

BOND AND US CURVE UPDATES : Yields are currently in a HOLDING pattern with the LONGTERM view remaining much LOWER, all thanks to Mr Trump's negotiating tactics! Overall the threat of higher yields has diminished as the weaker stocks element is back, this has always been that MISSING ADDED DIMENSION.

Last week one major concern for the yield lower call was the US 5-30 stalling at a familiar level from March which prompted a yield rally at the time, this time it appears the stock turmoil is hampering any major bond yield rally.

This is a worrying statement given our current location but the path of least resistance is definitely lower and STOCKS MAY HELP!

CTA'S continue to add on any new futures highs driving yields lower, volumes up and increasing open interest daily. IF we do have a "run" on yields globally then the "LONG ONLY" OPEN INTEREST could provide for some interesting CALENDAR ROLLS.

Should stocks FAIL then yields will plummet despite many offering a minimal returns.

Topics	PAGES
1) BONDS	3-31
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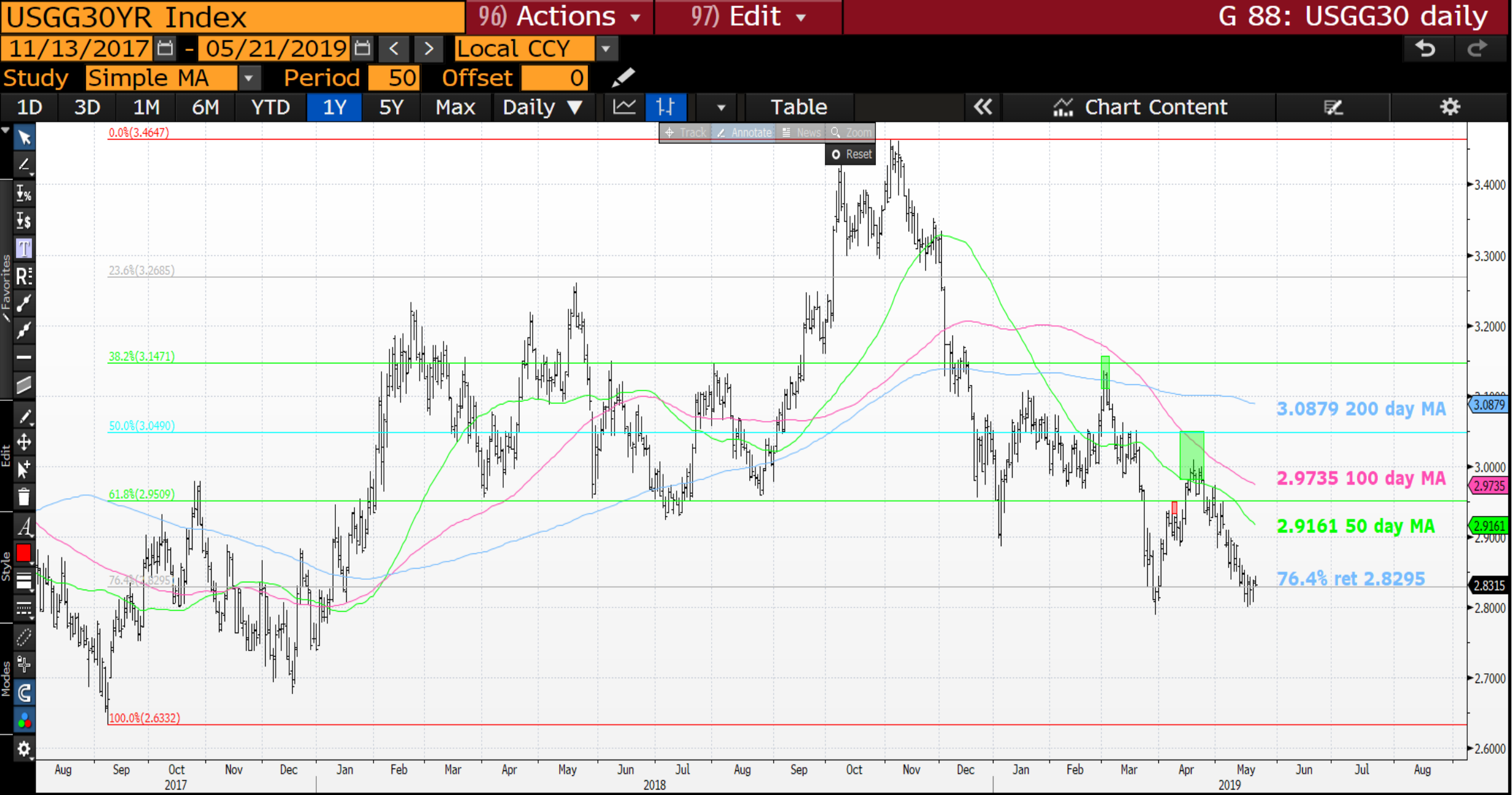
USGG30yr monthly : Yields continue to edge lower given the HISTORICAL representation is panning out. The path of least resistance remains lower and a breach of the 2.7894 recent low will help ALOT.



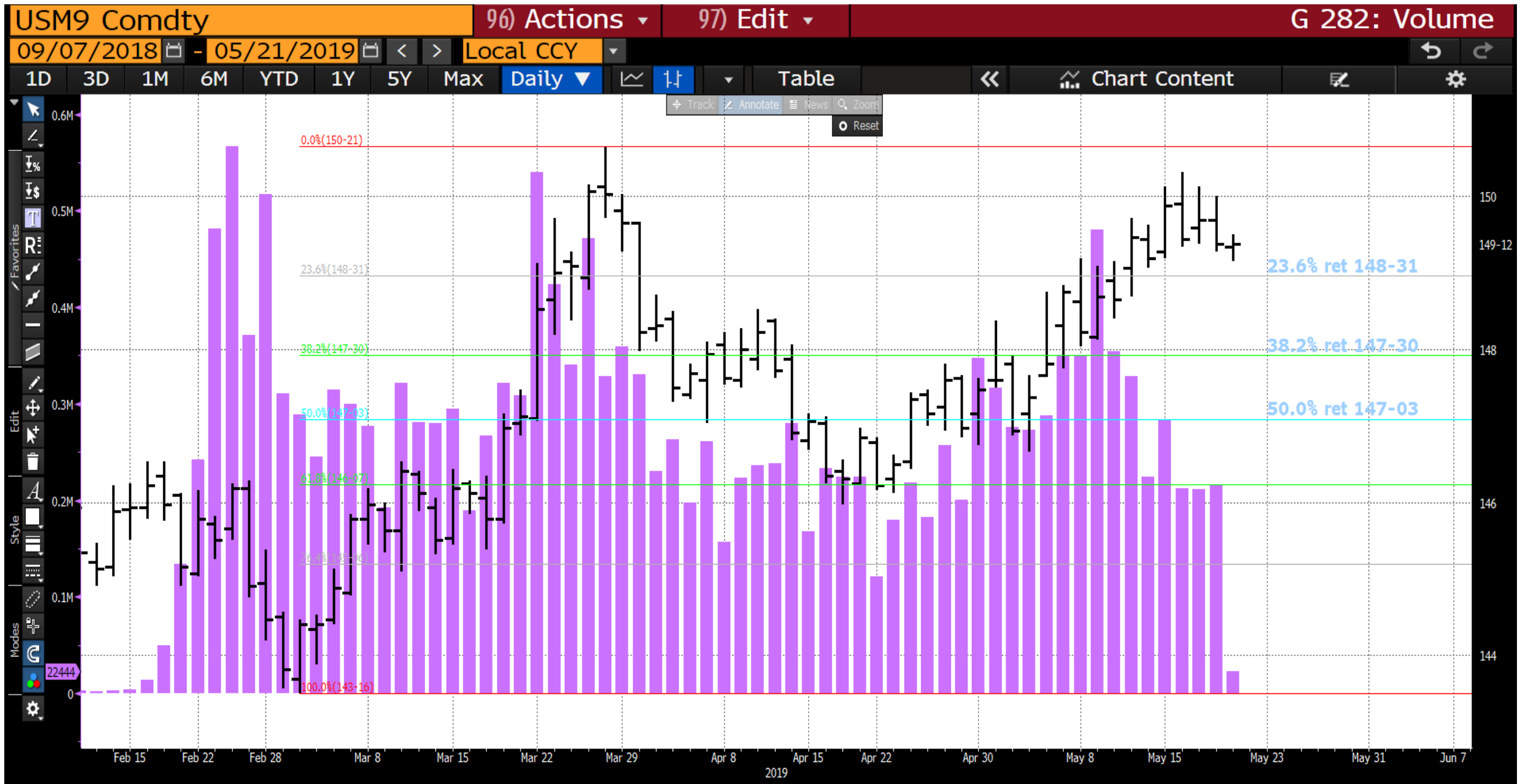
USGG30yr weekly : This is a VERY TECHNICAL chart and therefore a breach of the 38.2% ret 2.8028 will be very relevant, sub this and we should be in FREE FALL.



USGG30yr yield daily : We haven't strayed far from the recent low and ideally we breach it 2.7894.



US 30yr futures and volume : We are trading water against the 23.6% ret 148-31 support. All volume bias remains longs adding.



