

BOND YIELD (SHORT-TERM) UPDATE : The daily RSI extensions mentioned on the 26th March certainly kicked in and many yields have bounced ahead of NON-FARM Friday. The daily RSI's still have room for a further bounce but NON-FARM may HALT that recovery.

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.

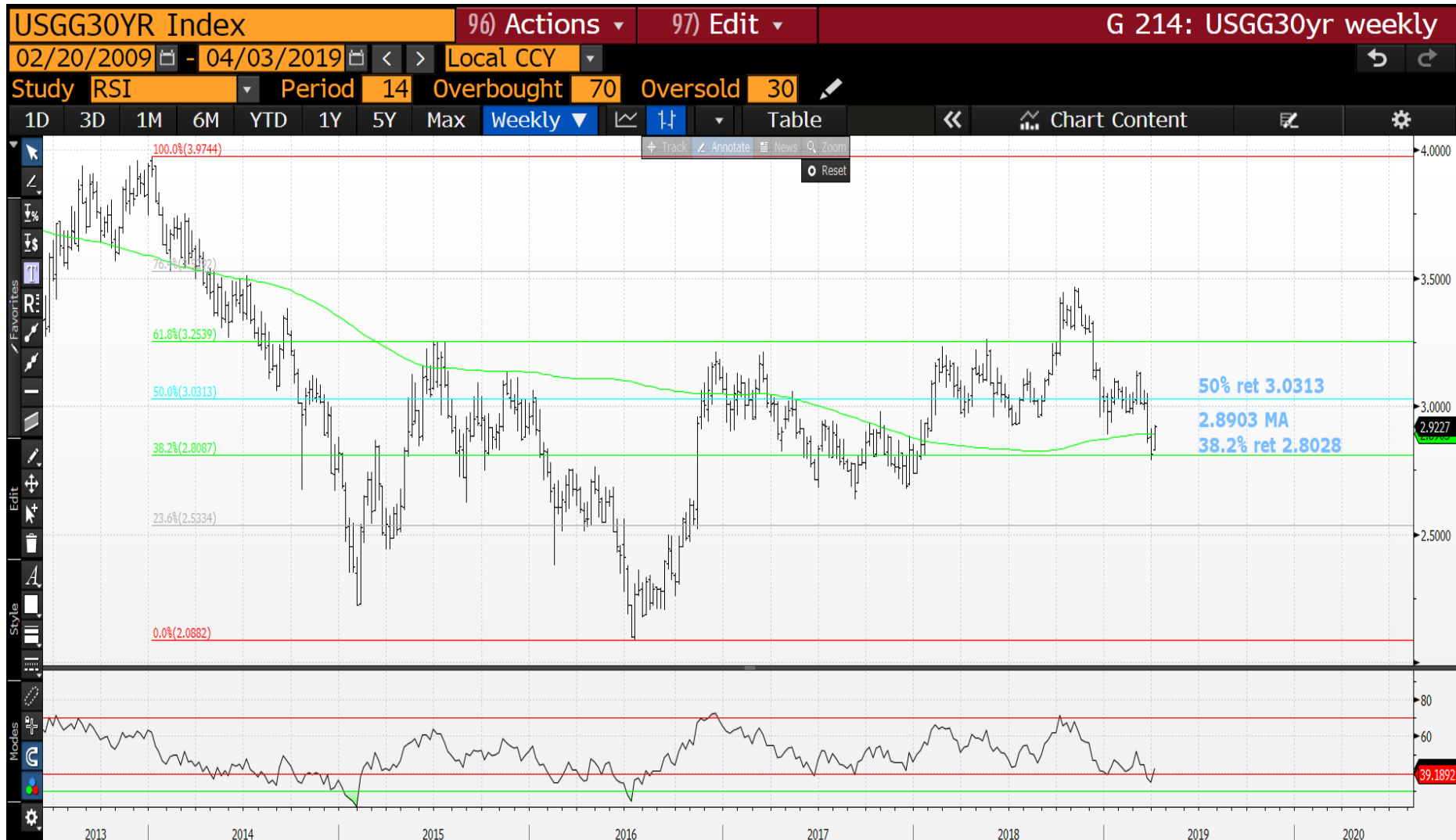
Germany and UK also point to lower yields, whilst Italy is pausing at a recent low.

USGG30yr monthly : Historically as per previous examples we have had some form of bounce after similar range extending months.



