

MULTI ASSET UPDATE : POST QUARTER END RECAP.

WHATS CHANGED :

BOND YIELDS ITS ALL ABOUT MAINTAINING MOMENTUM LOWER.

US CURVES CONTINUE TO SEE THE PERFORMANCE SHIFT MORE TO THE FRONT END.

FX WATCH THE EURO AS A SUSTAINED TIME SUB THE MULTI YEAR 1.1241 RETRACEMENT IS “NOT HEALTHY”.

EM FX, THIS CONTINUES TO ENDORSE FURTHER EM STRENGTH CONTINUING.

EQUITIES, THESE ARE THE BIGGEST PAIN! THEY CONTINUE TO GRIND HIGHER WHICH IS AT ODDS WITH THE MORE LONGTERM CHARTS, WE SHALL SEE.

FX UPDATE

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US 2yr yield quarterly : The TOP has now been formed against the 2.9023 moving average and the RSI indicates plenty of yield downside. Its as if 2000 and 2007 were NON events.

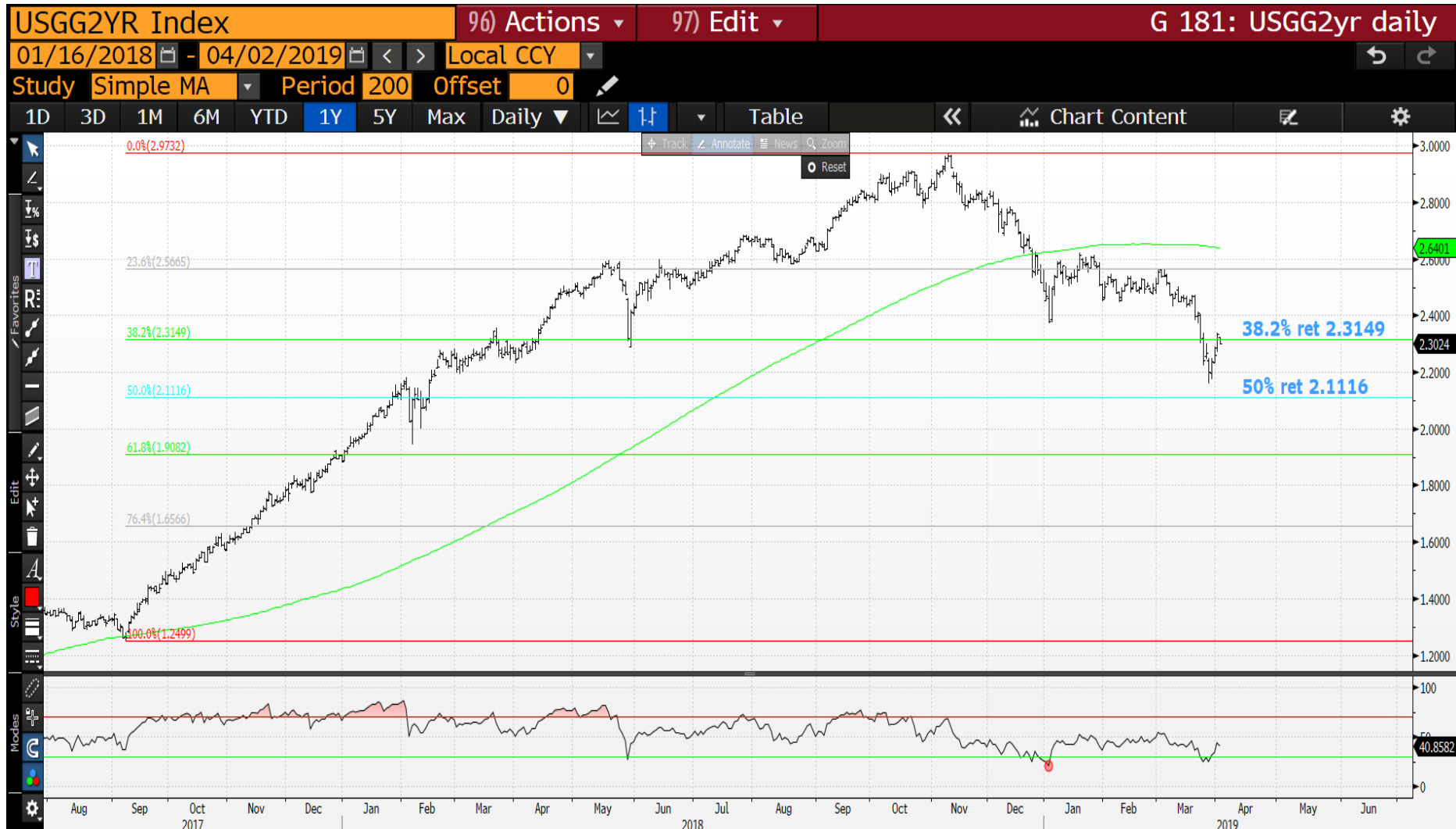


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US 2yr yield monthly : A decent range last month, the hope remains further progress toward the 23.6% ret 1.7448.

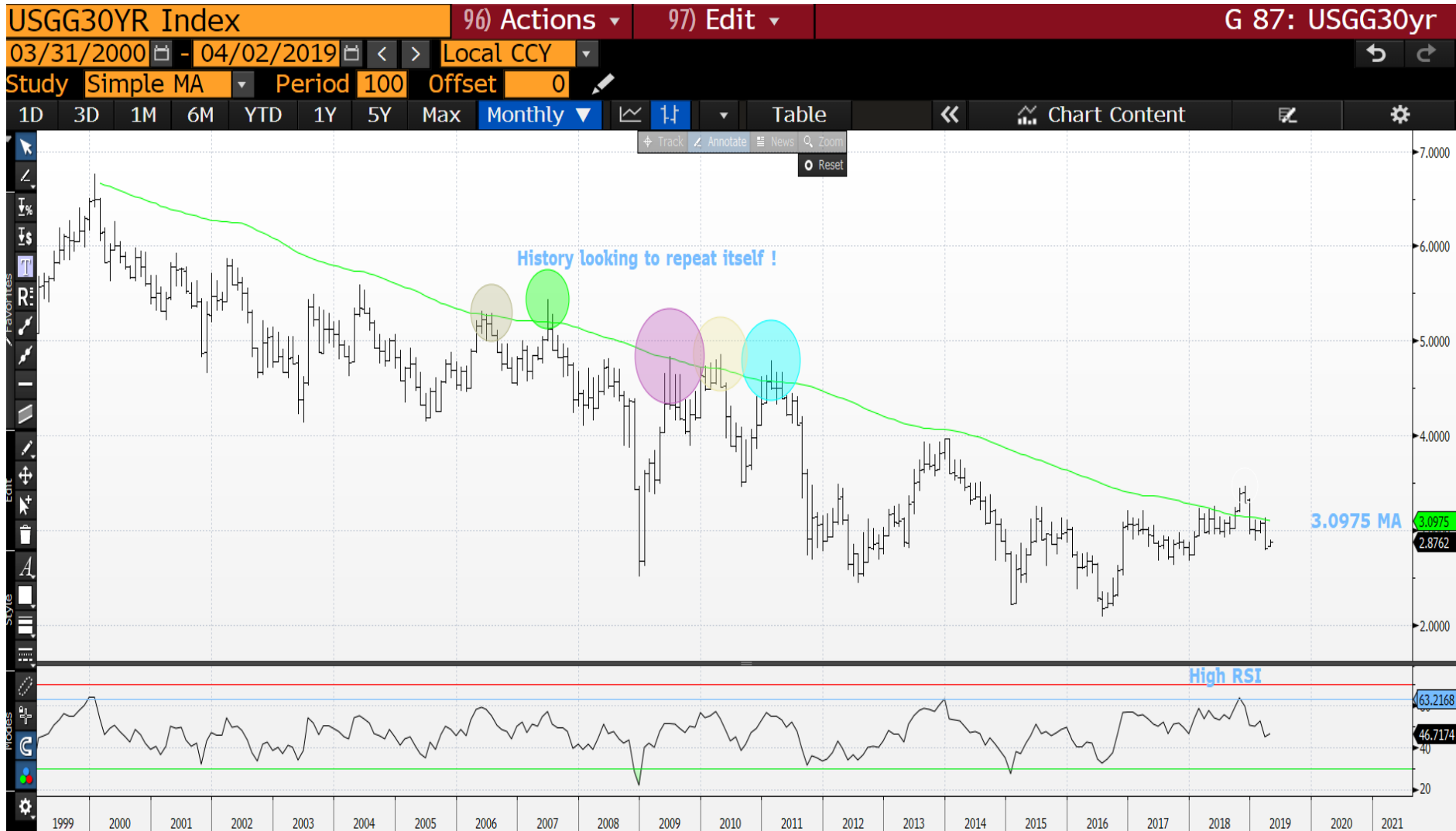


US 2yr yield daily : The RSI is off its oversold lows and currently stalling against the 38.2% ret 2.3149. Hopefully we can trade lower for the rest of the week.



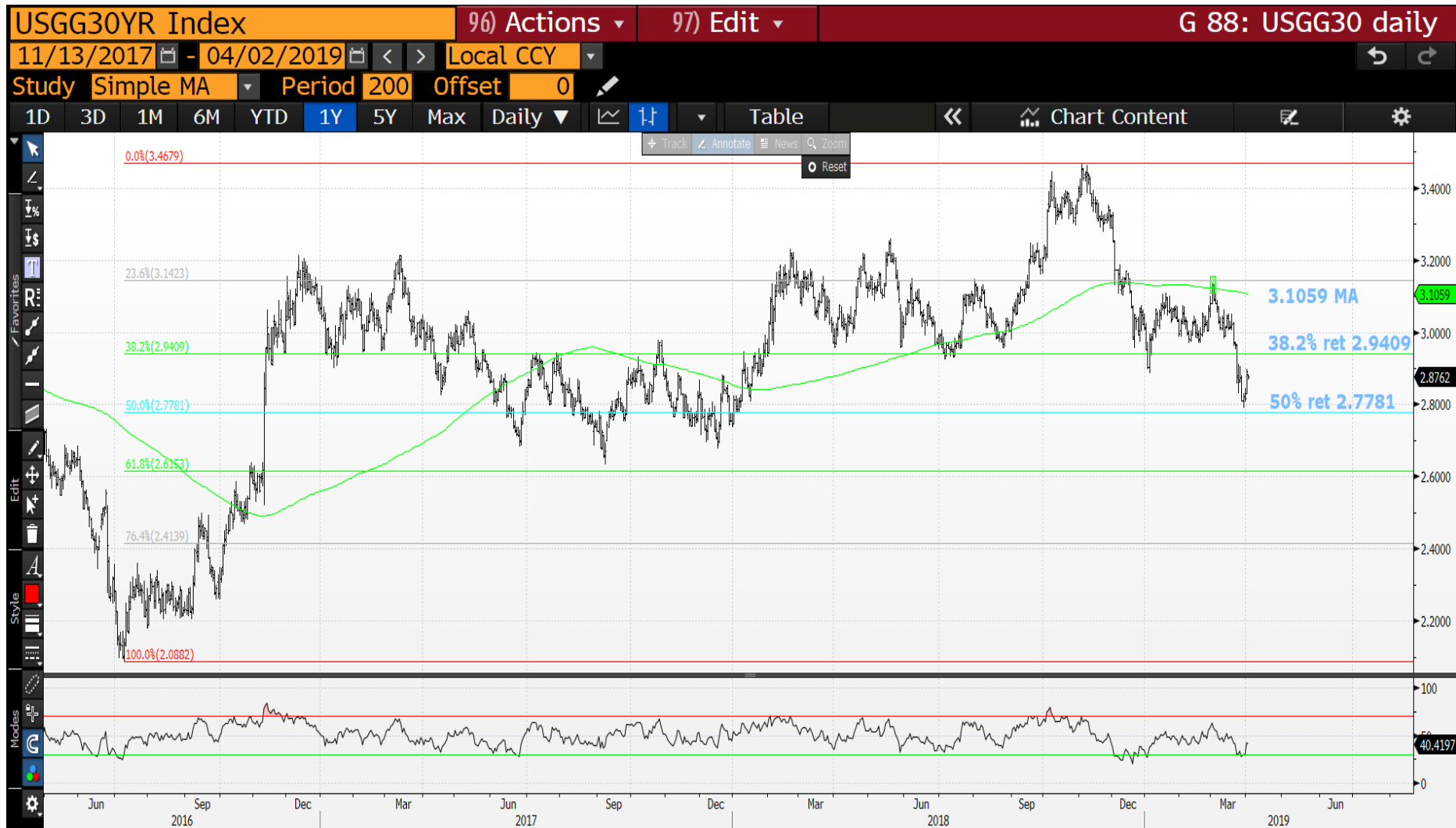
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USGG30yr monthly : History repeating itself. The path of least resistance is definitely lower.



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US 30yr yield daily : The RSI is off its lows so still feels like we need to visit the 50% ret 2.7781. A breach of this will be a very BIG statement of intension.



USFS10-20 monthly : This has been a great boost to the argument for lower yields going forward (assisted by our swaps expert David Sansom), as the chart shows we have a similar historical pattern of failure at this moving average. Again we have only JUST started to FAIL.



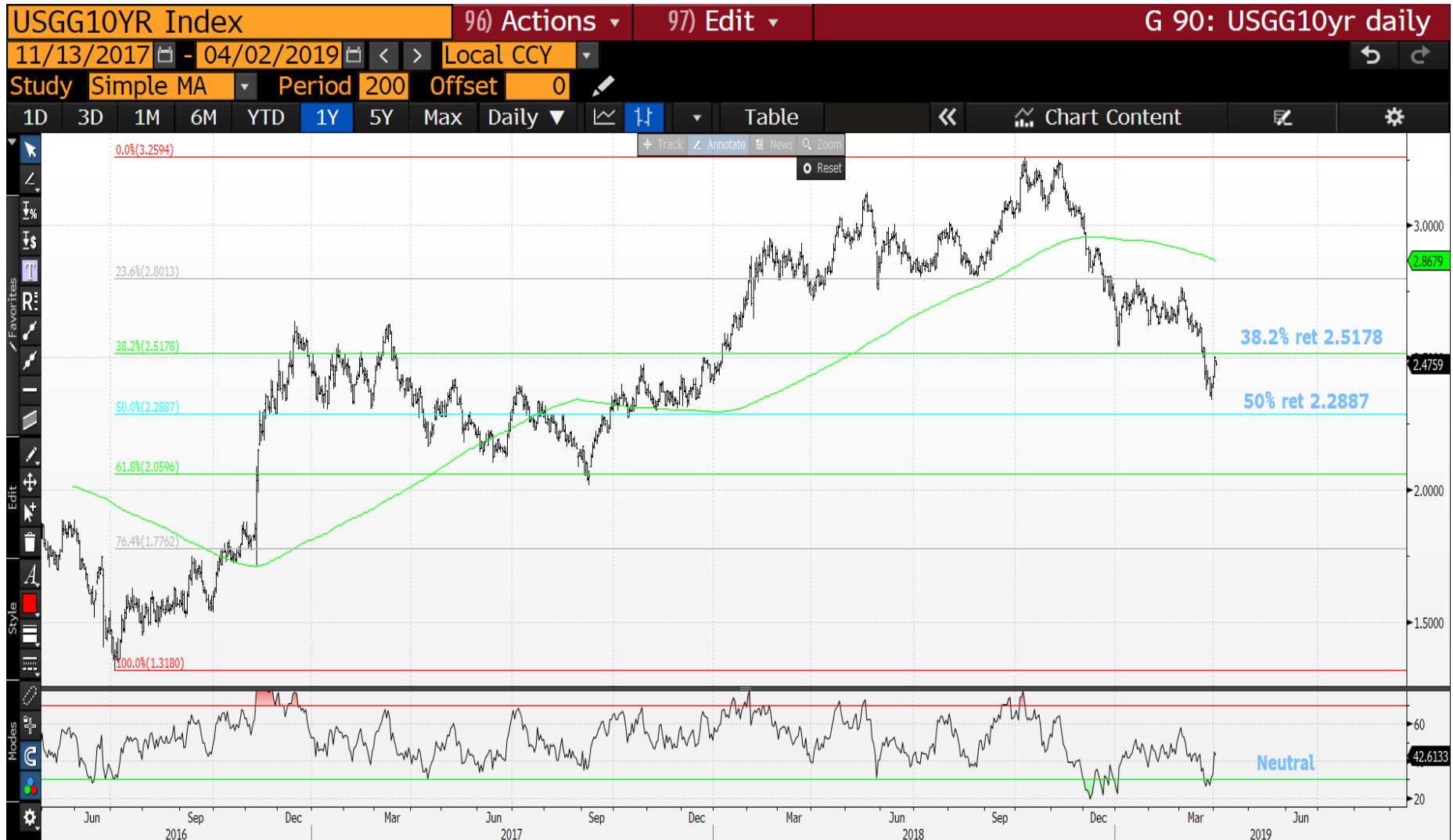
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US 10yr yield quarterly : Another historical formation pointing toward lower yields as depicted in 2000 and 2007. The RSI still has room so hopefully we see a new low shortly.



