

BOND YIELD (SHORT-TERM) UPDATE : ITS NOW OR NEVER.

WE ARE ON THE EDGE OF THE LIQUIDATION CLIFF. Yields need to start falling or the **BIGGER YIELD** call lower will “PAUSE”.

The **LONGTERM** charts remain unaffected **BUT** the recent daily volumes indicate significant profit taking especially in Germany.

Ideally we need to hold below yesterdays **YIELD HIGHS** and close **LOWER** today.

Daily charts have persisted in remaining sub numerous 50 day moving averages, so **HELPFUL**.

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.

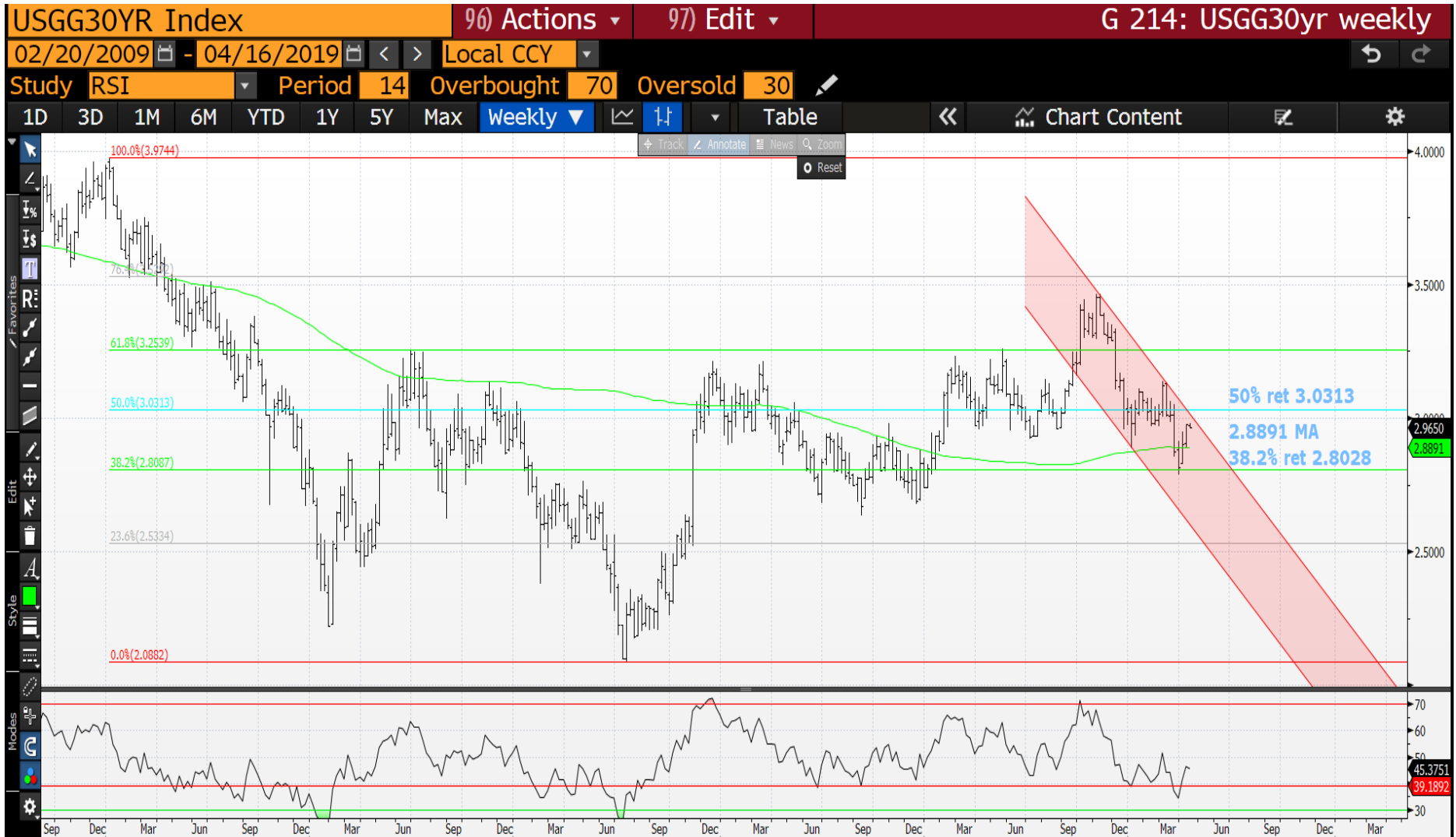
The long-term quarterly-monthly charts continue to forecast **MUCH** lower yields and little obstacles in their path!

USGG30yr monthly : Although the RSI is neutral the HISTORICAL representation remains for LOWER yields.



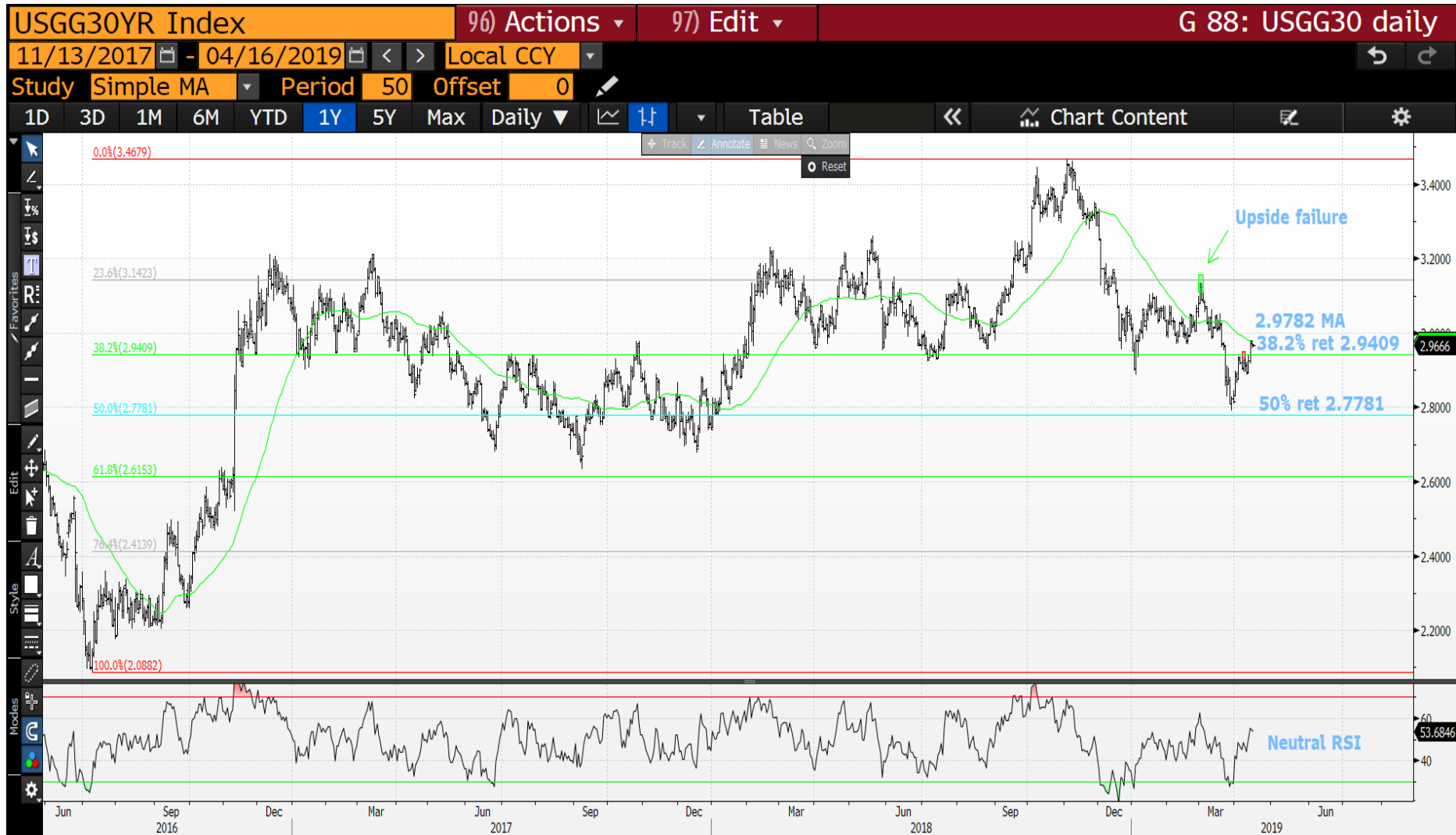
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USGG30yr weekly : The RSI is off the lows but we need to fail the CHANNEL and 2.8891 moving average. The weekly close needs to be lower.