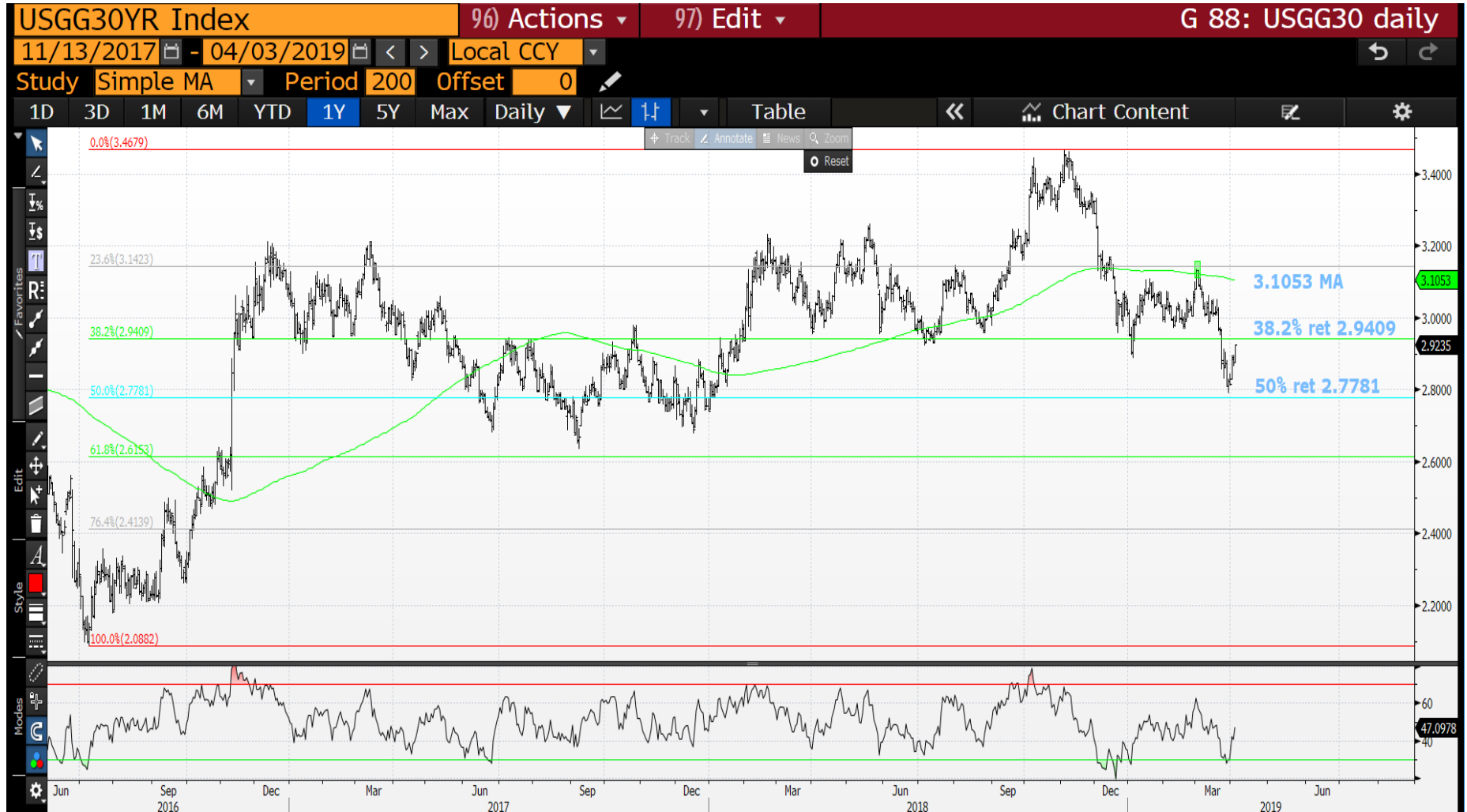
03/04/2019

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 2.8903 moving average.



03/04/2019

USGG30yr daily : The RSI worked as we hit the 2.7781 50% ret but is now neutral thus the bounce could be over? Sub the 38.2% ret 2.9409 helps.