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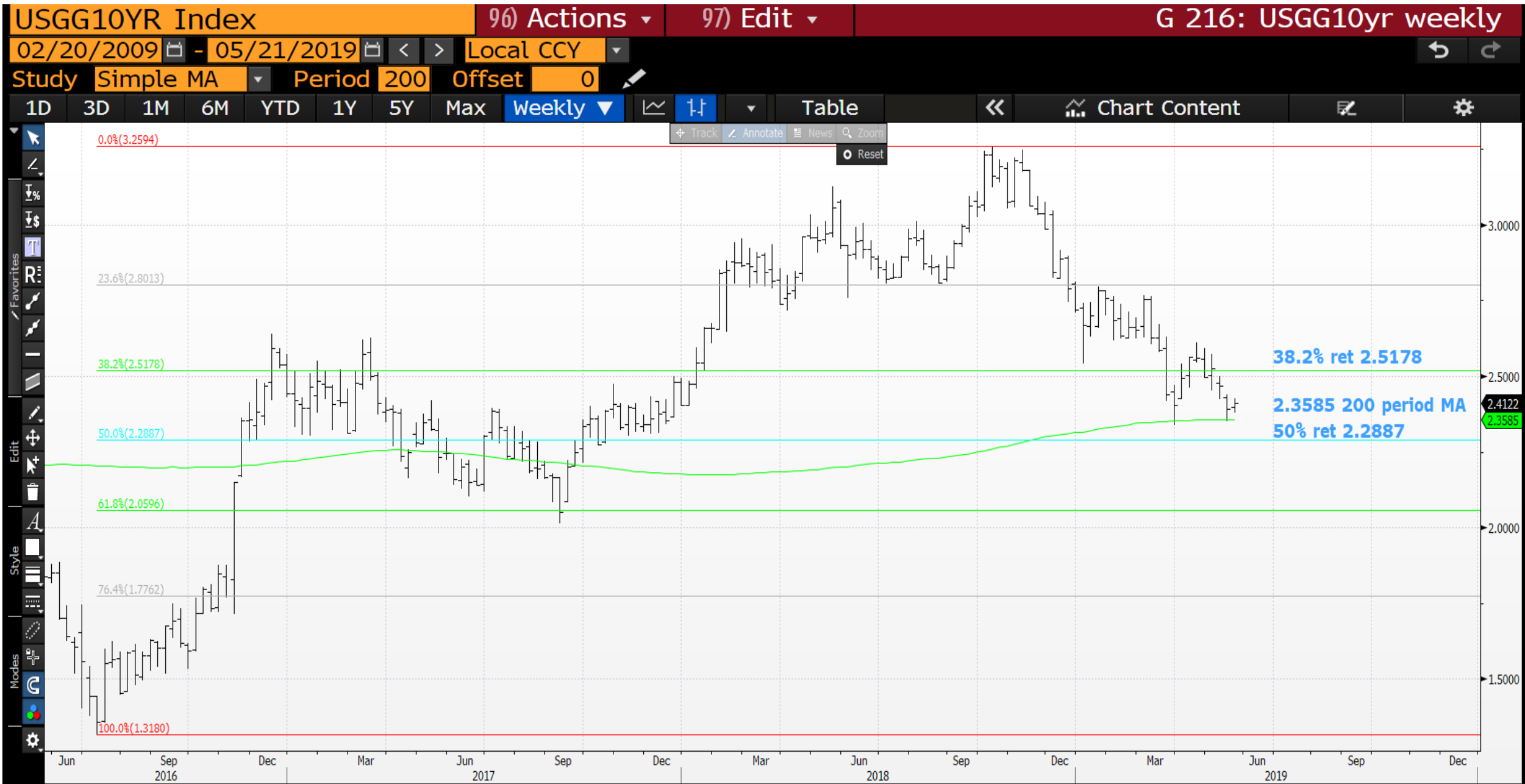
US 10yr yield quarterly : As per the previous charts we persist in FAILING a very rare moving average EMULATING the historical formations in 2000 and 2007. This has to be a worrying chart given there is SO MUCH MORE DOWNSIDE!



US 10yr yield monthly : Another significant moving average hit and little sign of a yield bounce.

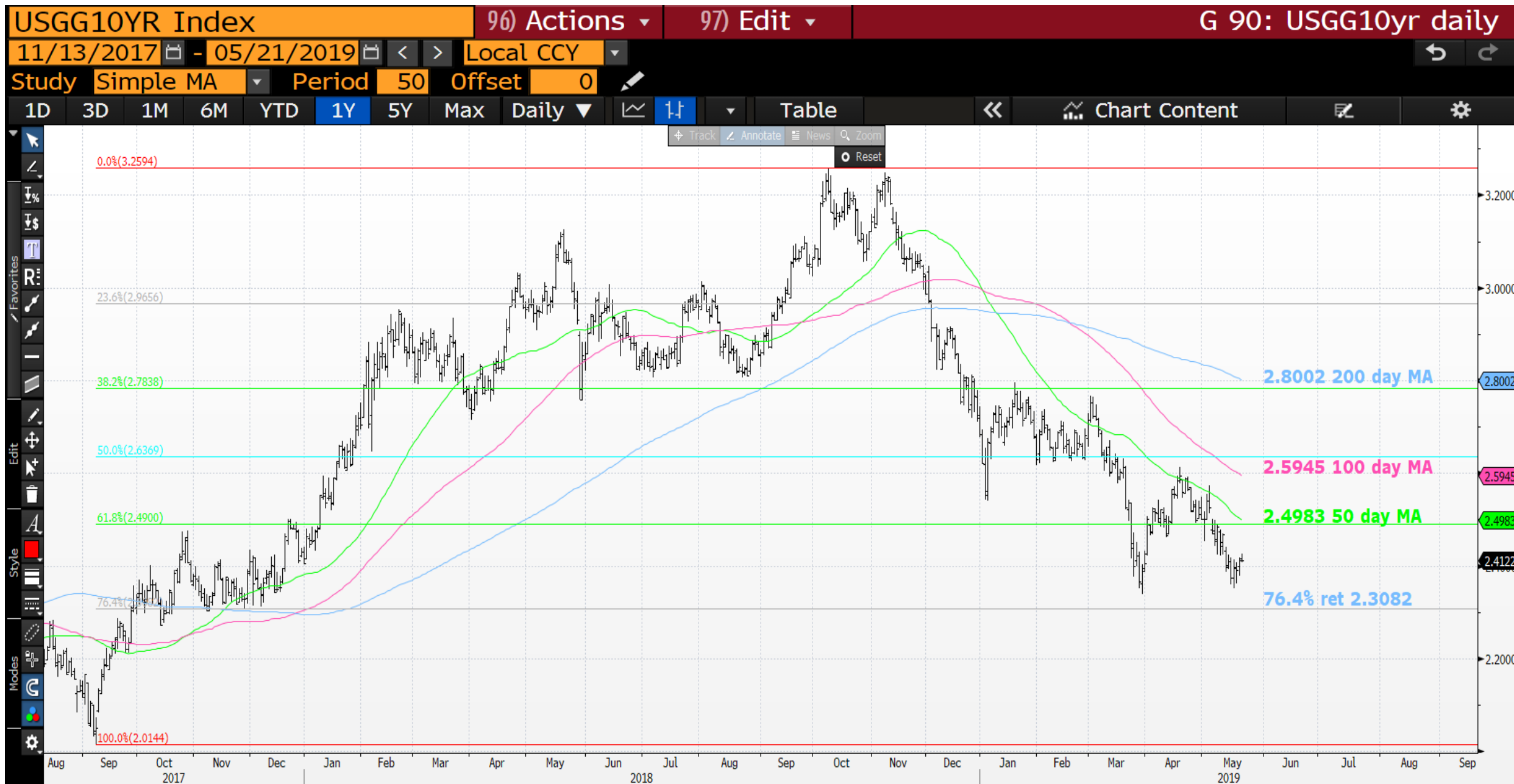


USGG10yr weekly : We are close to breaching the 200 period moving average 2.2385, through this and a lot lower we go.



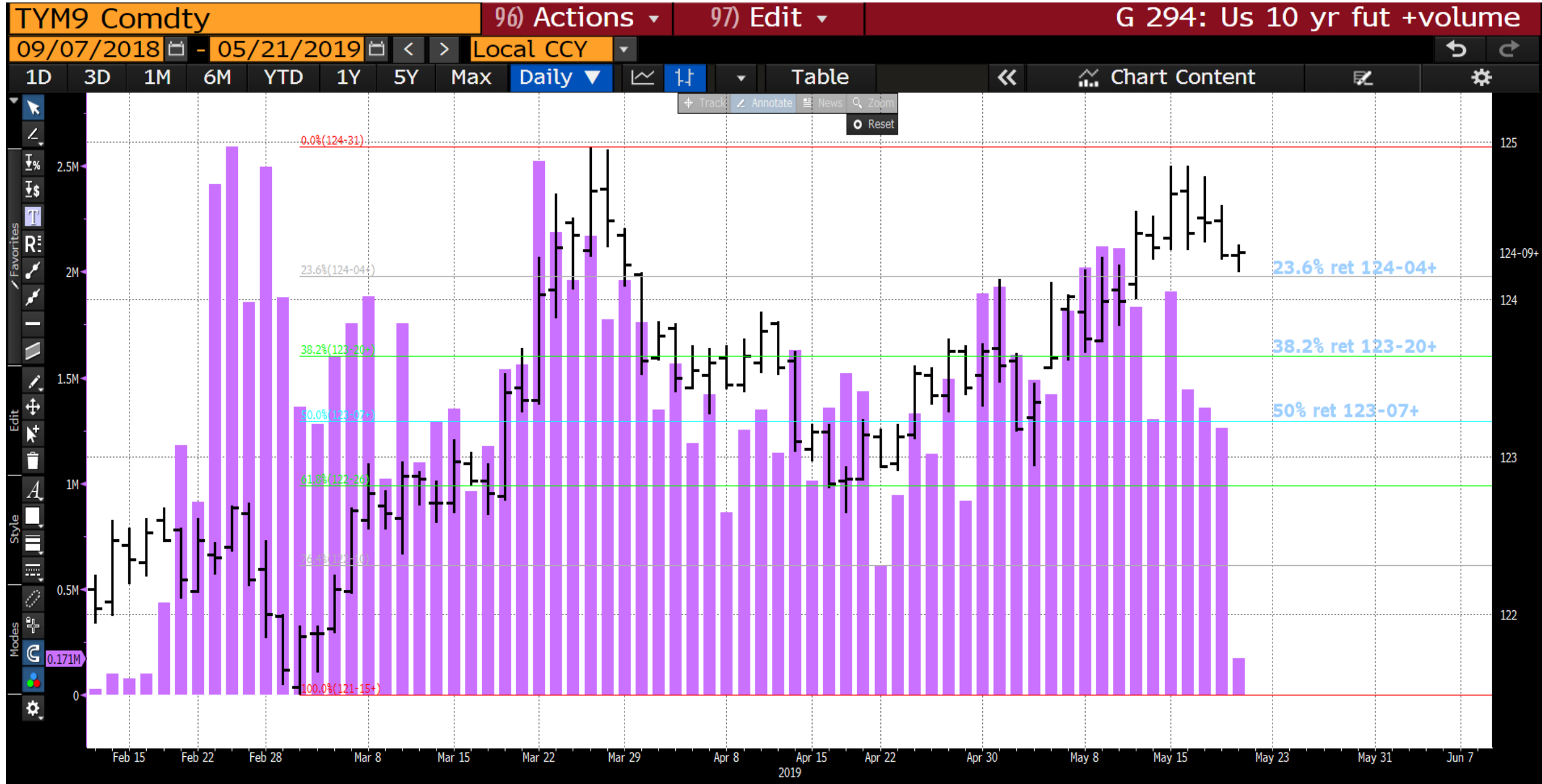
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USGG10yr daily : We continue to remain sub ALL moving averages and hopefully we breach the 2.3384 recent low.



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US 10yr futures : We have topped but the 23.6% ret 124-04+ should provide ample support.



USGG5yr quarterly : The RSI remains a major focus as we head toward the all important historical 1.9949 moving average, sub this and the FLOOD GATES OPEN. History is repeating itself.



USGG5yr monthly : We continue to fail the RARE 200 period moving average 2.4285, we just need to breach the recent low 2.1162.