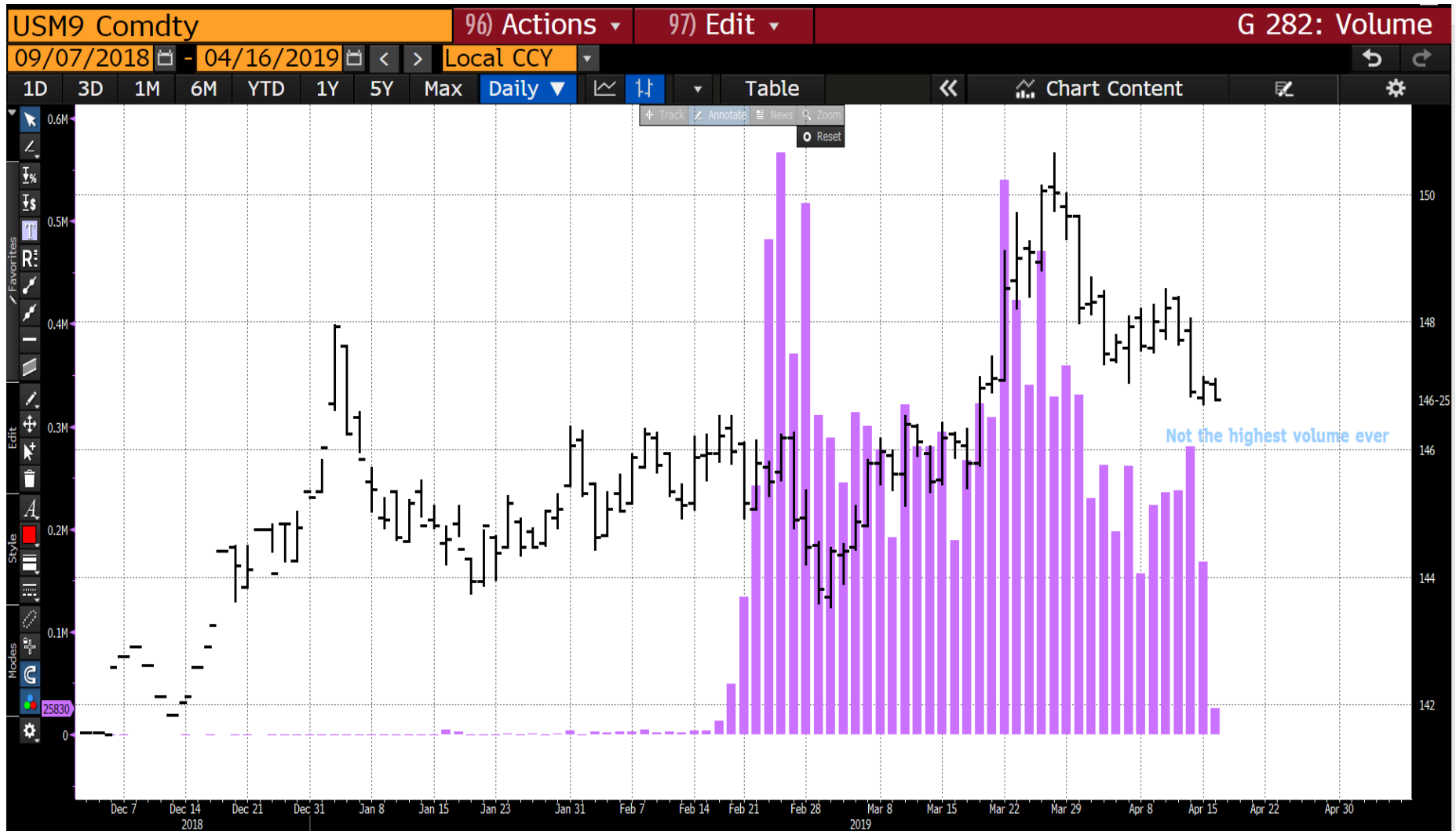
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USGG30yr daily : Decision time, we HAVE to fail the 2.9782 moving average and 38.2% ret 2.9409, TODAY'S close needs to be WEAK.



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US 30yr futures : The futures volume certainly picked up 2 days ago and highlights a possible exiting of positions.

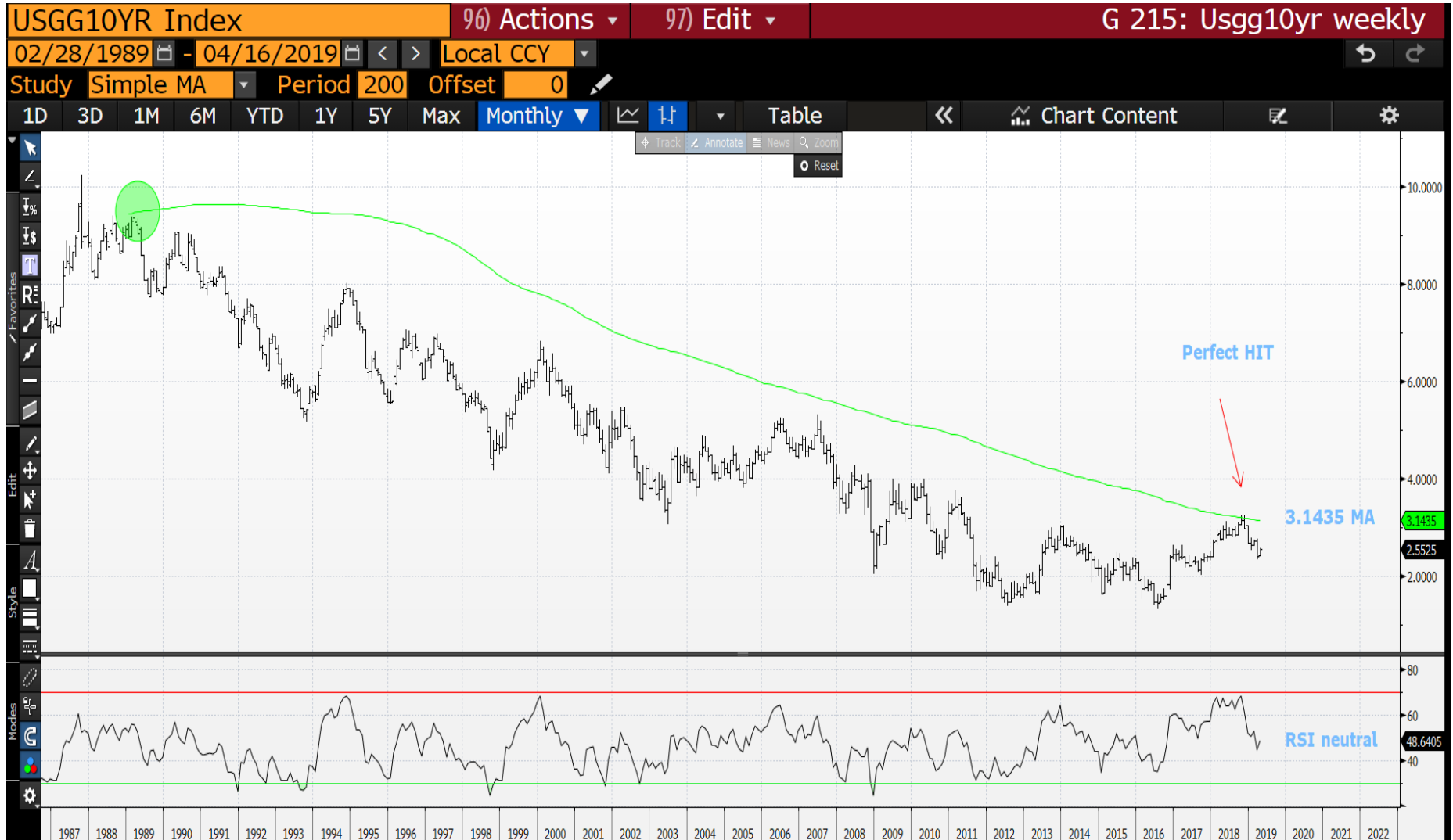


US 10yr yield quarterly : Whilst sub the 2.7345 moving average “history repeats itself”.



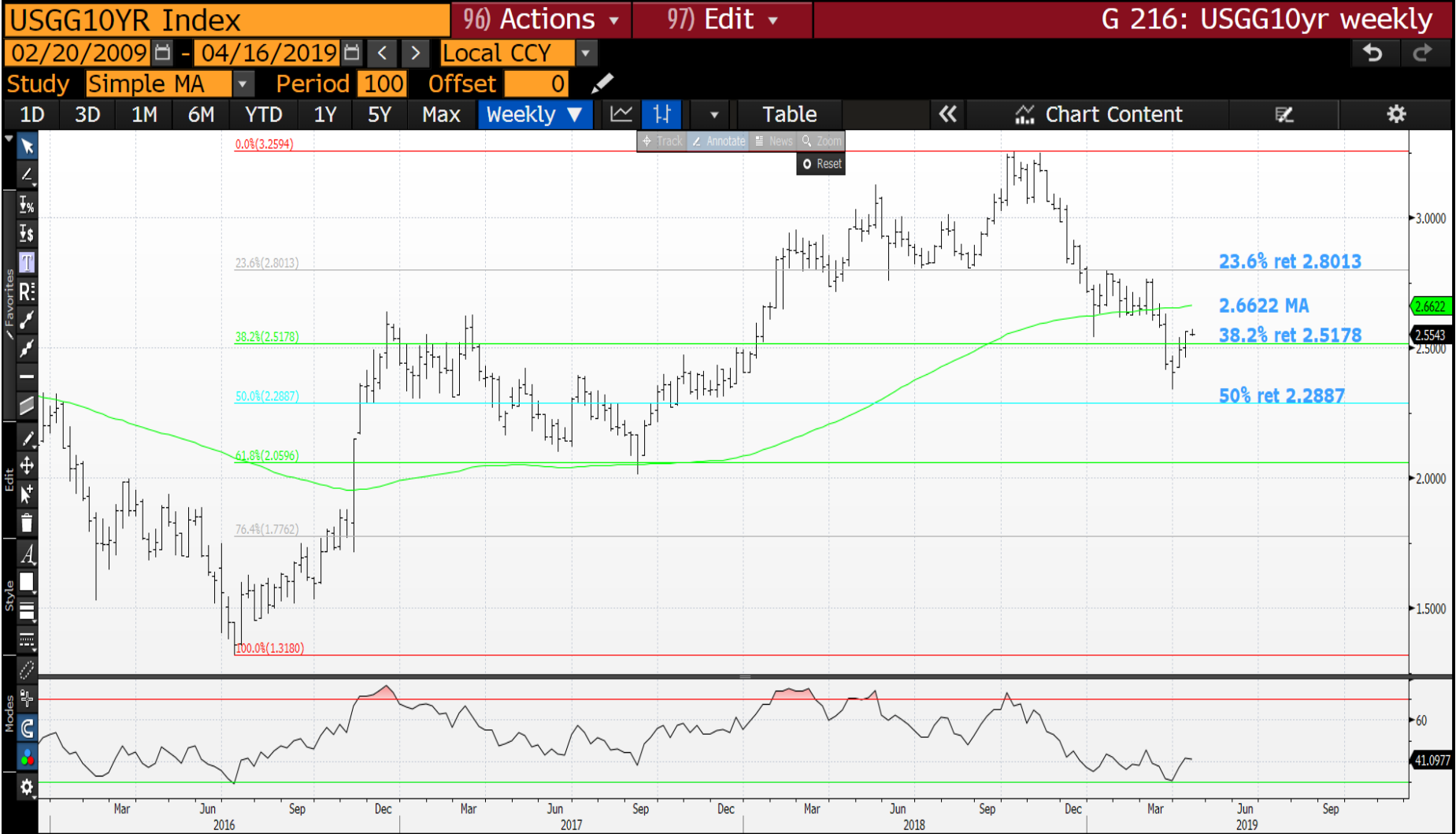
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US 10yr yield monthly : A PERFECT hit on this 200 period monthly moving average 3.1435, talk about RARE! There is very little in the way of downside support till 2.000!