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US 10yr yield daily : We have lost the oversold RSI and are stalling at the 38.2% ret 2.5178, failure here will be very telling.

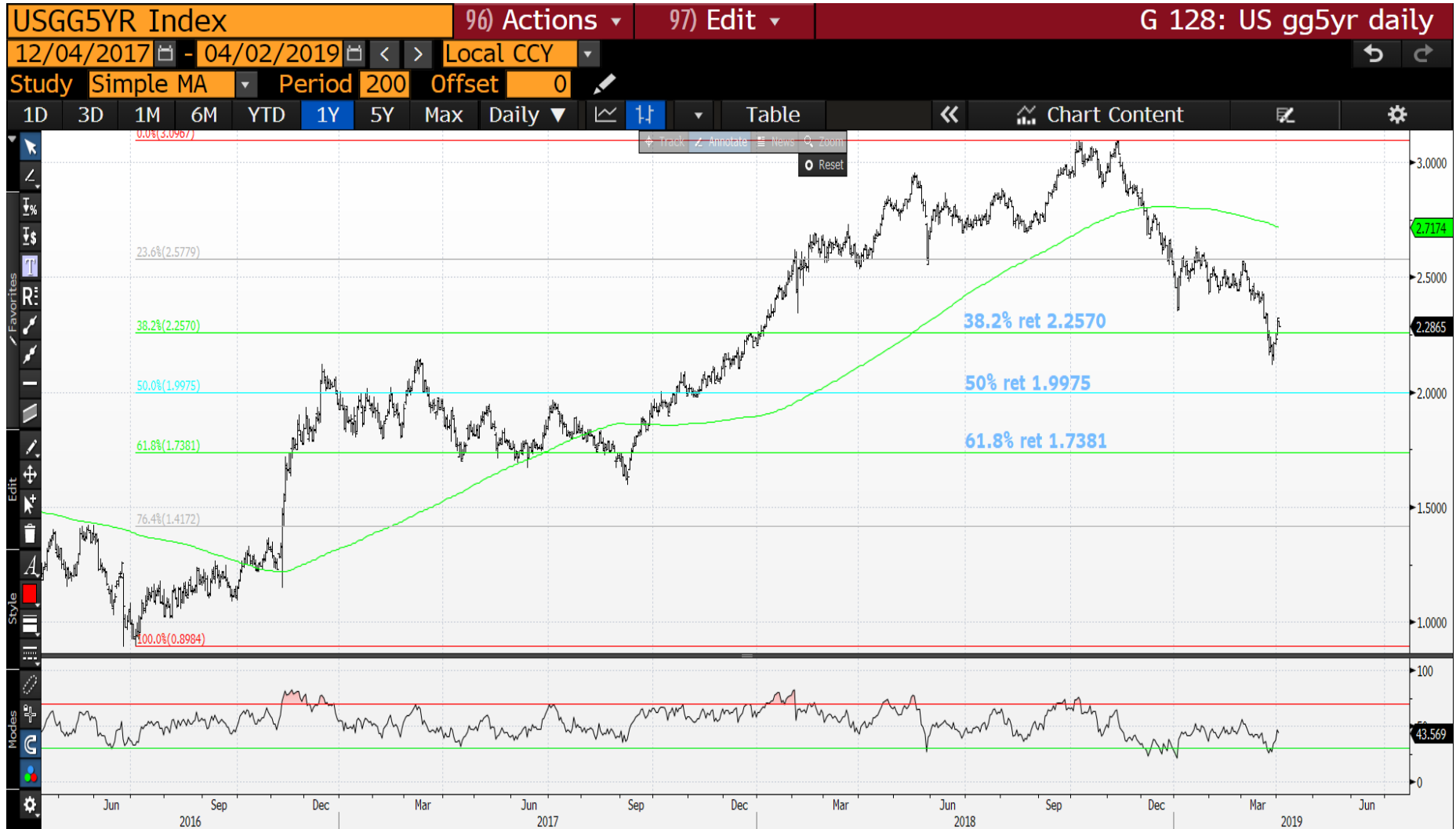


US 5yr quarterly : We are now targeting the 1.9967 moving average as the RSI unwinds SOME of its 1981 tension. Where were 2000 and 2007 in this chart?



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US 5yr daily : The RSI is now neutral so hopefully we can close sub the 38.2% ret 2.2570.



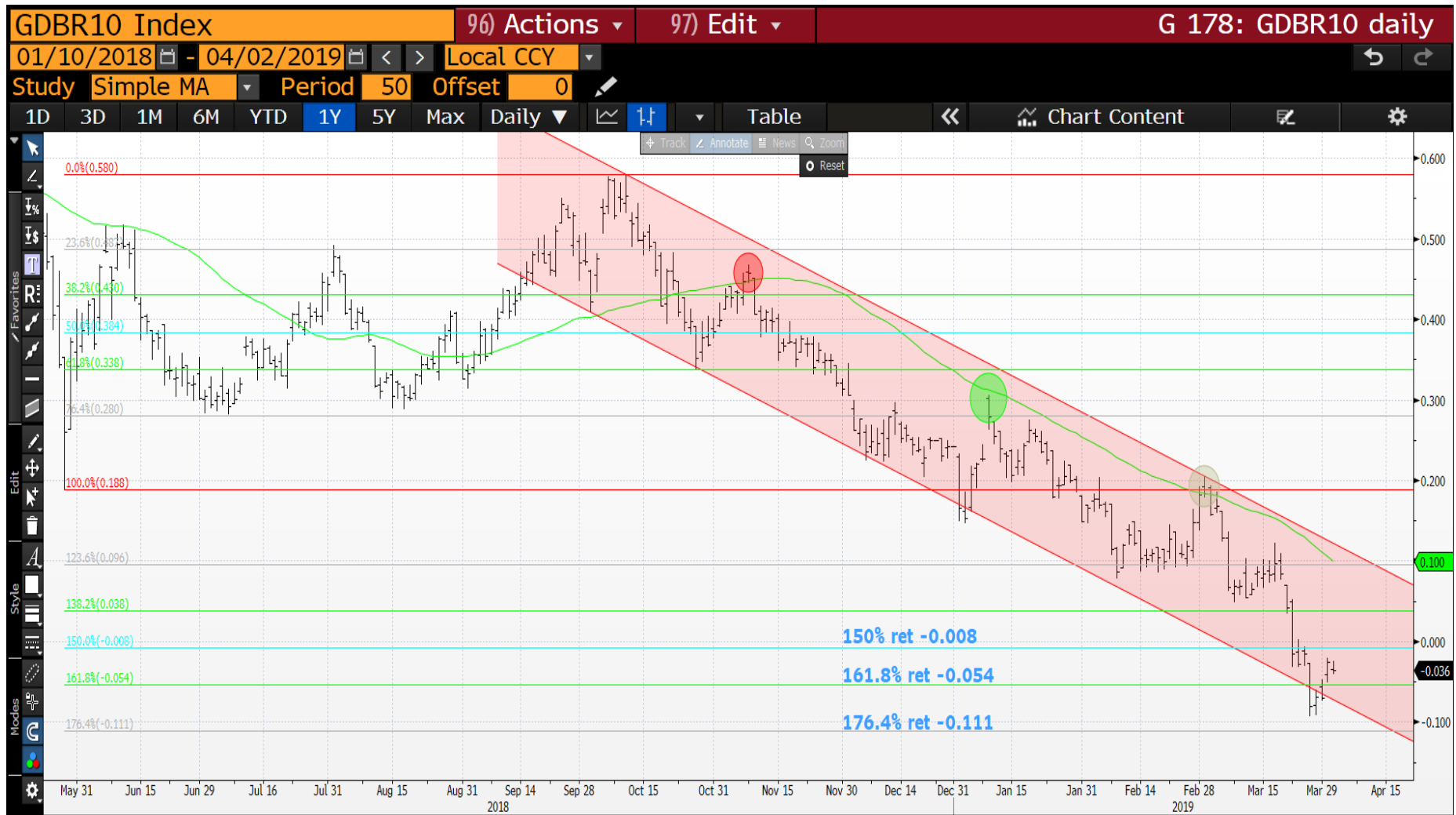
Generic German 10yr quarterly : Yields continue to grind lower now we are in the channel and CTA's add to futures longs.



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Generic German 10yr daily : We look like stalling again and should head back to the recent lows despite the yield.



DBR 46 daily : Lets see if we can hold the latest dip, usually we can and back above the 61.8% ret 149.094 will confirm that.



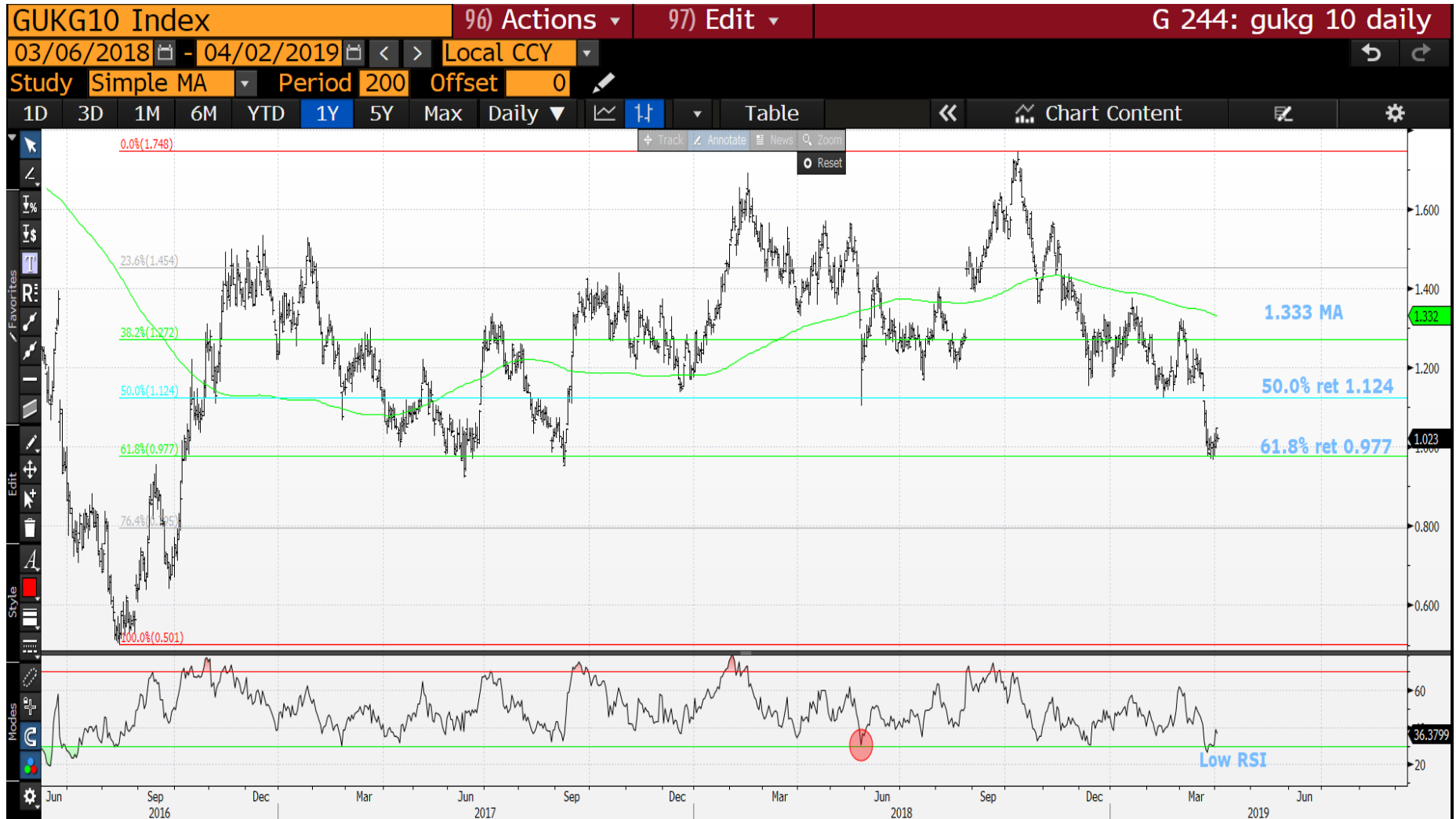
UK 10yr yield monthly : Similar to the German yield chart the path of least resistance remains LOWER. We are close to last month low 0.967.



UK 10yr yield weekly : The market remains in a very negative mode and hopefully can breach the 23.6% ret 0.904.



UK 10yr yield daily : A clinical chart as we have hit and recognised the 61.8% ret 0.977 but given the NEUTRAL RSI it might be time for a breach. SUB 0.920 recent lows will be KEY.



Italian generic 10yr daily : We are TEASING the 2.463 previous low so a MAJOR DROP if we close below it.



US curves a once in a lifetime opportunity?

- **Curves** : The frontend curves now look like a **PERFORMER** given the strong steepening closes last quarter. Certainly looks like the **BASES** are in.
- **** The BACK END** ideas have had a good run so maybe time to get long **US 2-5** and **2-10** steepener. It seems the **BACK END** is where the **TRADE** is given the **2-30**, **5-30** and **10-30** performance yesterday.

All generally have low RSI's, MANY at 2006 levels.

- It seems hard at the moment to pinpoint the **OPTIMUM** curve to go for but contenders already are **2-30**, **5-30** and **10-30**, that said most could do with quarter end confirmation.
- **REMEMBER ALL RSI's ARE EXTENDED AND MANY HAVE HIT MULTI YEAR 76.4% RETRACEMENTS!**

US 2-5 curve monthly : A VERY strong close creating a major downside pierce, it FINALLY looks like a BASE is in!



