

## **BOND YIELD (SHORT-TERM) UPDATE : YIELDS LOWER AGAIN :**

**It looks like yesterday vindicated and continues the yield call LOWER, we just need to capitalise on that into the week-month end! The US has seen the biggest VOLUME buying at the lows on last weeks DIP compared to Europe.**

**It does feel we will have a concentration of activity around a month end!**

**We also need to extend some of the MINOR ranges we currently have.**

**The best contract to highlight KEY resistance across all maturities is US 5yr yields, failing MOST moving averages. We do need new yield lows on todays close.**

**Yields will need to fail into month end OR the BIGGER YIELD call lower will “PAUSE”.**

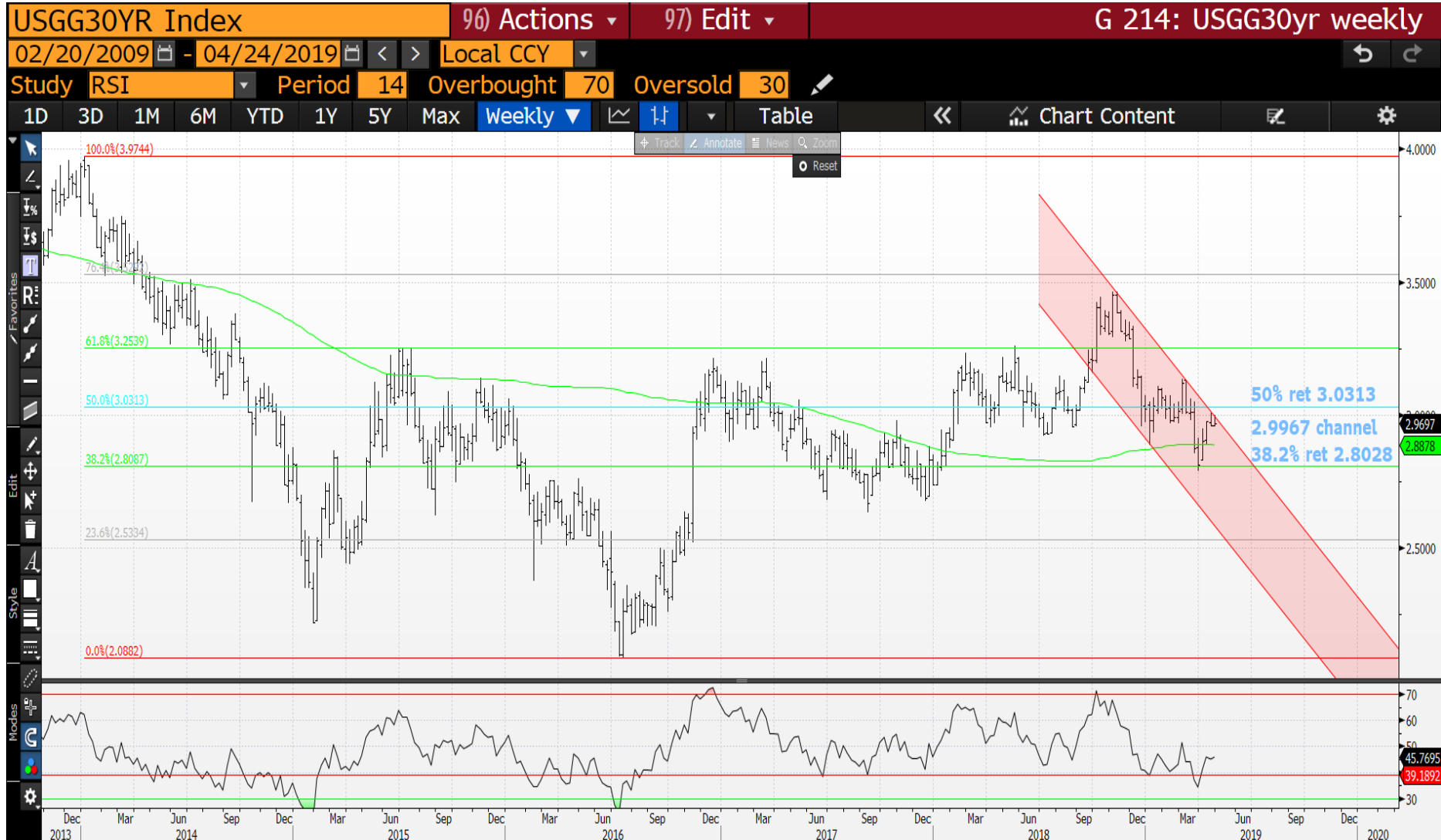
**The LONGTERM charts remain unaffected BUT the recent daily volumes indicate significant profit taking especially in Germany.**

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



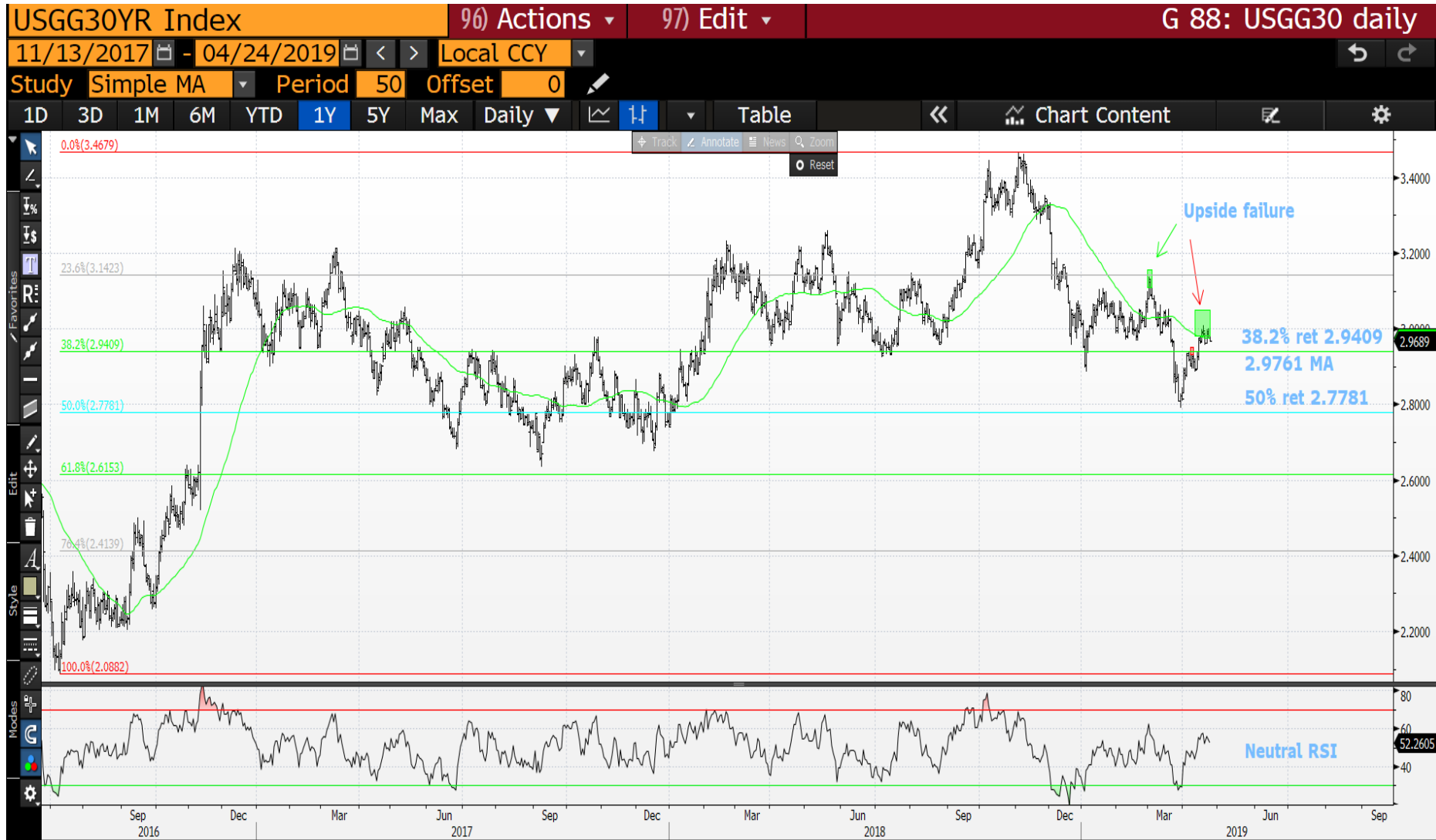
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USGG30yr weekly : We are failing the CHANNEL 2.9967 so hopefully progress lower into the week and month end.



