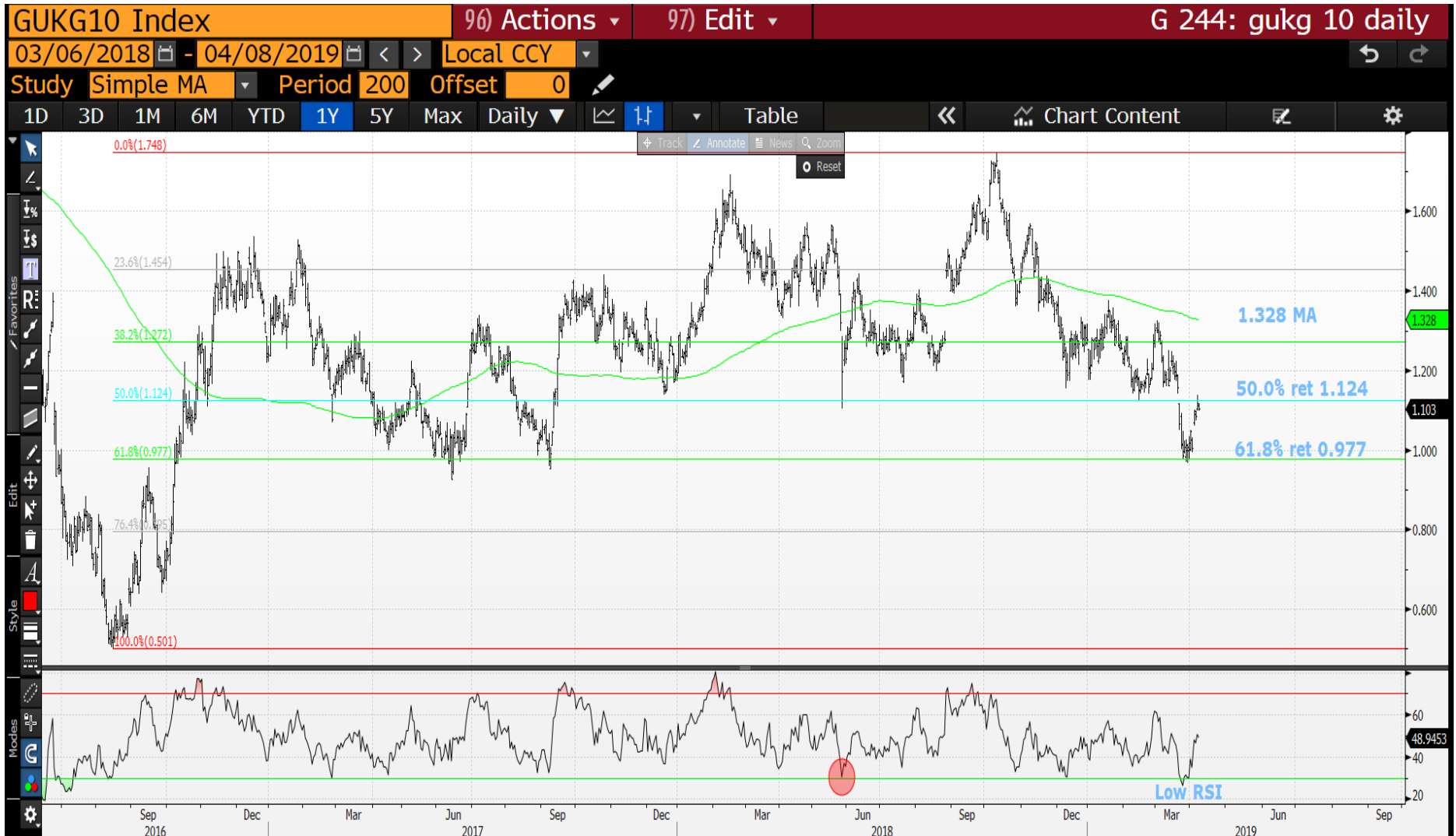
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GUKG10 weekly : We have considerable resistance here given we have already failed last weeks high and the 38.2% ret 1.154.



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GUKG10yr daily : The DAILY RSI is neutral BUT we are failing the 50% ret 1.124, lower we go.



08/04/2019

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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