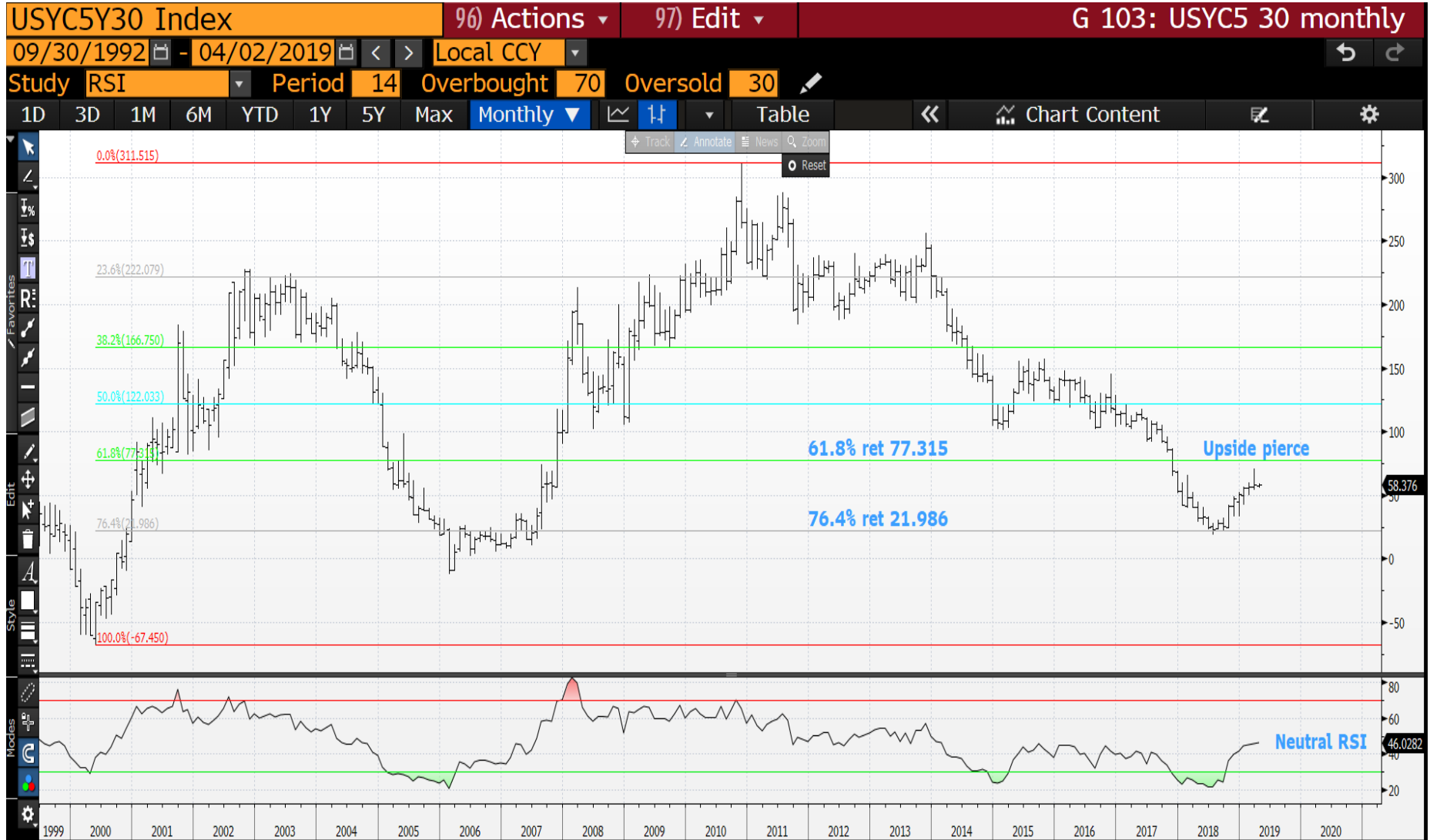
US 2-10 curve monthly : We have now formed a DECENT base over the last few months, a good time to get involved in a steepener. Add on a breach of the 76.4% ret 26.639.



US 2-30 curve monthly : ANOTHER PERFECT hit and possible PERFECT BOTTOM to trade from. TO me this remains a VERY long-term trade but performance is now being over shadowed by the front end orientated curves.



US 5-30 curve monthly : The latest RSI and PIERCE are highlighting a STALL.



US 10-30 curve monthly : We have a pretty major upside pierce so likely to dip below the 61.8% ret 38.721 soon.



US 2-7-30 fly monthly : We are now HOLDING the previous low -31.3224.



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US 2-7-30 fly weekly : We have now based and poised to head higher!



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EQUITIES

EQUITIES : One area that remains a SIZEABLE frustration!

Many will argue that stocks are FINE and a level of comfort is now built in. This has never been more of a critical location TO FAIL. Optimism is built in along with positions however MANY US markets remain sub key 200 day moving averages. If bond yields drop too it will be a double WHAMMY.

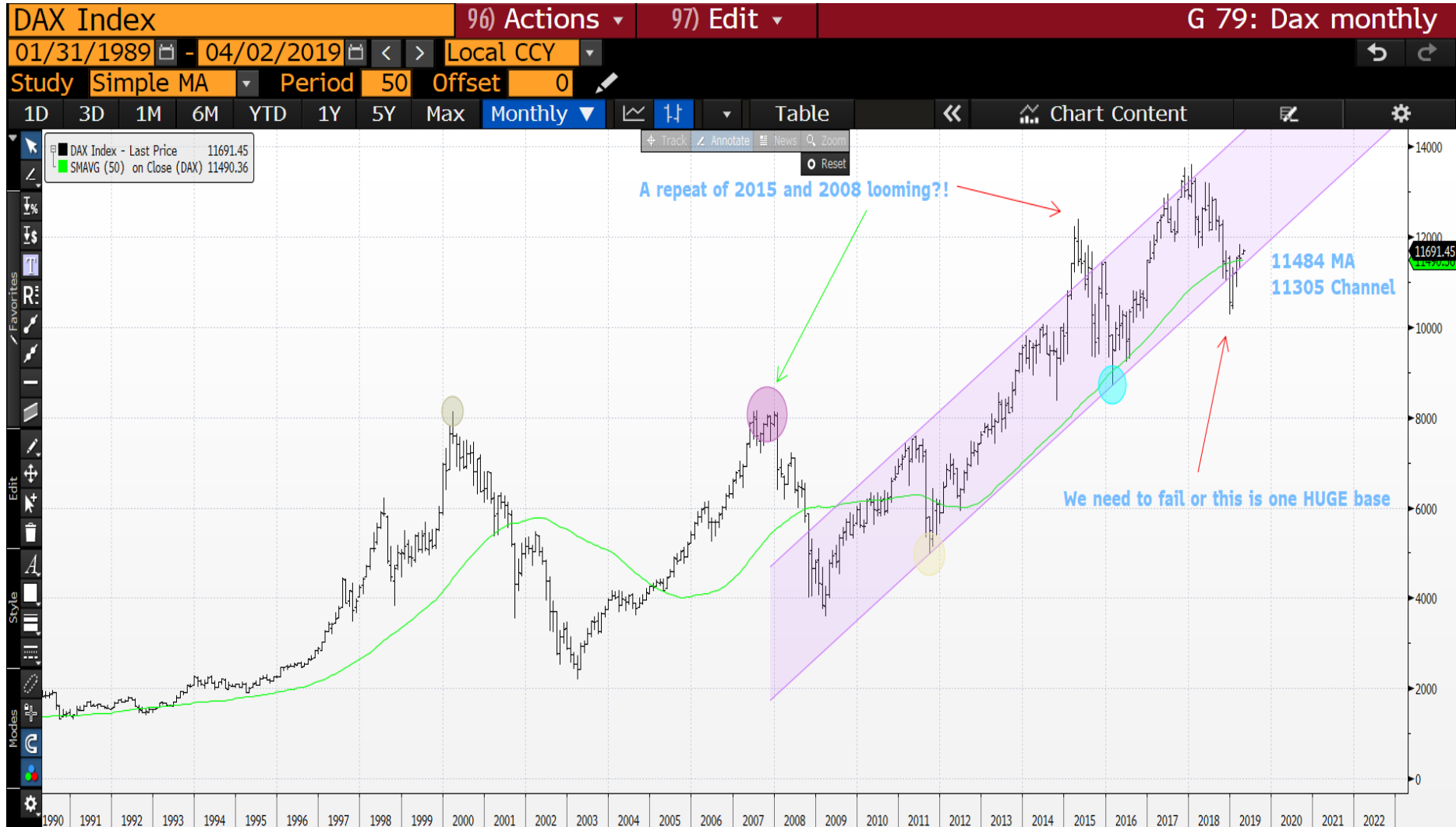
They continue to perform but further upside progress seems limited. We remain around numerous 200 day moving averages!

Although no NEW monthly lows we haven't rallied MUCH. It's a matter of TIME before stocks head lower AGAIN!

Europe is in a terminally bad way whilst the US is close to confirming the 10 year "RALLY" is over.

Both Nasdaq and Russell have 200 day moving average resistance.

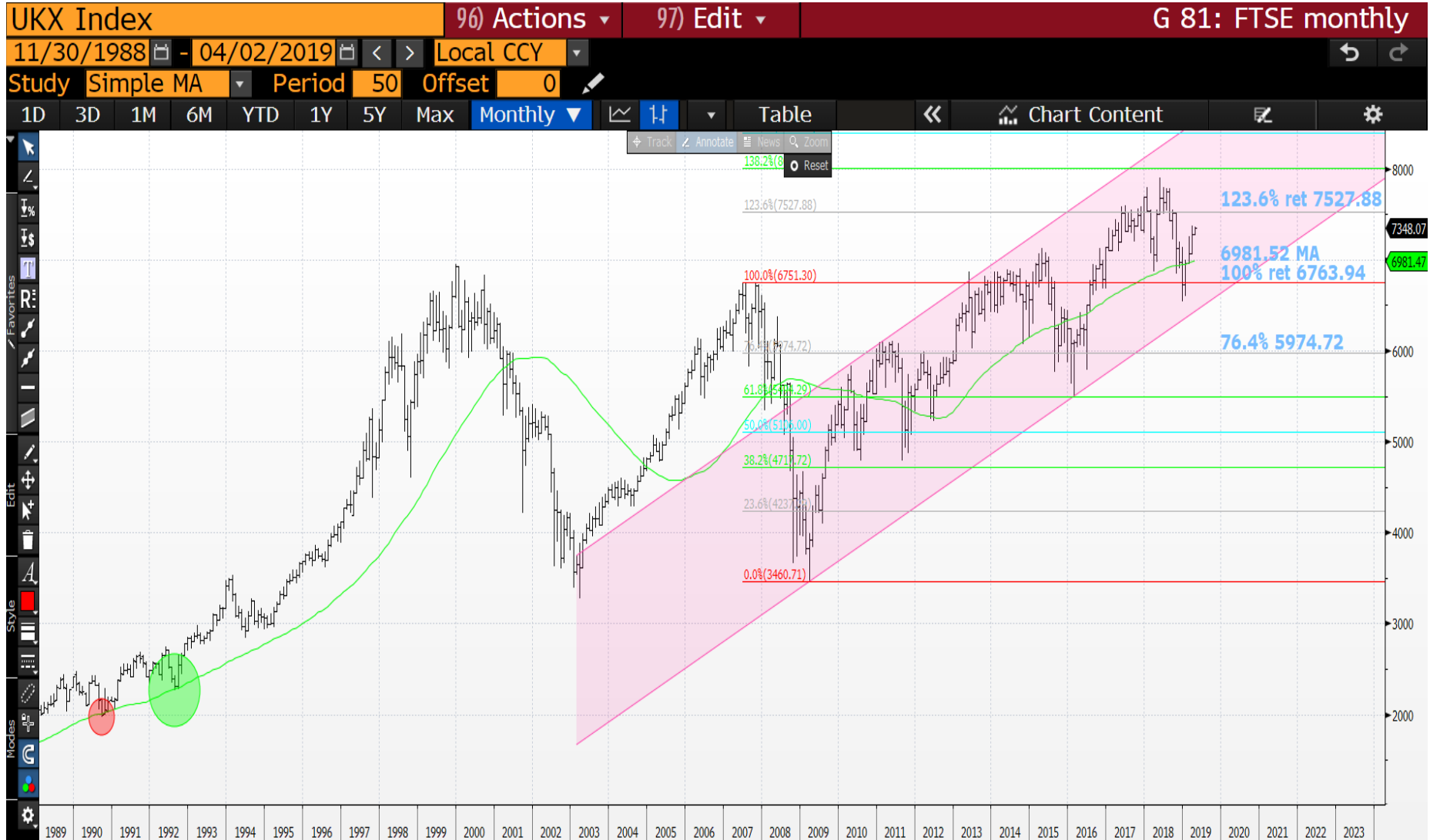
DAX monthly : We above BOTH the moving average and channel.



Dax daily : This is the last line of defence i.e. the 11716.26 moving average.

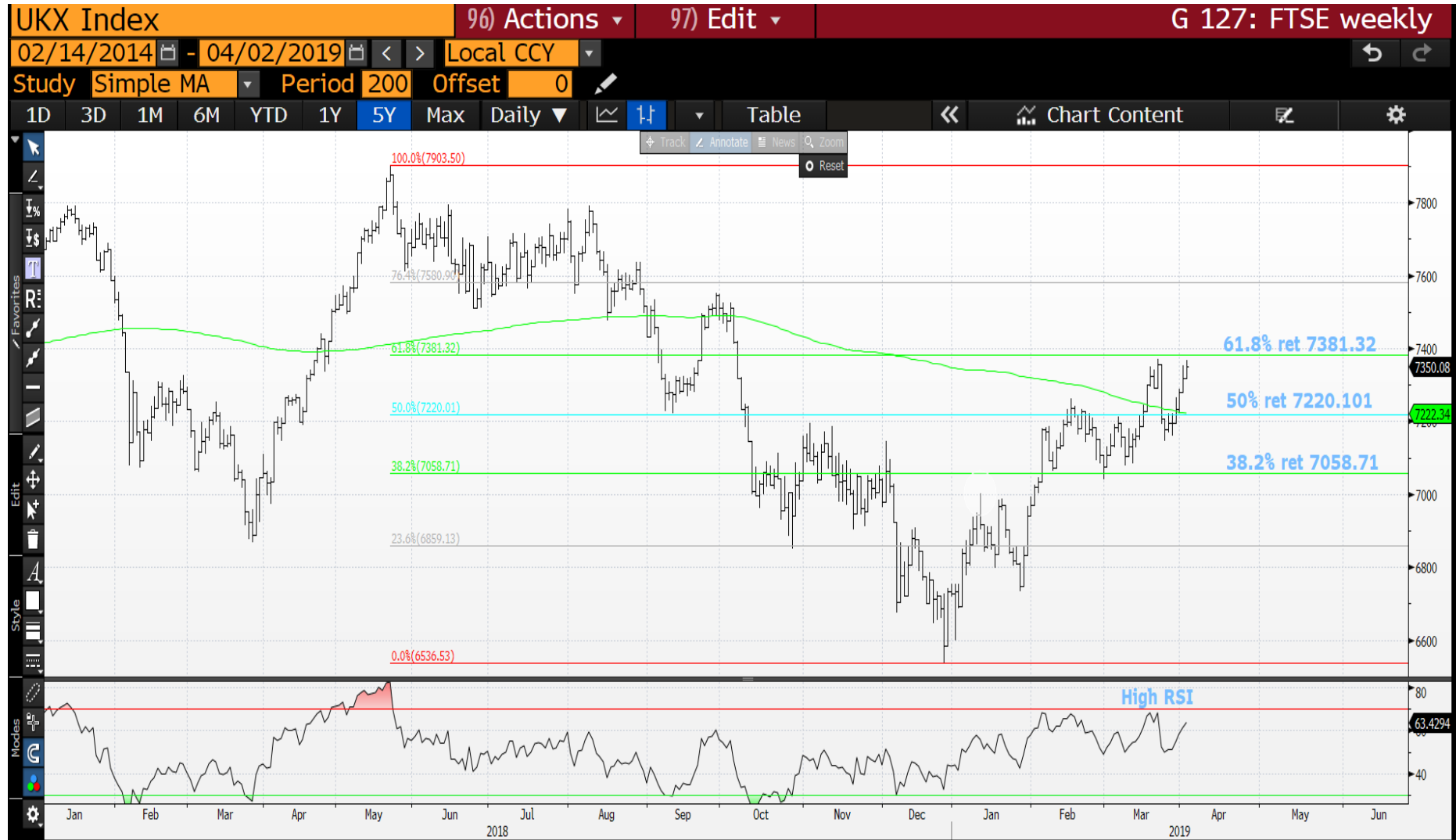


FTSE monthly : We are close to popping last months high.