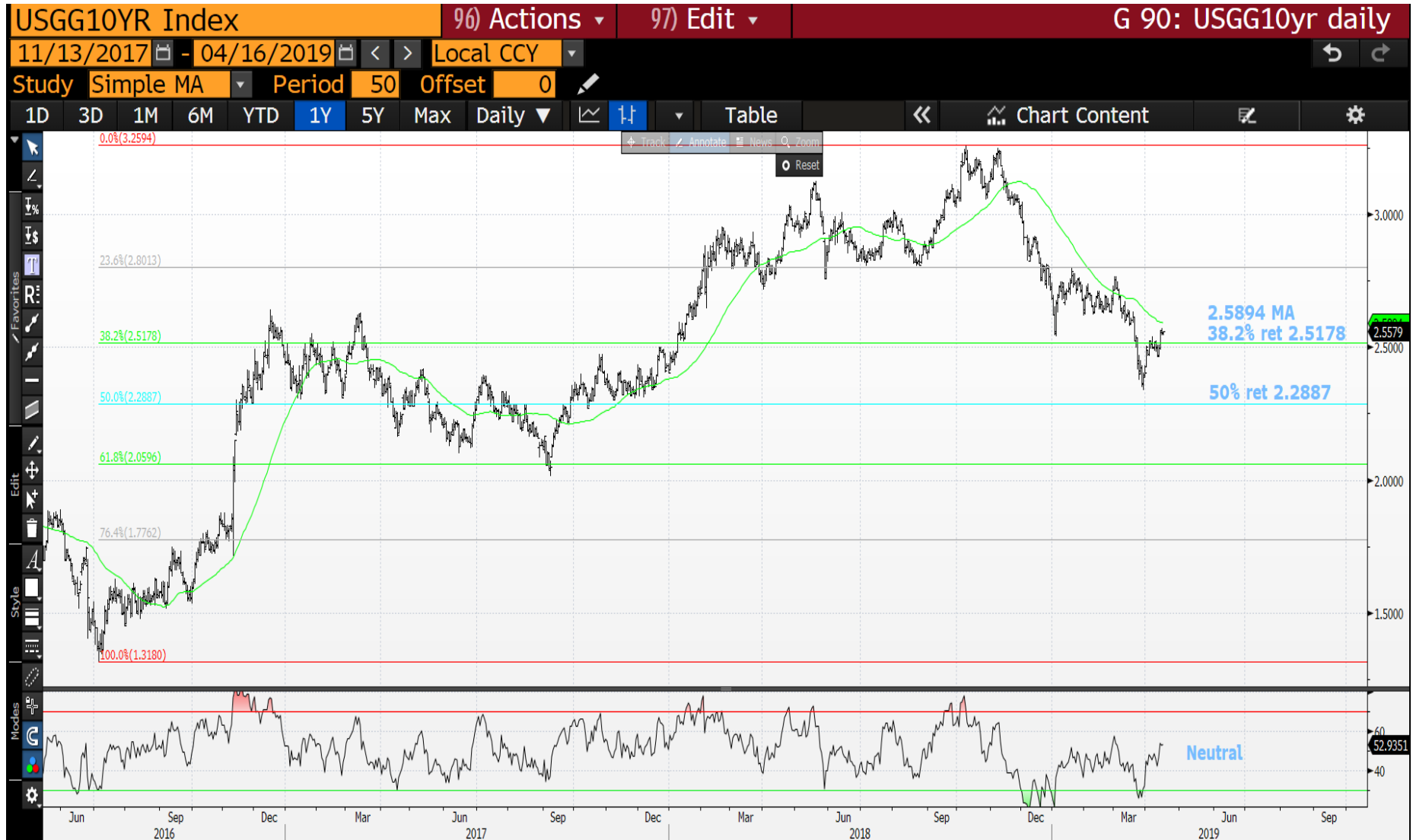


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USGG10yr weekly : The RSI is off the lows and we do remain sub the 2.6622 moving average.

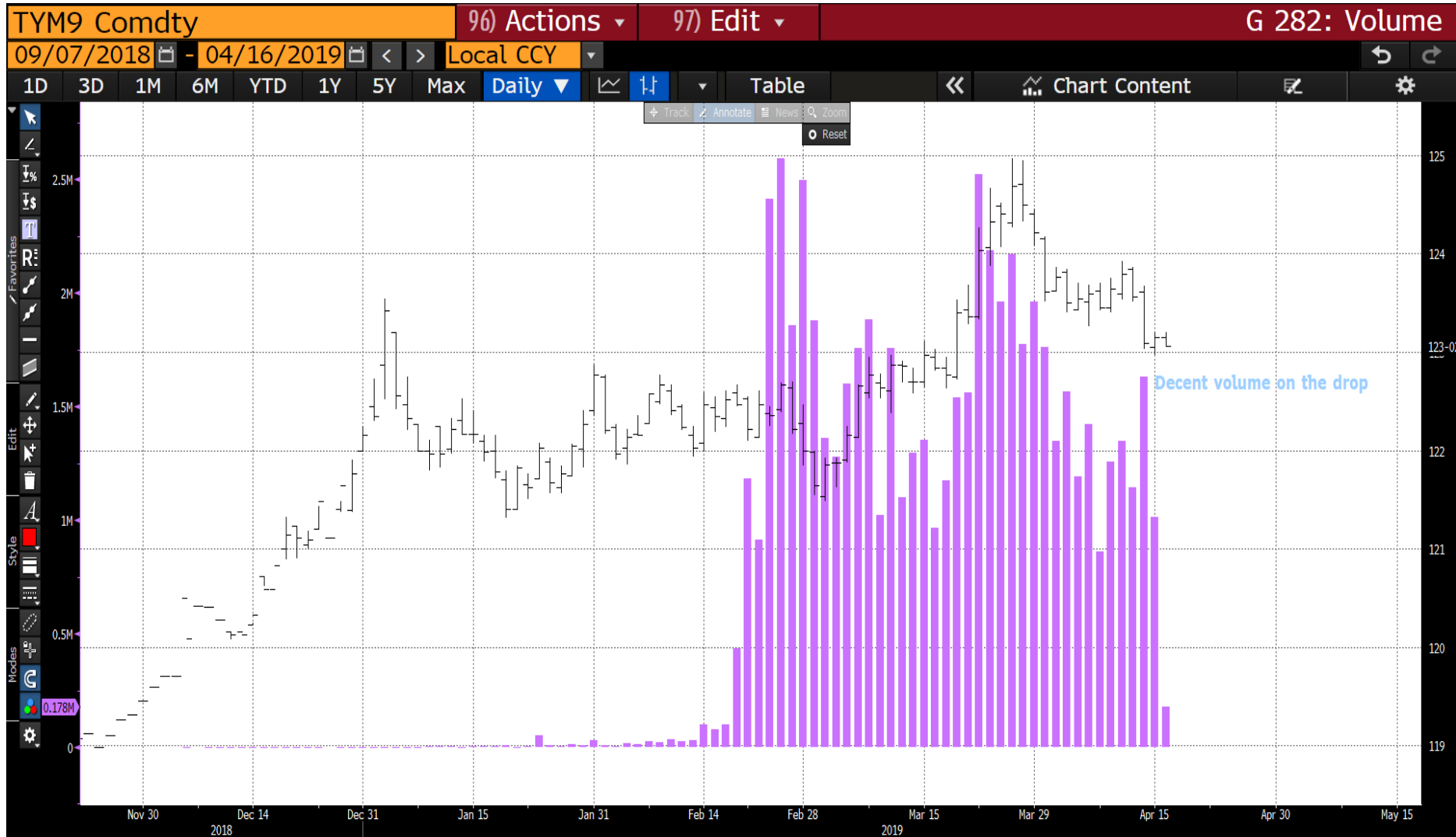


USGG10yr daily : The RSI is neutral BUT we are already FAILING the 2.5894 moving average, KEY this happens into the close.



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US 10yr futures : Again DECENT VOLUME and liquidation, lets see if futures hold OR go lower again!



USGG5yr quarterly : We are well on the way to testing the 1.9984 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.



USGG5yr monthly : The RSI is neutral, hopefully we HOLD and fail the 2.4309 moving average.



