

## **BOND AND US CURVE UPDATES :**

**Yields continue to head lower and the long-term charts CALL for an OVERDUE ACCELERATION!**

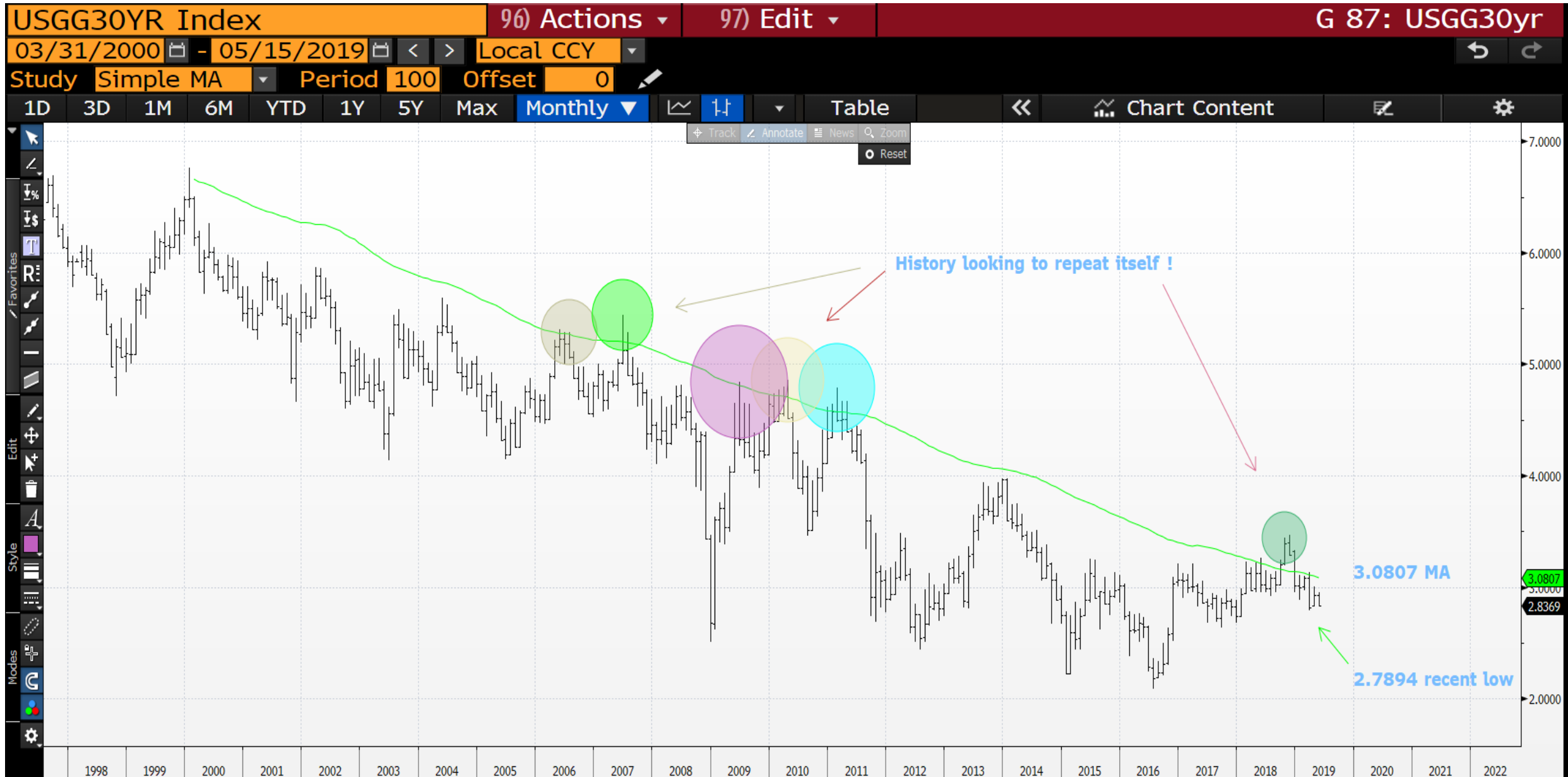
**This is a worrying statement given our current location but the path of least resistance is definitely lower and STOCKS MAY HELP!**