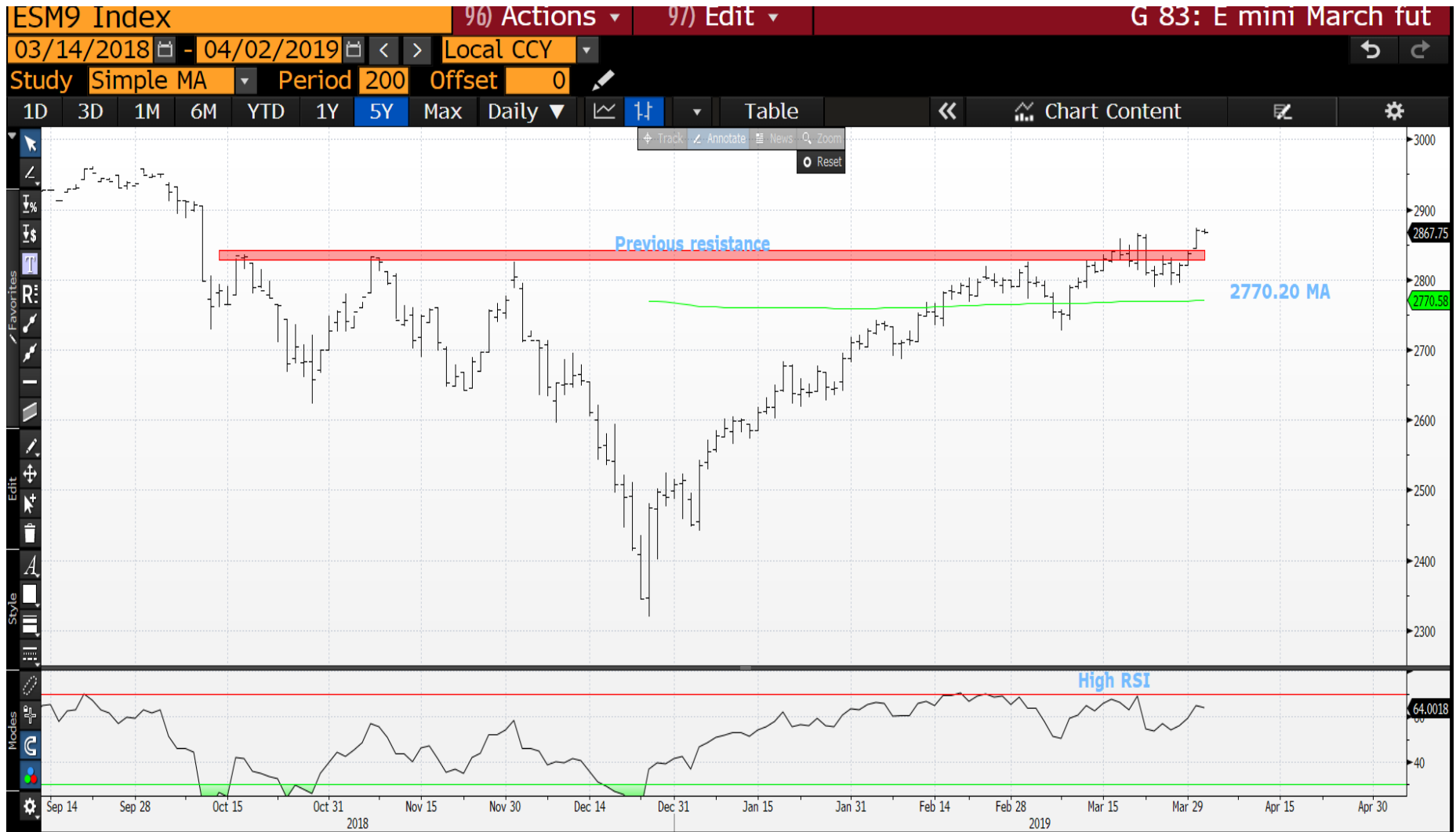


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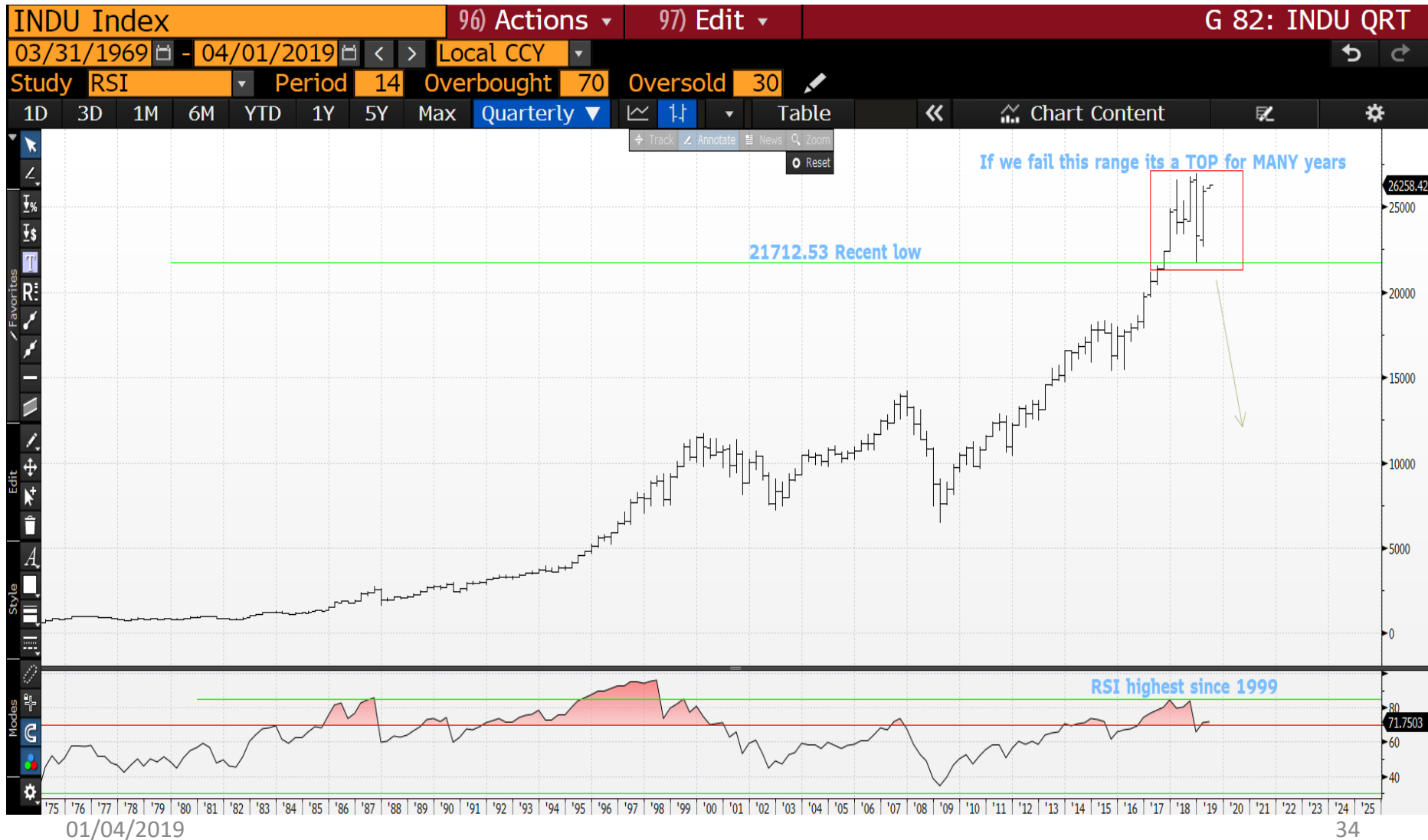
FTSE daily : Above the 61.8% ret 7381.32 and little reason for any short.



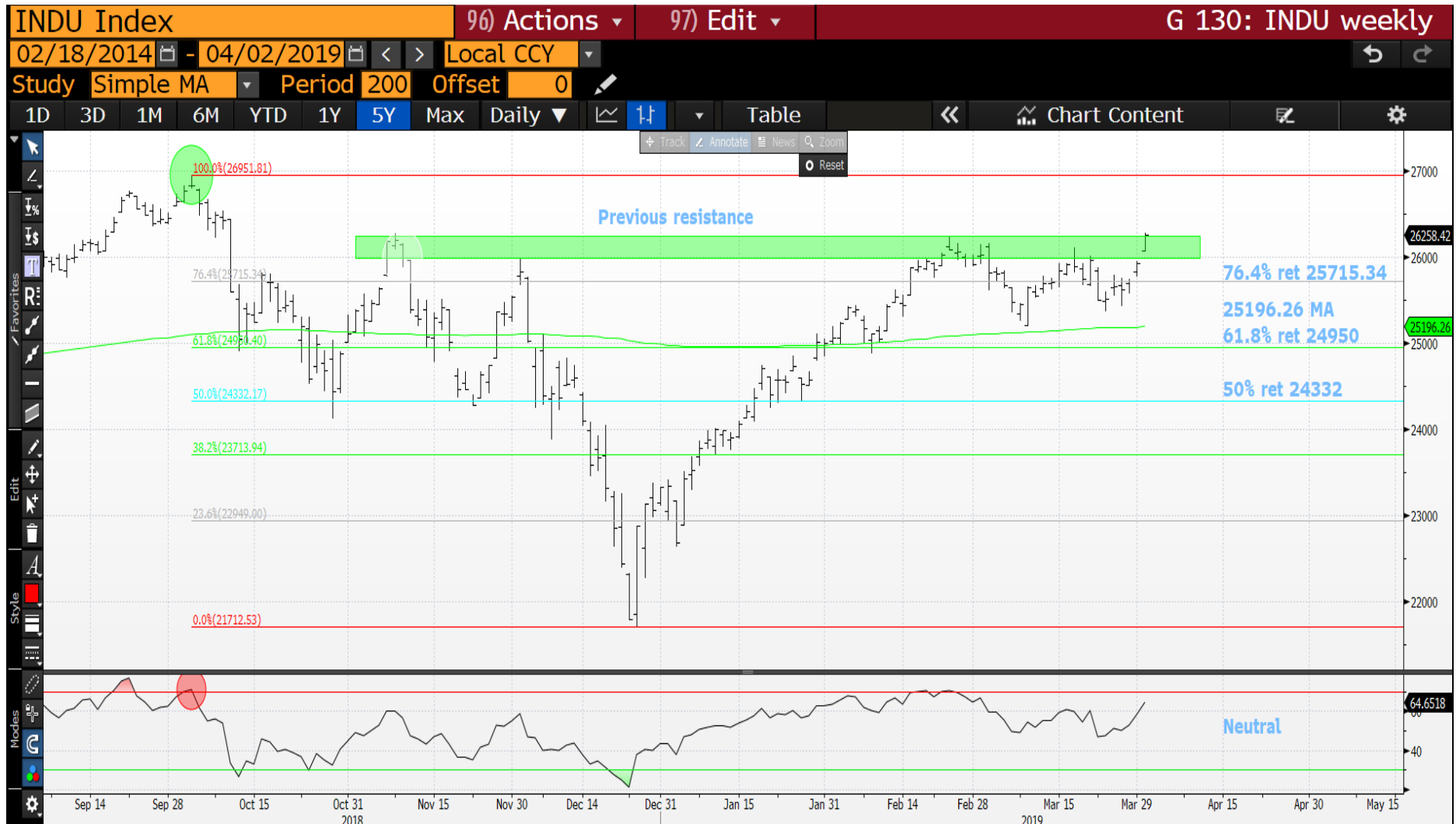
E mini S*P daily : Again NOW OR NEVER, we remain at solid previous resistance. The RSI is high so JUST NEED to move lower.



DOW quarterly : A new high already and narrow range so a struggle to still be short, that said we need more of a range.

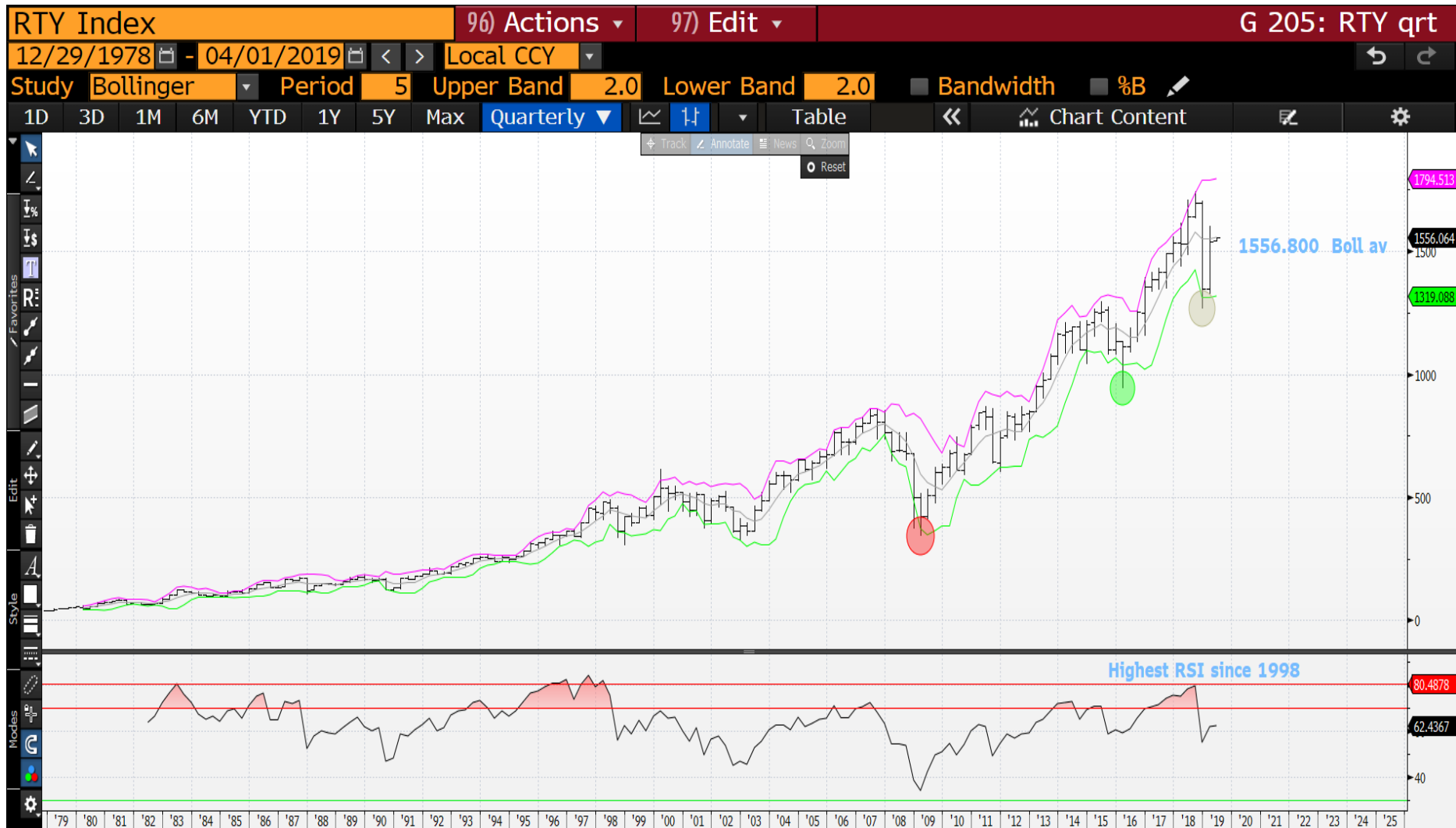


DOW daily : We are TEASING the familiar resistance, sub the 76.4% ret 25715.34 will be helpful.