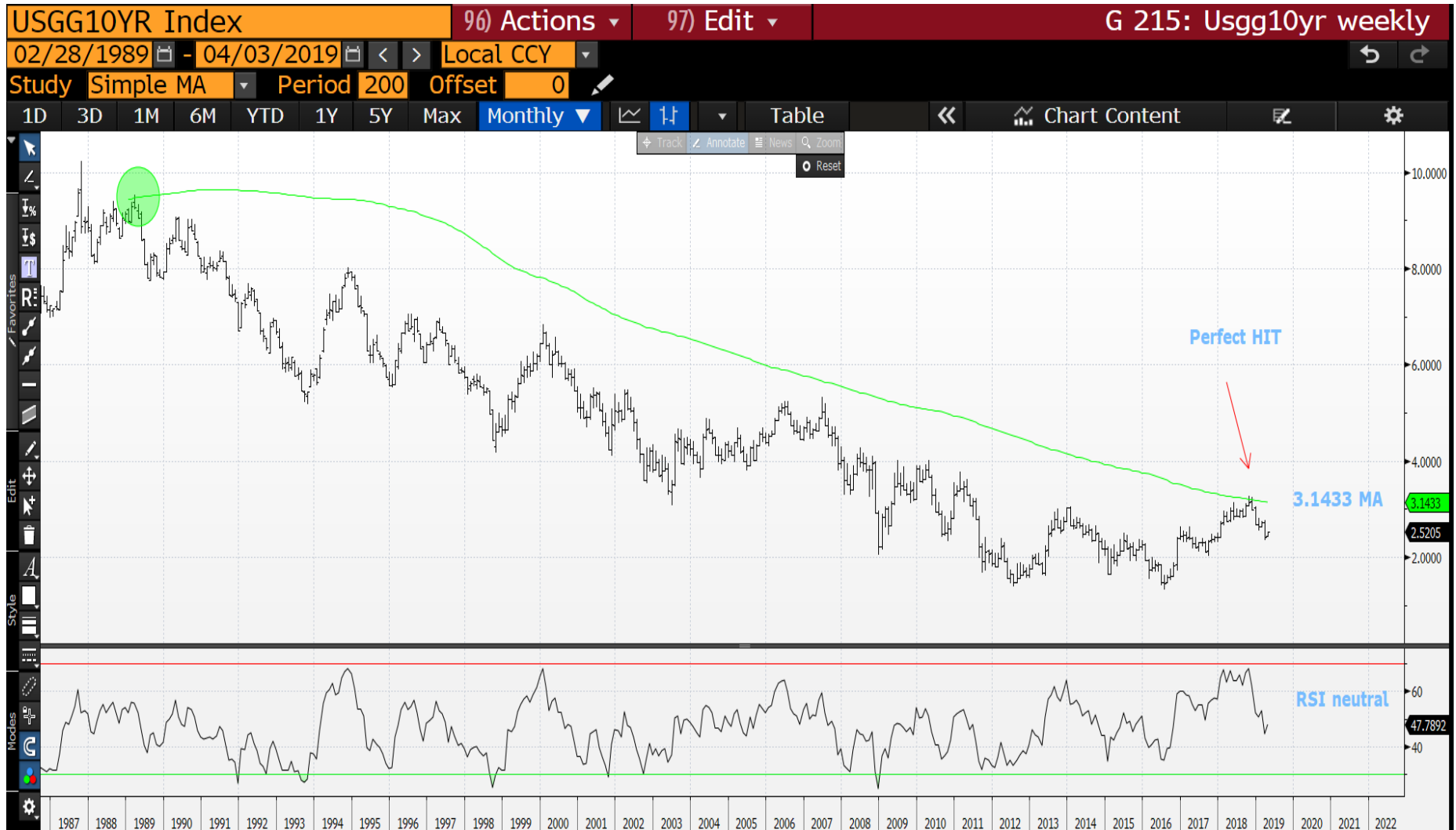
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US 10yr yield quarterly : History is repeating itself and there is room to hit the 2.7340 moving average and still REMAIN NEGATIVE.



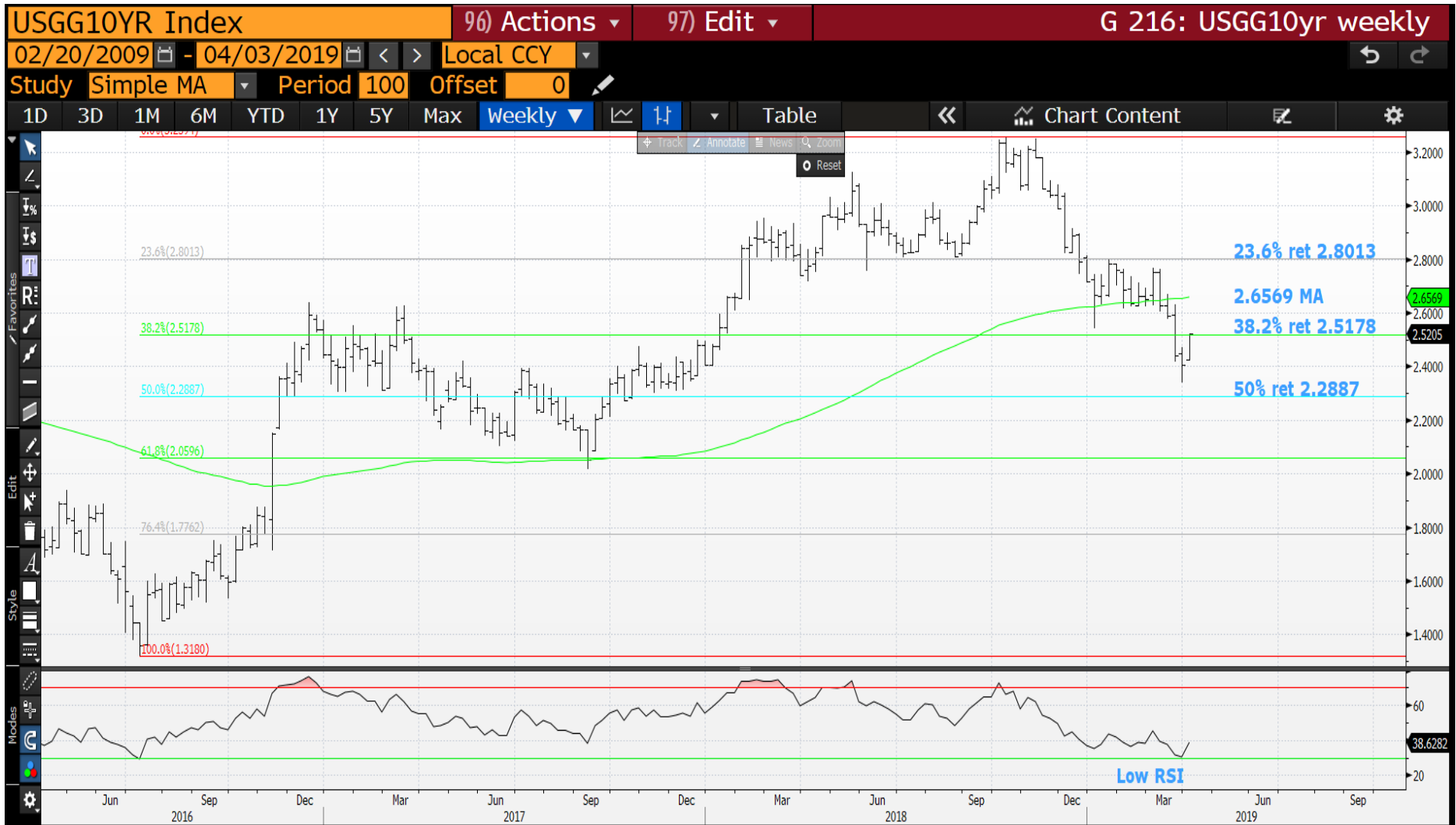
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US 10yr yield monthly : A PERFECT hit on this 200 period monthly moving average 3.1433, talk about RARE! There is very little in the way of downside support till 2.000!