**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.**

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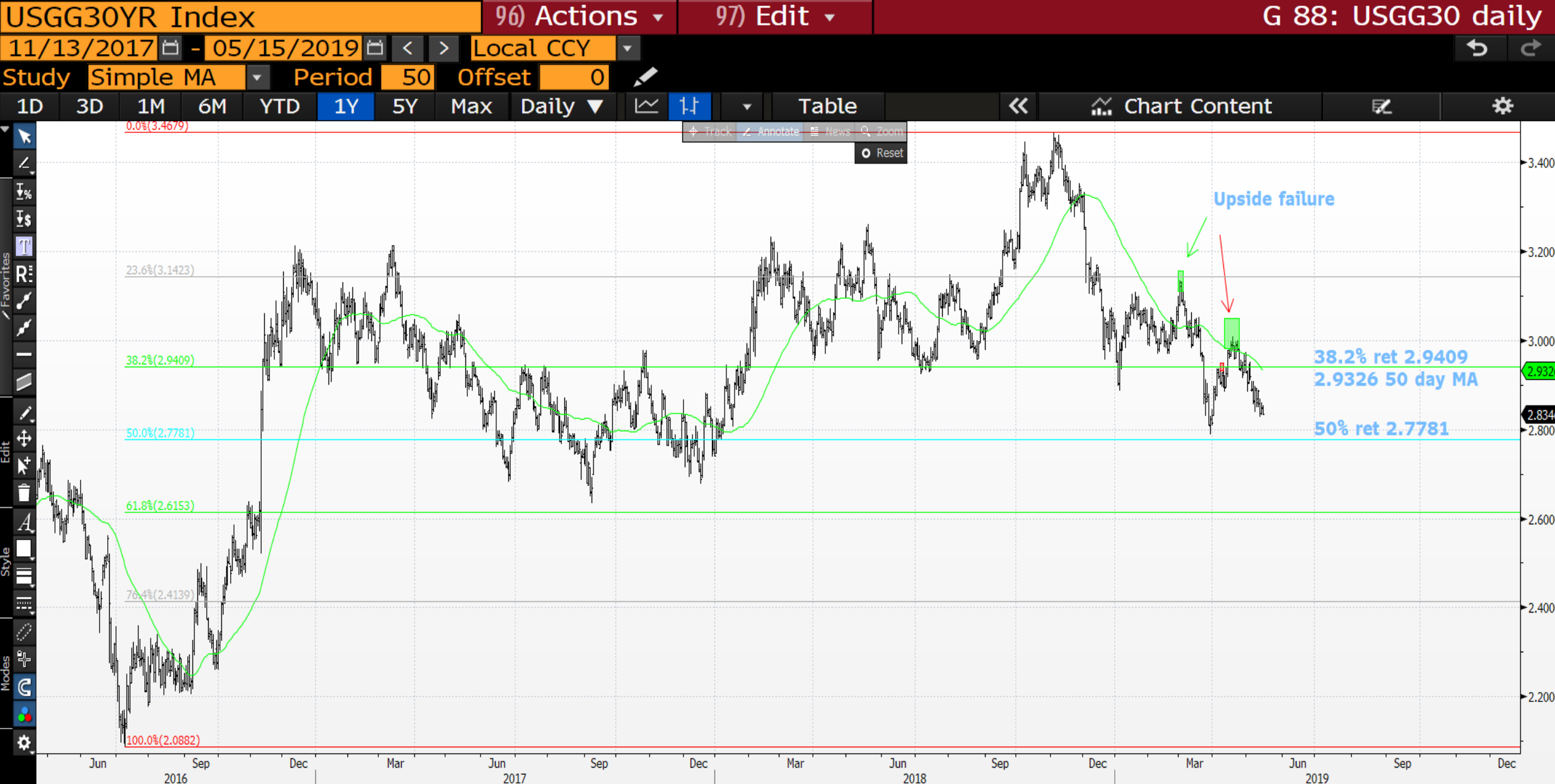
USGG30yr monthly : Despite the lower yield levels involved the HISTORICAL scenario is panning out, therefore we still have along way to go! A breach of the recent low 2.7894 will obviously trigger stops whilst opening the flood gates.



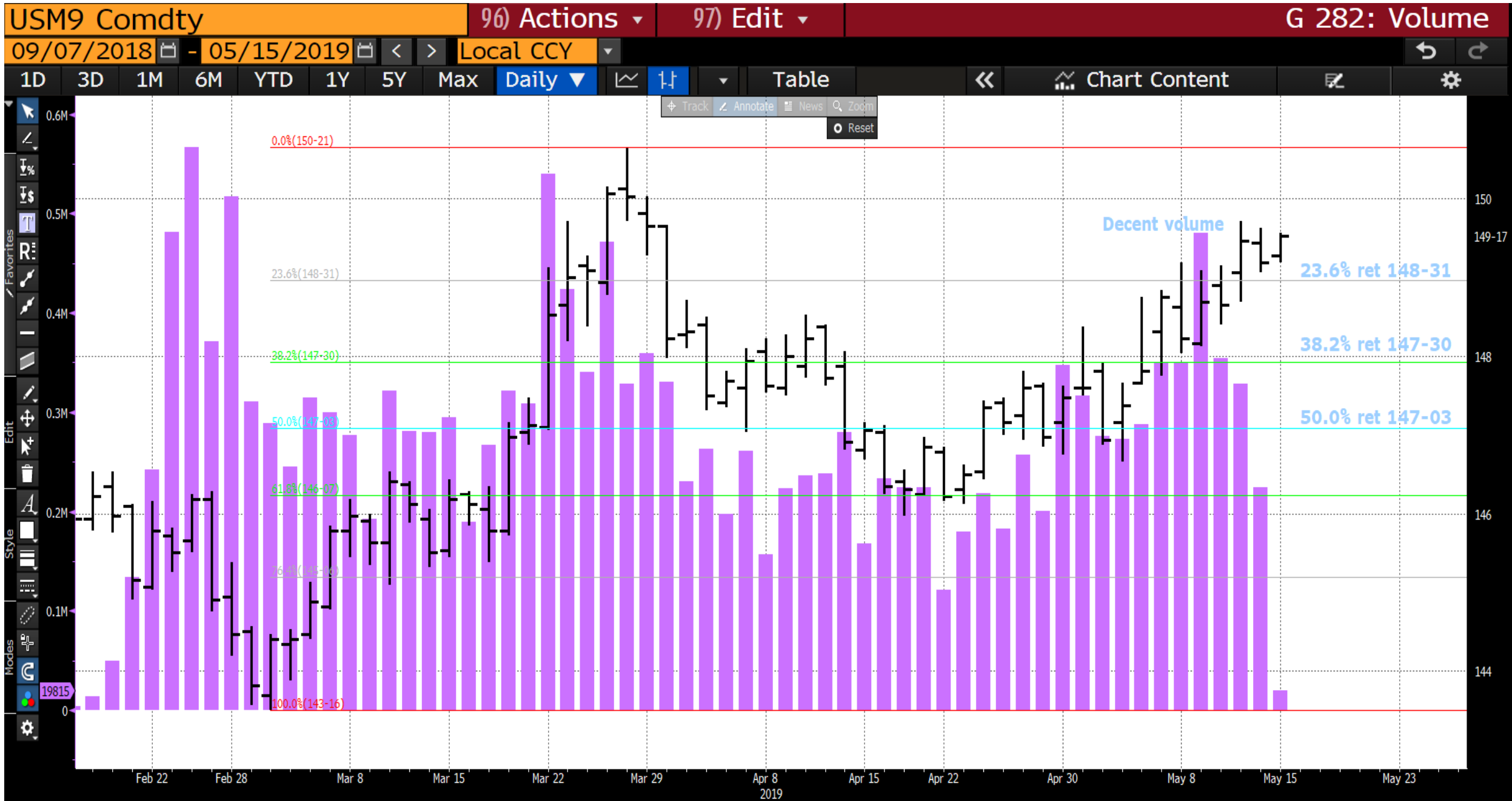
USGG30yr weekly : We failed the channel with regularity and now need to breach the 38.2% ret 2.8028, sub that and the 23.6% ret 2.5334 is an IMMEDIATE draw.