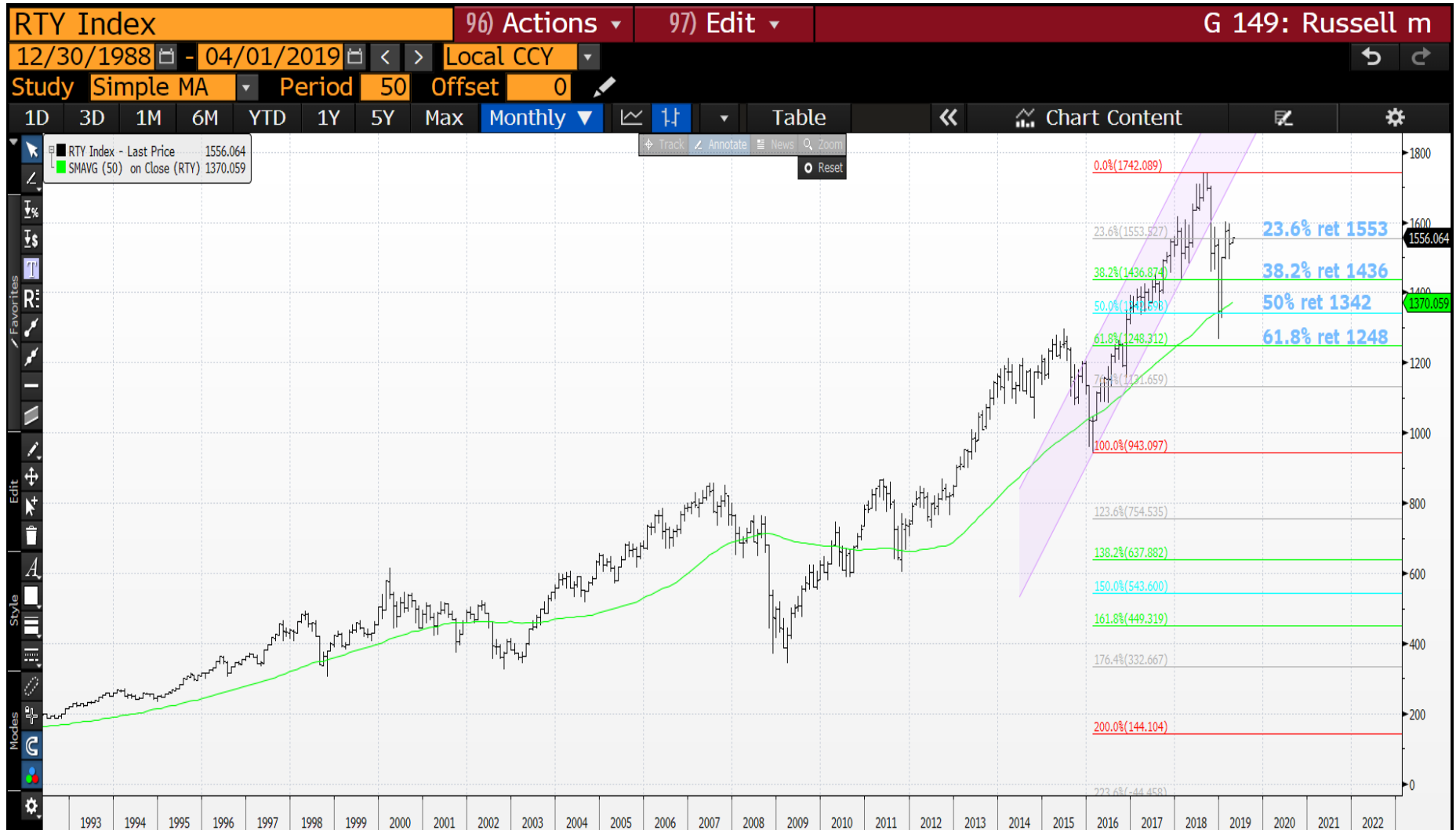
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Russell quarterly : We have had a sizeable bounce but looks doubtful it will repair the terminal damage. Ideally we need to REMAIN below the 1556.800 bollinger average.

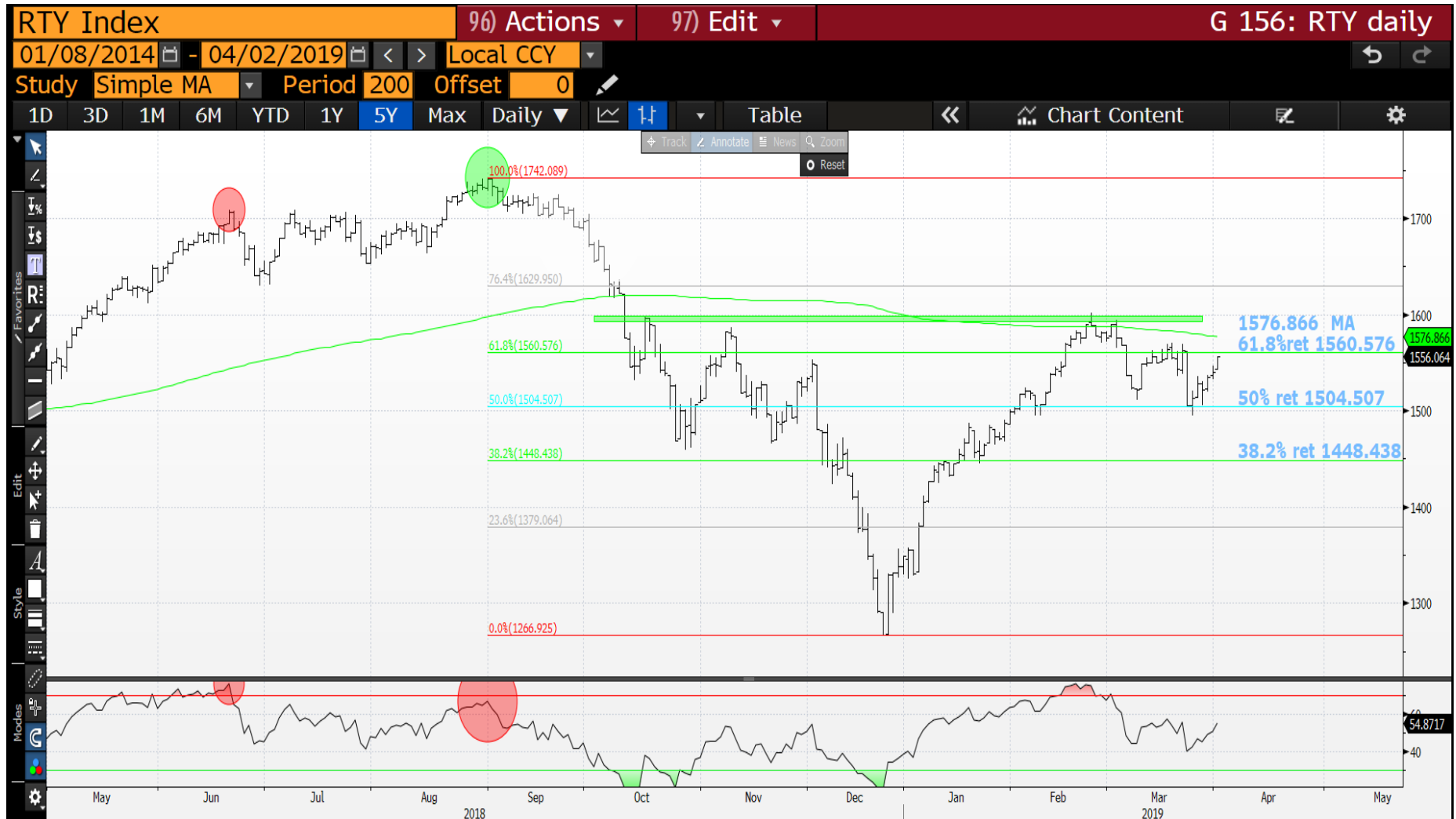


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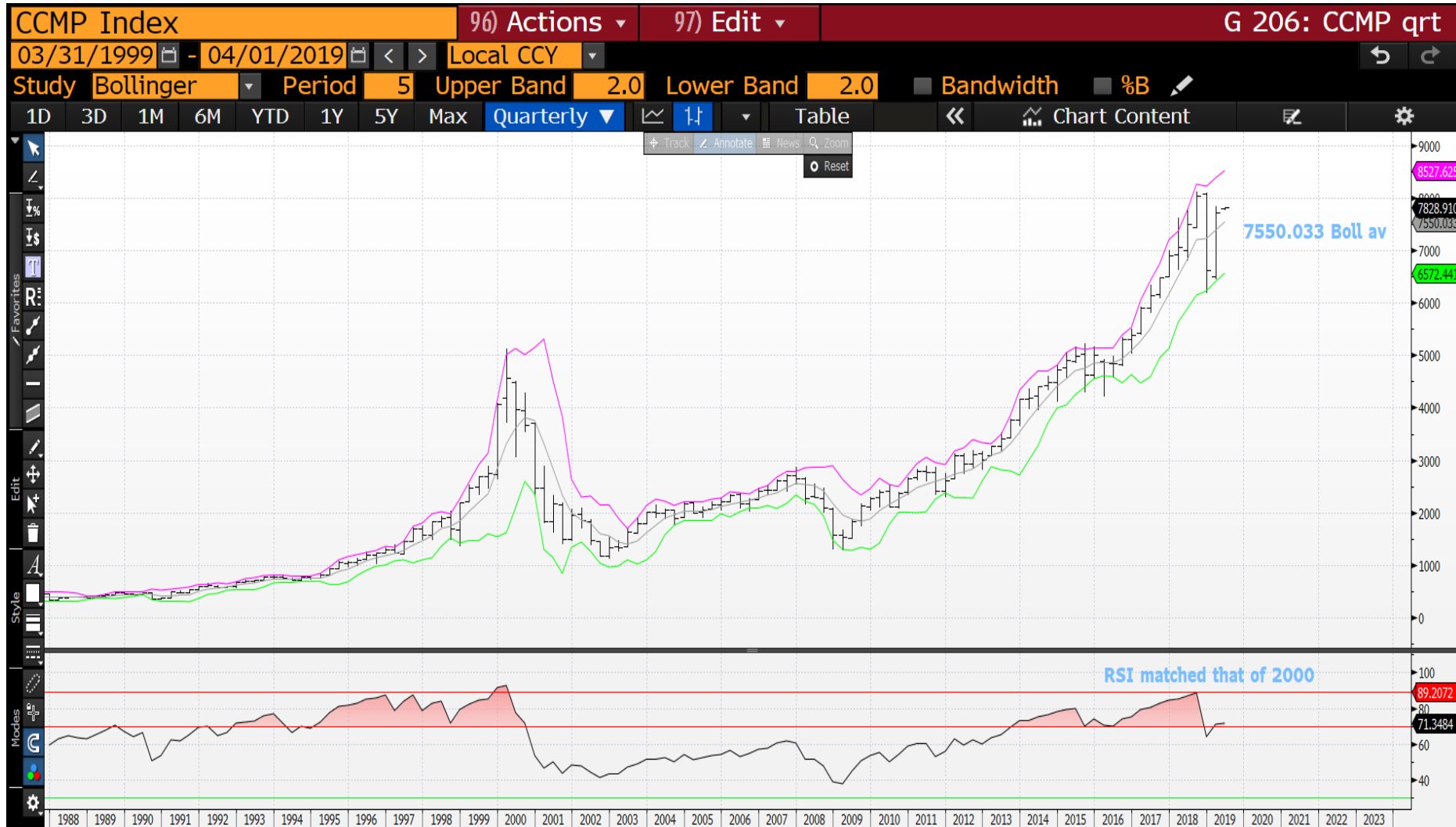
Russell monthly : Currently we REMAIN below last months low and sub the 23.6% ret 1553.



Russell daily : Still a negative chart but ideally we need to make progress toward the 50% ret 1504.507.



CCMP quarterly : We have opened close to last months highs but a move sub the 7550.033 bollinger average will help.



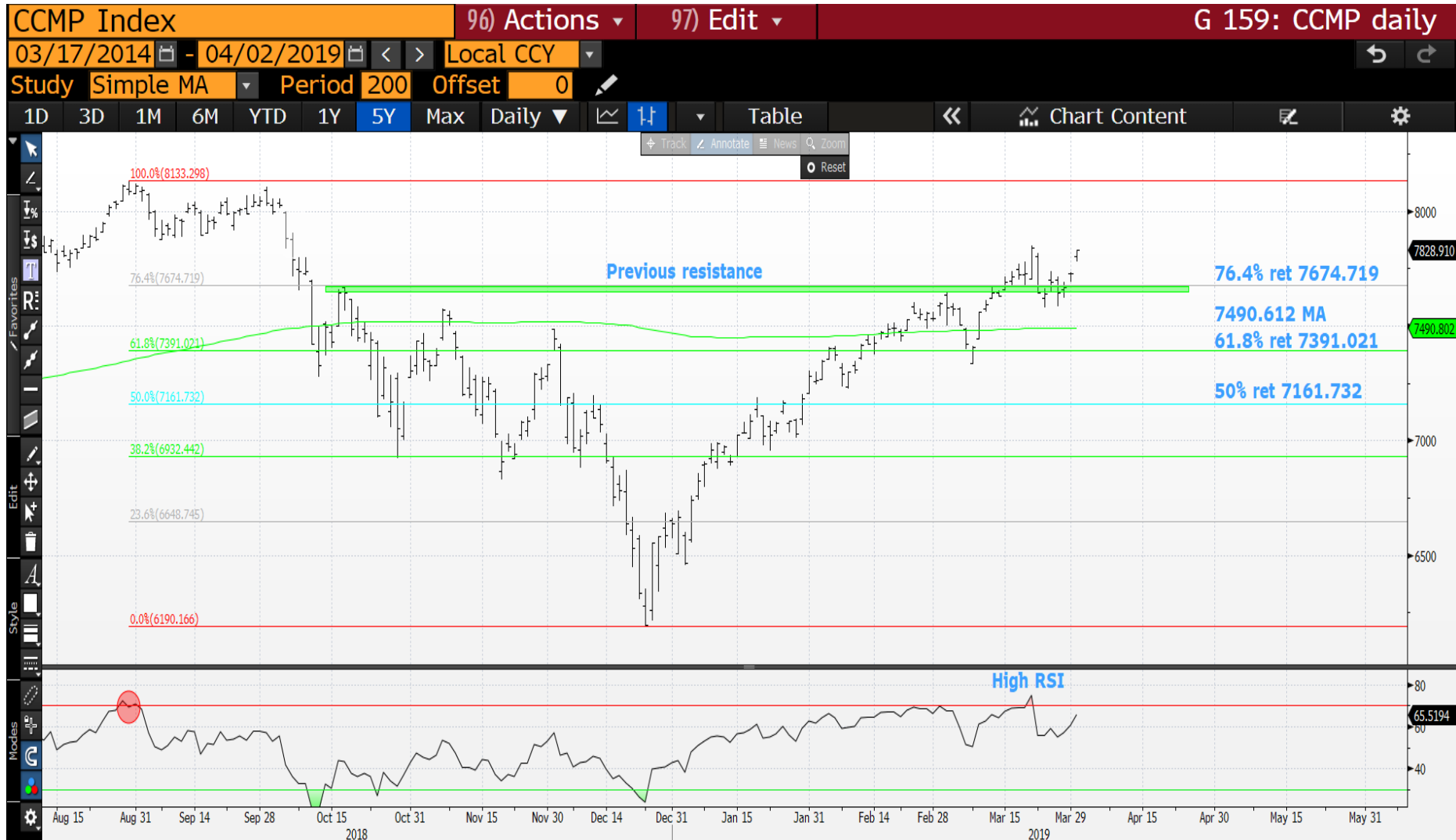
CCMP monthly : We have opened inside the channel 7691 so a lot to do to FAIL.