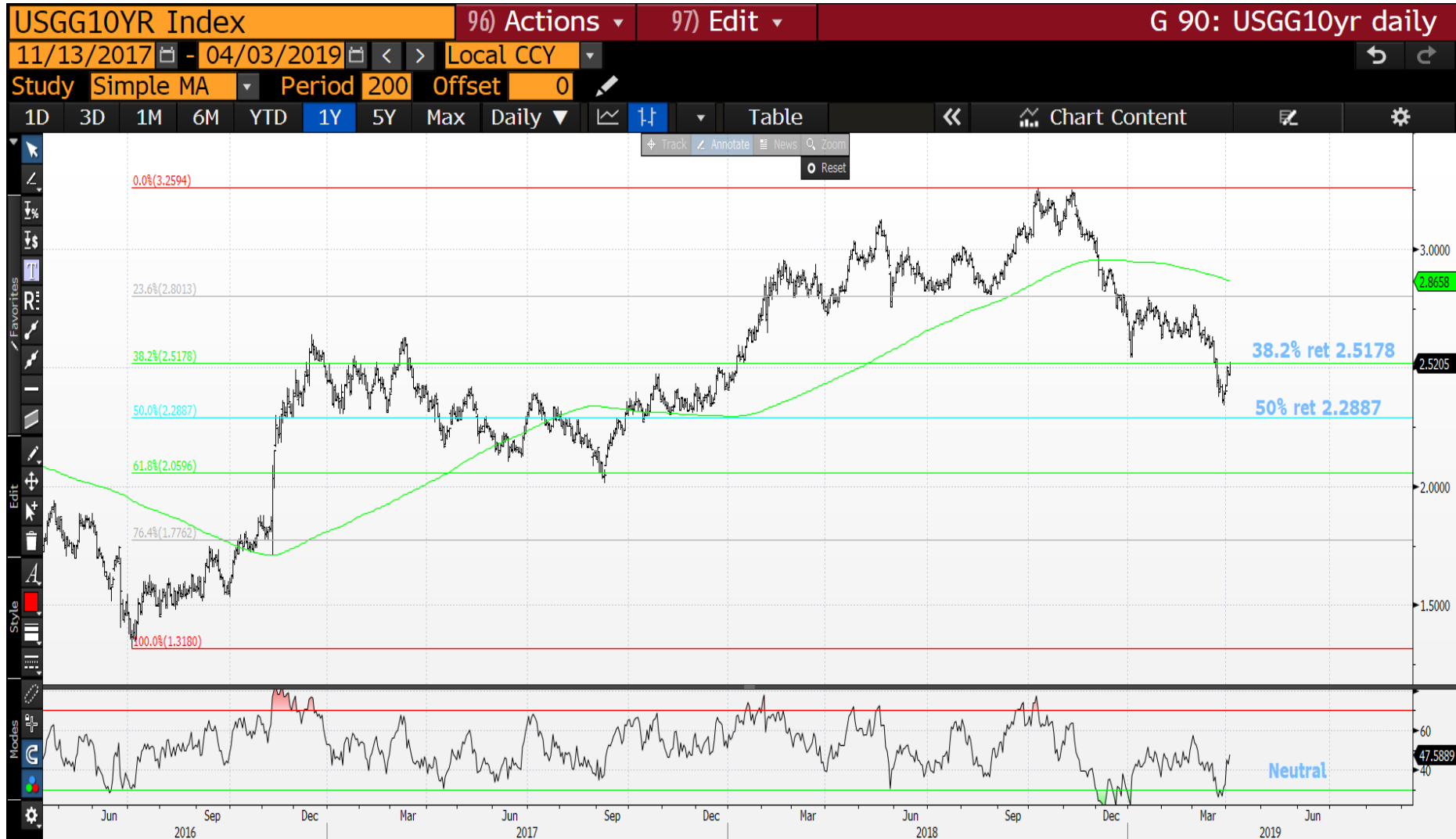
03/04/2019

USGG10yr weekly : The LOW RSI created the latest bounce, lets see if we fail the 38.2% ret 2.5178 OR 2.6569 moving average.



03/04/2019

USG10yr daily : The RSI is now neutral so COULD even fail here at the 38.2% ret 2.5178.