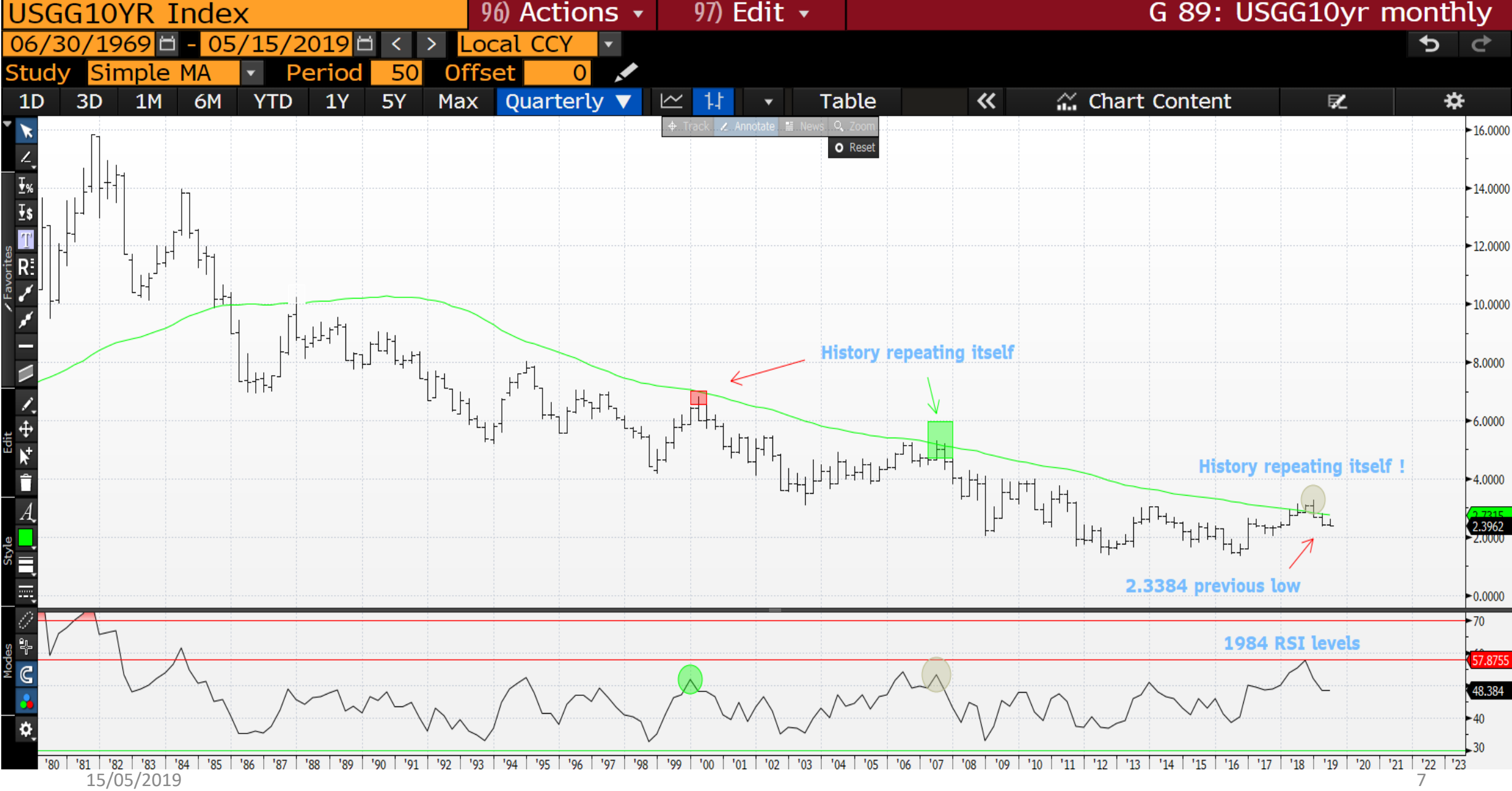
USGG30yr yield daily : We continue to grind lower hugging the 50 day moving average. Next major breach is the 50% ret 2.7781.



US 30yr futures and volume : The LONGS continue to ADD and therefore we should continue to head higher. This should see REAL MONEY sellers of the ROLLS.



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!