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CCMP monthly : We have breached most levels and poised to make a new high.

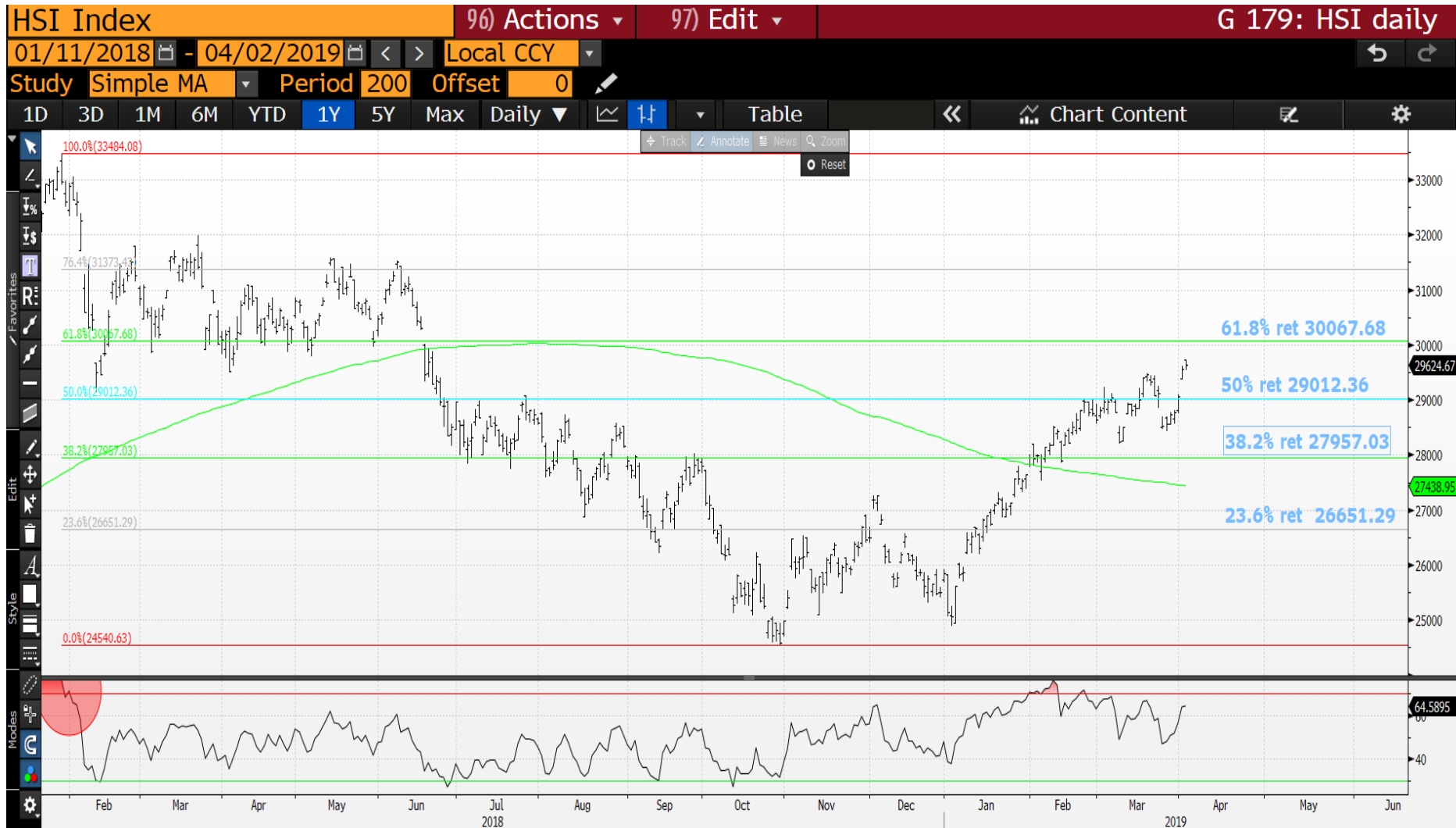


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Hang Seng monthly : This is the biggest obstacle to a any short as this market formed a MAJOR base against its long-term moving average 25342.91.



Hang Seng daily : The RSI is neutral and no sign of failure yet.



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Nikkei monthly : A similar story to the Hang Seng in that we need to breach the 50% ret 20489.16.

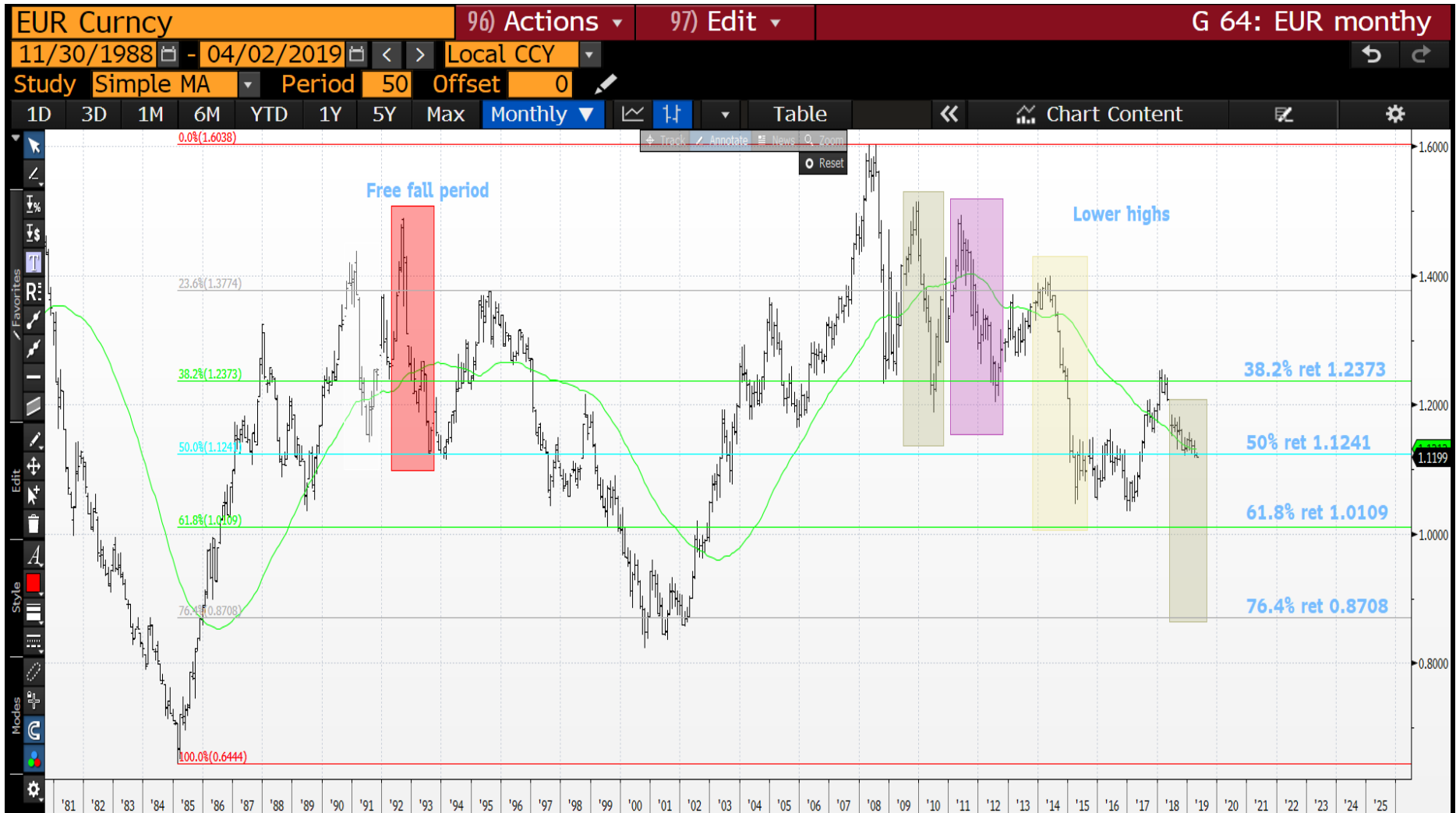


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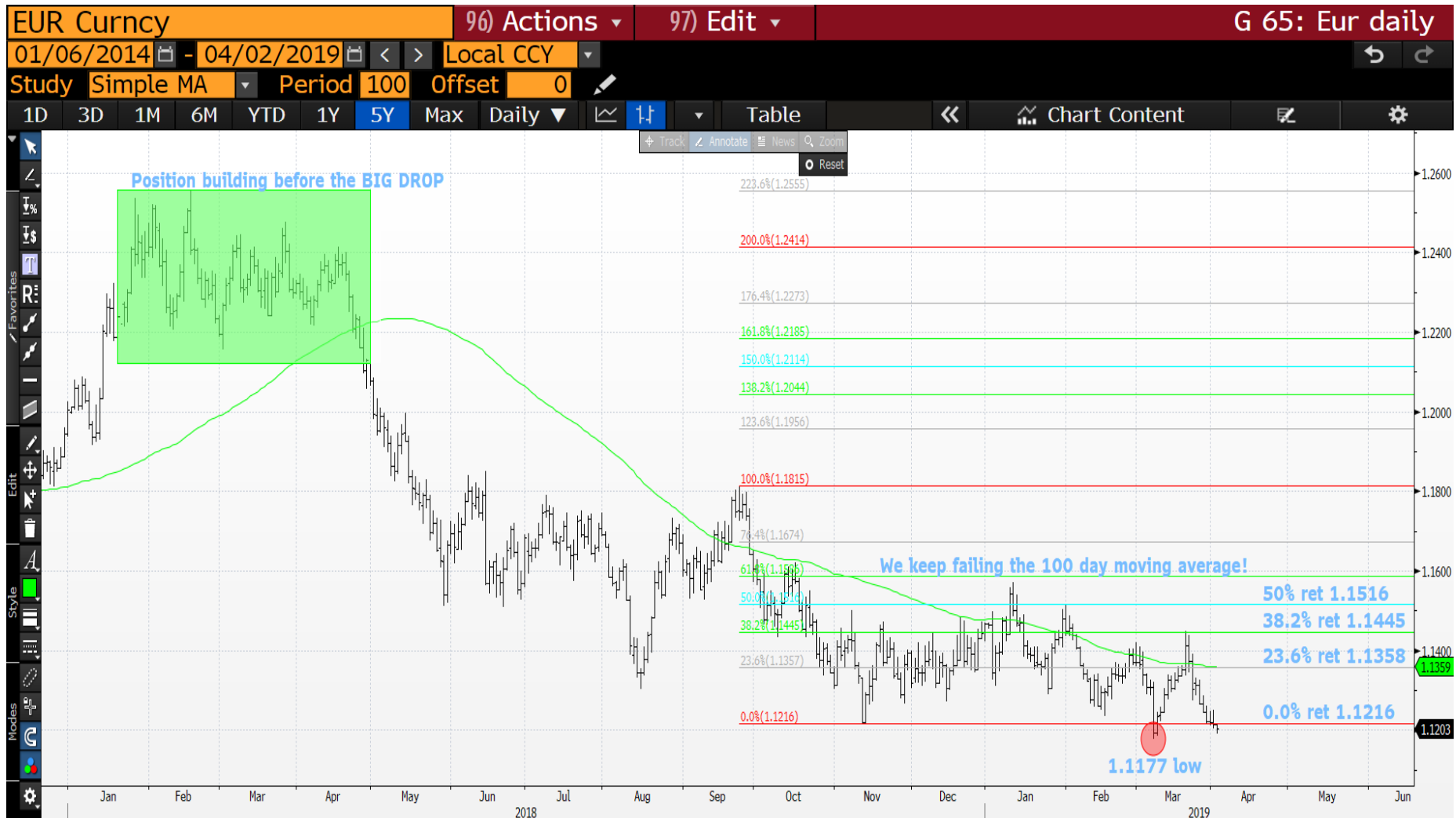
FX UPDATE

- **FX UPDATE :**
- **EURO :** The EURO is “HOTTING UP” as we ease toward a Brexit conclusion. Sub 1.1241 will be catastrophic. If 1.1241 is ever breached then EUROPE-EU has a MAJOR CREDIBILITY ISSUE. We have a major test on right now as we TEASE constant moving average resistance 1.1358.
- **EUR GBP** I have long favoured a short in this and the market looks poised to stretch its legs, am convinced this will come with the EURO breaching 1.1241. This could be the STAR trade for 2019.
- **The DXY index** is teasing the 50% ret 95.859 with little RSI drive.
- **EM** now stepping forward as MANY multi year tops are close to being confirmed. EM is a firm favourite with REAL MONEY.

EUR USD monthly : The niggles here is we have HELD the 50% ret 1.1241 but continue to trade sideways with little bounce. Sub 1.1241 we freefall, there are previous range extensions highlighted. If we fail the subsequent move will be HARD AND FAST.



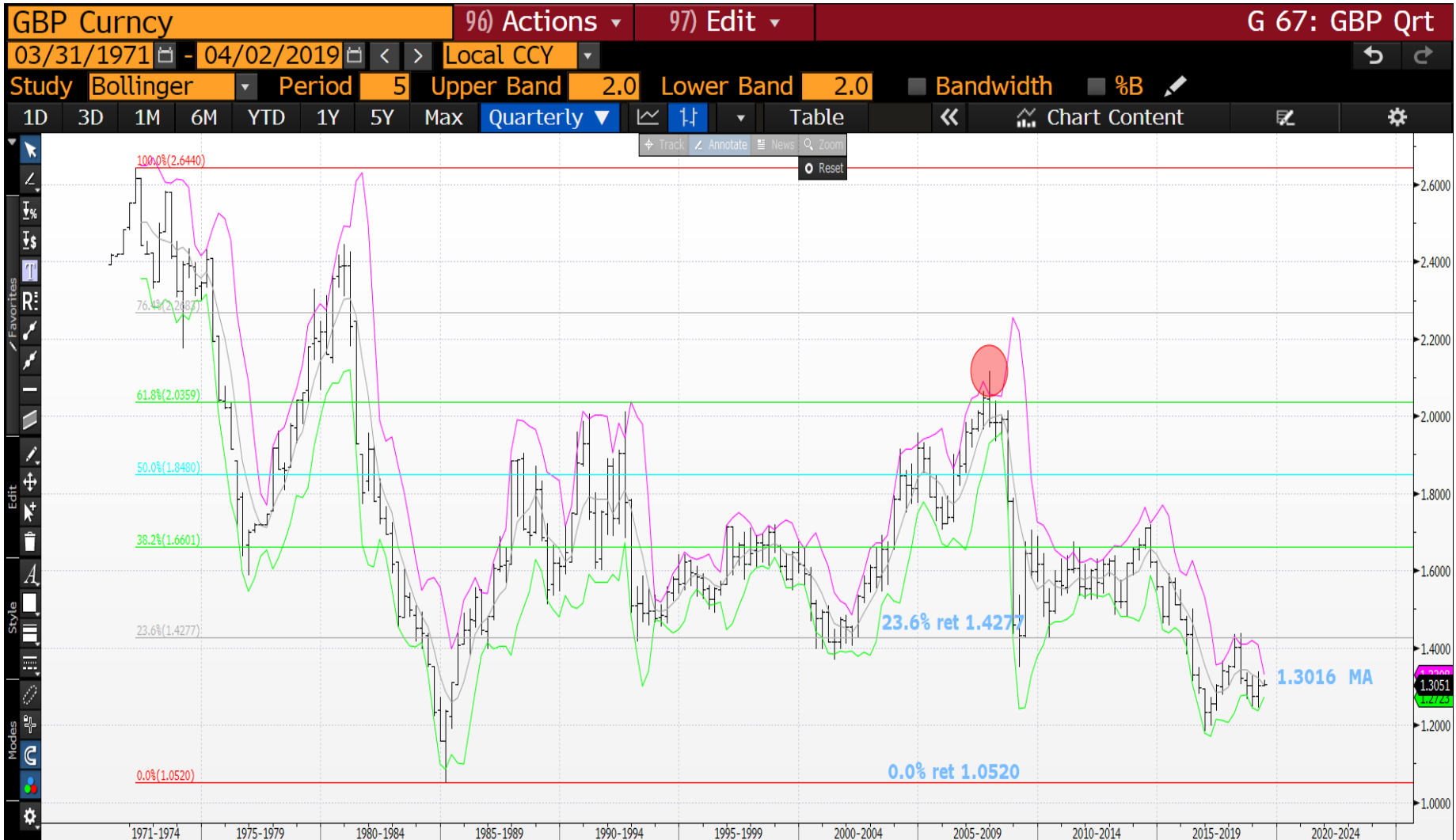
EUR USD daily : We continue to TEASE the current lows, a breach of the 1.1177 low will trigger major stops.