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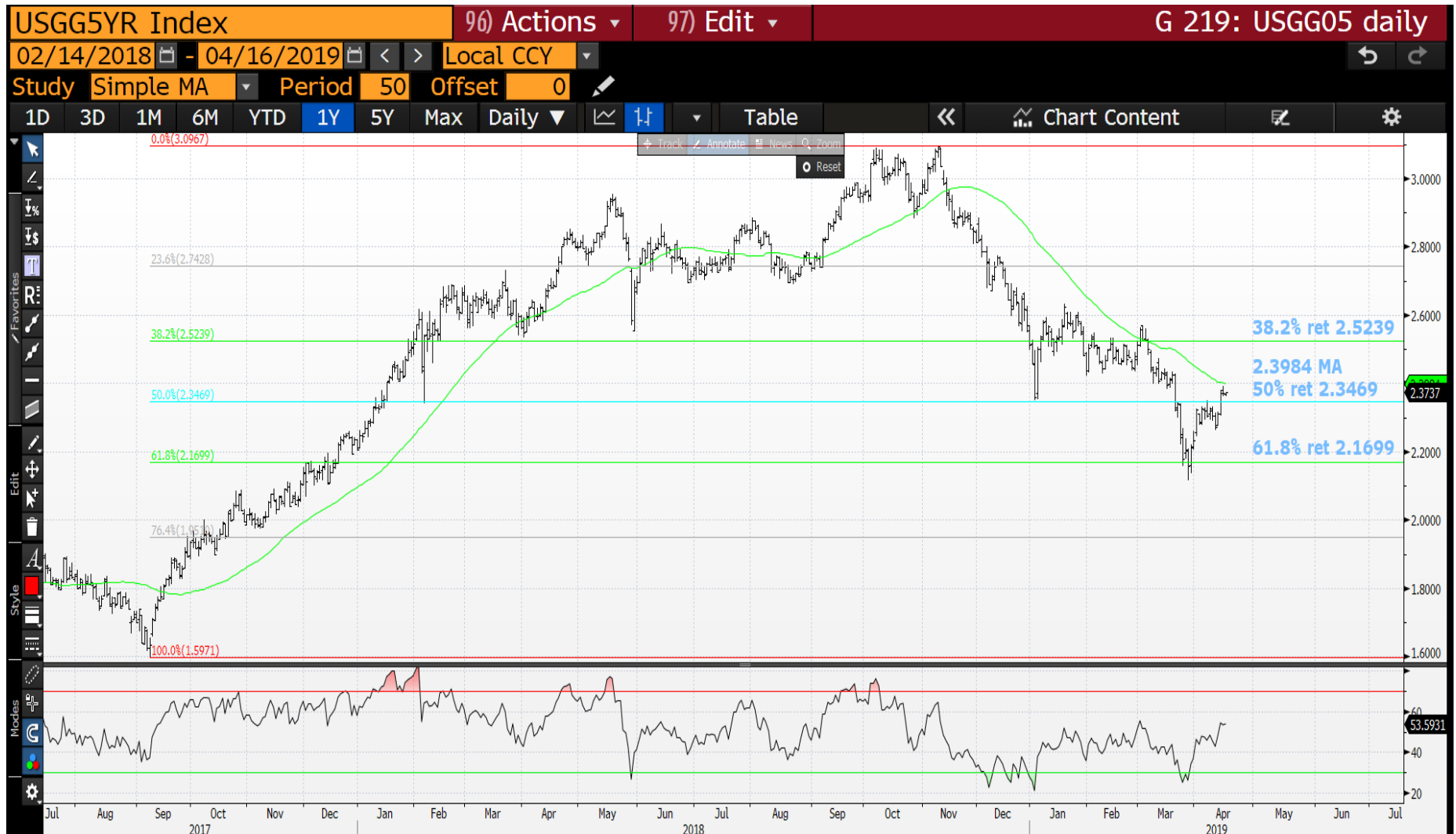
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USGG5yr weekly : We remain sub the 2.4285 moving average so hopefully fail sub the 38.2% ret 2.3298 by the close.



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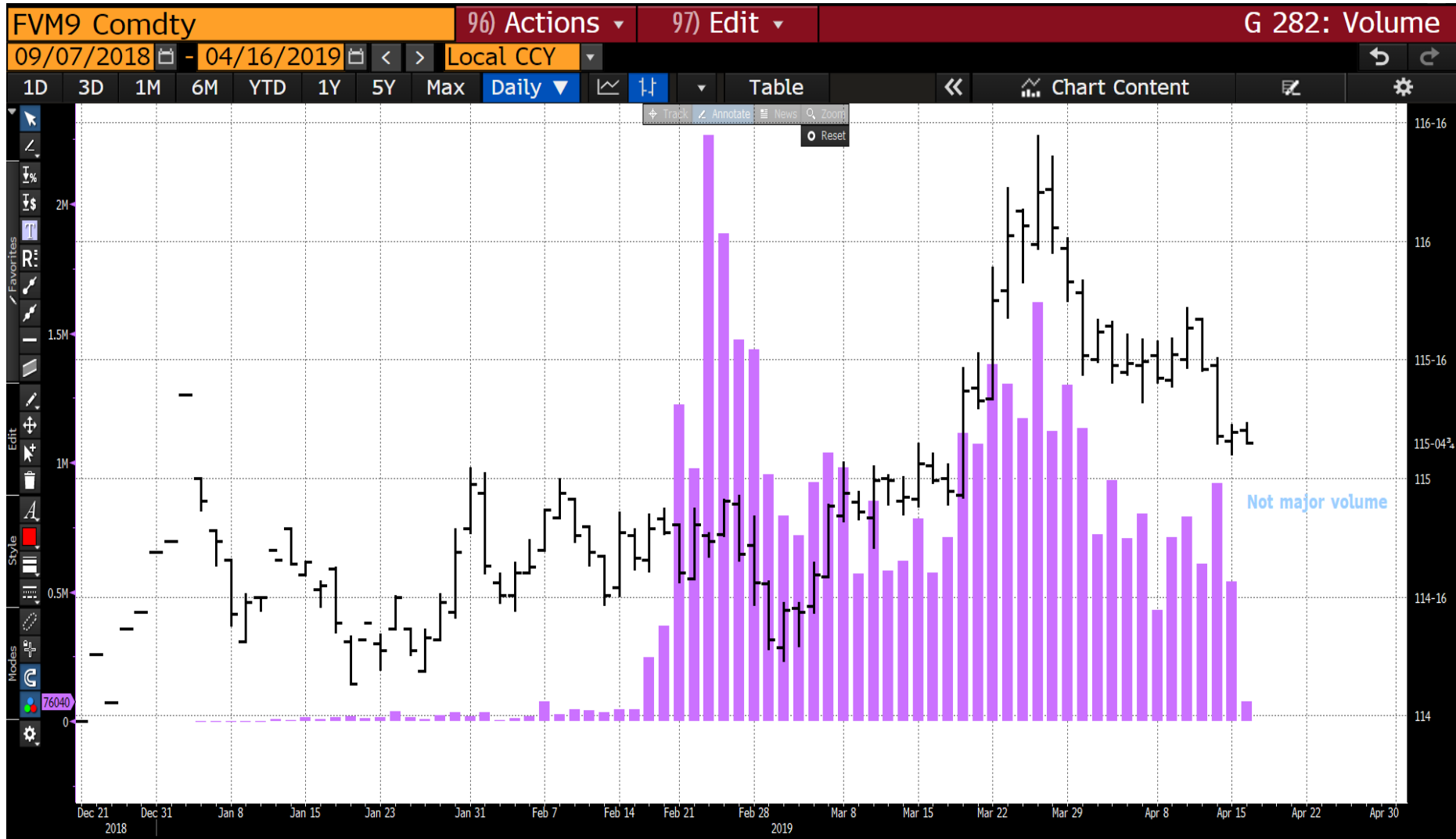
USGG5yr daily : The RSI is off its lows and we are stalling nicely against the 2.3984 moving average, a close sub the 50% ret 2.3469 will be ideal.



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US 5yr futures : No major volume here but ideally need to hold the LOWS of yesterday.



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!