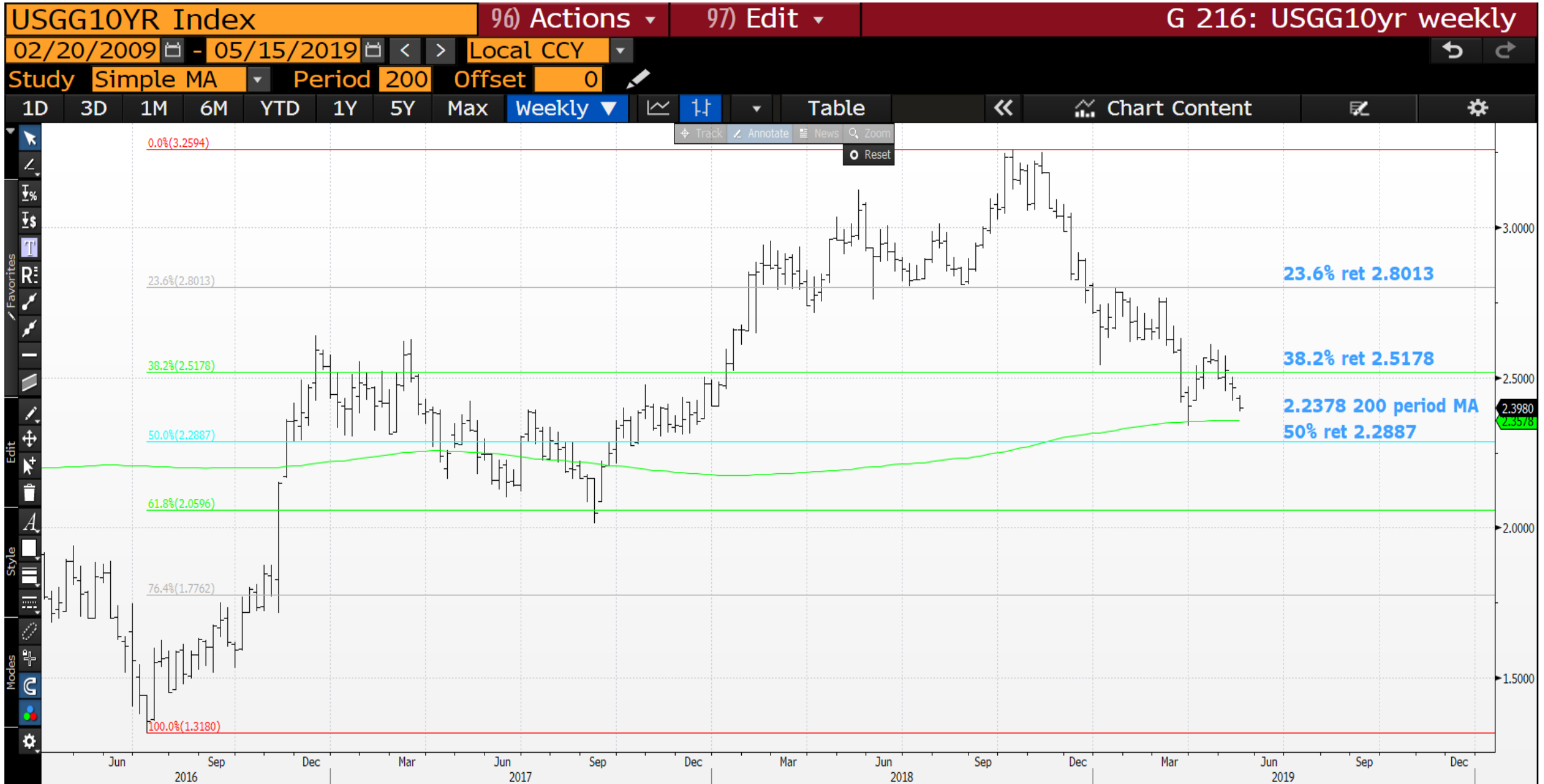
US 10yr yield monthly : Another significant moving average hit and little sign of a yield bounce.