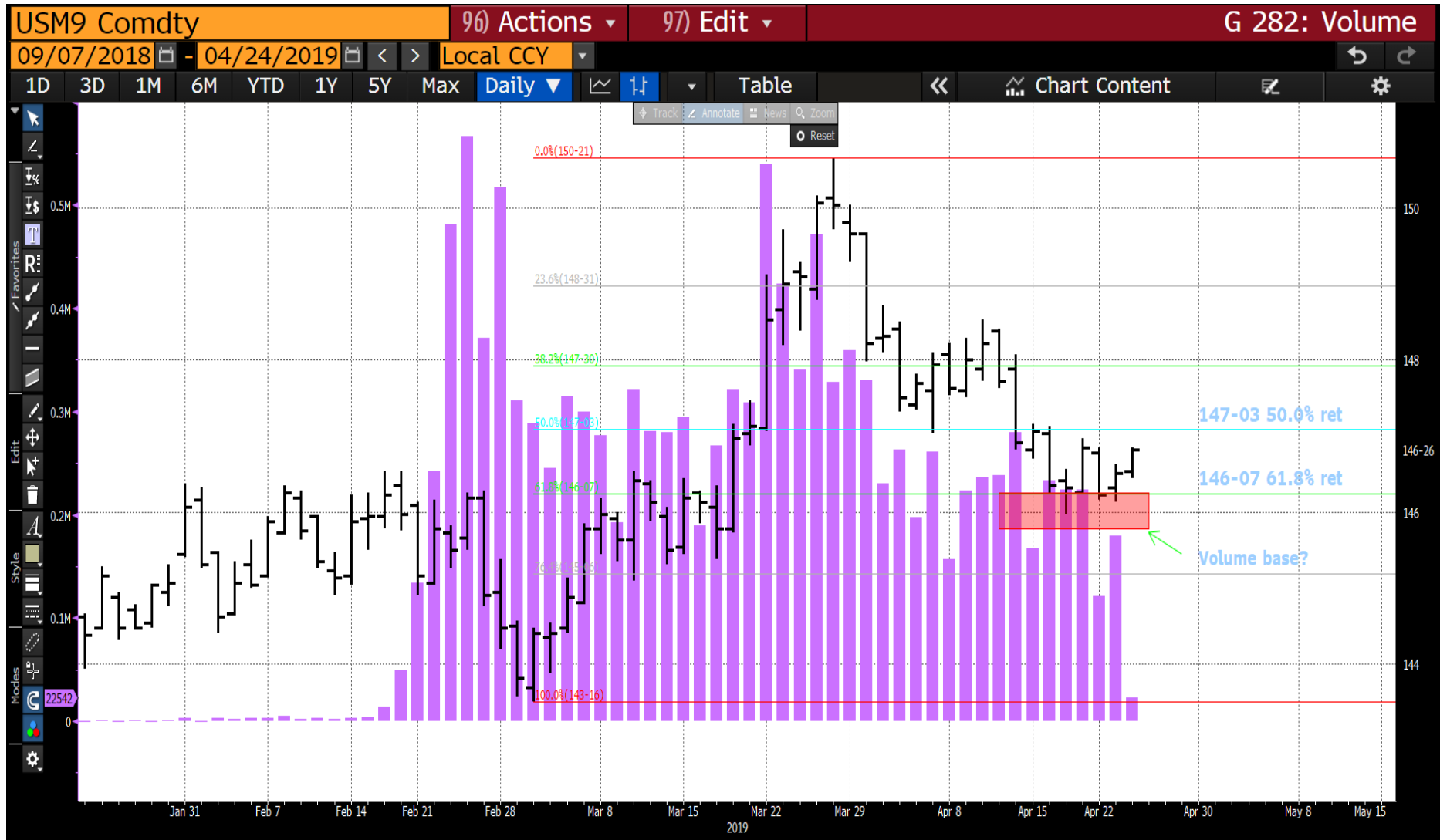
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USGG30yr yield daily : We have set up a similar formation to that early March thus hopefully we dip below the 38.2% ret 2.9409 shortly.



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US 30yr futures and volume : A useful chart given the slight volume BOOST at the lows-61.8%  
ret 146-07, we just need to maintain the grind higher!



US 10yr yield quarterly : Whilst sub the 2.7352 moving average “history repeats itself”.

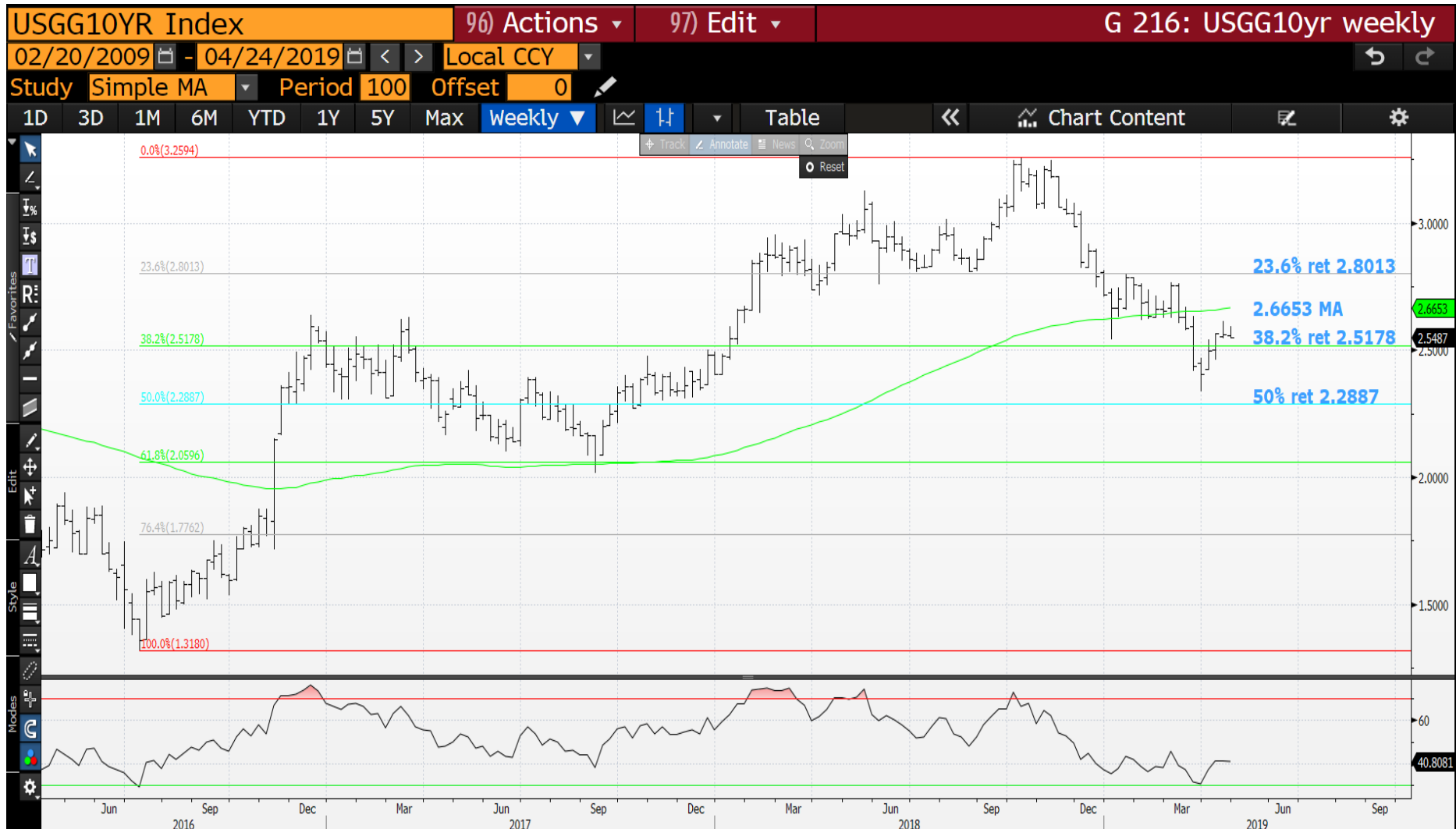


US 10yr yield monthly : We are in “no mans land” at the moment post the PERFECT moving average HIT.



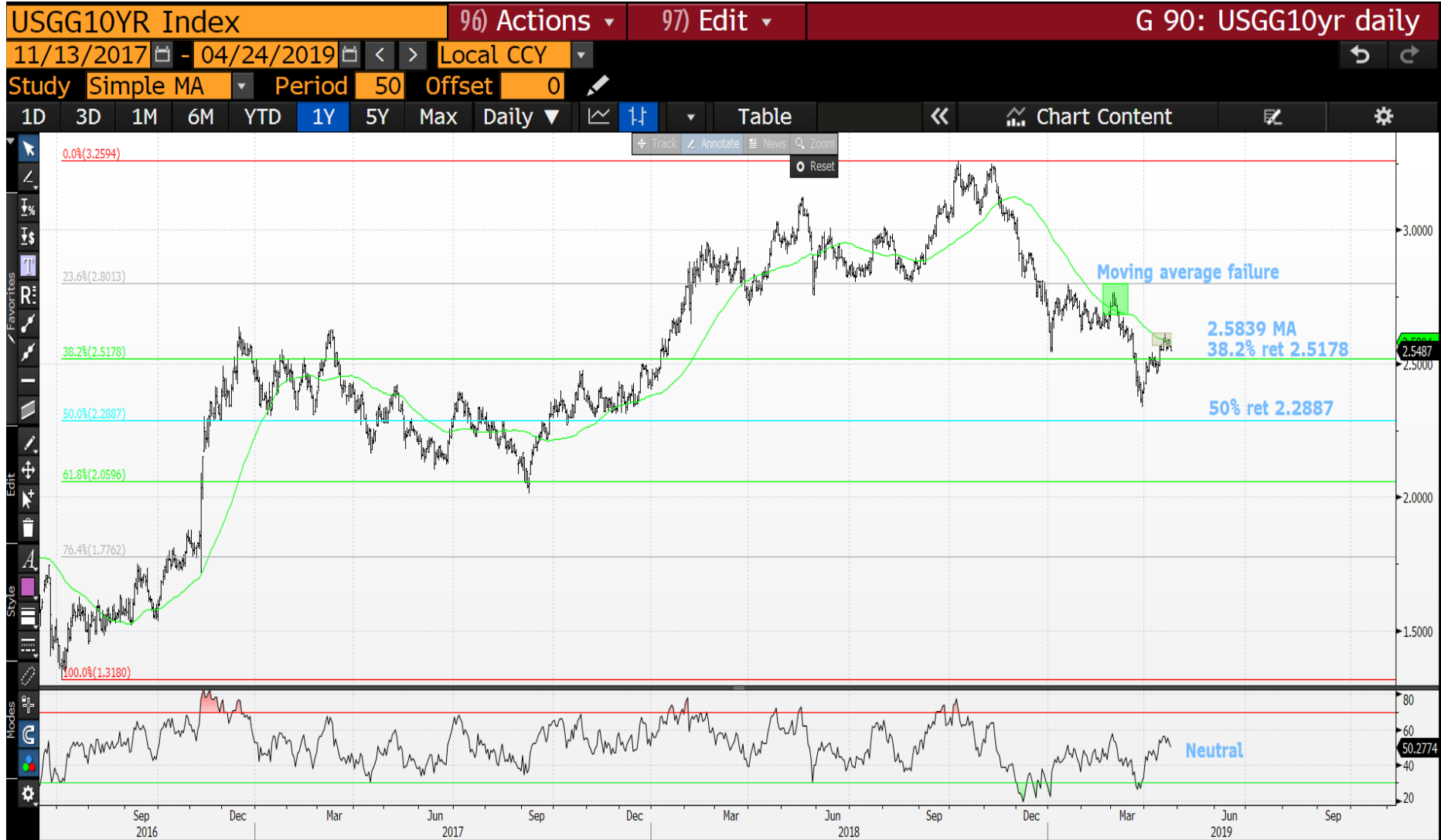
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USGG10yr weekly : The RSI is off the lows AND we continue to remain sub the 2.6653 moving average, thus predicting lower yields. A breach of the 38.2% ret 2.5178 will be extremely helpful.