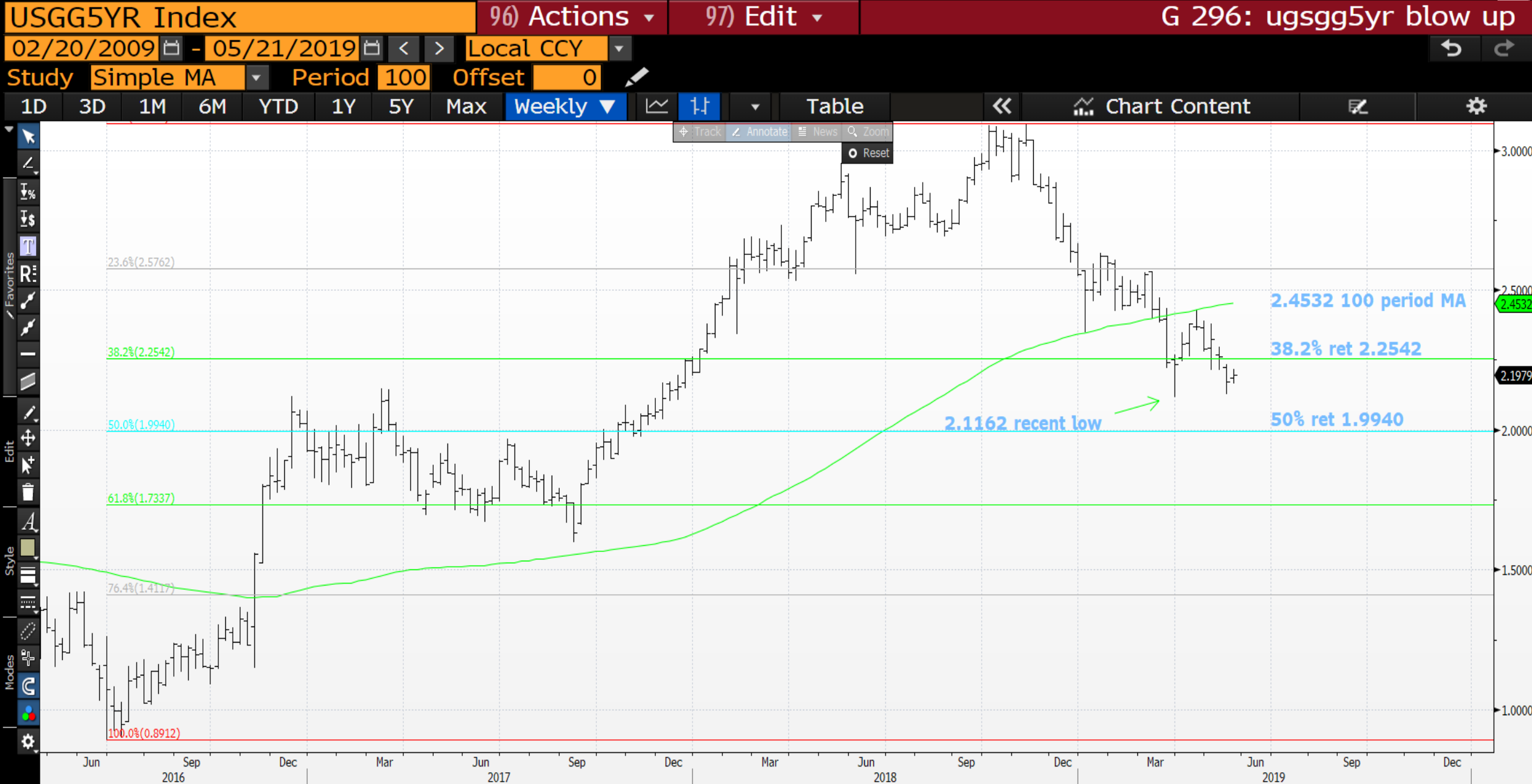


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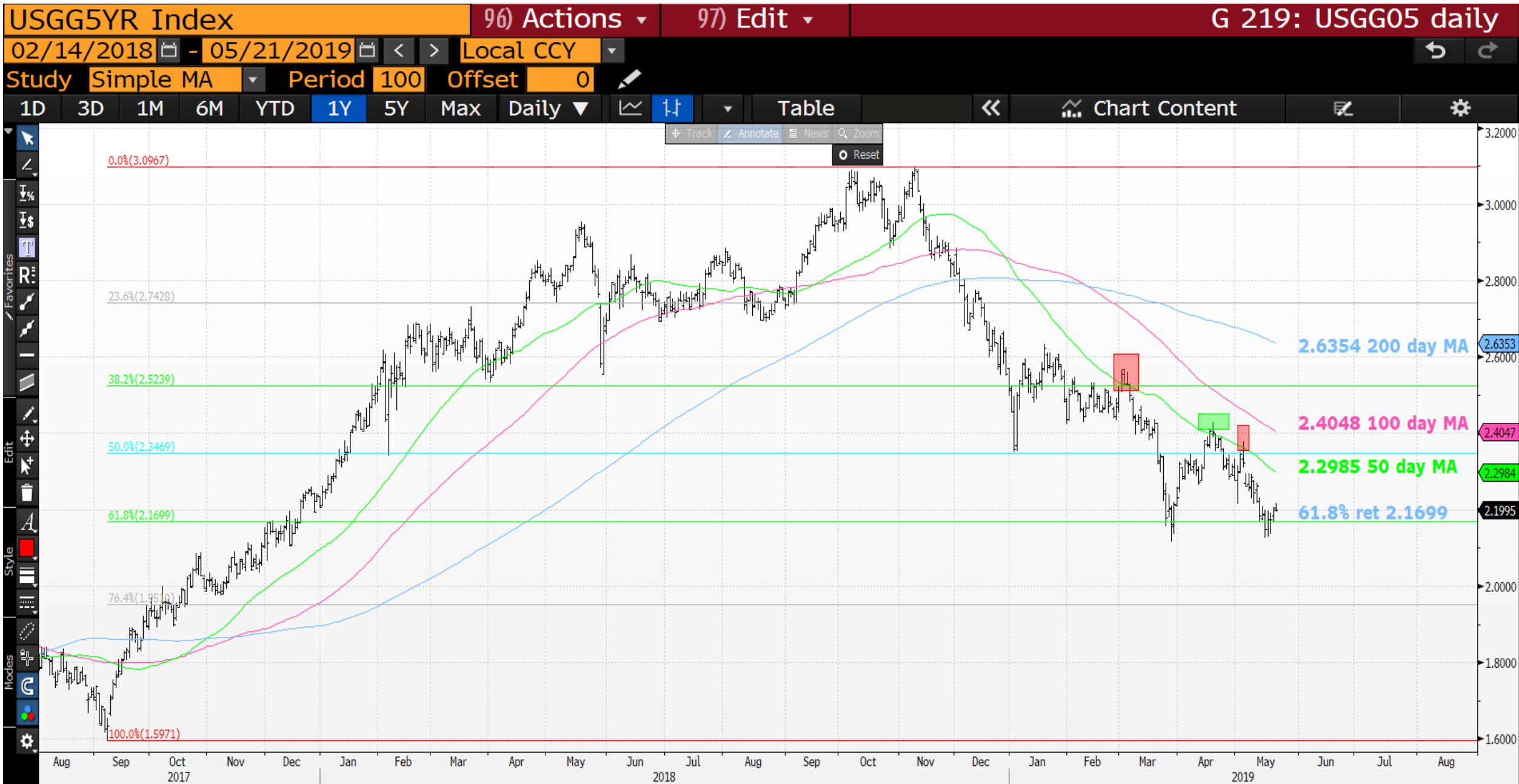
USGG5yr monthly : A “blow up” of the previous chart to highlight the IMPORTANCE of a breach of the 2.1180 level.



USGG5yr weekly : Another “blow up” highlighting the weekly outlook remains VERY WEAK, continue to expect lower yields especially if we breach the 2.1162 recent low.



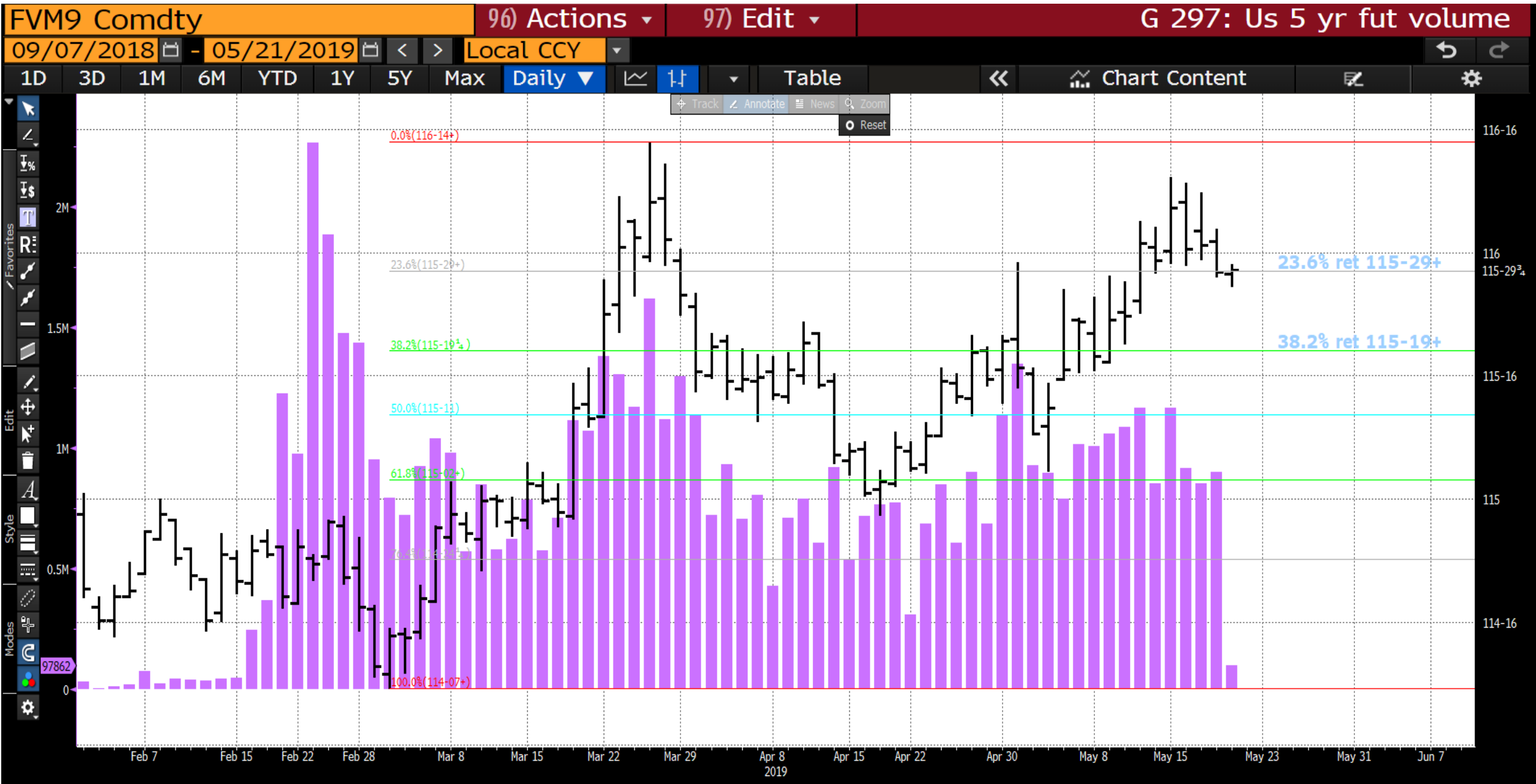
USGG5yr daily : We continue to edge lower, a breach of the 2.1162 previous low will help a lot.