EUR GBP quarterly : This is a VERY RARE formation and a MEGA bearish one for the EURO over the POUND. We have SEVERAL upside pierces and coiling formation! For obvious reasons the one to watch but the speed of the move will be the killer blow!



Cable quarterly : A reasonable recovery with in the bollinger bands, a BIGGER statement has been made above the 1.3016 moving average.



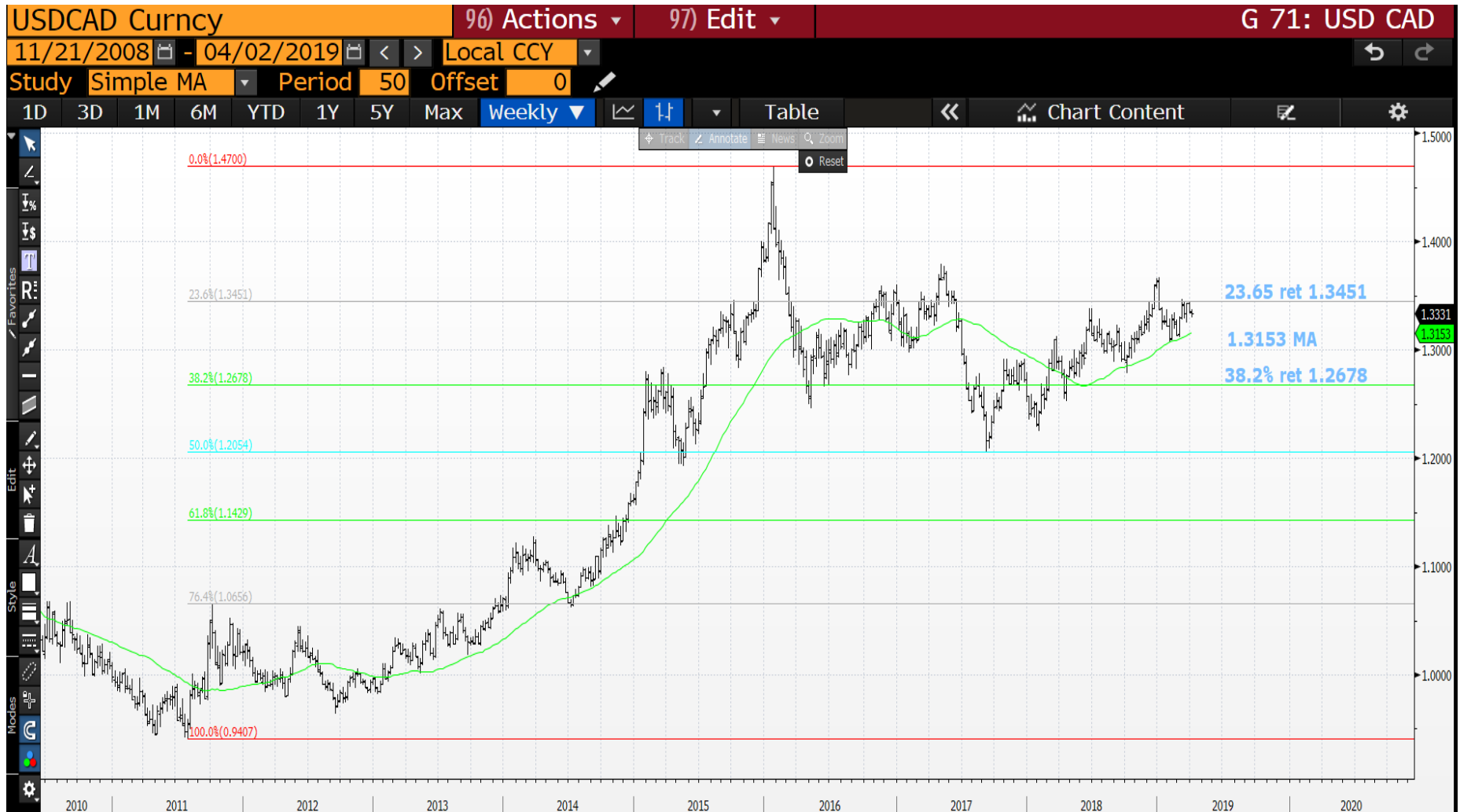
DXY monthly : A tricky location and rather a neutral one being at a 50% ret 95.859 of the last 18 years.



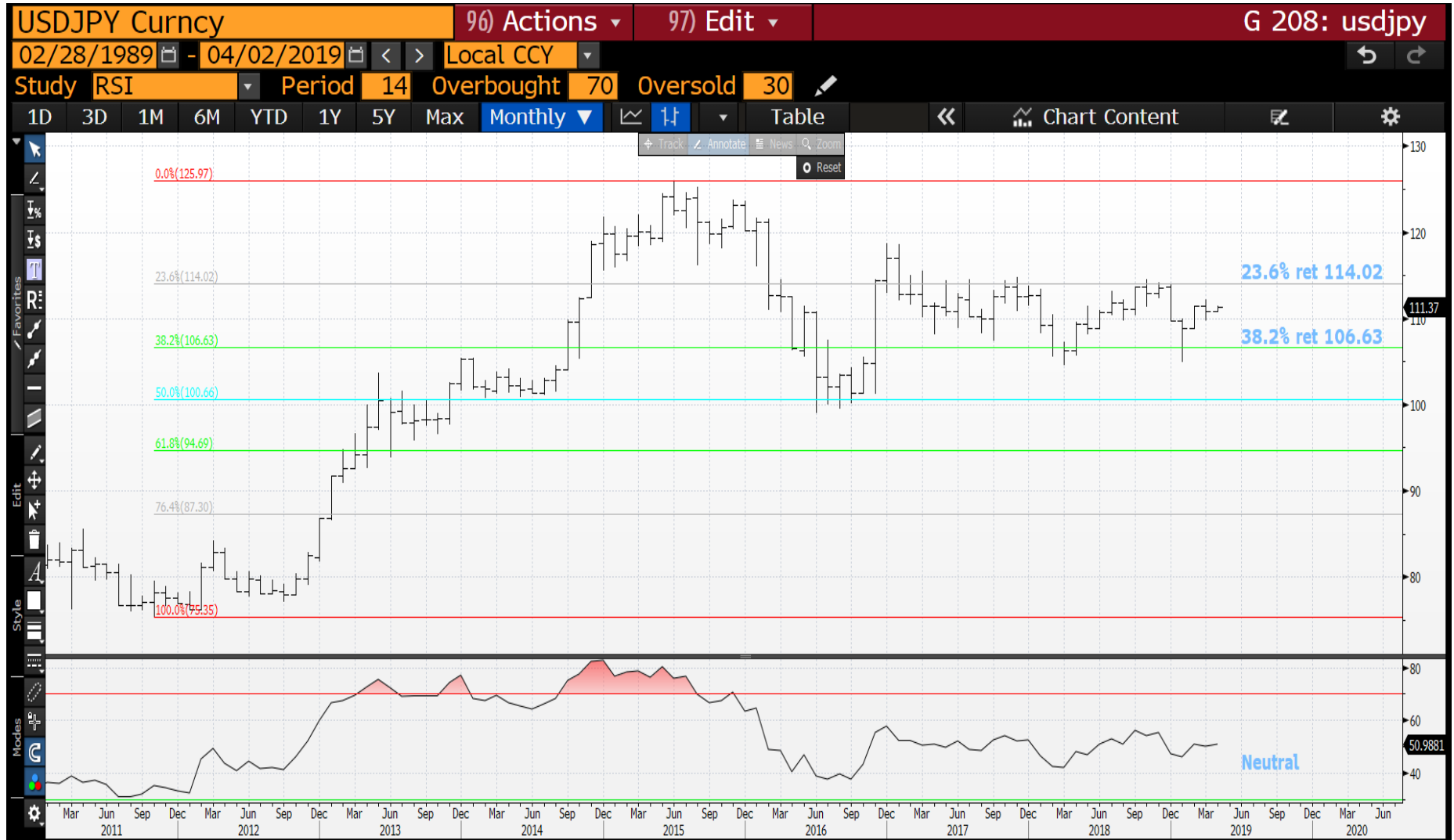
AUD USD monthly : AUD low in place and now ready for a decent move higher. The latest piers are very positive. Above the 61.8% ret 0.7185 will help ALOT.



USD CAD weekly : The moving average continues to be the solid support on any dip, next step is to breach the 23.6% ret 1.3451.



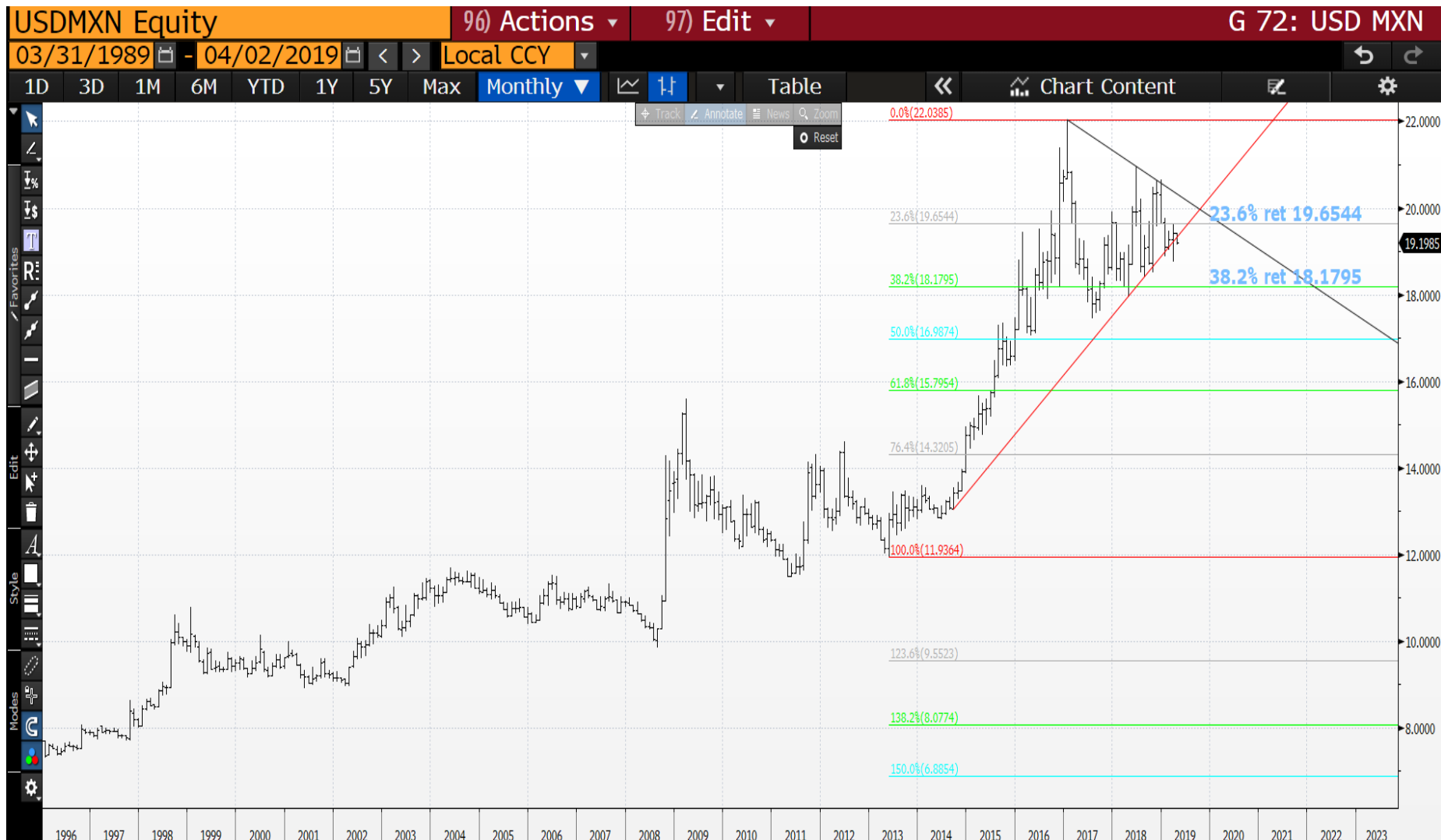
USD JPY monthly : I had to include this but the RSI and market is very neutral.



EM UPDATE

- **EM : A significant proportion of the EM crosses have created multi year tops and should see EM continue to perform regardless of USD direction. We are on the move LOWER again.**
- **MANY USD-EM crosses now have SIZEABLE long-term tops formed. I think it is a combination of EM relief that the Turkey-Argentina situation is improving and the DXY losing momentum, more bias on the former for influence.**
- **USD MXN continues to reject decent trend resistance at 20.6155 AND poised to break lower!**

USD MXN monthly : We have broken the out of the VERY TEDIOUS triangle so the next target is the 38.2% ret 18.1795.



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USD BRL monthly : We now have a very sizeable volume top and any breach of the 23.6% ret 3.6078 will be HUGE.



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GTBRL10Y weekly : Yields have to continued to remain sub the 100% ret 9.117.