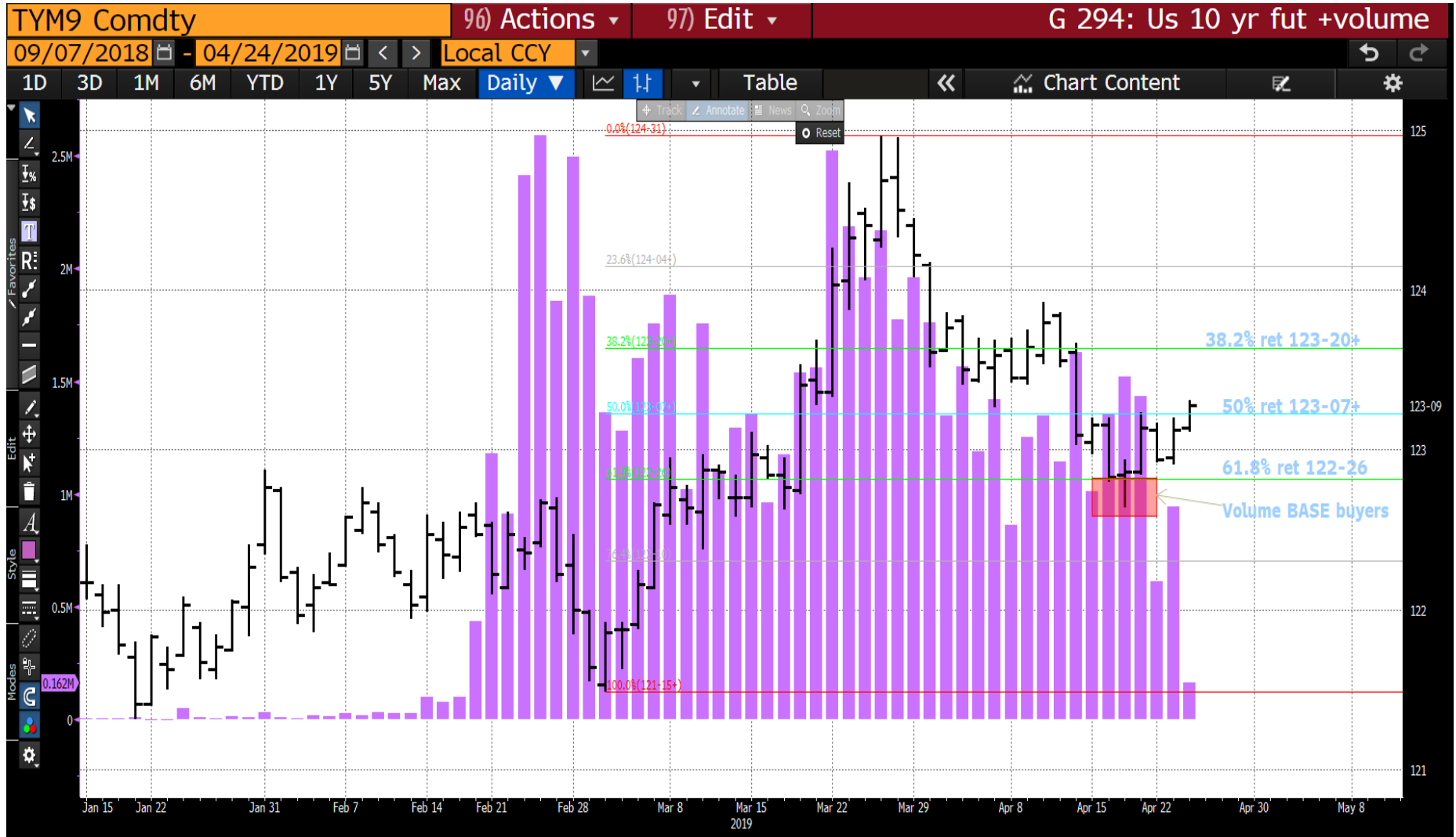




USGG10yr daily : The RSI is neutral BUT we are FAILING the 2.5839 moving average, KEY we head sub the 38.2% ret 2.5178 by the week end. A repeat of March is looking likely.



US 10yr futures : An even greater endorsement of a VOLUME base. It seems there were quite a few buyers at the lows-61.8% ret 122-26!



USGG5yr quarterly : We are well on the way to testing the 1.9977 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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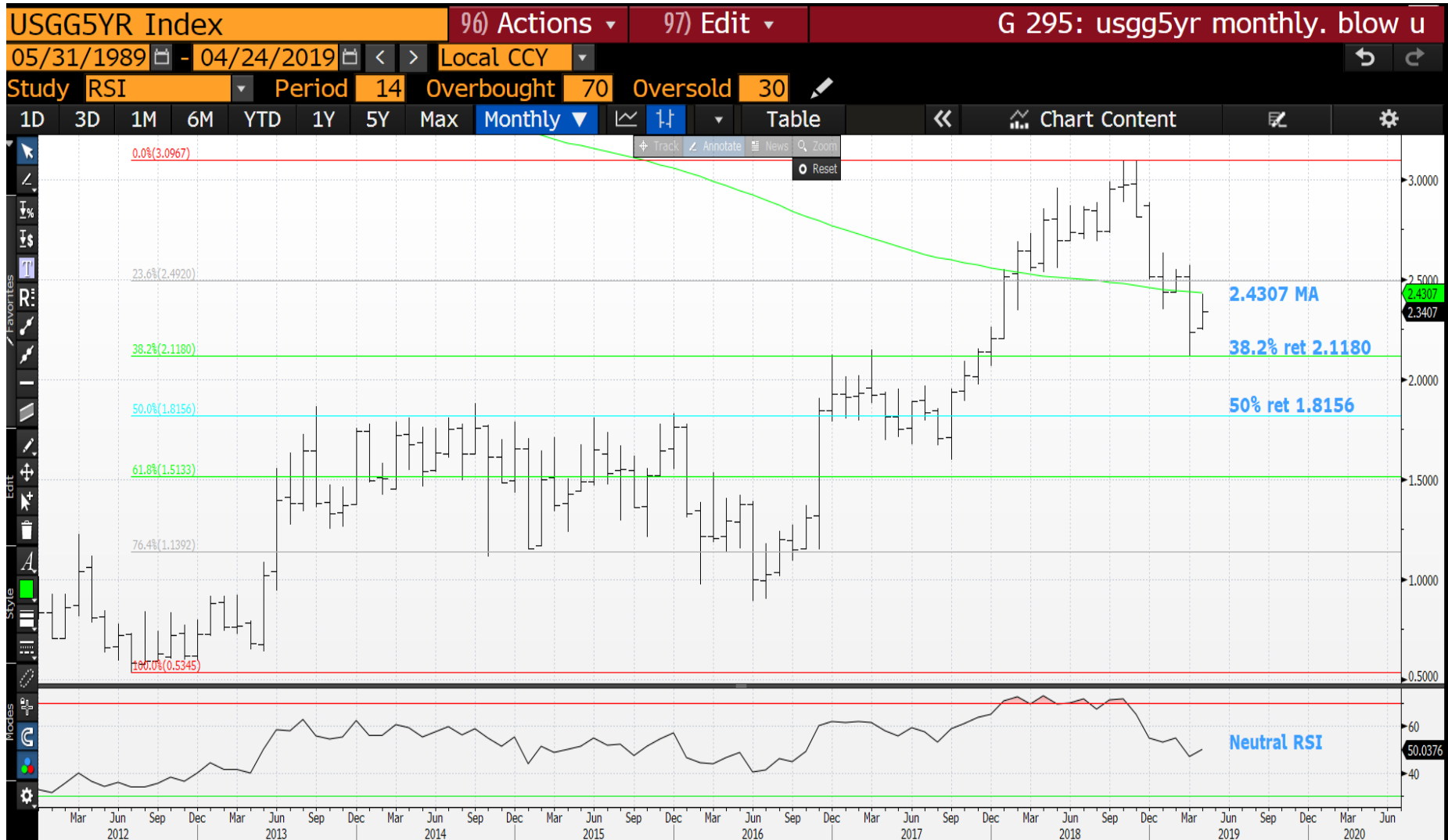
USGG5yr monthly : The RSI is neutral, hopefully we can fail the 2.4307 moving average.



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# USGG5yr monthly : A “blow up” of the previous chart to highlight the IMPORTANCE of this 2.4307 moving average failure.