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US 5yr futures : No major volume here but we look to be holding above the 23.6% ret 115-29+.



USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9016 with an RSI dislocation matching that of 1980. This really is forecasting SIGNIFICANTLY LOWER YIELDS.



USGG2yr monthly : We have a new low this month and next stop the 23.6% ret 1.7448.



USGG2yr weekly : We remain below the weekly 100 period moving average 2.2112, sub the 38.2% ret 2.1035 will trigger sizeable stops.

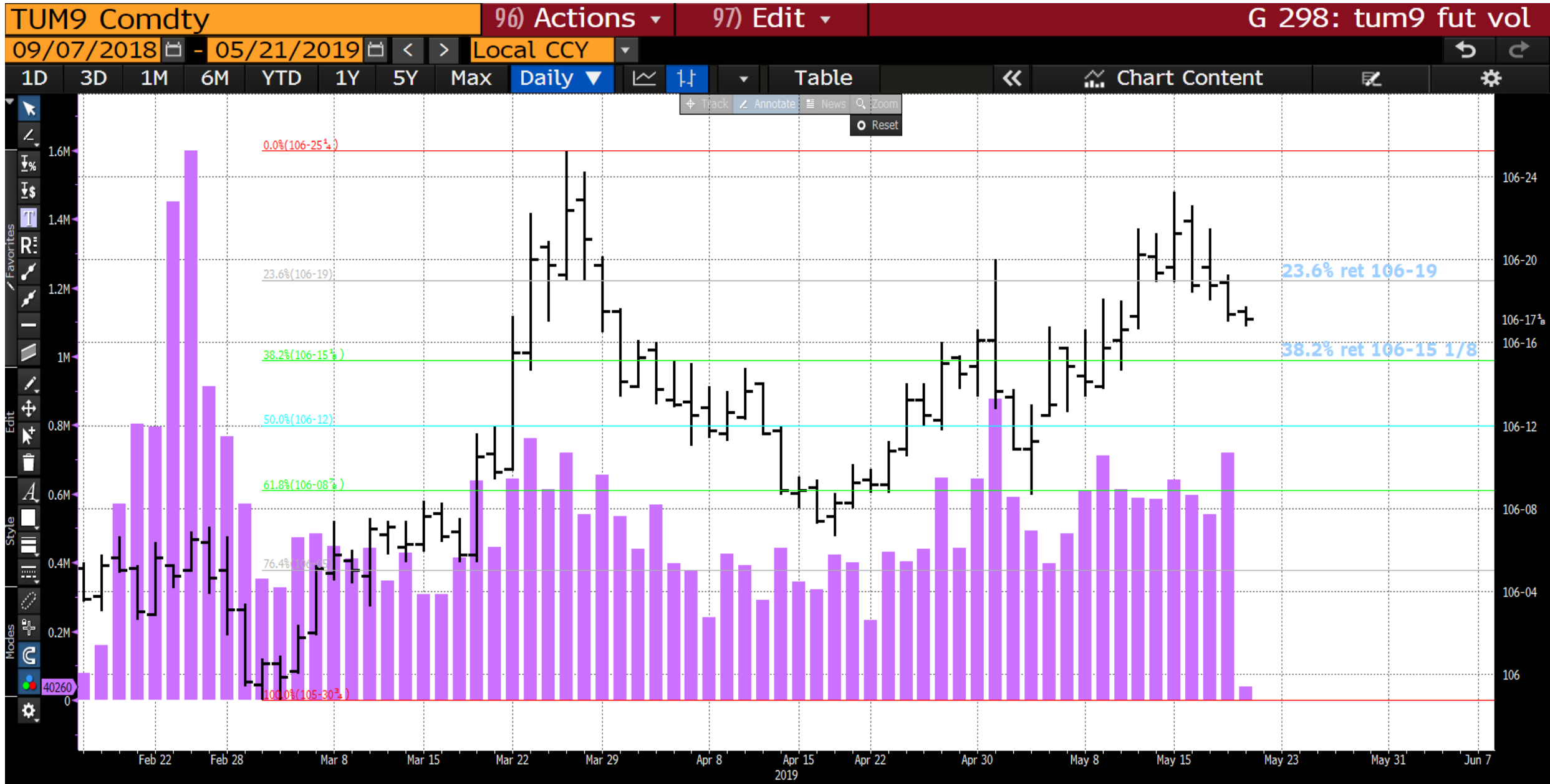


USGG2yr daily : We REMAIN below ALL moving averages and hopefully can breach the 2.1370 recent low.