03/04/2019

USGG5yr quarterly : We are well on the way to testing the 1.9975 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.



03/04/2019

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.



03/04/2019

USGG5yr weekly : We have finally breached the 100 period moving average 2.4128 and 38.2% ret 2.3298, little now between us and 2.000 providing we stall here.



03/04/2019

11

USGG5yr daily : This RSI is very much OFF the lows so question is do we fail the 50% ret 2.3469 OR 2.4353 moving average.



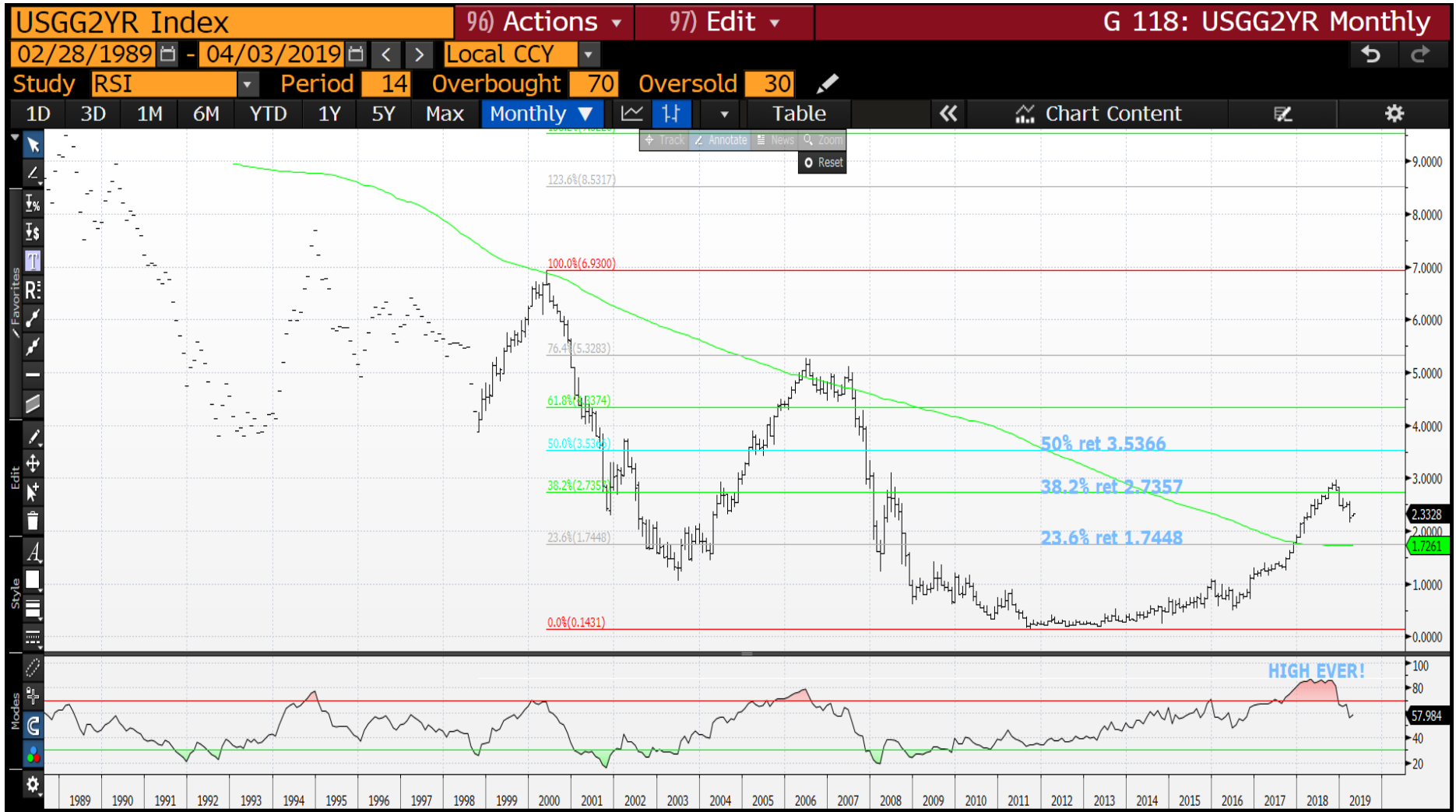
03/04/2019

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.