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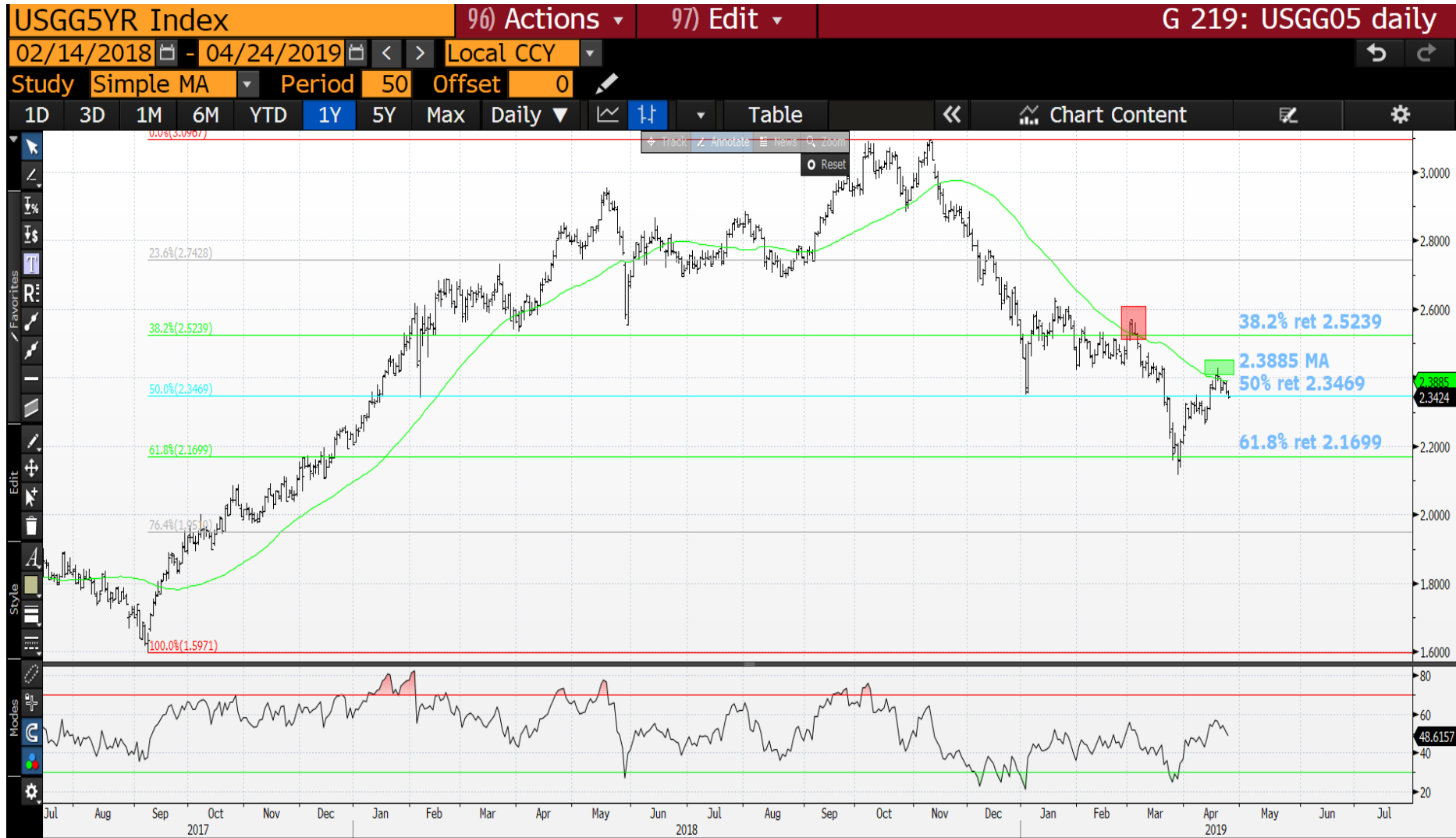
USGG5yr weekly : Again a FURTHER endorsement of the reliable moving average, this time we need to remain sub 2.4340.



USGG5yr weekly : Another “blow up” highlighting the weekly moving average resistance coming in at 2.4340. A close sub the 38.2% ret 2.2542 on the week will be helpful.

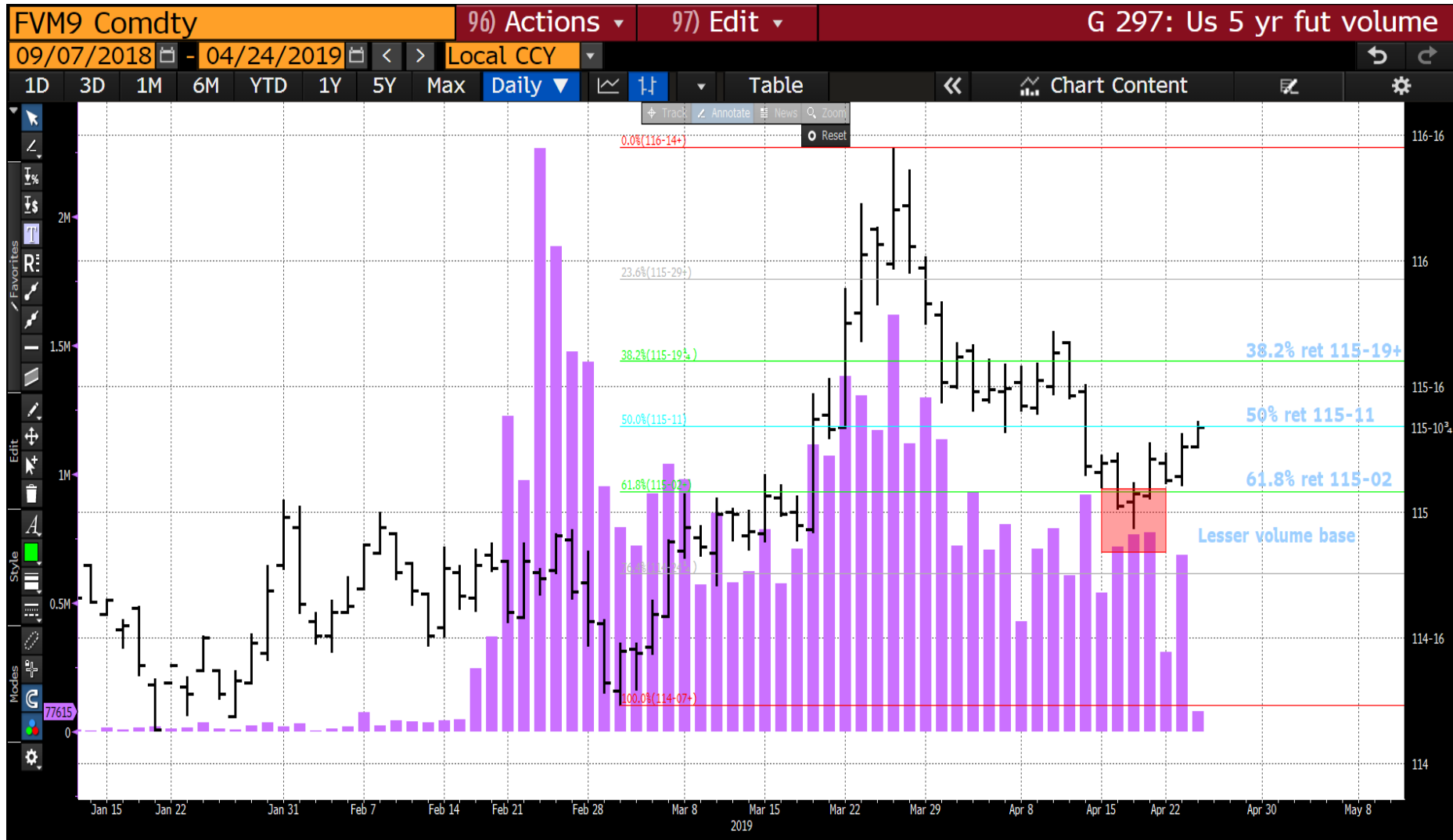


USGG5yr daily : We HAVE stalled nicely against the 2.3885 moving average, a close sub the 50% ret 2.3469 will be ideal.





US 5yr futures : No major volume here but we have held the 61.8% ret 115-02 as with other futures contracts.



USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9032 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 need a decision here and am sure the range will be extended, lower.



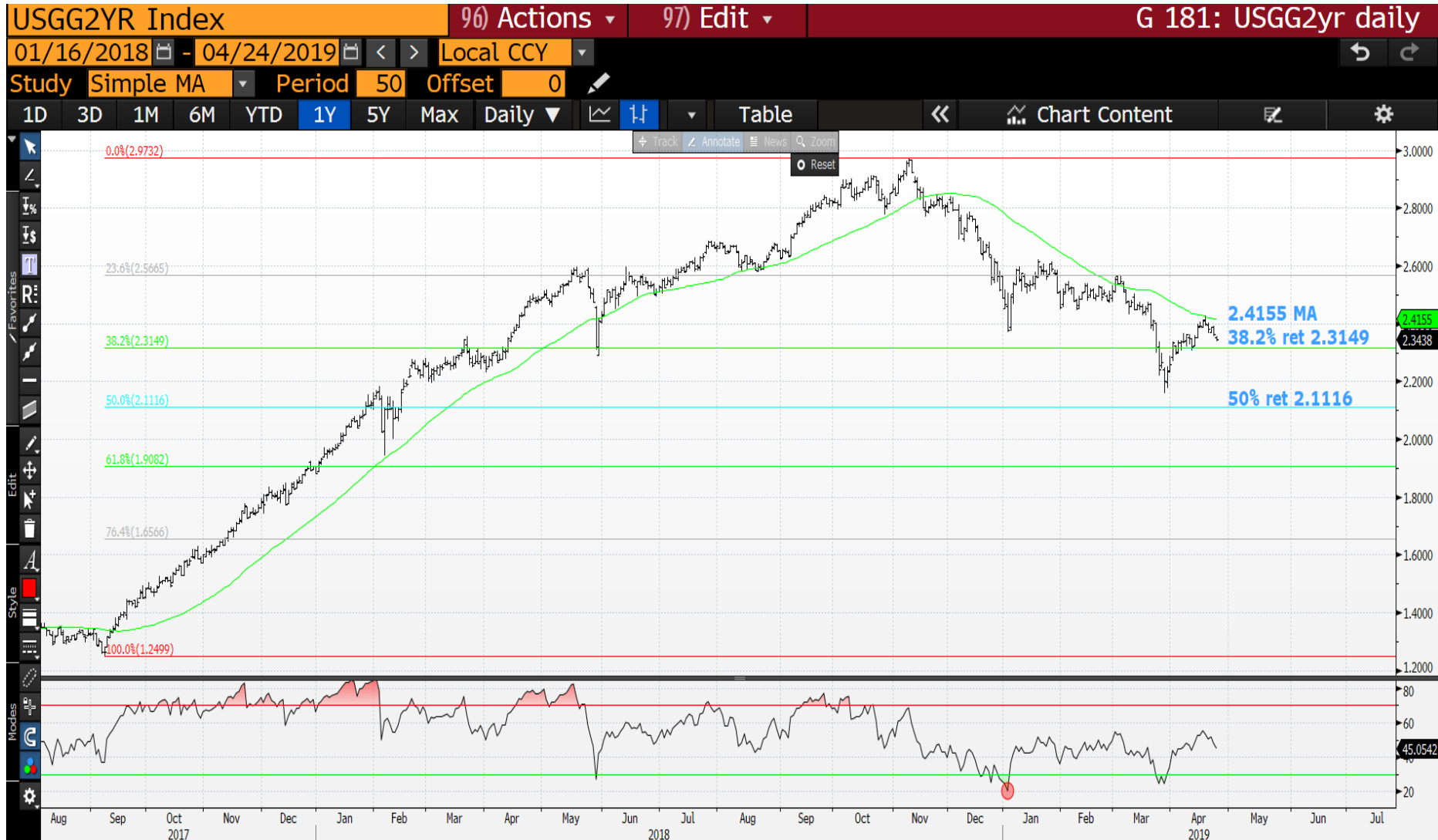
USGG2yr weekly : This seems to be a decent hit of the 100 period moving average 2.1921 and thus a level to subsequently breach.