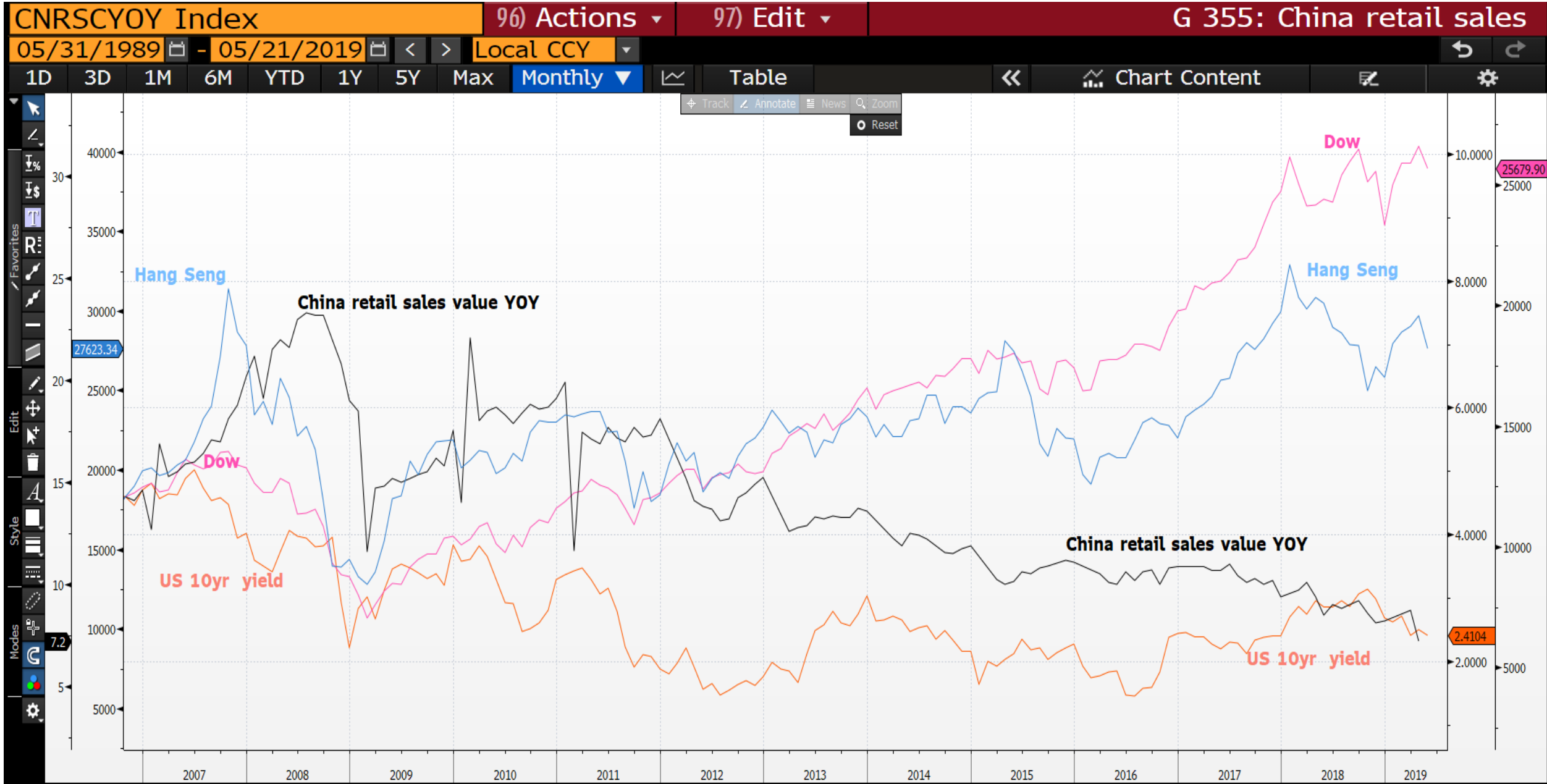


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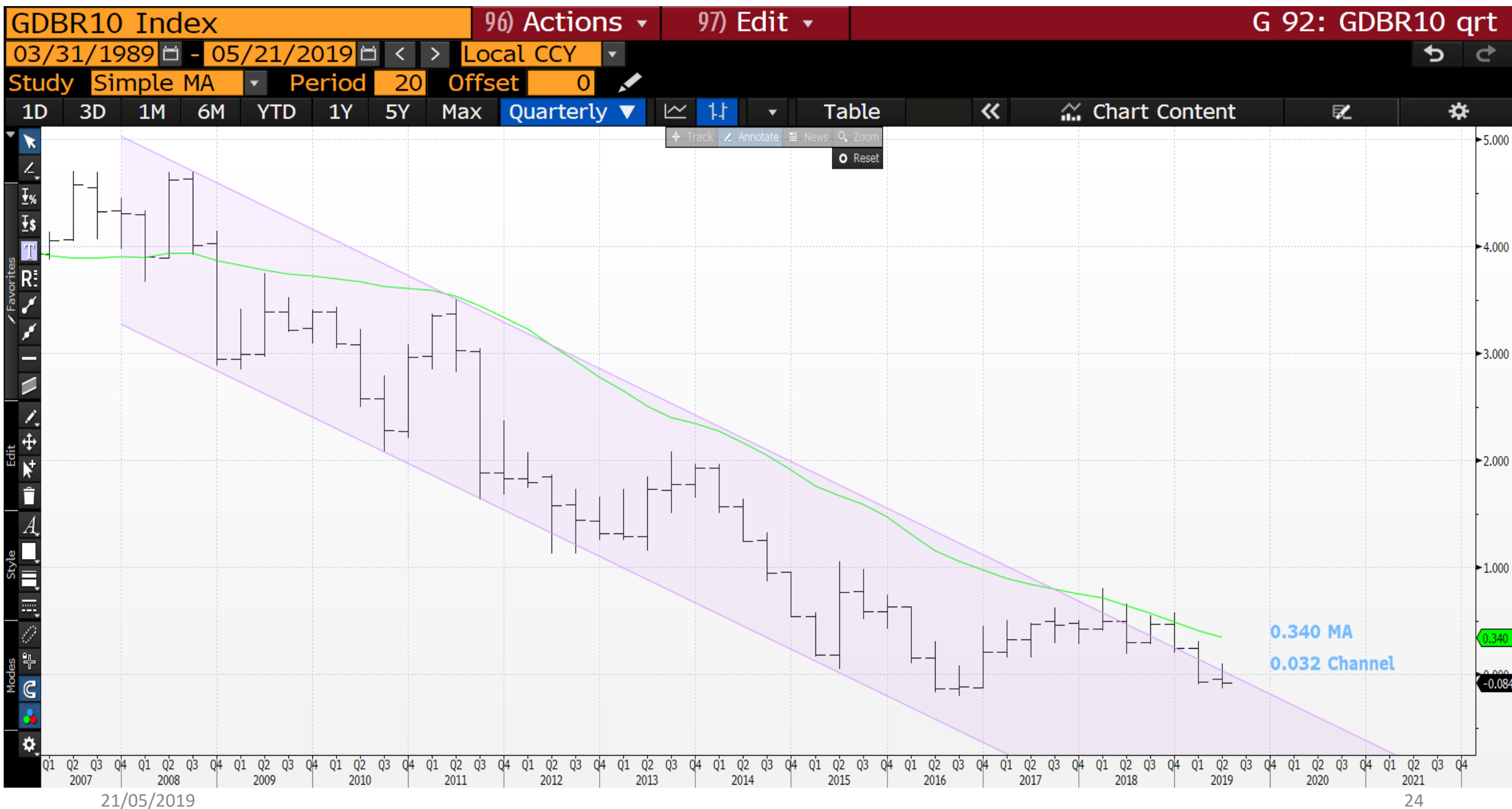
US 2yr futures : The market has backed off a lot but should hold given the recent volume spike.



China retail sales overlaid with US 10yr yields, Hang Seng and Dow : If US yields are historically going lower alongside China retail sales then begs the question, HOW WRONG ARE STOCKS?



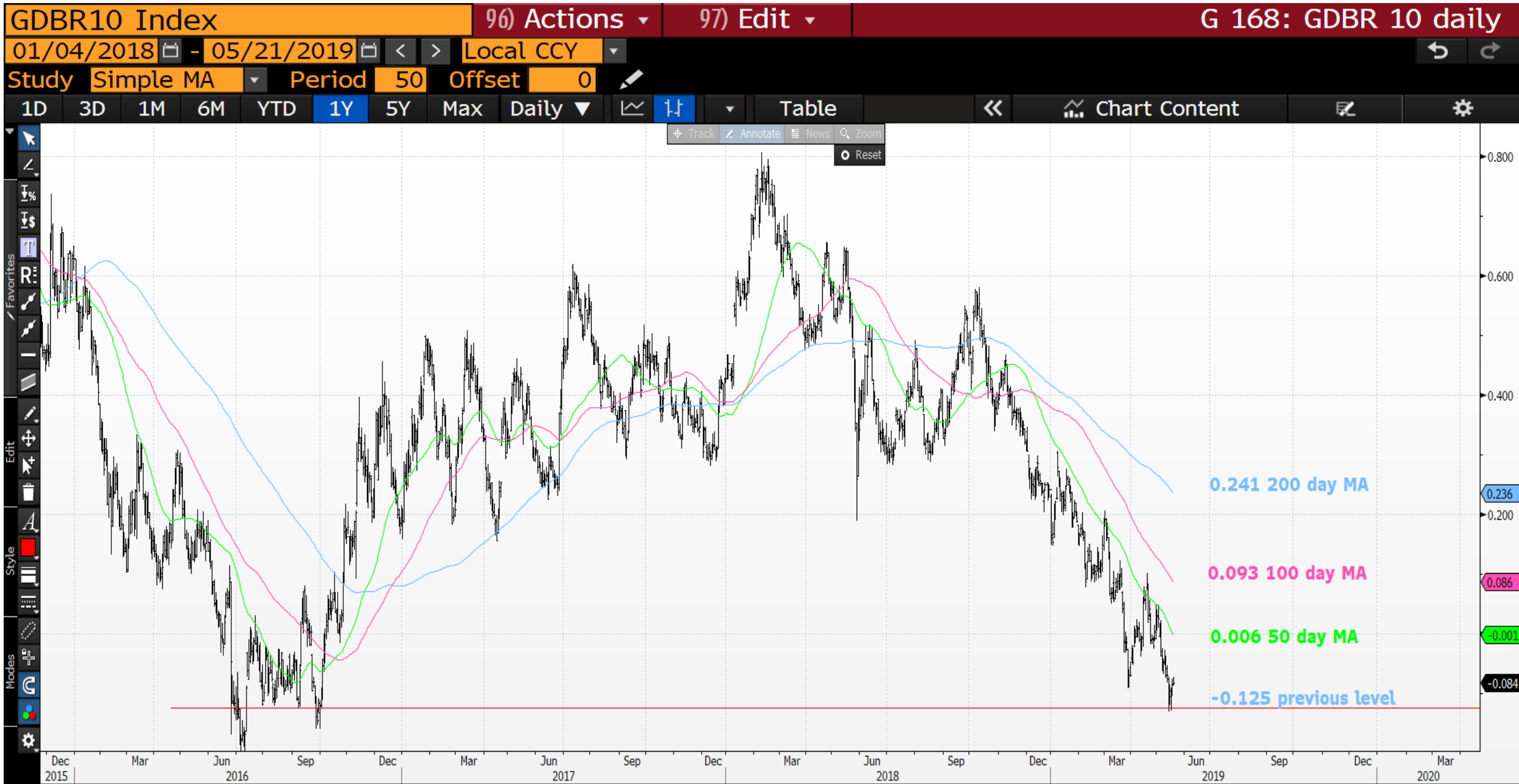
Generic German 10yr quarterly : Despite the yields involved we look to continue a lot lower.



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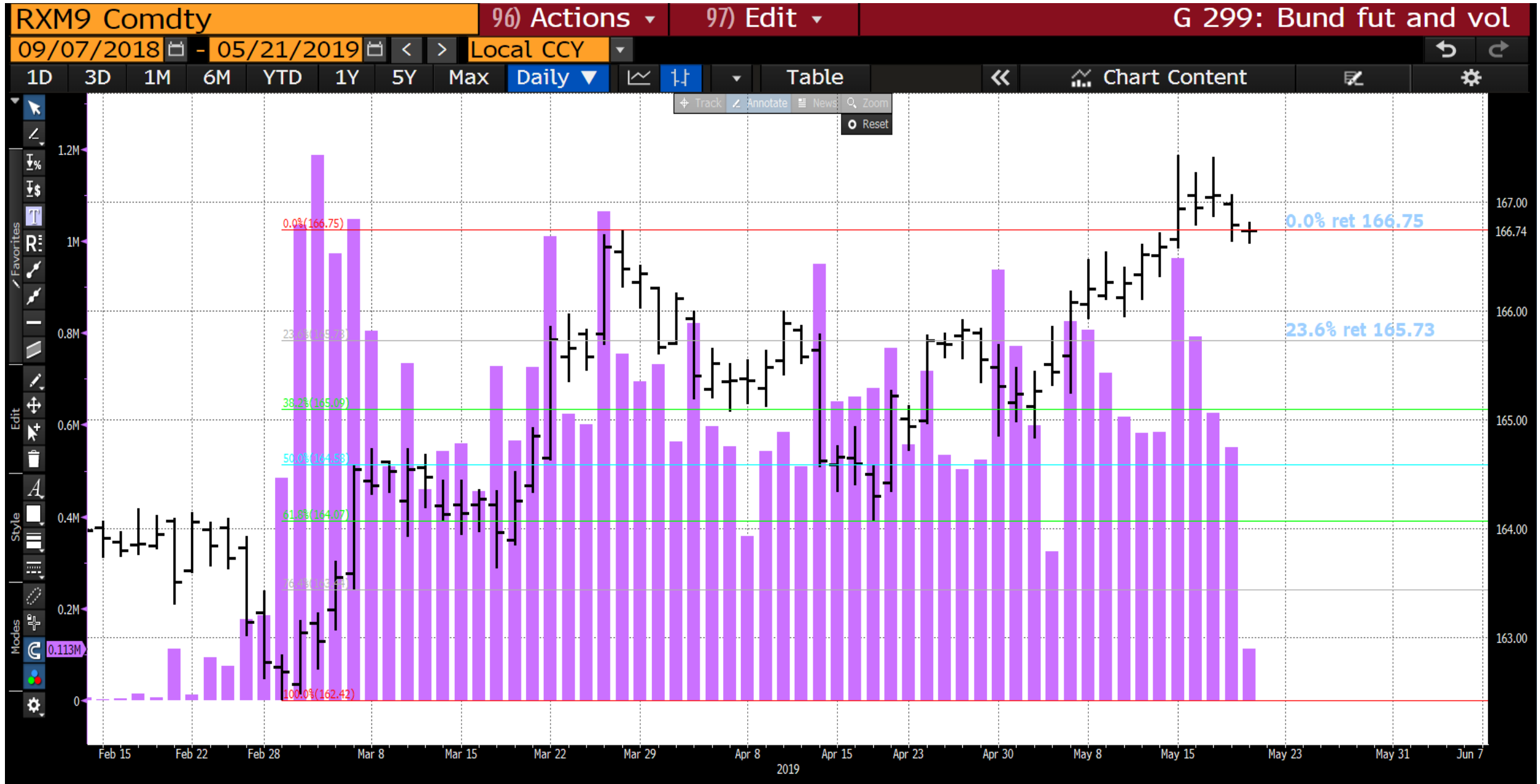
Generic German 10yr daily : It has been a straight line lower and hopefully we can breach the -0.125 previous low.



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Bund futures : Again we haven't strayed too far from the recent highs, ideally we can close above the 0.0% ret 166.75.