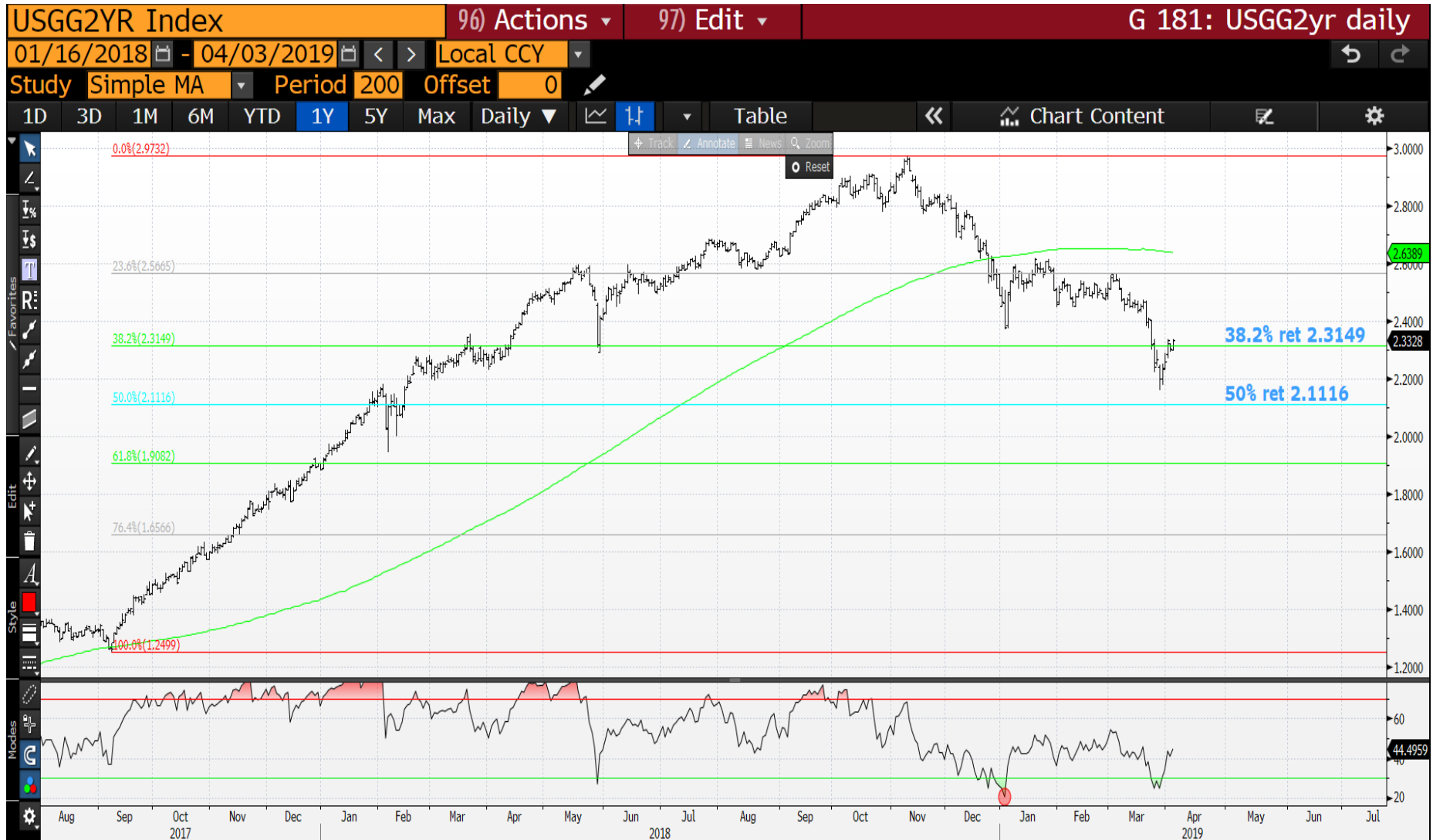


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USGG2yr weekly : This seems to be a decent hit of the 100 period moving average and thus a decent level to breach subsequently.



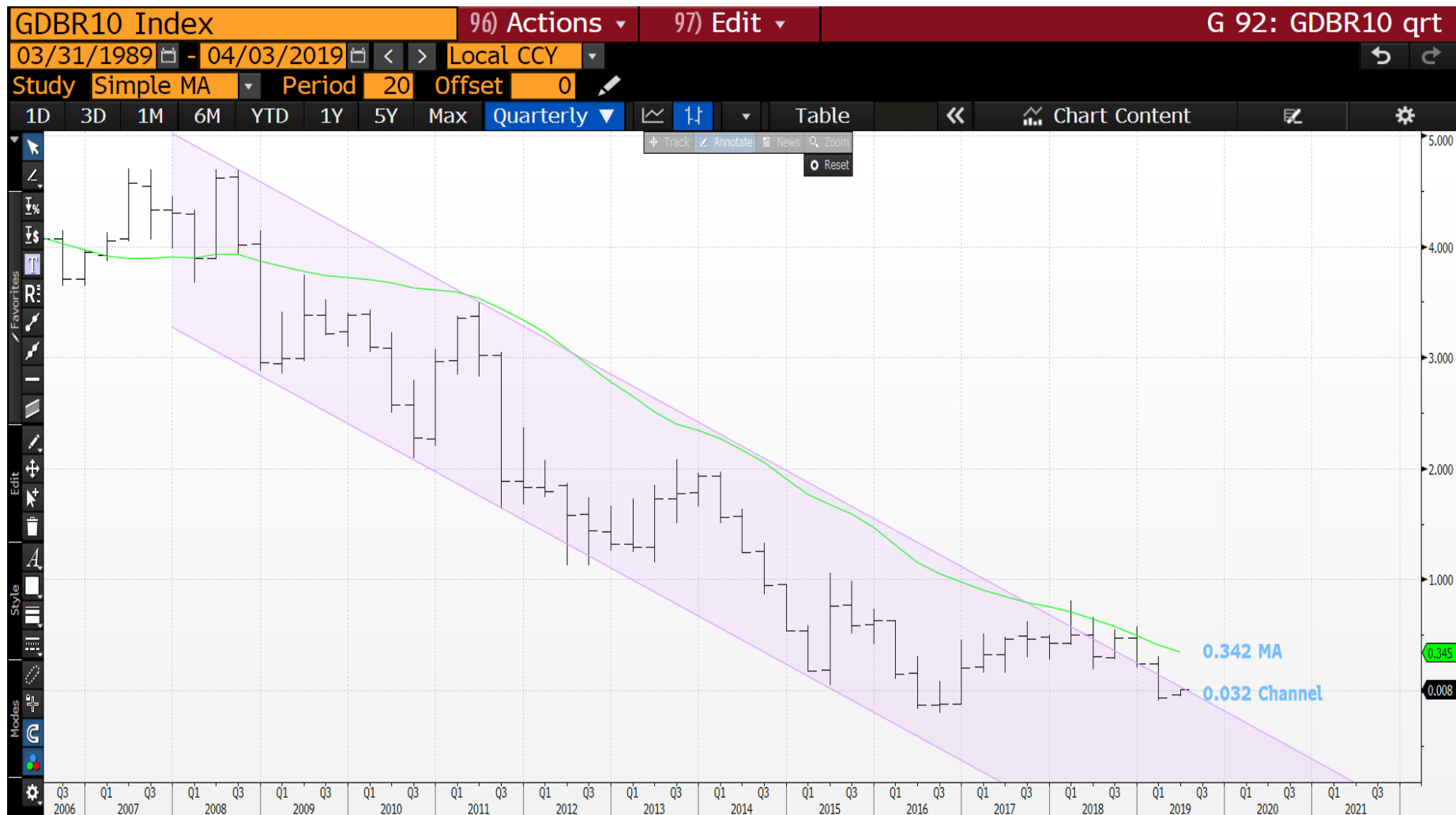
USGG2yr daily : The RSI is off its lows so all a question of where we fail, obviously sub the 38.2% ret 2.3149 shows an inability to recover.