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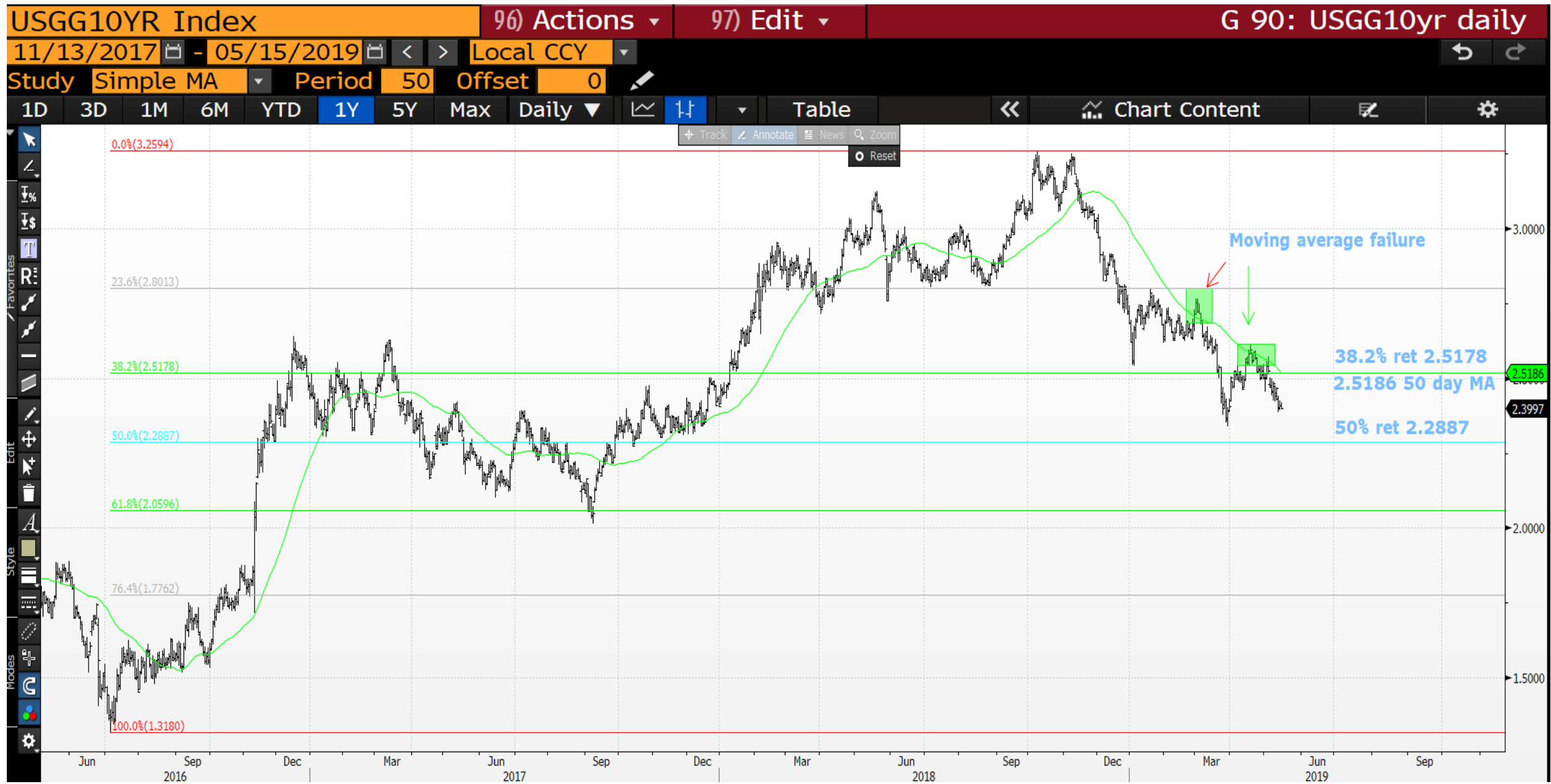


USGG10yr weekly : We are close to breaching the 200 period moving average 2.2378, through this and a lot lower we go.



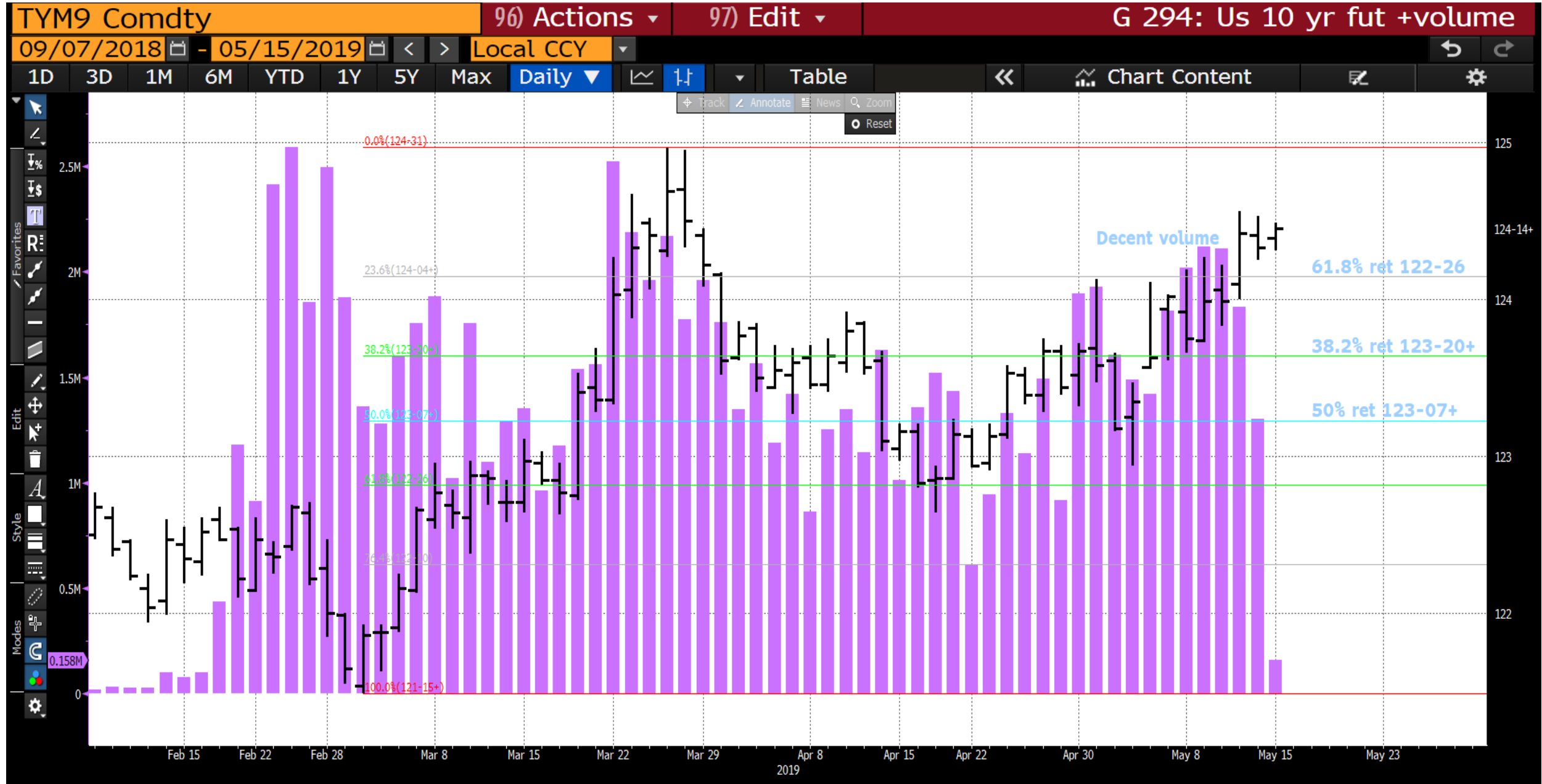
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USGG10yr daily : We continue to fail and providing we take out the 50% ret 2.2887 will continue the trend.