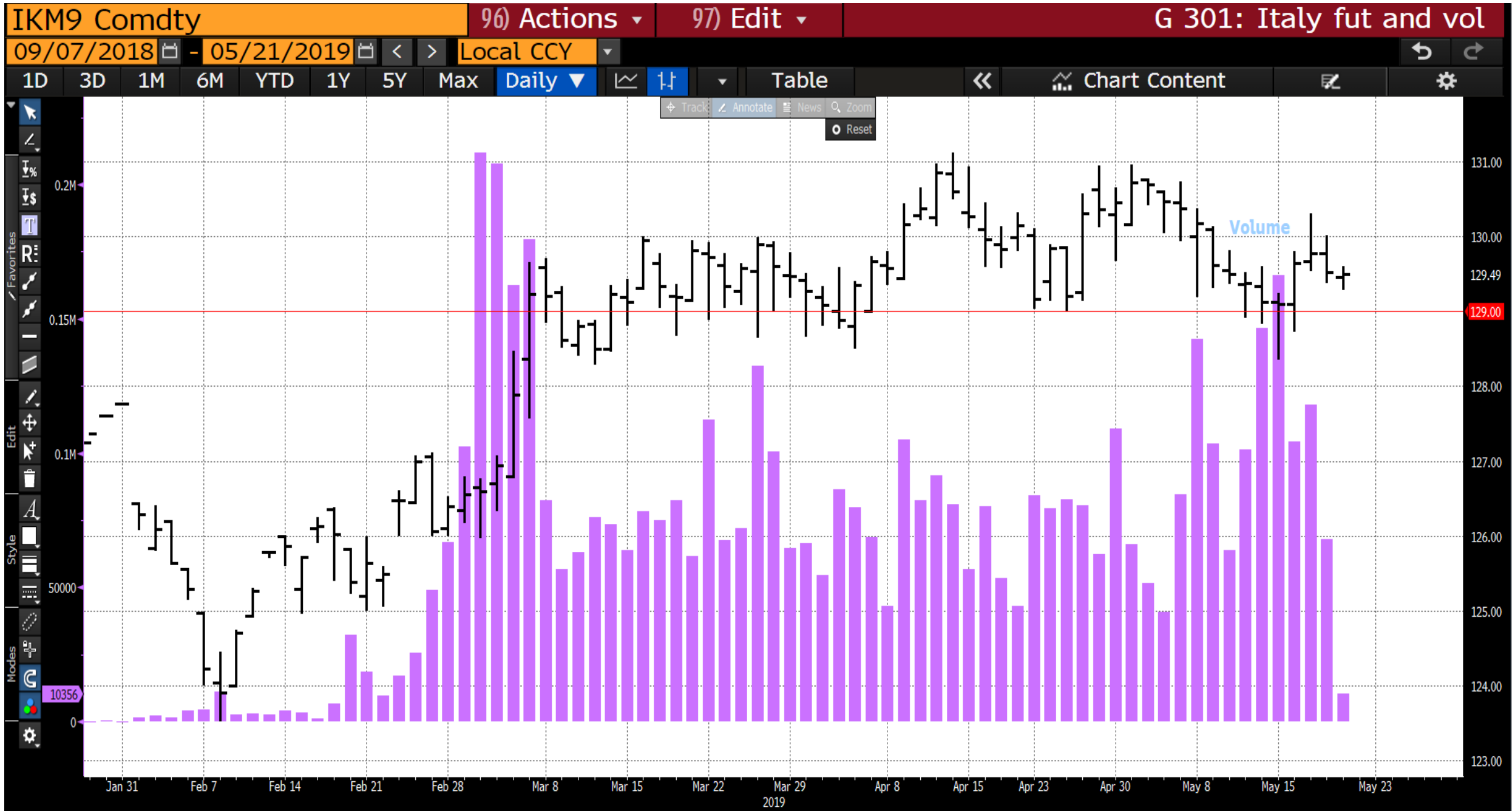
DBR 46 daily : We outside the channel BUT should find support ahead of the 61.8% ret 149.094.



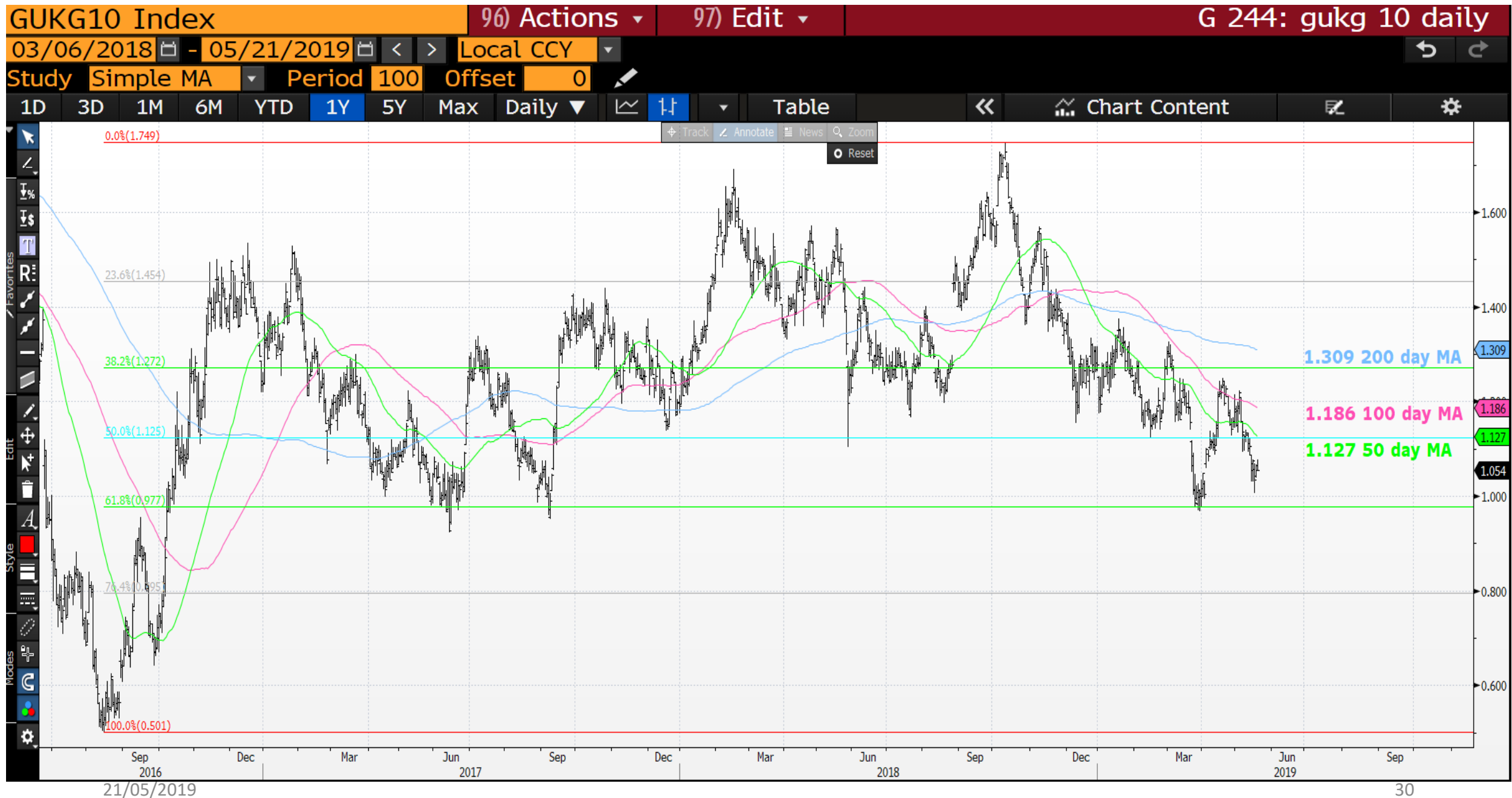
BTP 12/28 daily : Despite breaching the major 102.00 level the RSI is now LOW!



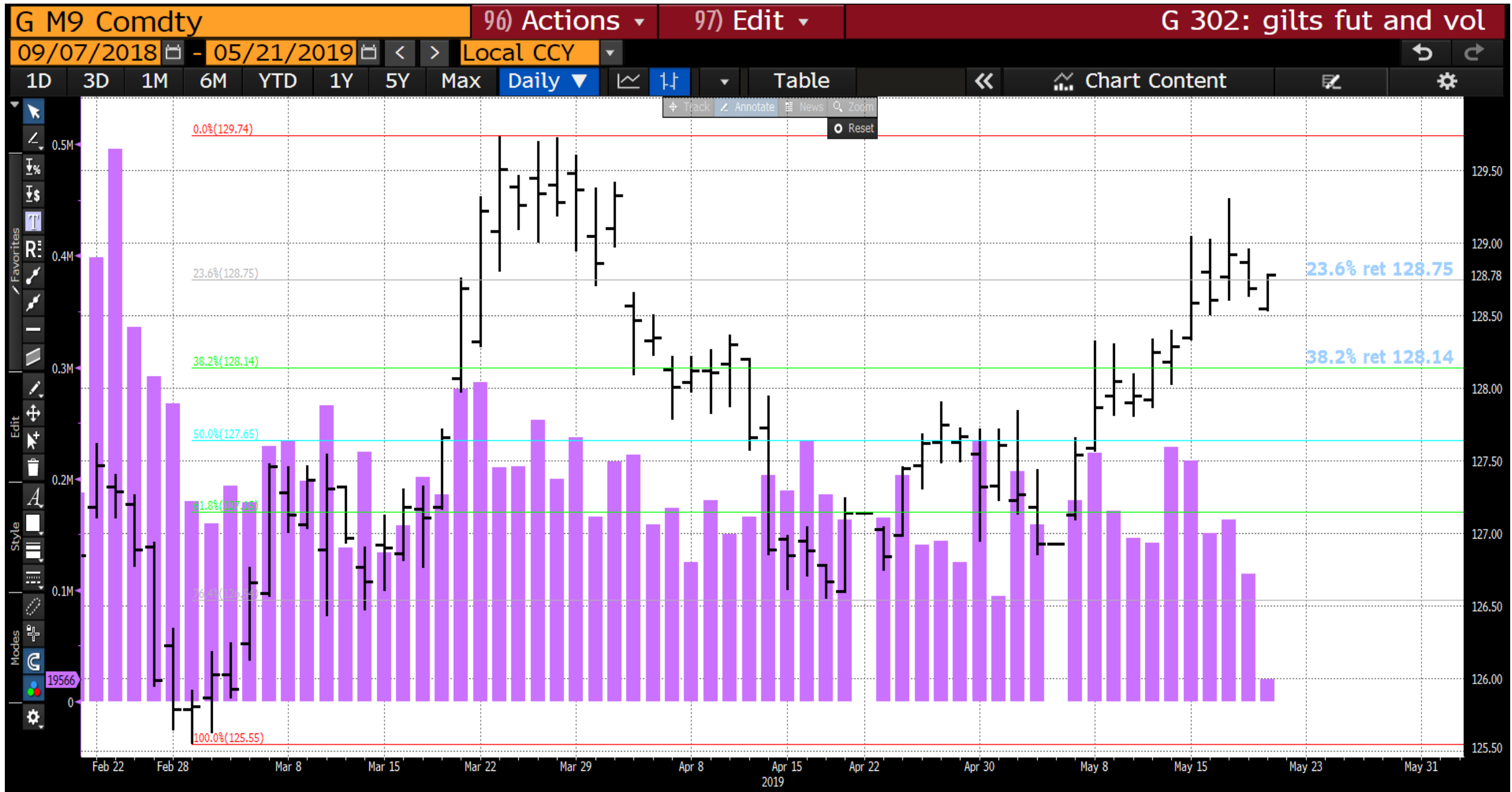
Italian futures : Increased volume might be indicating LONGS EXITING.