03/04/2019

16

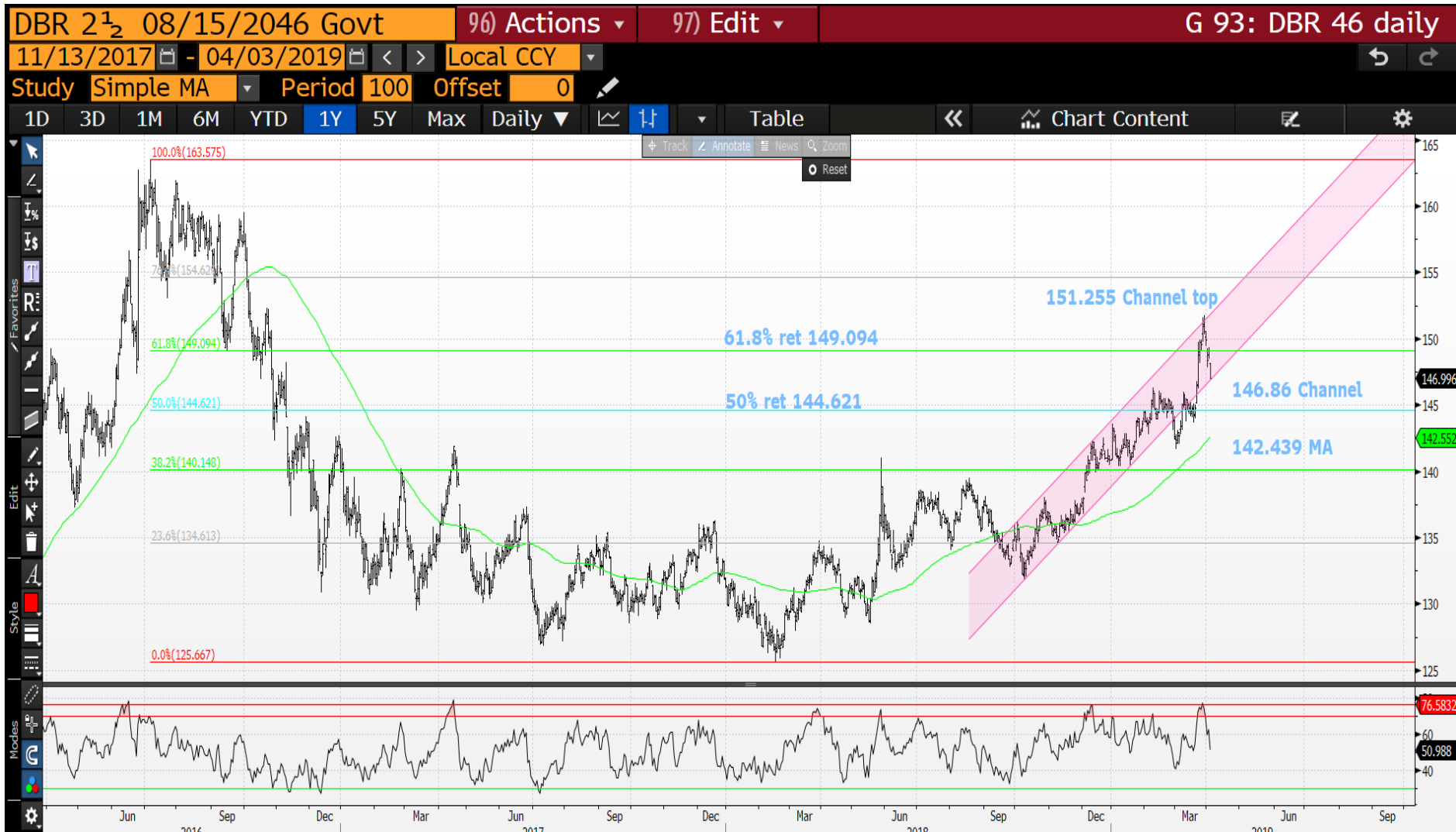
Generic German 10yr quarterly : We are soon to test the all important channel coming in at 0.032.