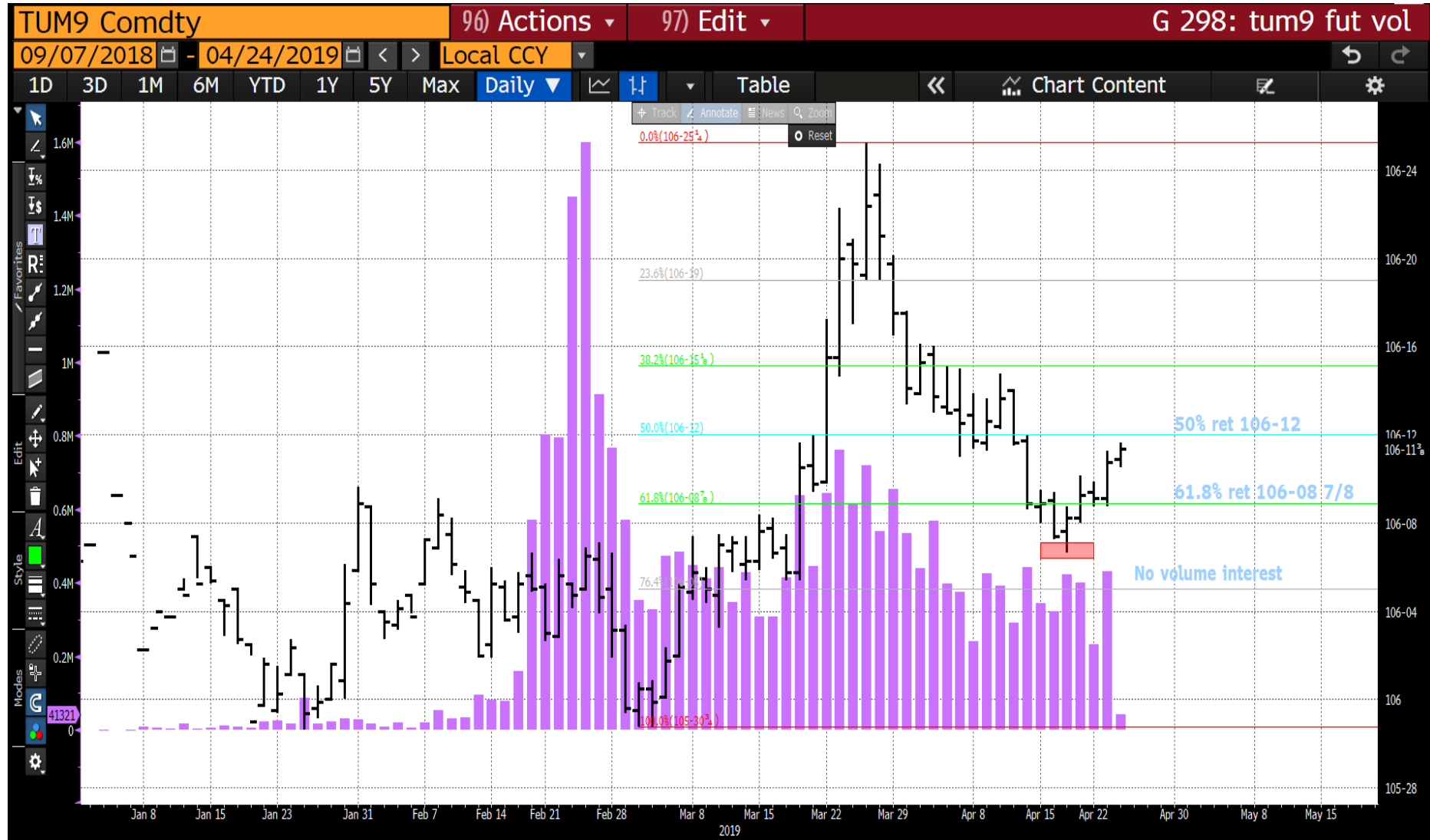
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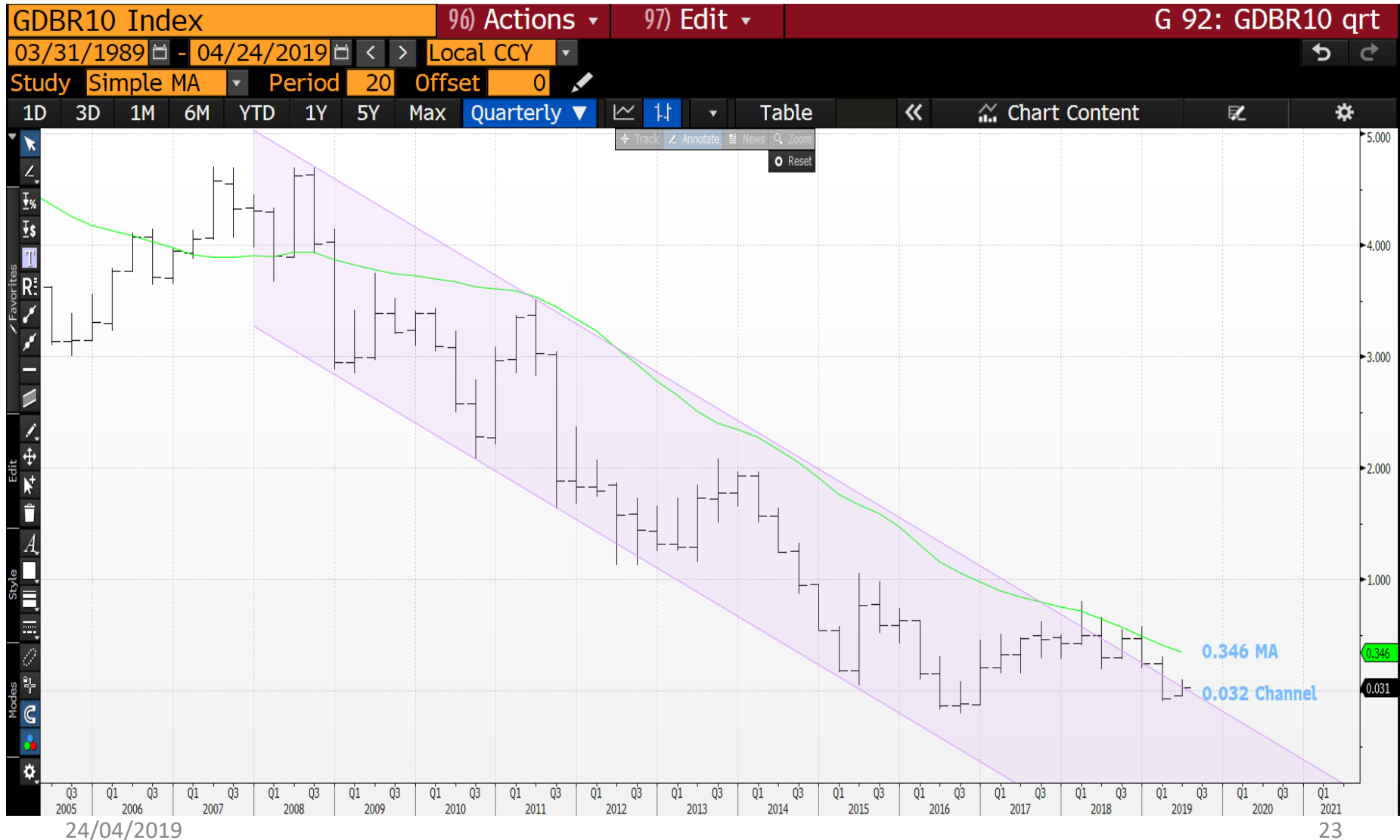
USGG2yr daily : We have failed the 2.4155 moving average nicely and look like heading a lot lower. A close sub the 38.2% ret 2.3149 will be VERY helpful.