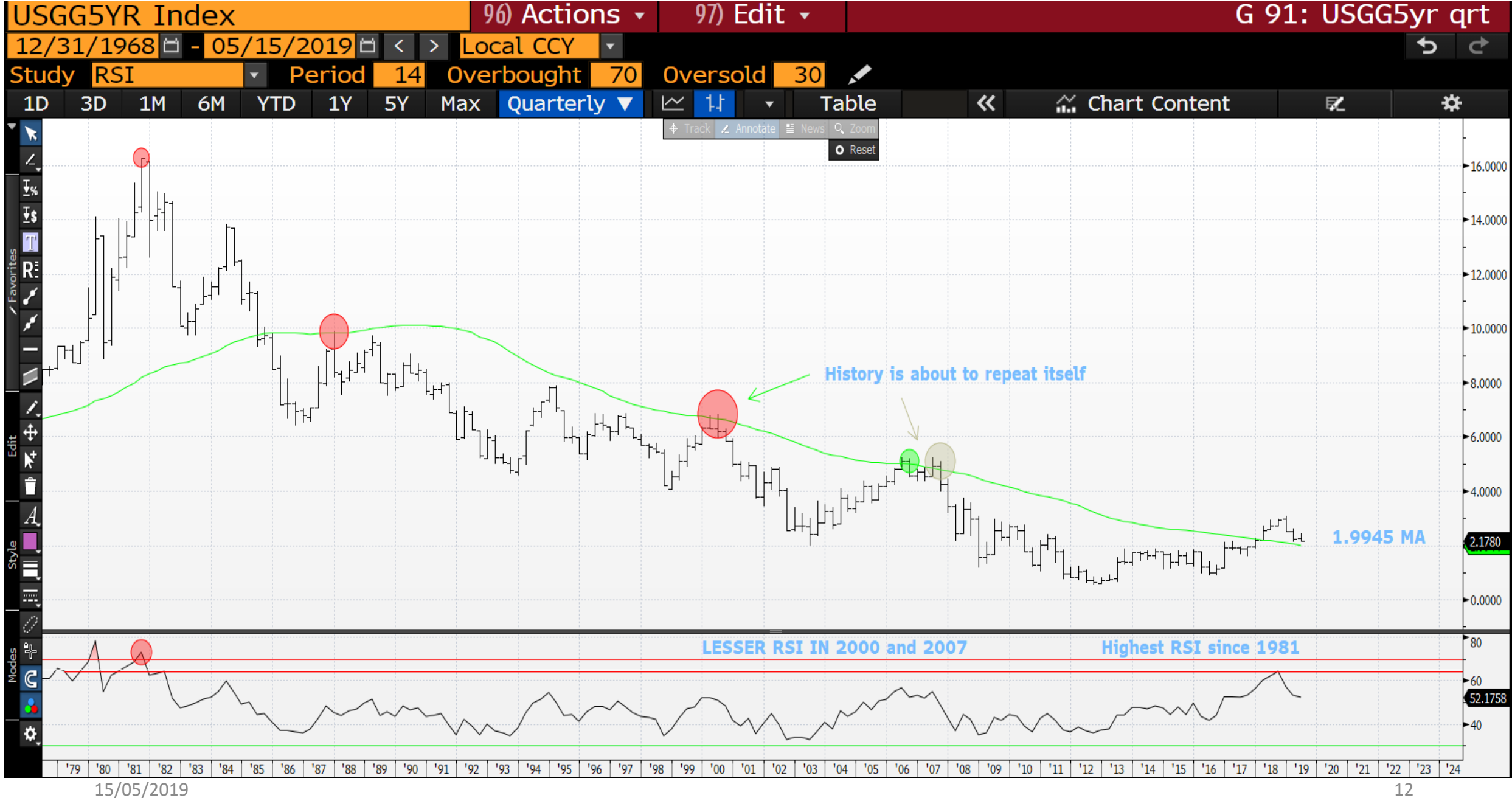


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US 10yr futures : The volume commitment continues to prevail and highlights the trend high will persist.