03/04/2019

17

DBR 46 daily : A great chart as always, we failed the channel top and RSI so just now need to see if the lower channel 146.86 holds.



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 moving average since 2009. PLENTY of room left.

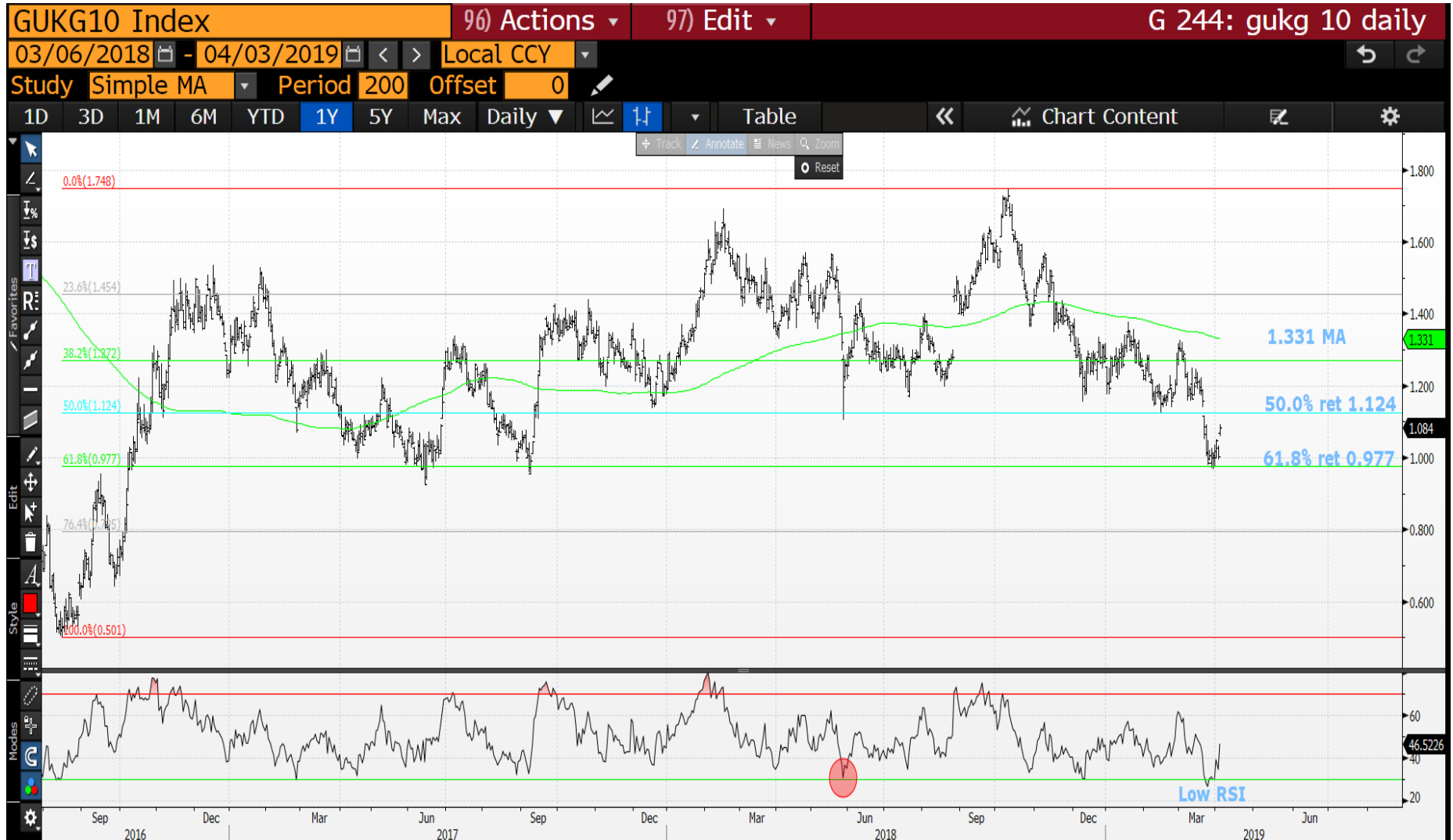


GUKG10 weekly : A decent HOLD of the previous lows but lets see how the 38.2% ret 1.154 resistance behaves.



03/04/2019

GUKG10yr daily : The DAILY RSI is neutral thus we should fail the 50% ret 1.124.



03/04/2019

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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