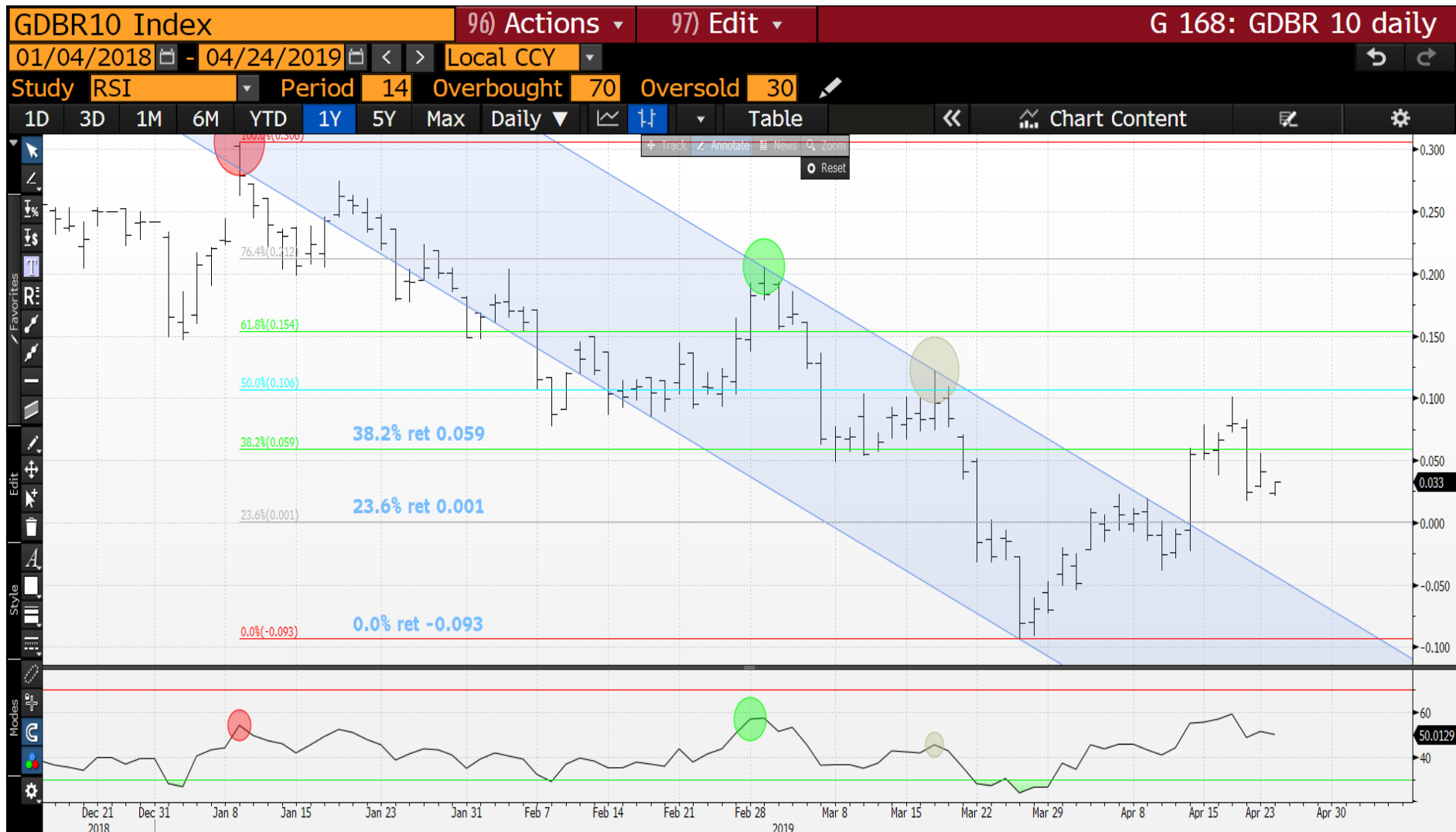
US 2yr futures : No real VOLUME base but once again we have held the 61.8% ret 106-08 7/8.



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

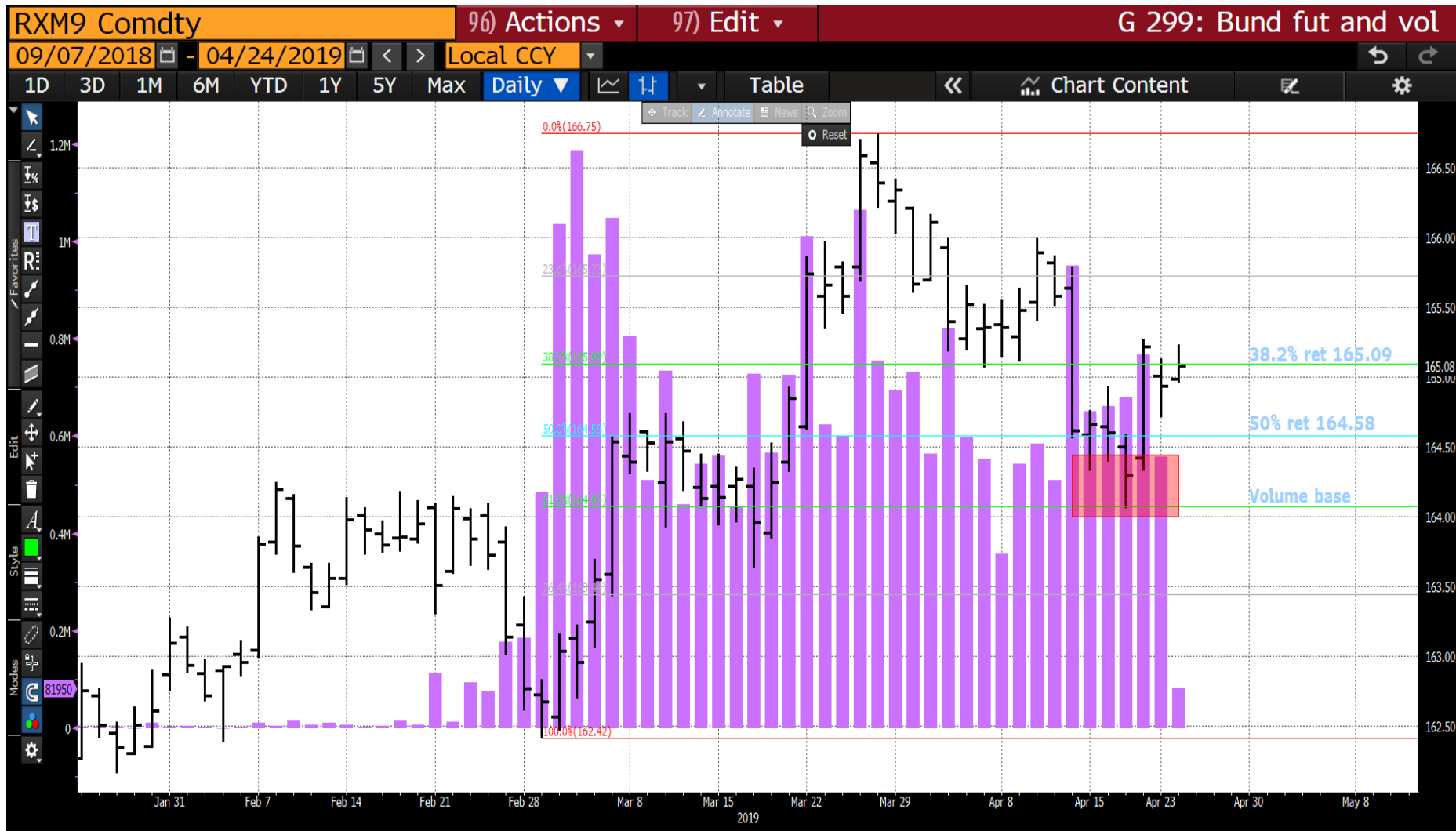


Generic German 10yr daily : All to do here! We have failed the 38.2% ret aided by the RSI dislocation, sub the 23.6% ret 0.001 will help a lot.