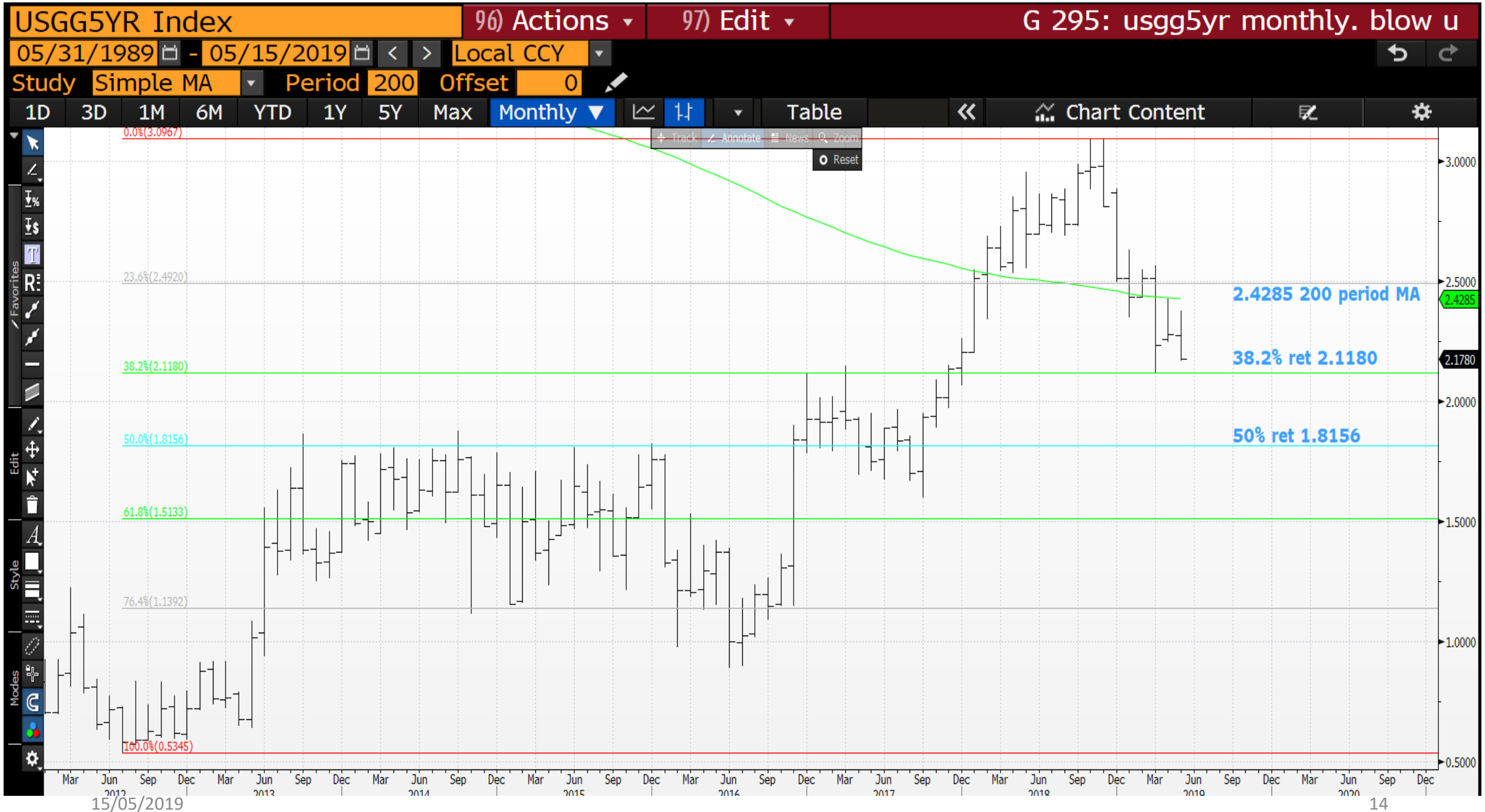
USGG5yr quarterly : The RSI remains a major focus as we head toward the all important historical 1.9945 moving average, sub this and the FLOOD GATES OPEN. History is repeating itself.



USGG5yr monthly : Continued failure at all the major levels with a one way trajectory.



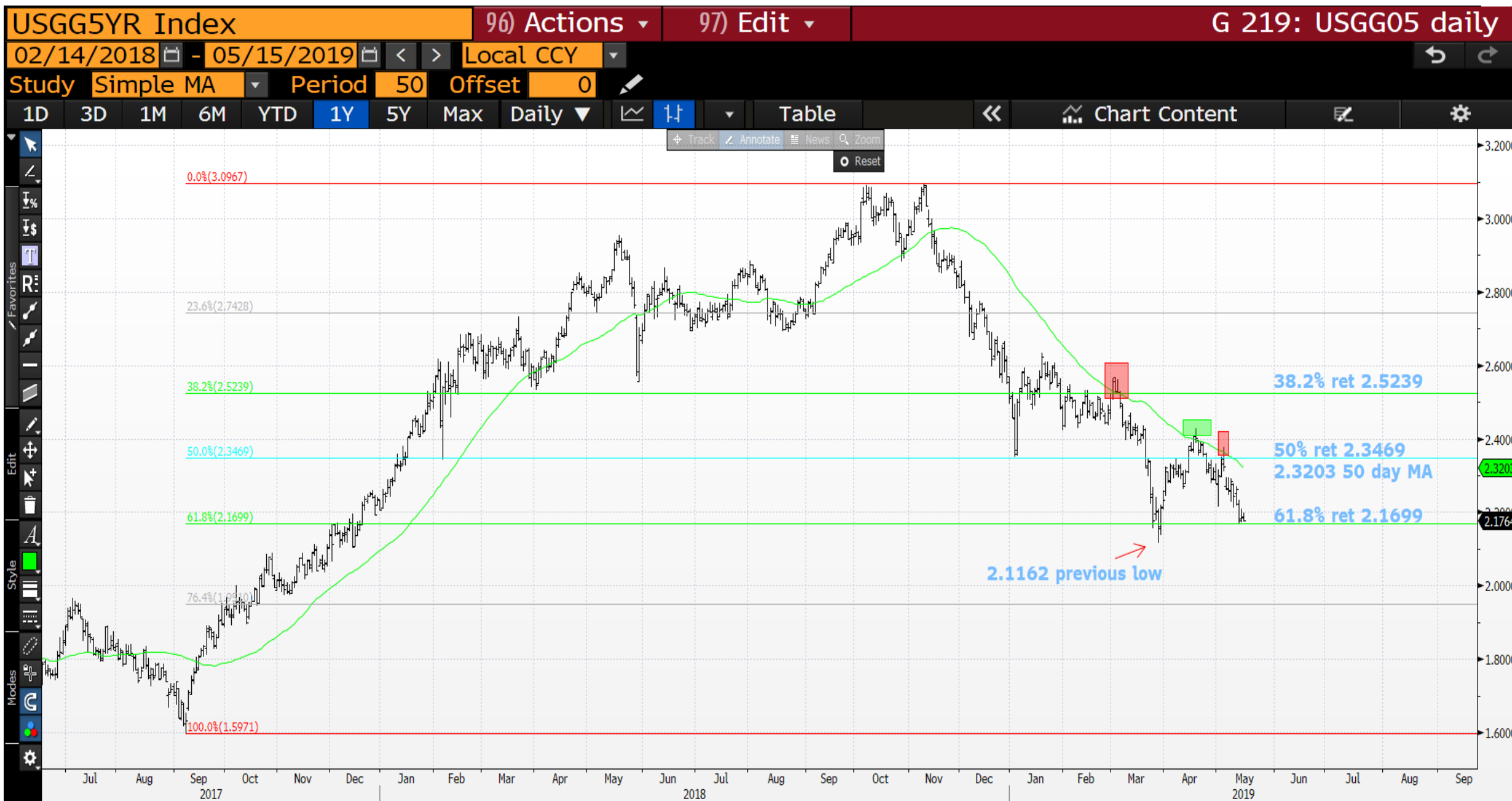
USGG5yr monthly : A “blow up” of the previous chart to highlight the IMPORTANCE of a breach of the 2.1180 level.