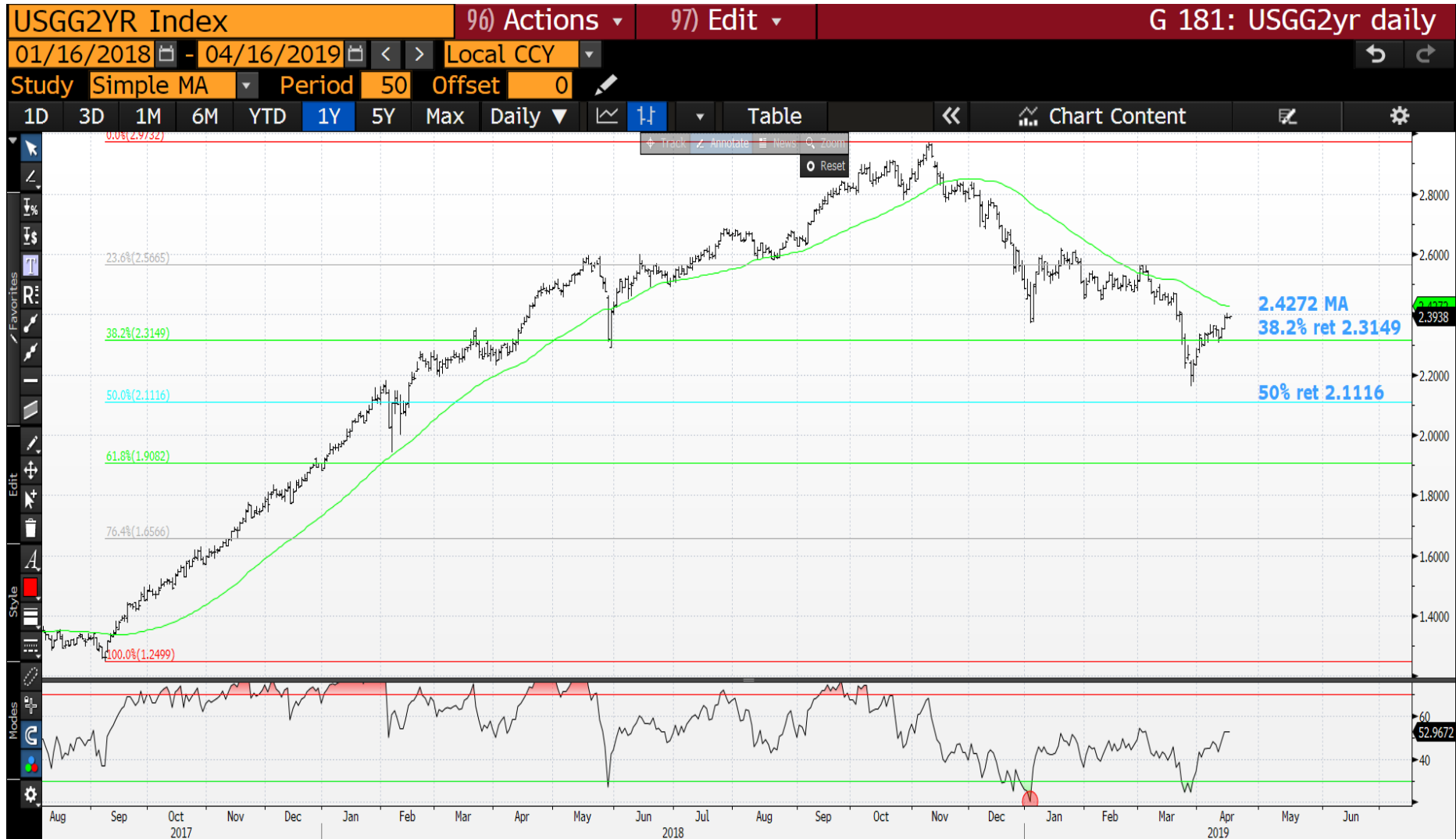
USGG2yr monthly : We are well on the way lower and the 23.6% ret 1.7448 is a natural draw.



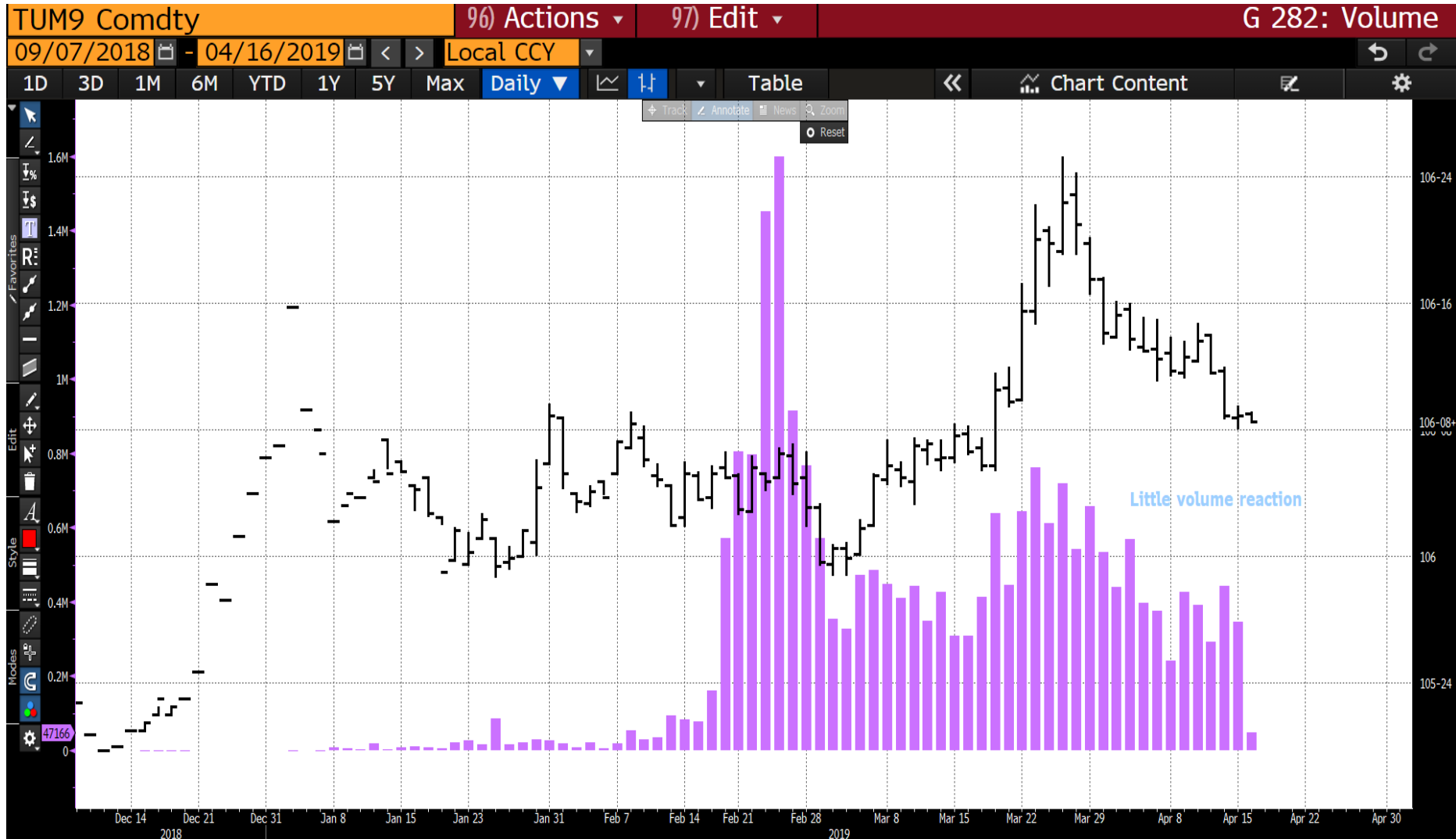
USGG2yr weekly : This seems to be a decent hit of the 100 period moving average 2.1701 and thus a level to subsequently breach.



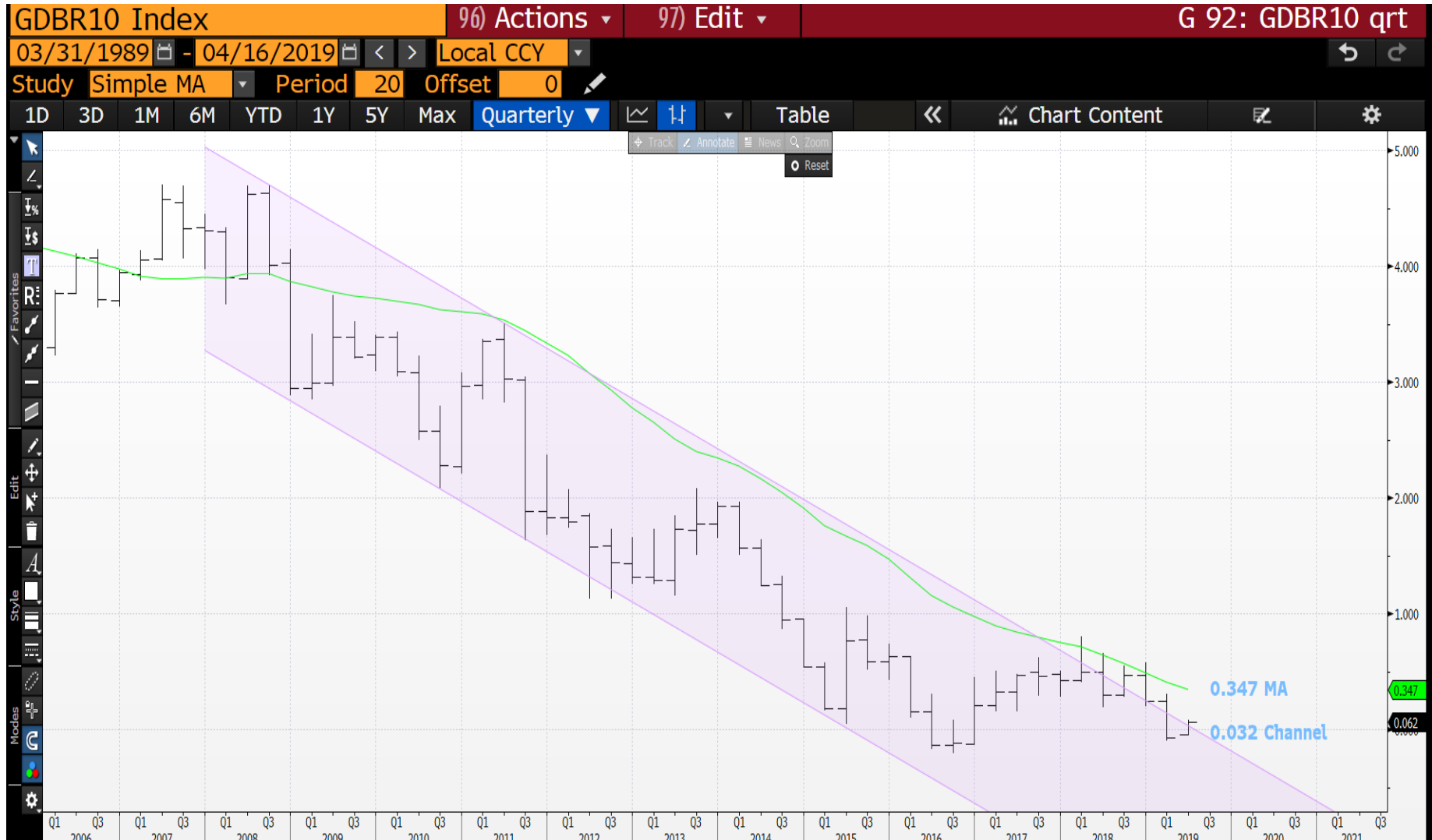
USGG2yr daily : The RSI is off its lows and ideally we remain sub the 2.4272 moving average.
A close sub the 38.2% ret 2.3149 will be VERY helpful.