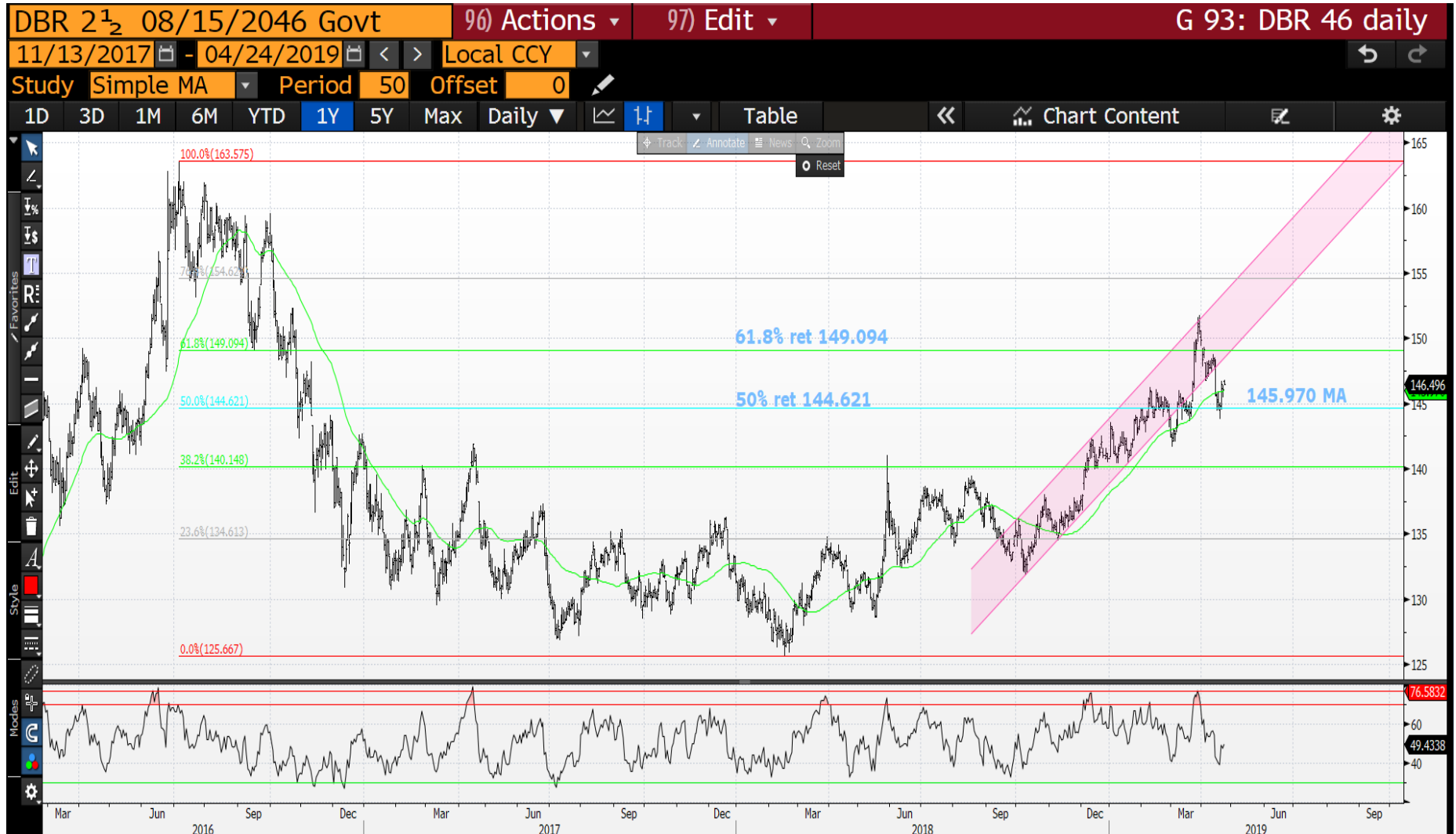




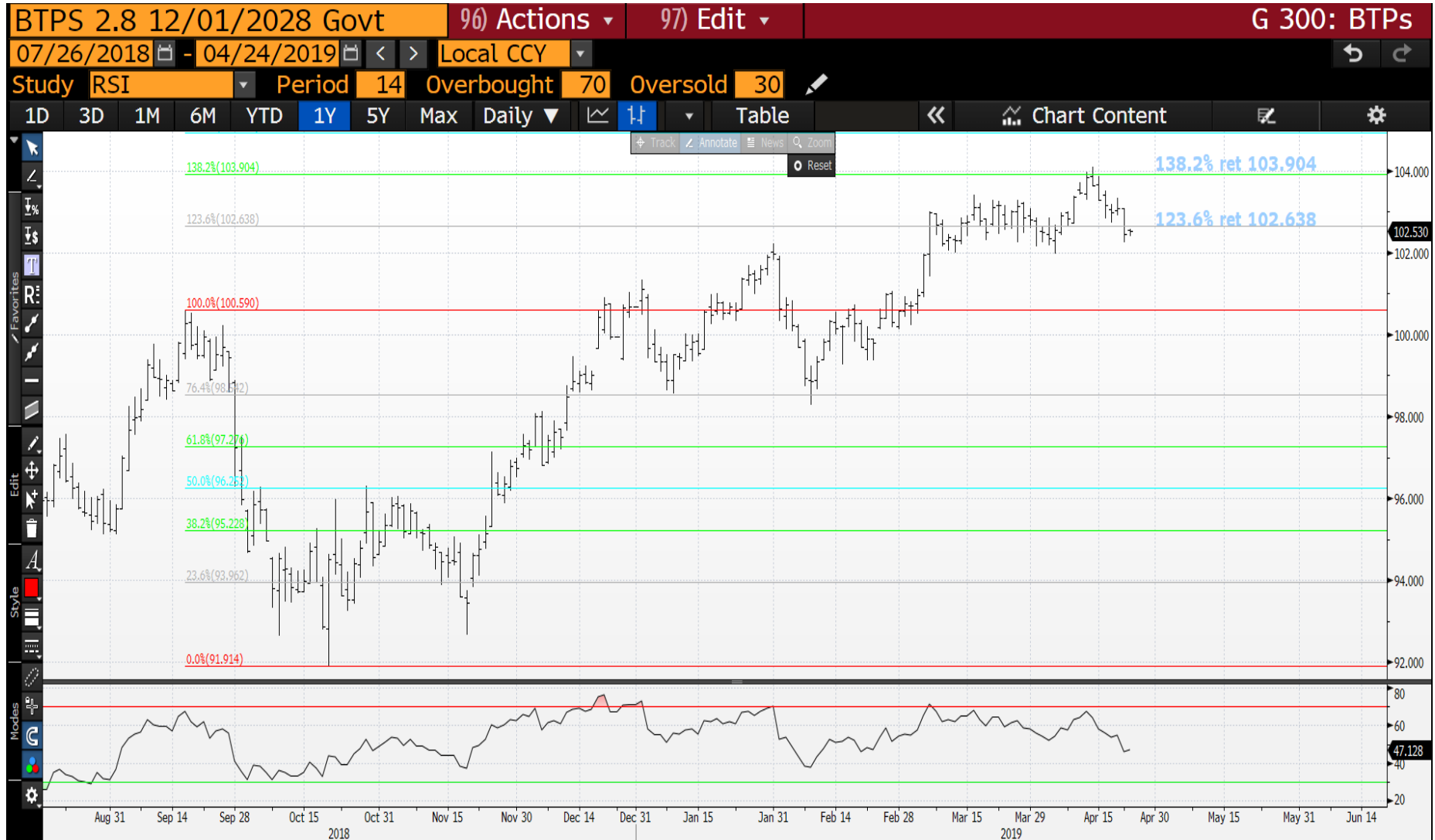
Bund futures : This witnessed a MAJOR VOLUME BASE at the 61.8% ret 164.07 low, we just need to keep maintaining new daily futures highs.



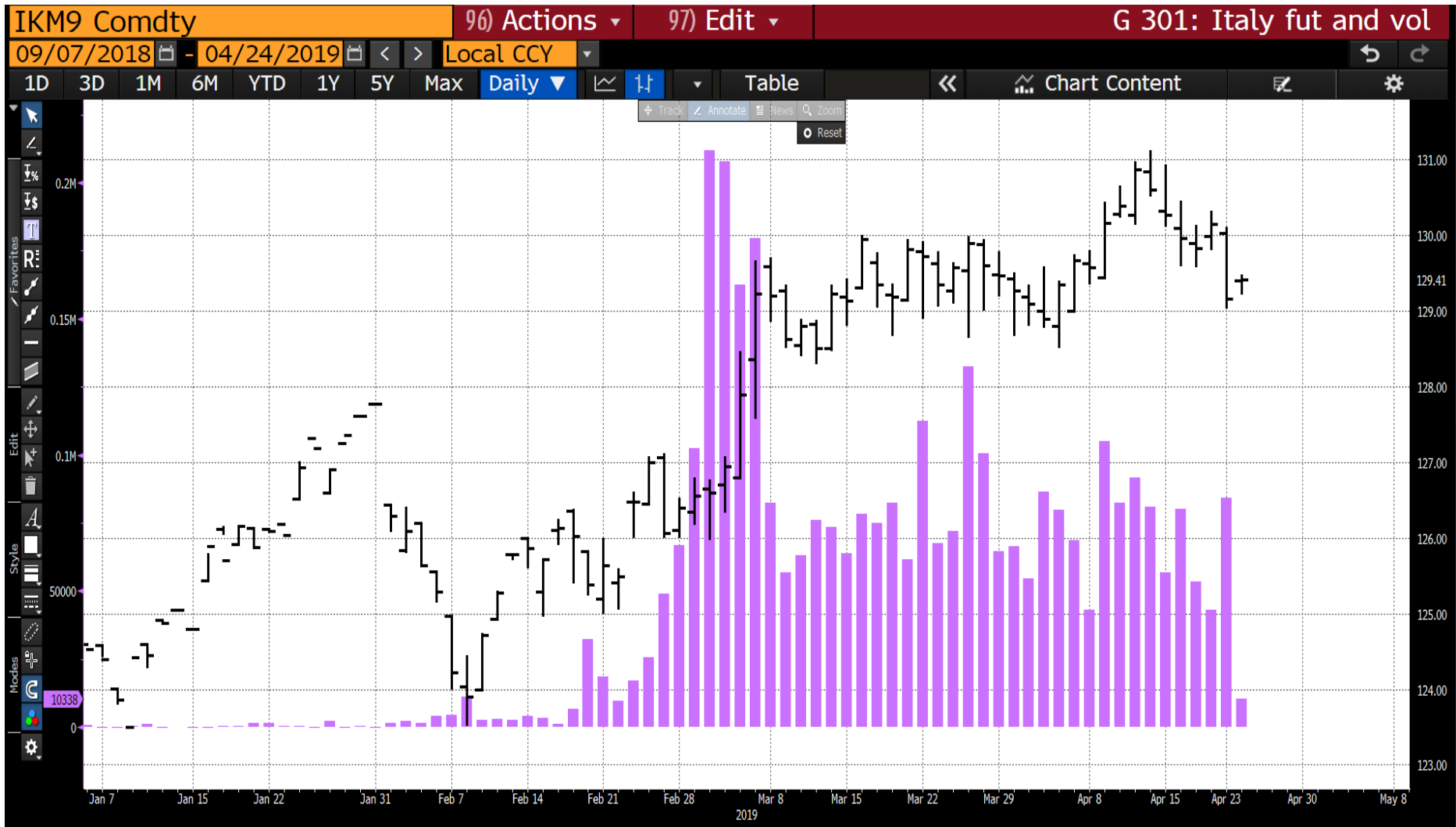
DBR 46 daily : We have HELD the 50% ret 144.621 and now need to take advantage of that.



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!