GUKG10yr daily : We continue to REMAIN below ALL moving averages and hopefully head lower from here.



Gilt futures : Gilts have been left behind and the volume participation seems low but hopefully we can close above the 23.6% ret 128.75.



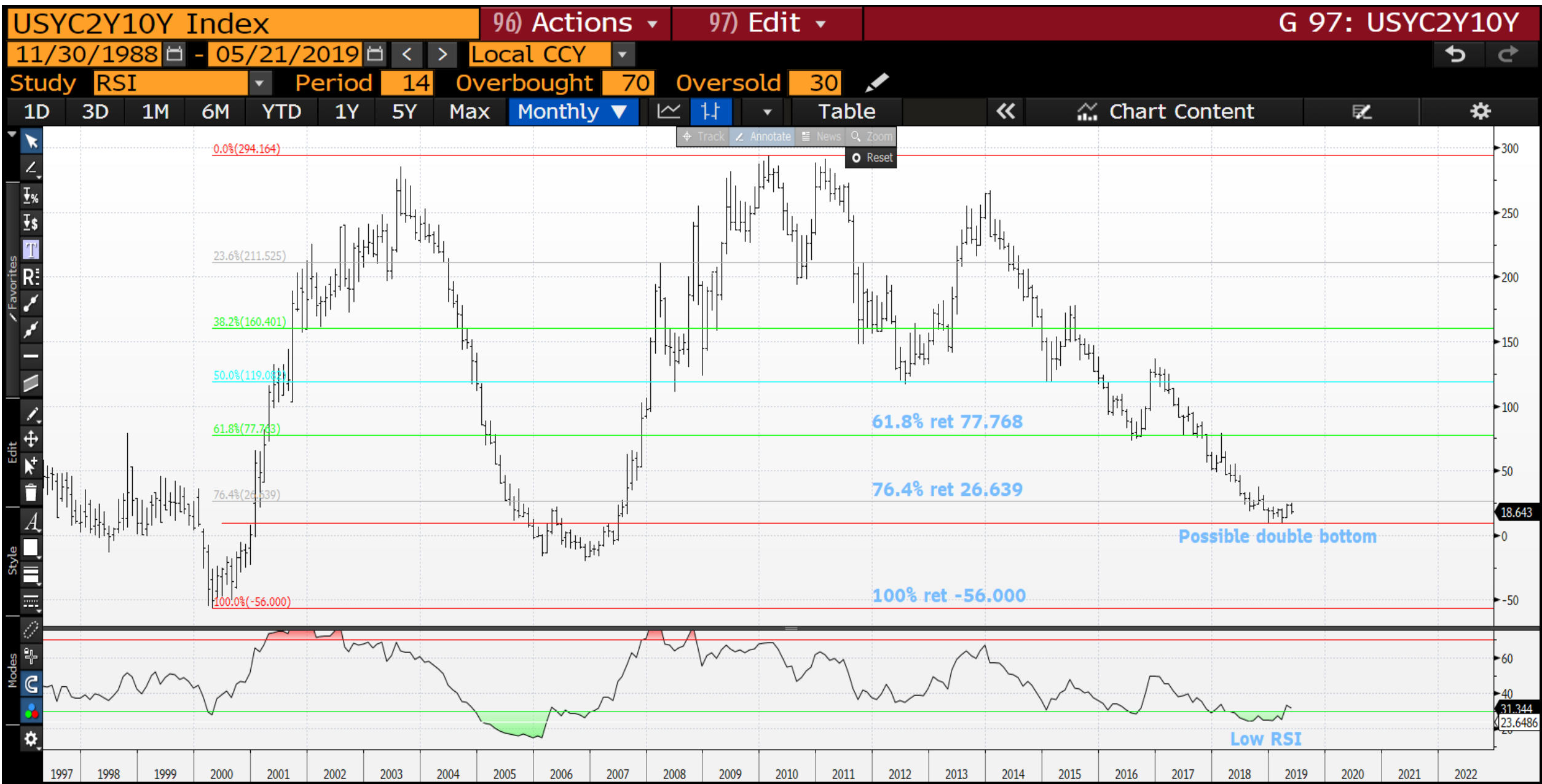
US curves a once in a lifetime opportunity?

- **Curves : This was the main reason for a YIELD RALLY last week substantiated by the US 5-30 curve STALL emulating March 2019, the pressure seems to of diminished given stocks have sold off. The next step isn't clear yet BUT month end closes should clarify things more.**
- **** The BACK END ideas have had a good run so maybe time to get long US 2-5 and 2-10 steepener.
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!**

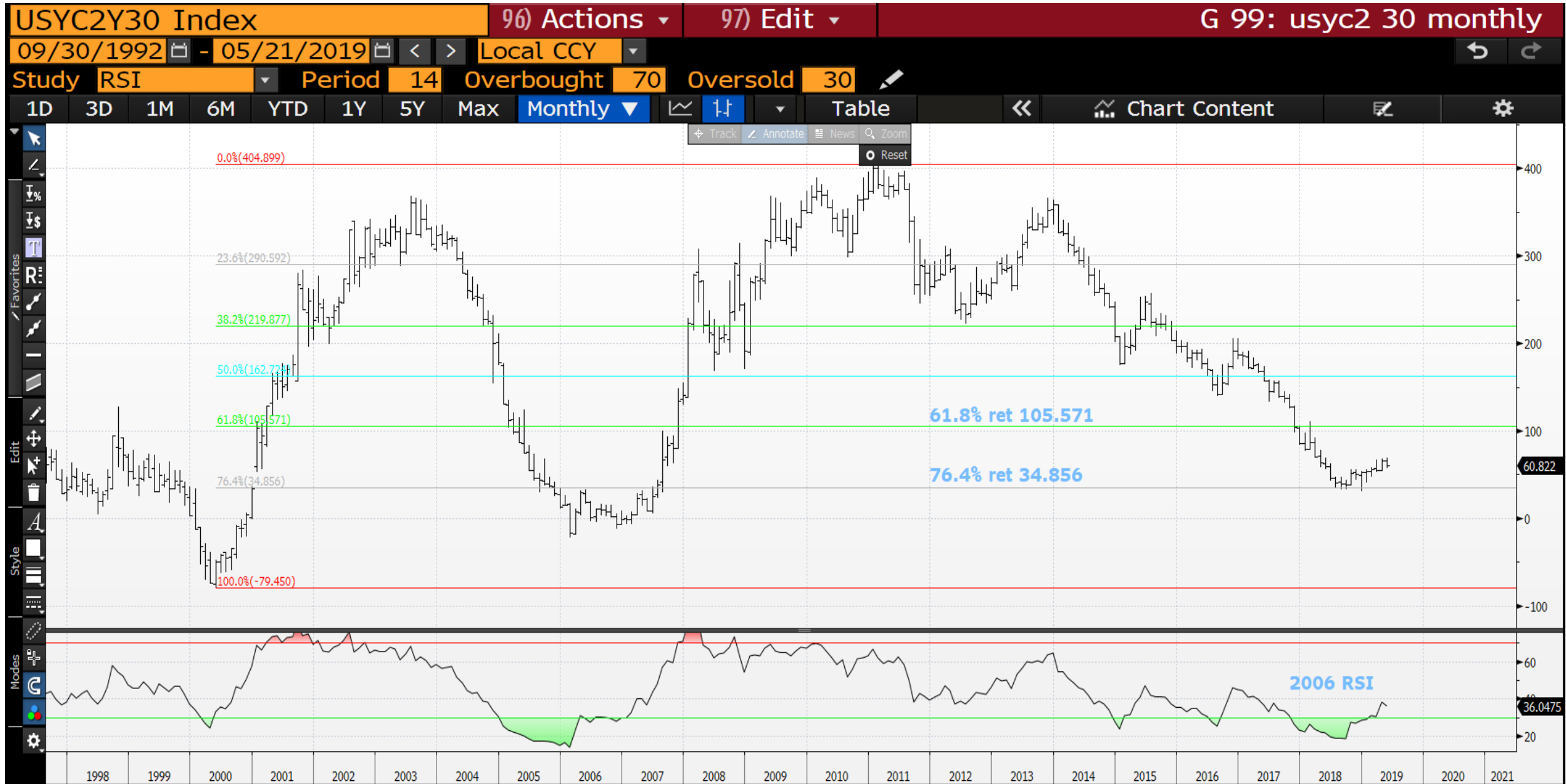
US 2-5 curve monthly : We HAVE formed a DECENT BASE but yet to really do anything with it, would prefer to see the monthly close before reacting.