US 2yr futures : Very little volume overall but ideally we hold and bounce from the 106-08 support.

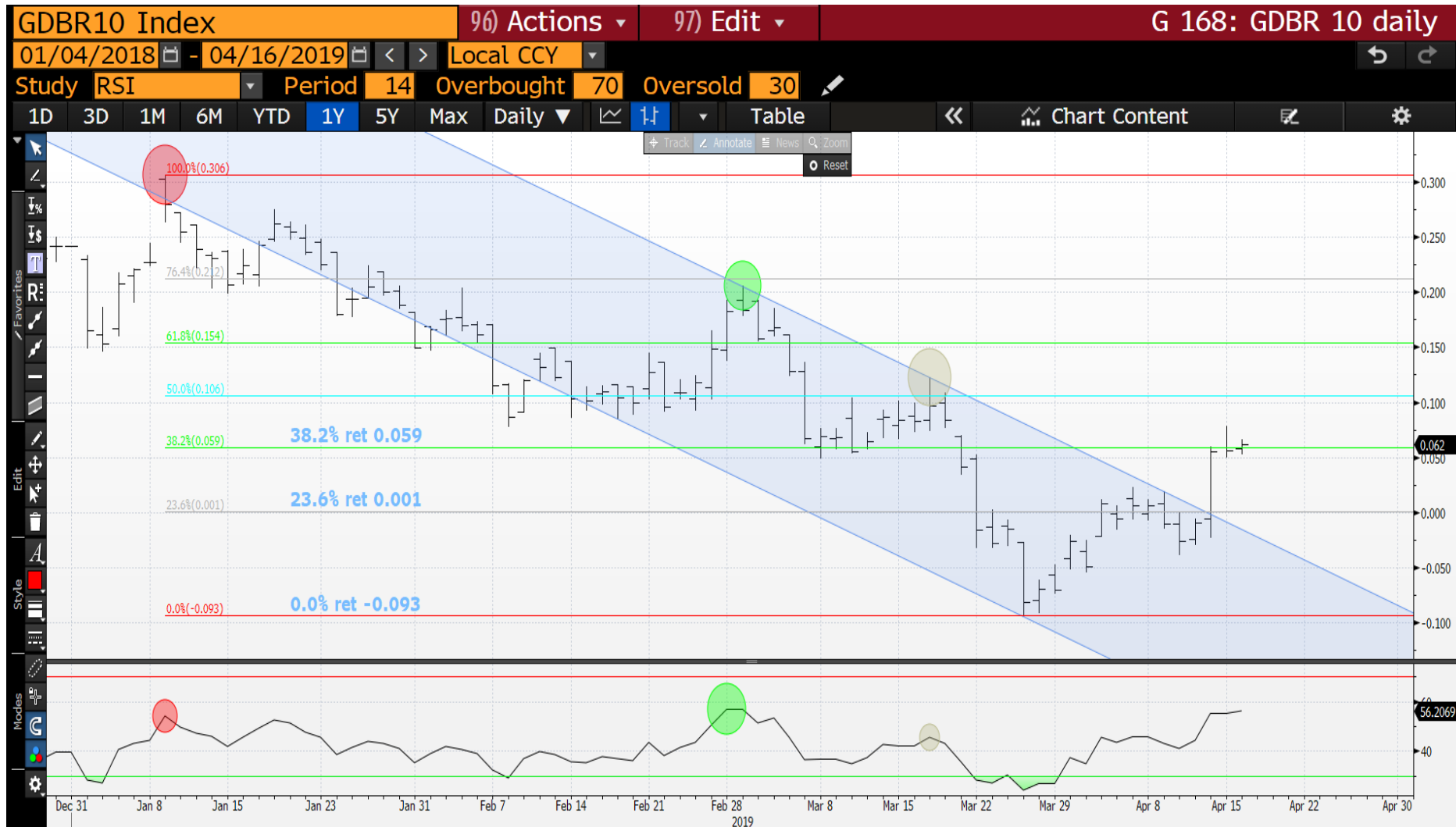


Generic German 10yr quarterly : We have snuck outside the channel but hopefully close the quarter inside it.