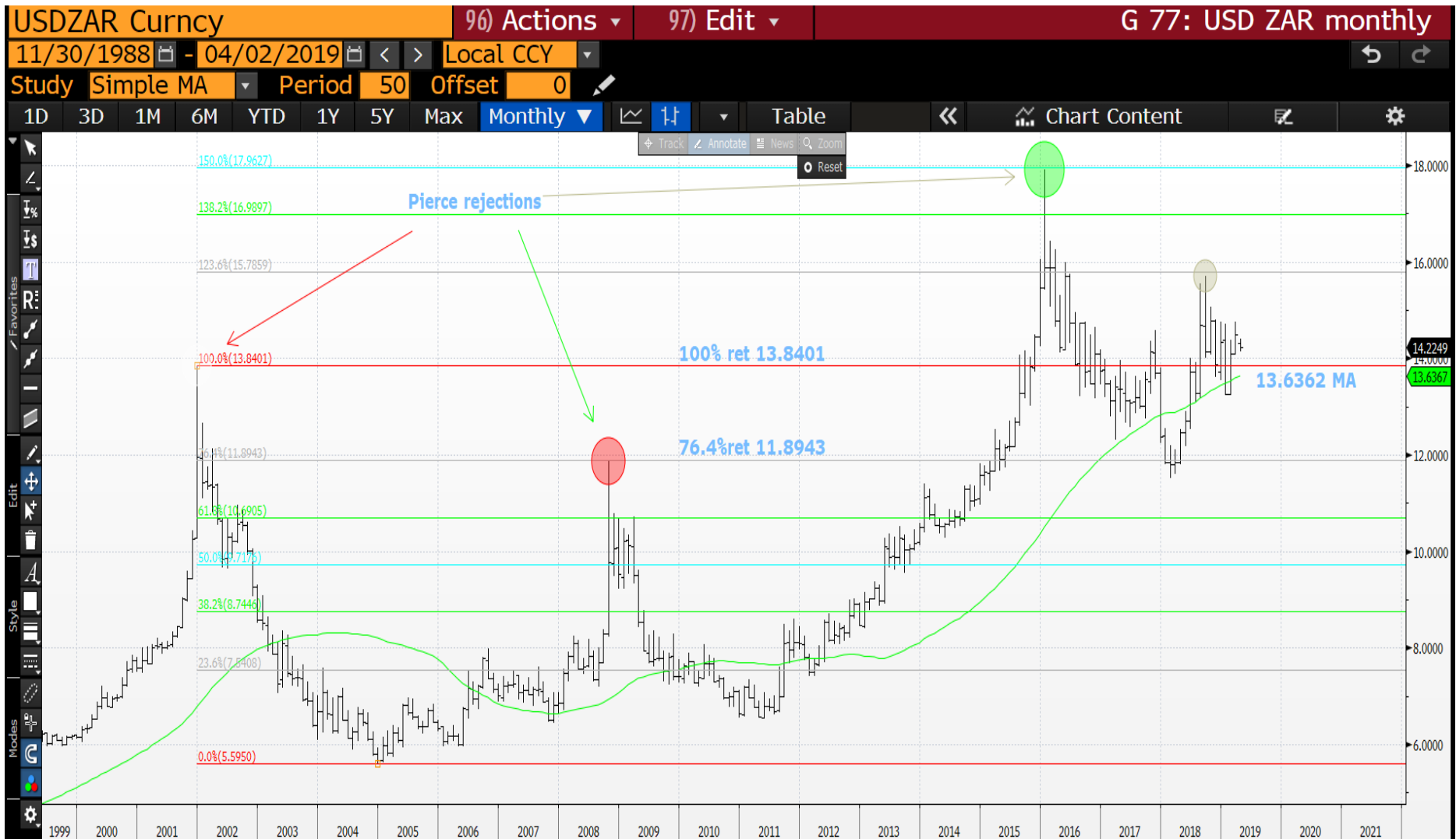


USD TRY monthly : A very nice failure producing a decent monthly upside pierce, we just need to capitalise on that failure. Sub the 38.2% ret 4.9197 will be a killer blow.



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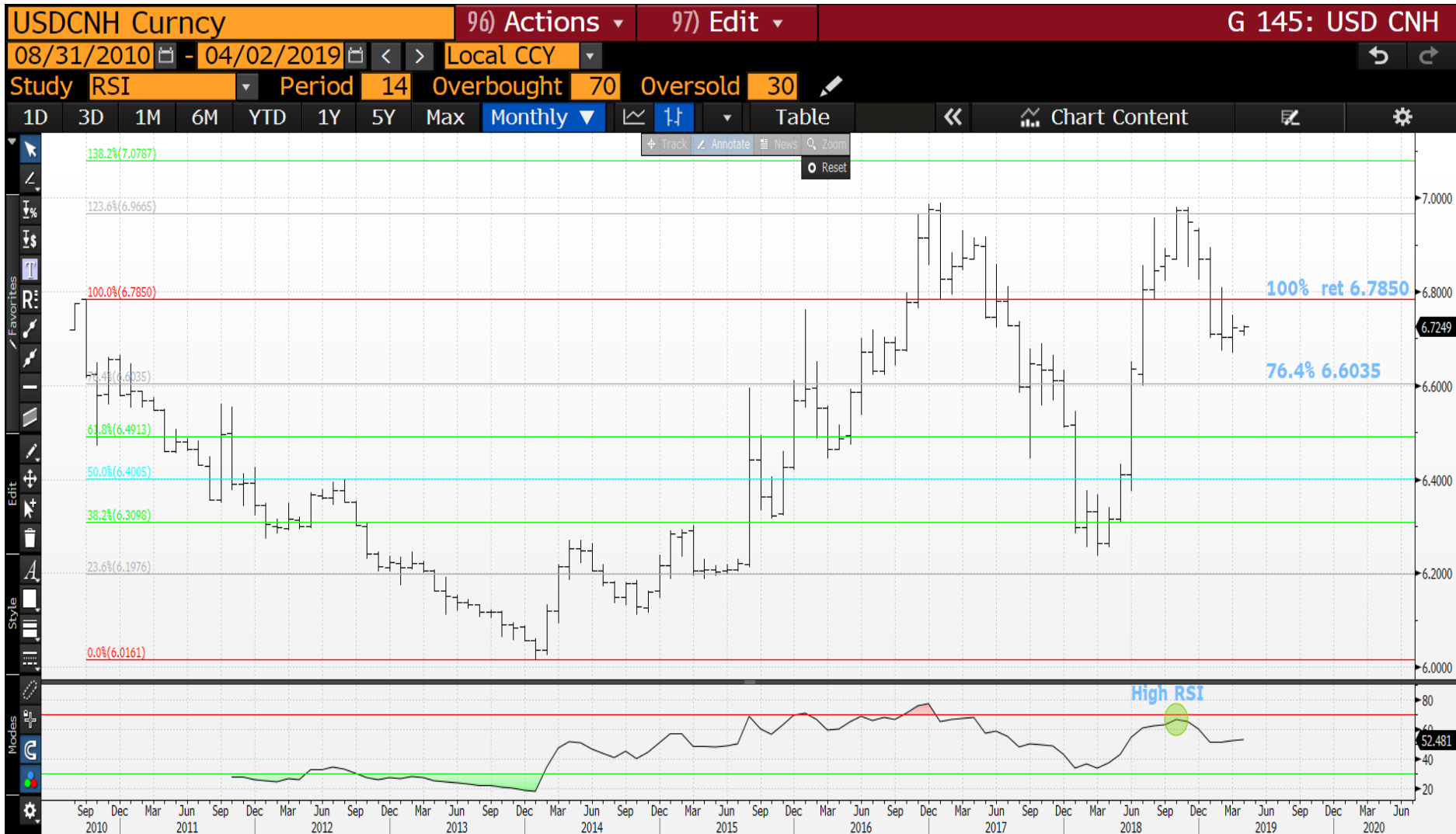
USD ZAR monthly : We need to fail here and head back below the 100% ret 13.8401, it is looking immanent.



USD RUB monthly : A nice break of the recent low and the next big test the 38.2% ret 61.9293.



USD CNH monthly : Certainly one to note going forward given its TECHNICAL HIT! We have failed the multi year 100% ret 6.7850 and heading toward 6.6000.



USD INR monthly : The RSI is as HIGH as September 2013 and we APPEAR to be forming a TOP. The TOP is in and PLENTY of downside possibility.



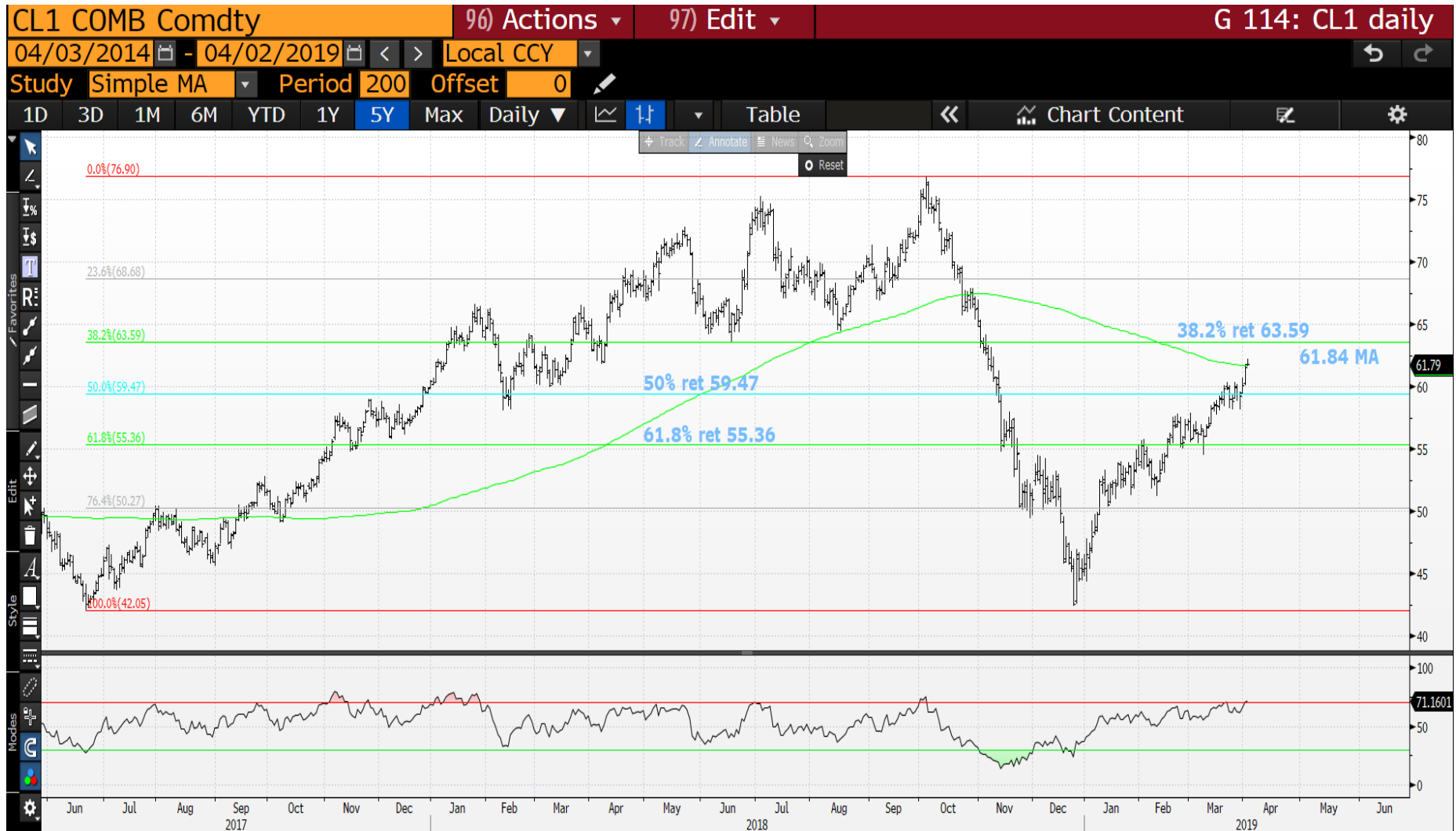
CL1 monthly : We are now approaching the 61.8% ret 62.75-68.00 moving average so lets see how the market performs.



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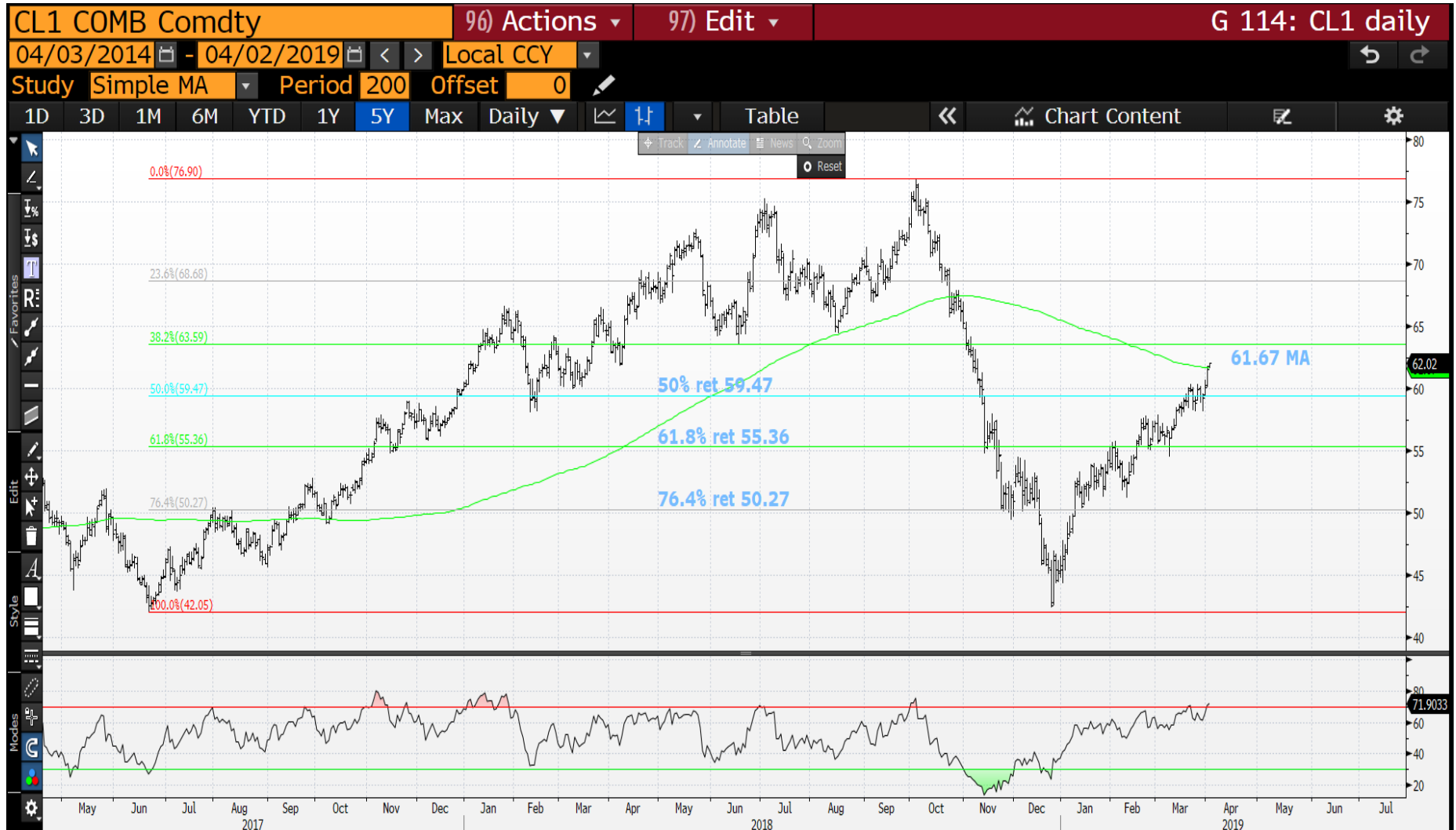
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CL1 weekly : Sizeable resistance is approaching as we hit the 100 period moving average
61.84.



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CL1 daily : The daily is also teasing the 200 day moving average 61.67.



02/04/2019

GOLD monthly : This has lacked any REAL momentum since 2013 but does look to be benefiting from the usual SAFE HAVEN view. Whilst above the 38.2% ret 1283.53 it carries a positive tone and the CLEANEST safe haven.



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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