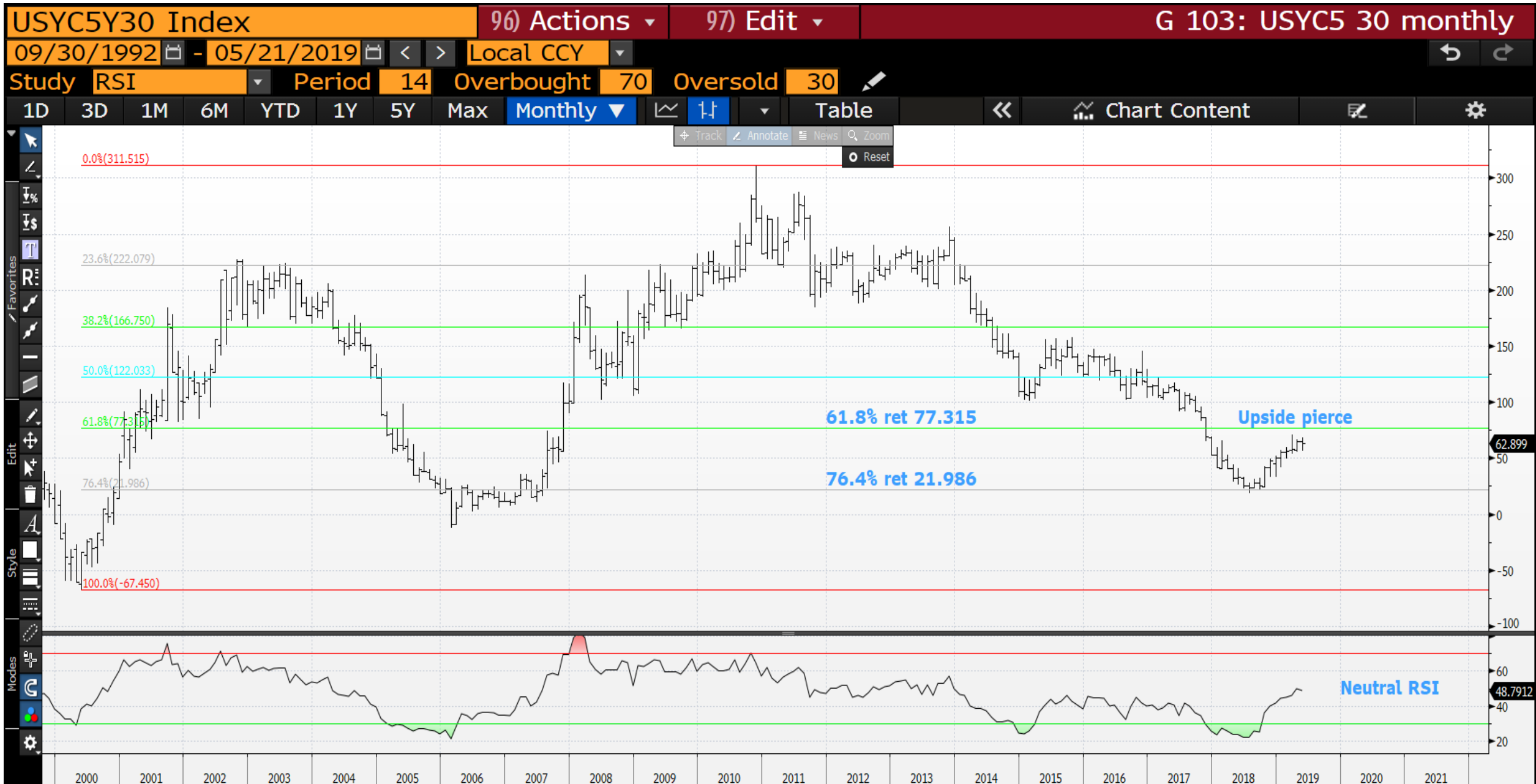
US 2-10 curve monthly : Again we have a decent base but need to breach the 76.4% ret 26.639 and head steeper, utilising the RSI tension.



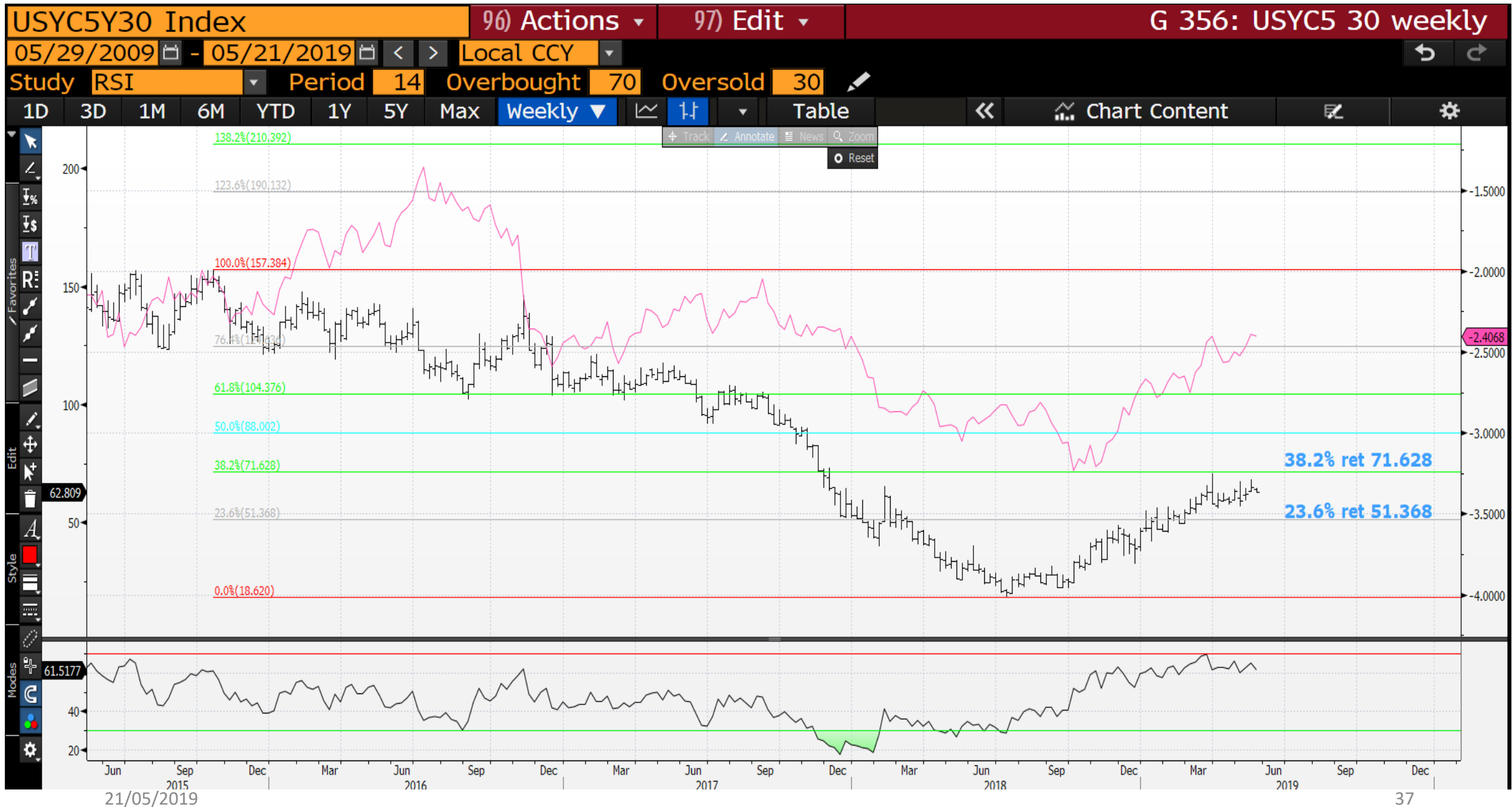
US 2-30 curve monthly : The RSI is MIXED and the price action of the last 3 months has been choppy.



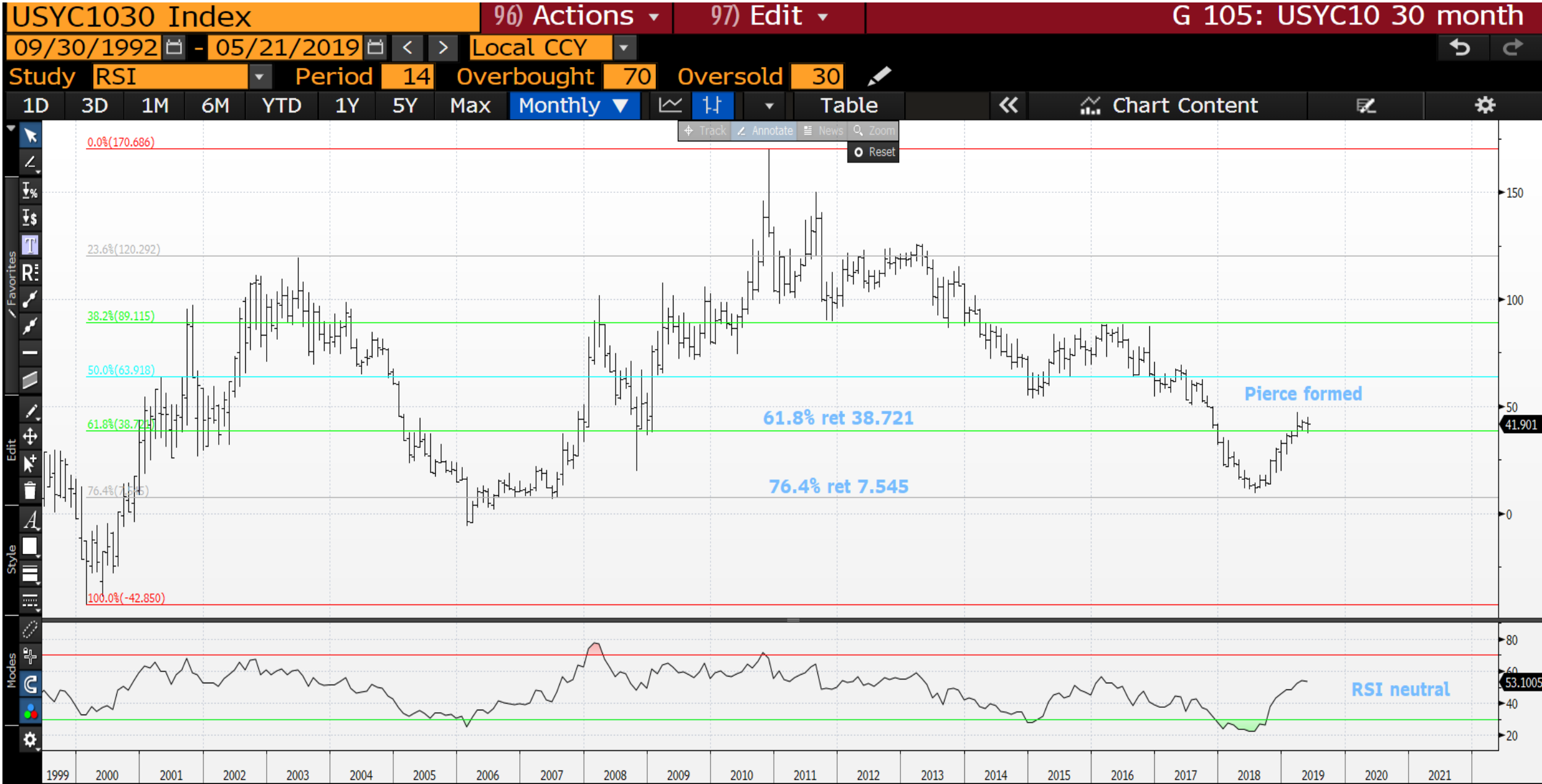
US 5-30 curve monthly : We set up a sizeable pierce in March which has yet to be breached, that said previously we steepened in a yield lower environment! Therefore mixed signals and preference to see the monthly closes.



US 5-30 curve weekly : This chart highlights last weeks concerns of a MARCH repeat, the pink line is an INVERTED US 10yr yield.



US 10-30 curve monthly : We continue with the upside pierce but again need the monthly close to determine the next move!



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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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