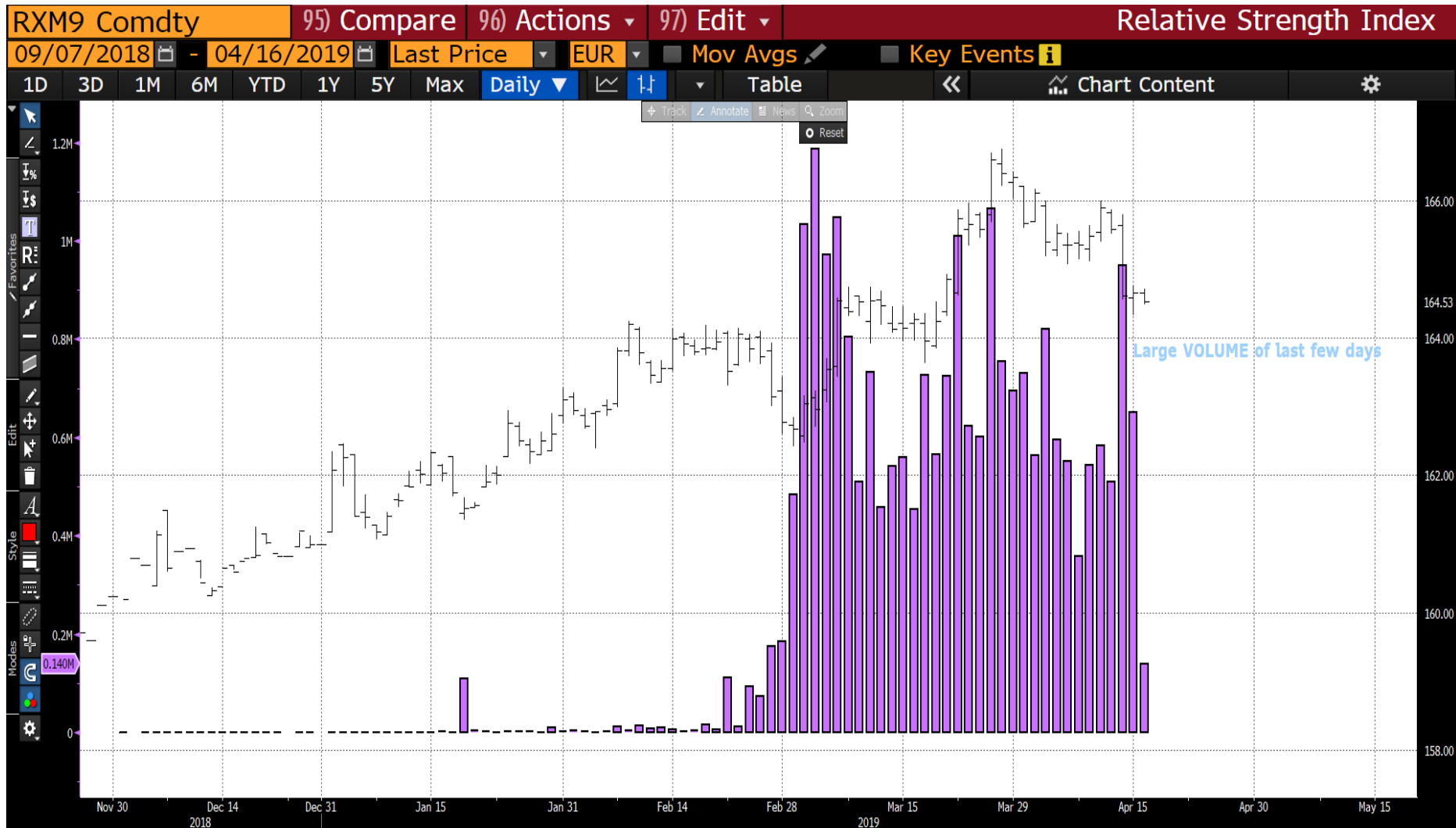


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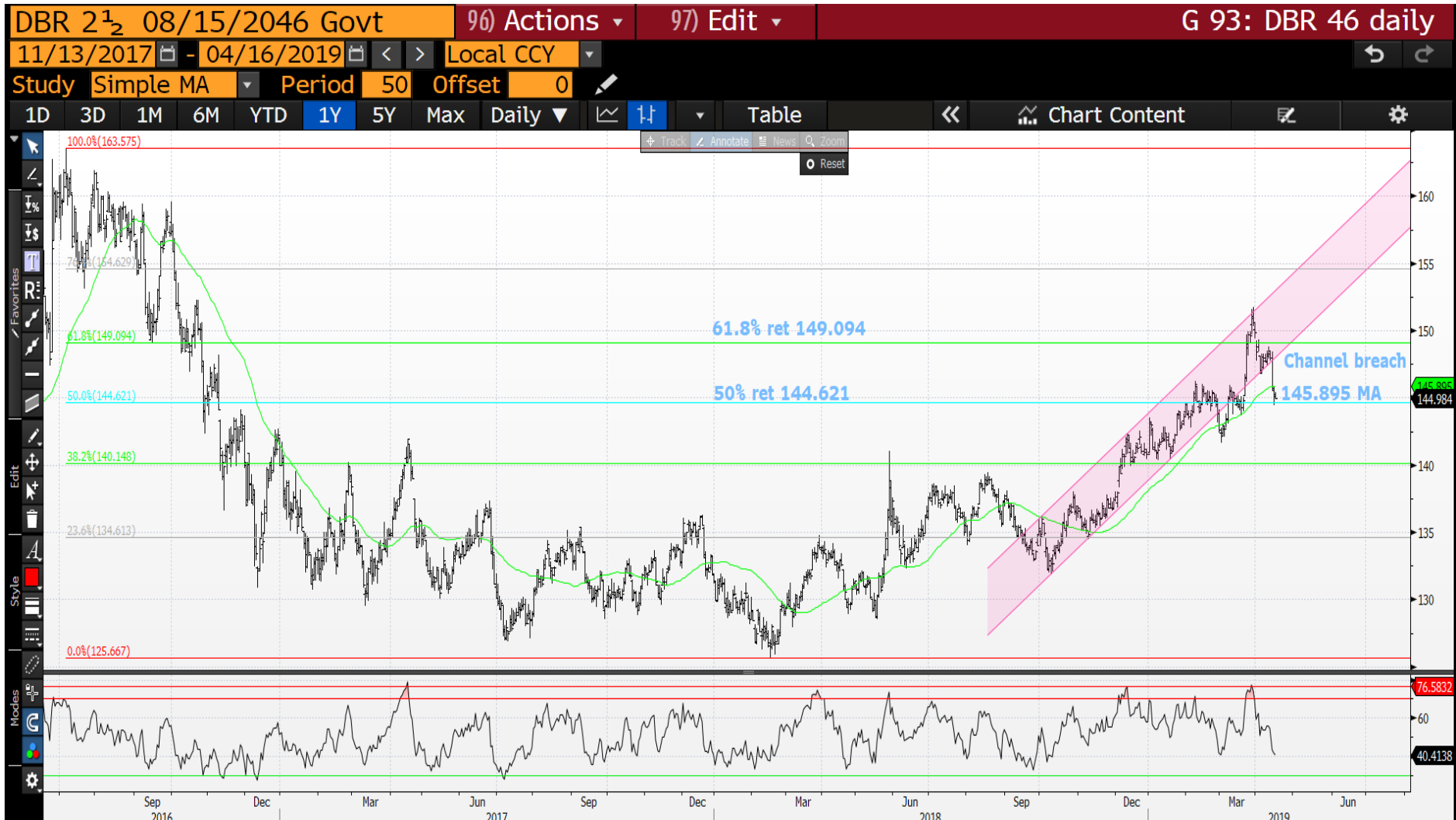
Generic German 10yr daily : All to do here! We must fail given the RSI matches February and the 38.2% ret 0.059.



Bund futures : This witnessed a MAJOR VOLUME liquidation so more of an onerous outcome, we hold the bounce could be nasty! Probably the one to watch.



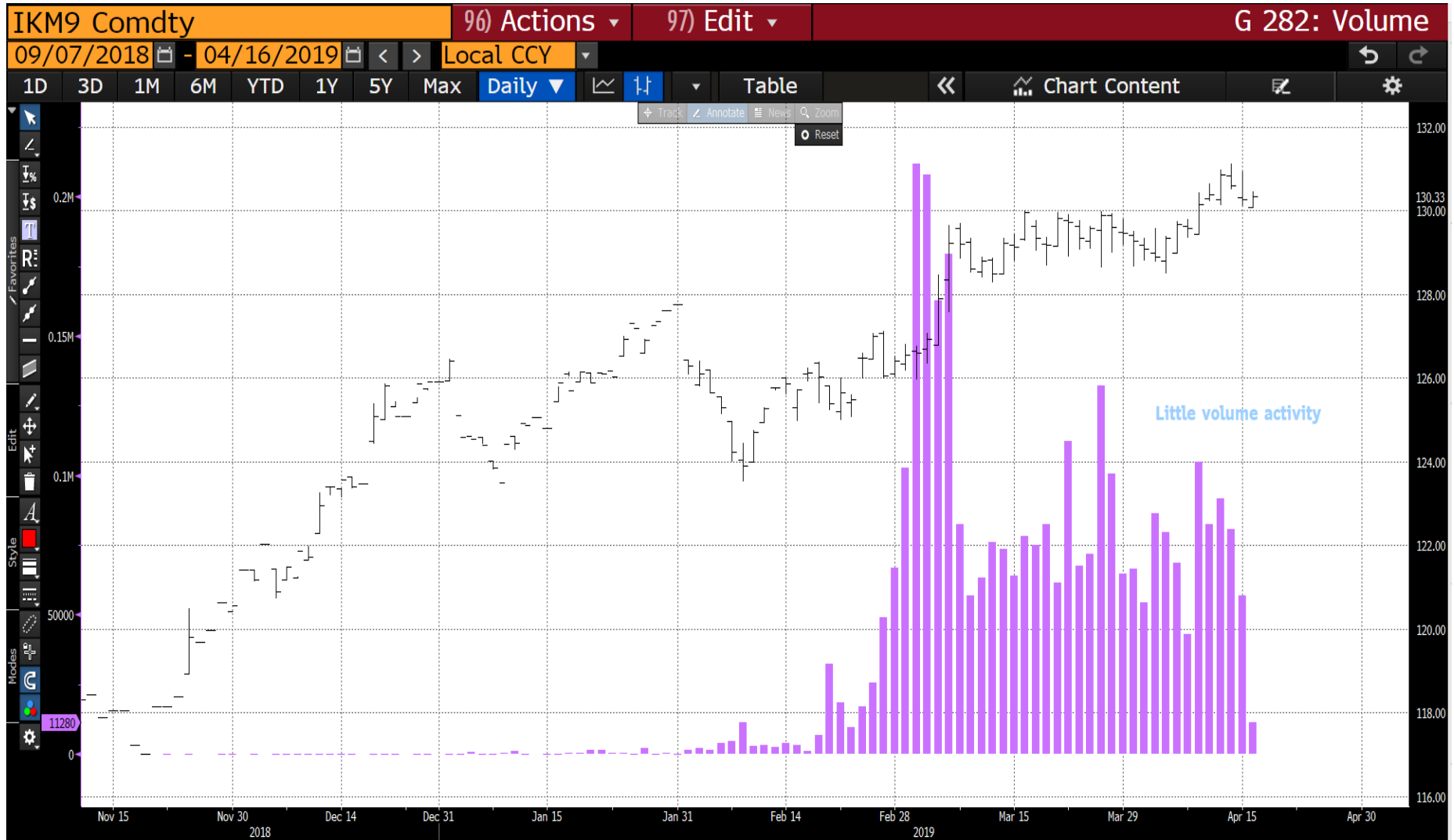
DBR 46 daily : Obviously we need to hold the 50% ret 145.895 OR ELSE.



BTP 12/28 daily : We have lost the RSI dislocation so neutral here to be honest.



Italian futures : It looks like the March longs have not exited!



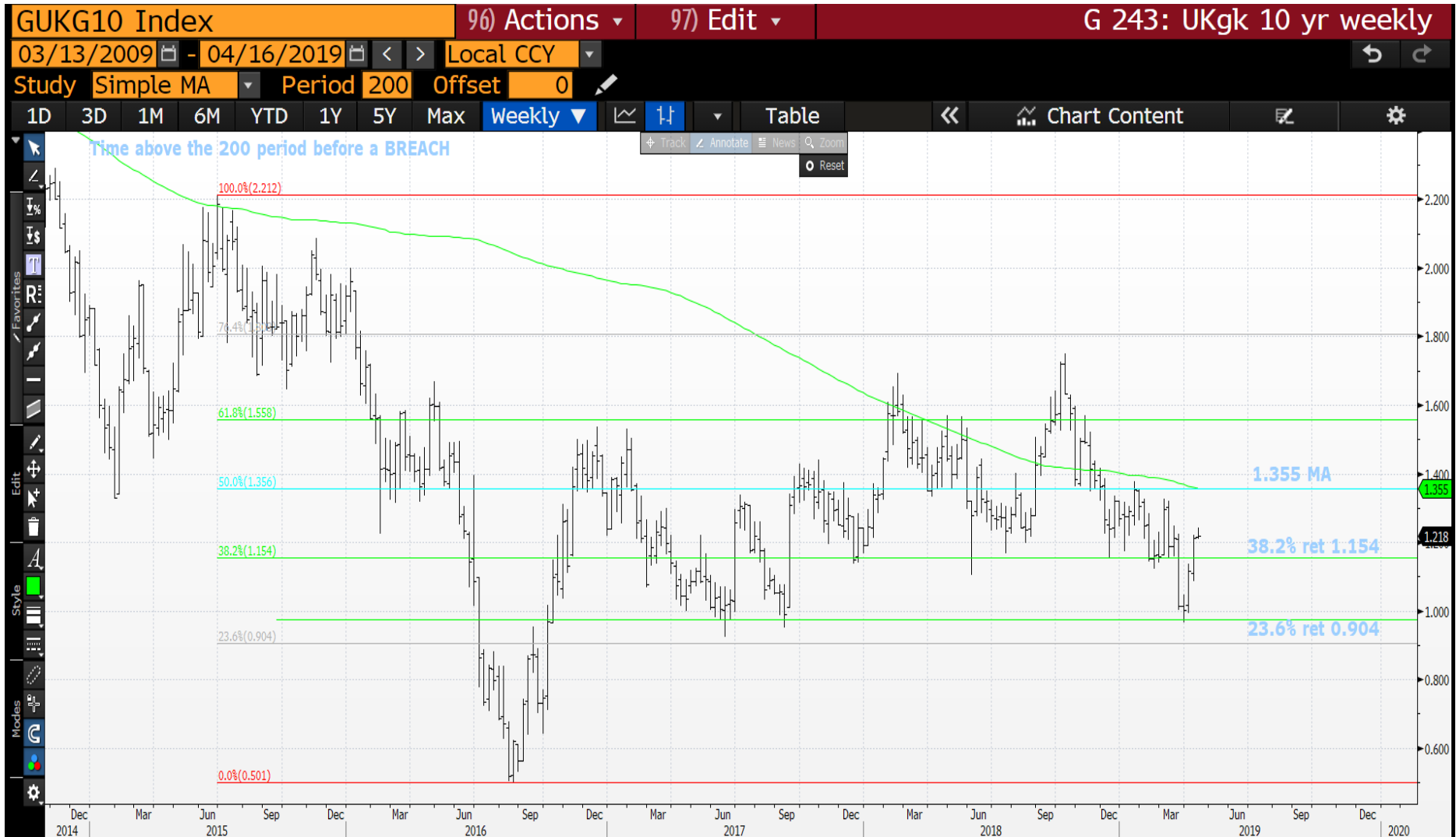
GUKG10 monthly : This highlights a singular trend lower, sub the 100 period 1.375 moving average since 2009. PLENTY of room left.