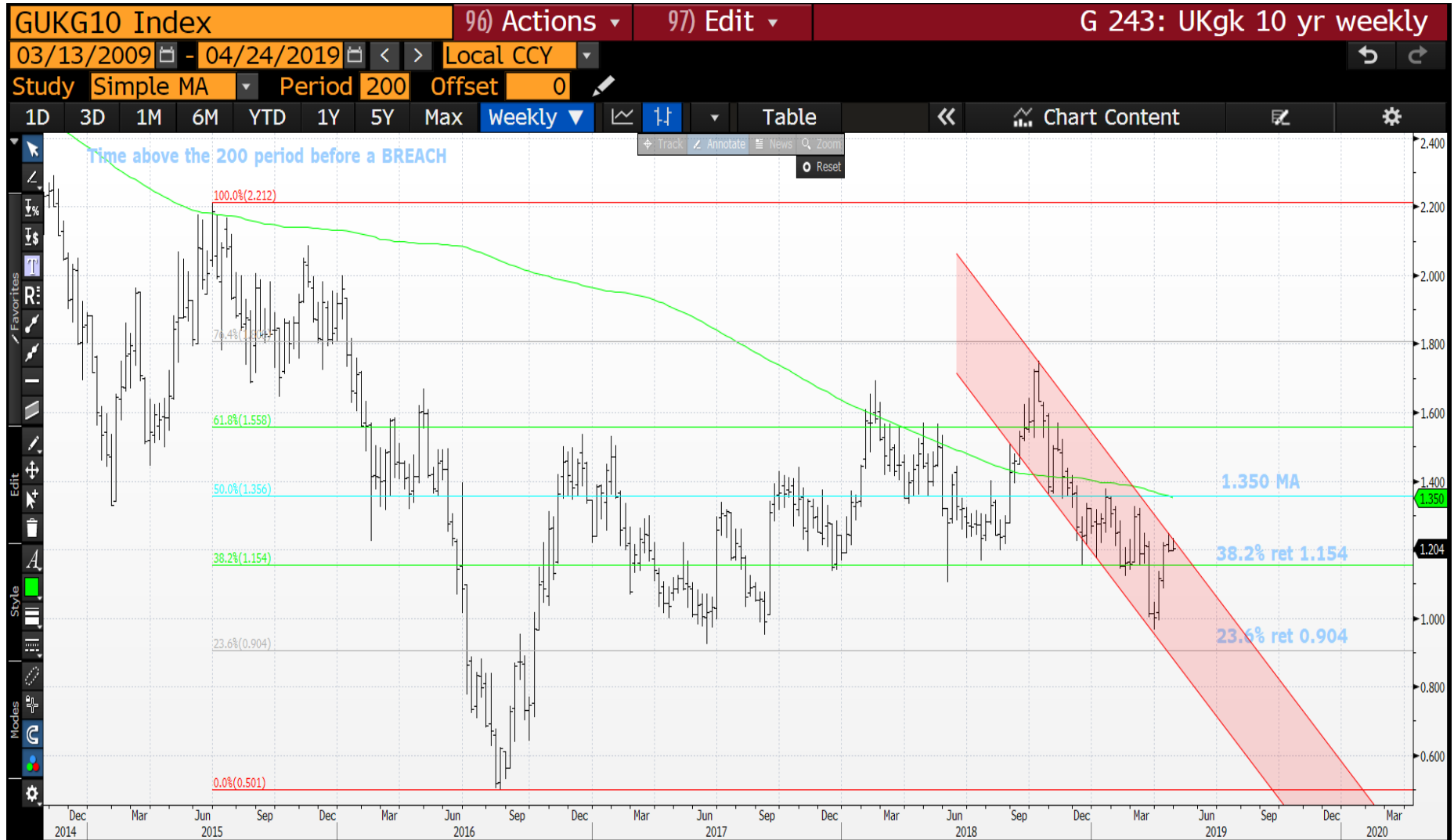
GUKG10 monthly : We continue to remain sub the 1.375 historical moving average, thus history should repeat itself.



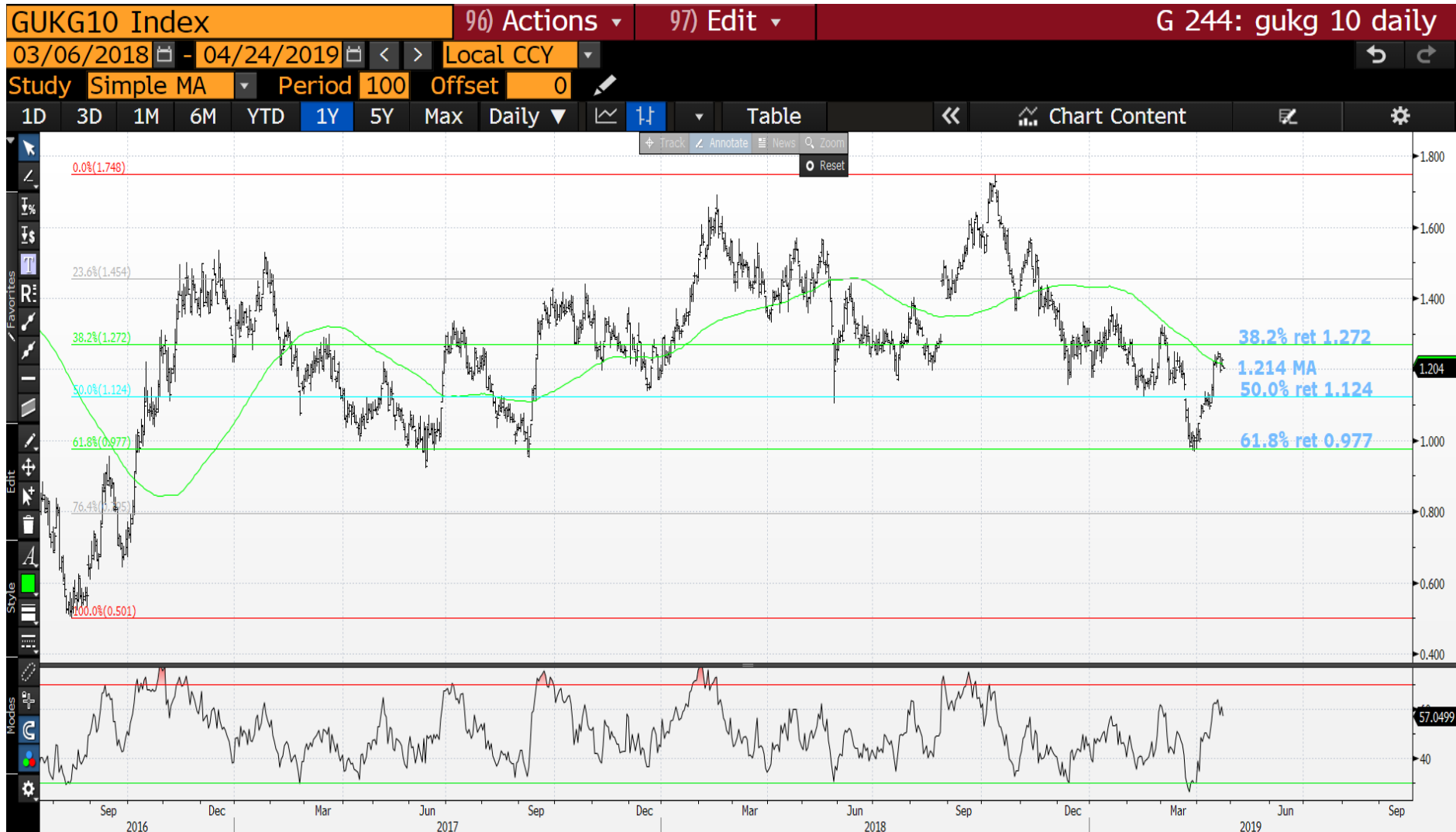
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GUKG10 weekly : The channel is proving its worth and so we should continue lower, sub the 38.2% ret 1.154 will help a lot.



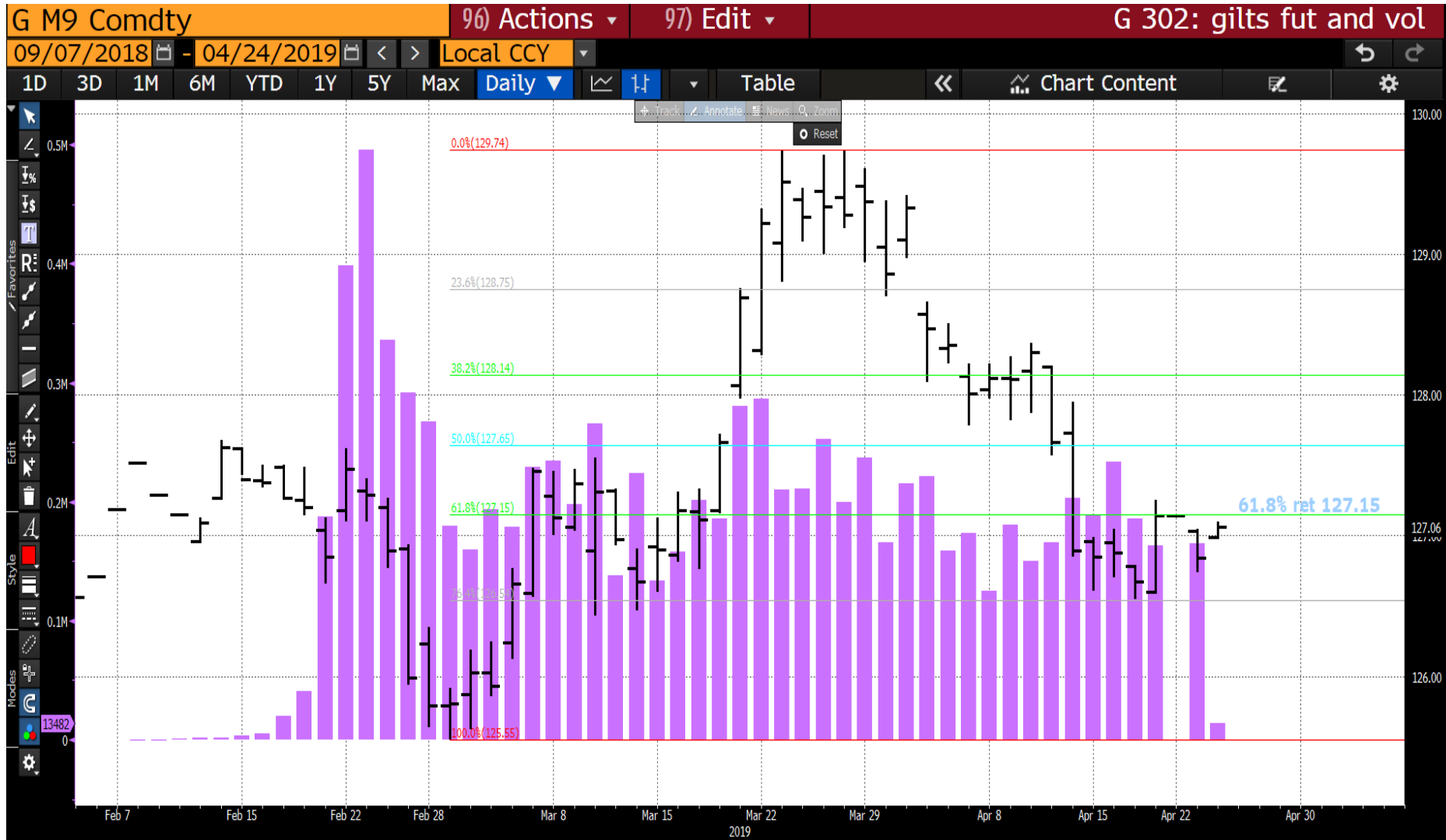
GUKG10yr daily : The RSI is reasonably high and we are teasing the 1.214 moving average.  
We NEED to head lower into the weekend.



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Gilt futures : Volume has been steady with a marginal pick up at the lows, ideally we need to breach the 61.8% ret 127.15.





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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