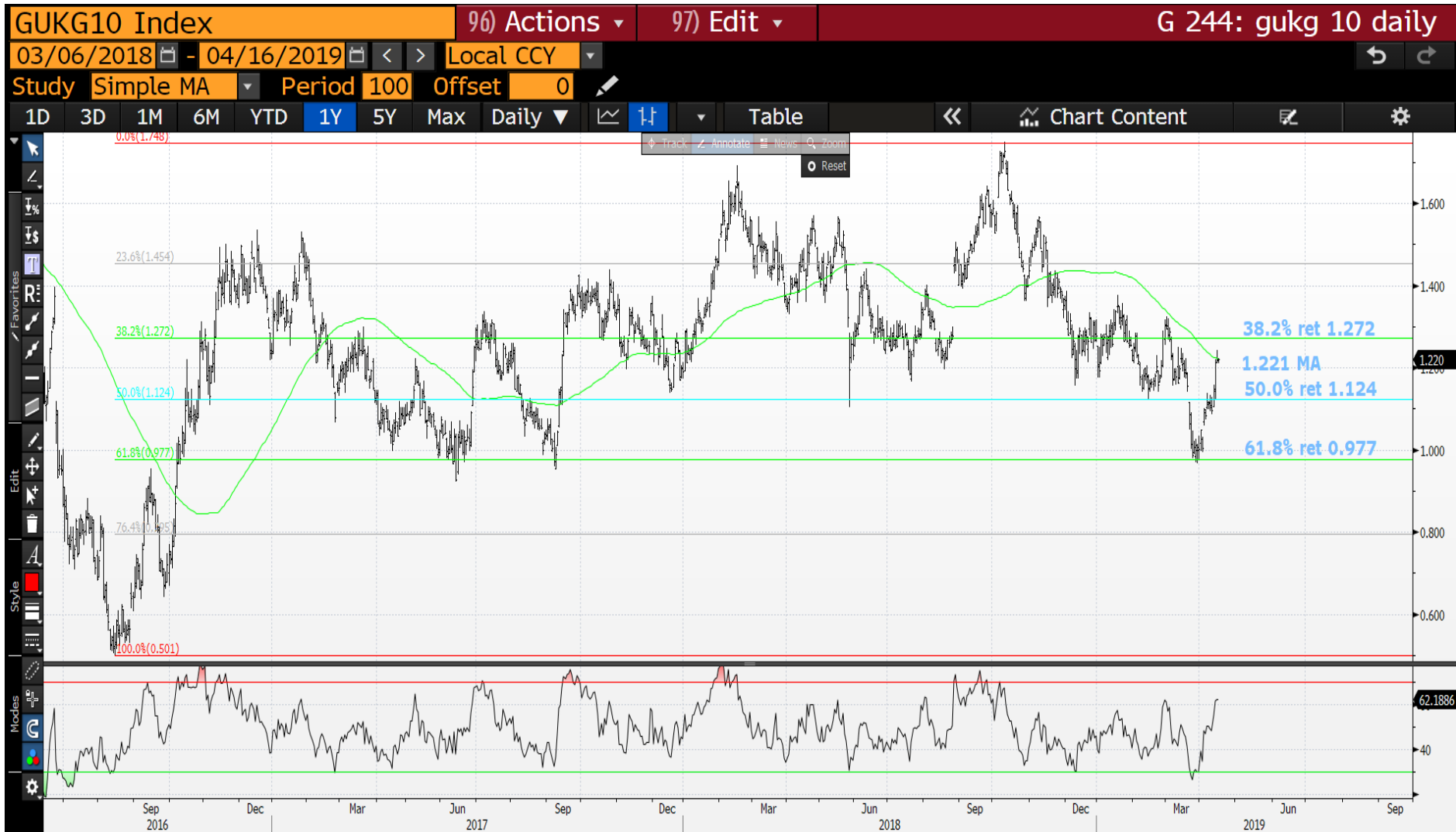
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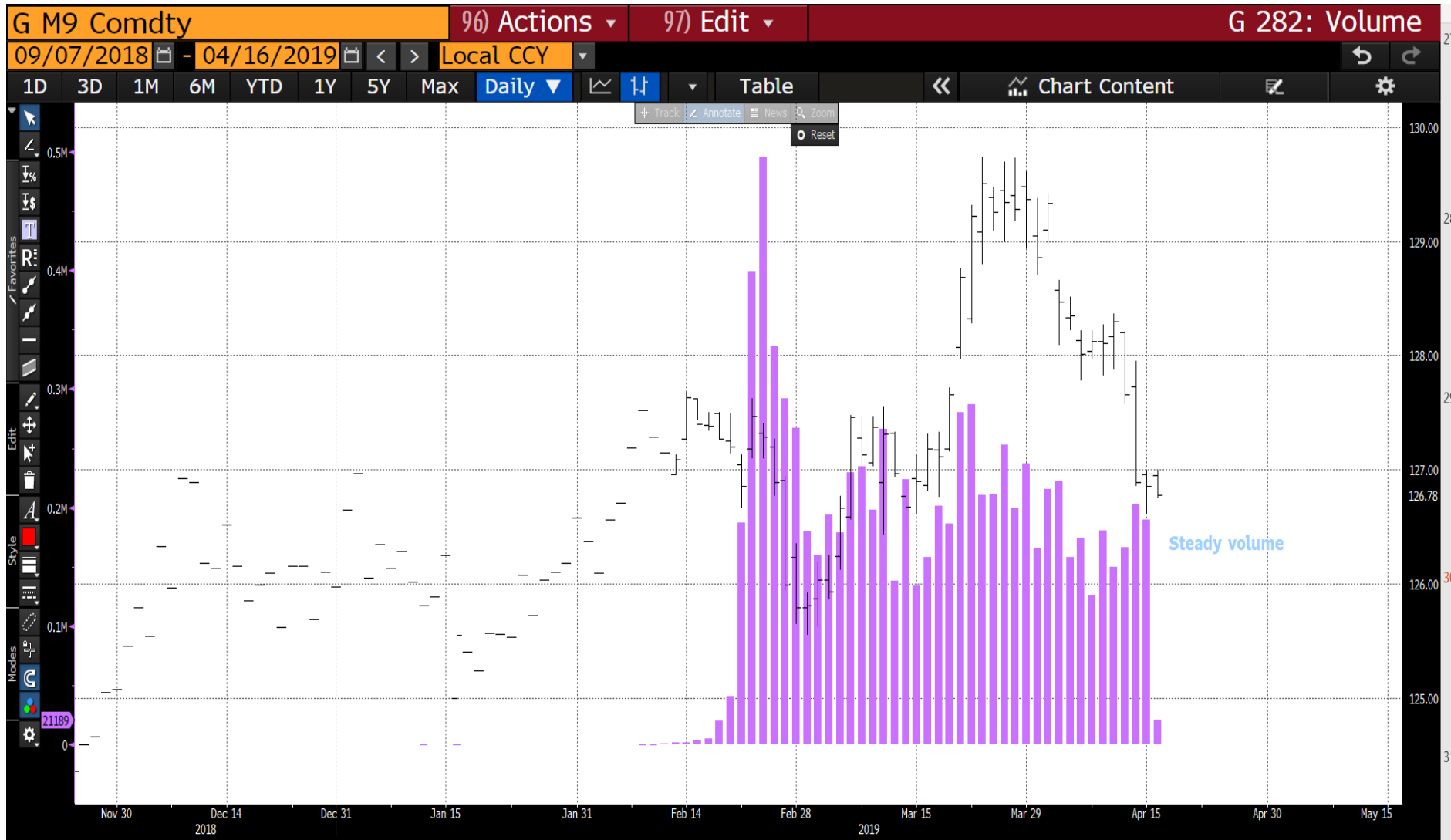
GUKG10 weekly : We have considerable resistance here given we have already failed last weeks high and the 1.355 moving average.



GUKG10yr daily : The DAILY RSI is neutral BUT we are failing the 1.221 moving average. We NEED to fail today.



Gilt futures : Volume has been STEADY but similar to GERMANY a KEY day to hold and bounce, if not then its MAJOR liquidation time.



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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