USGG5yr weekly : Another “blow up” highlighting the weekly outlook remains VERY WEAK, continue to expect lower yields.

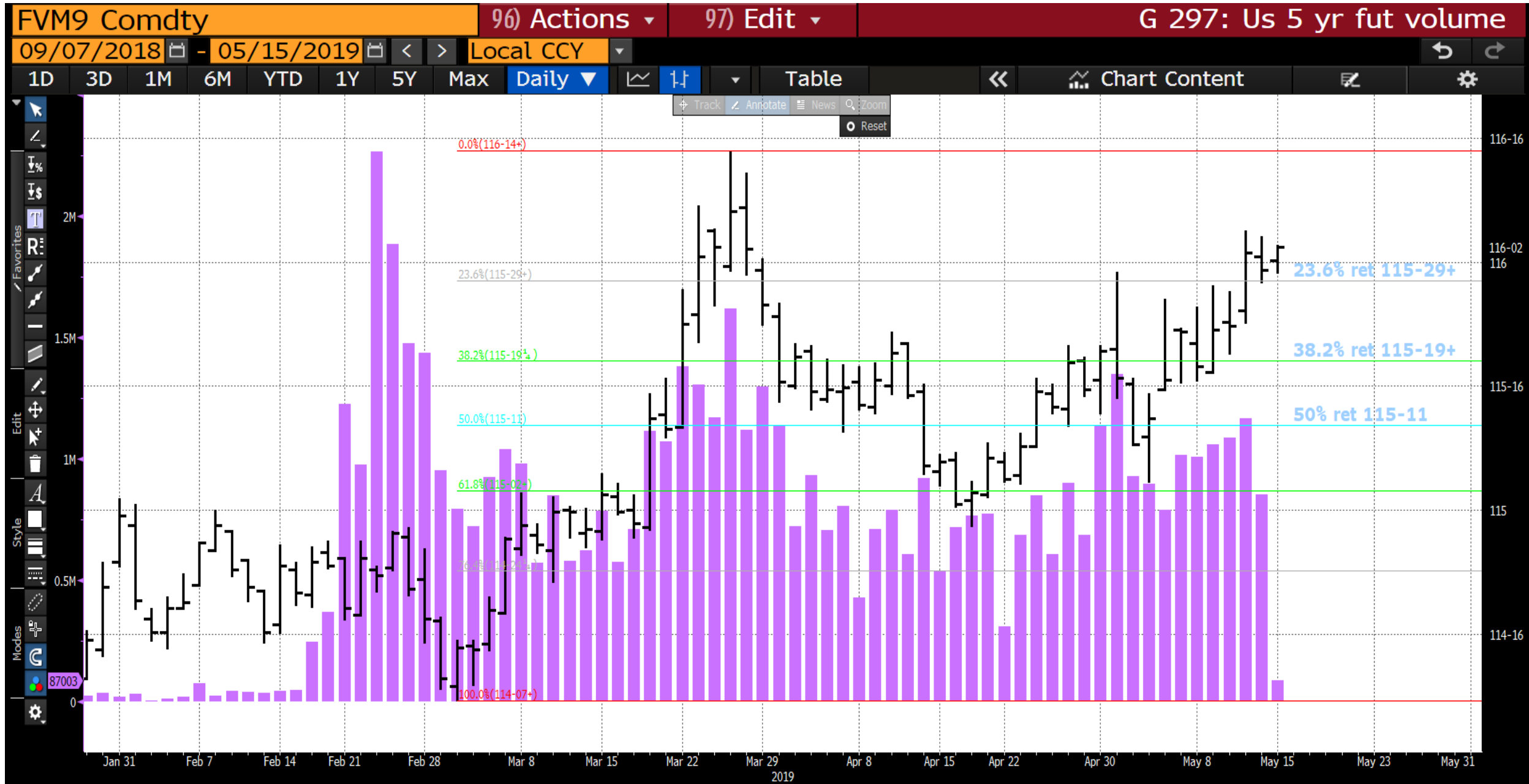


USGG5yr daily : We continue to edge lower, a breach of the 2.1162 previous low will help a lot.

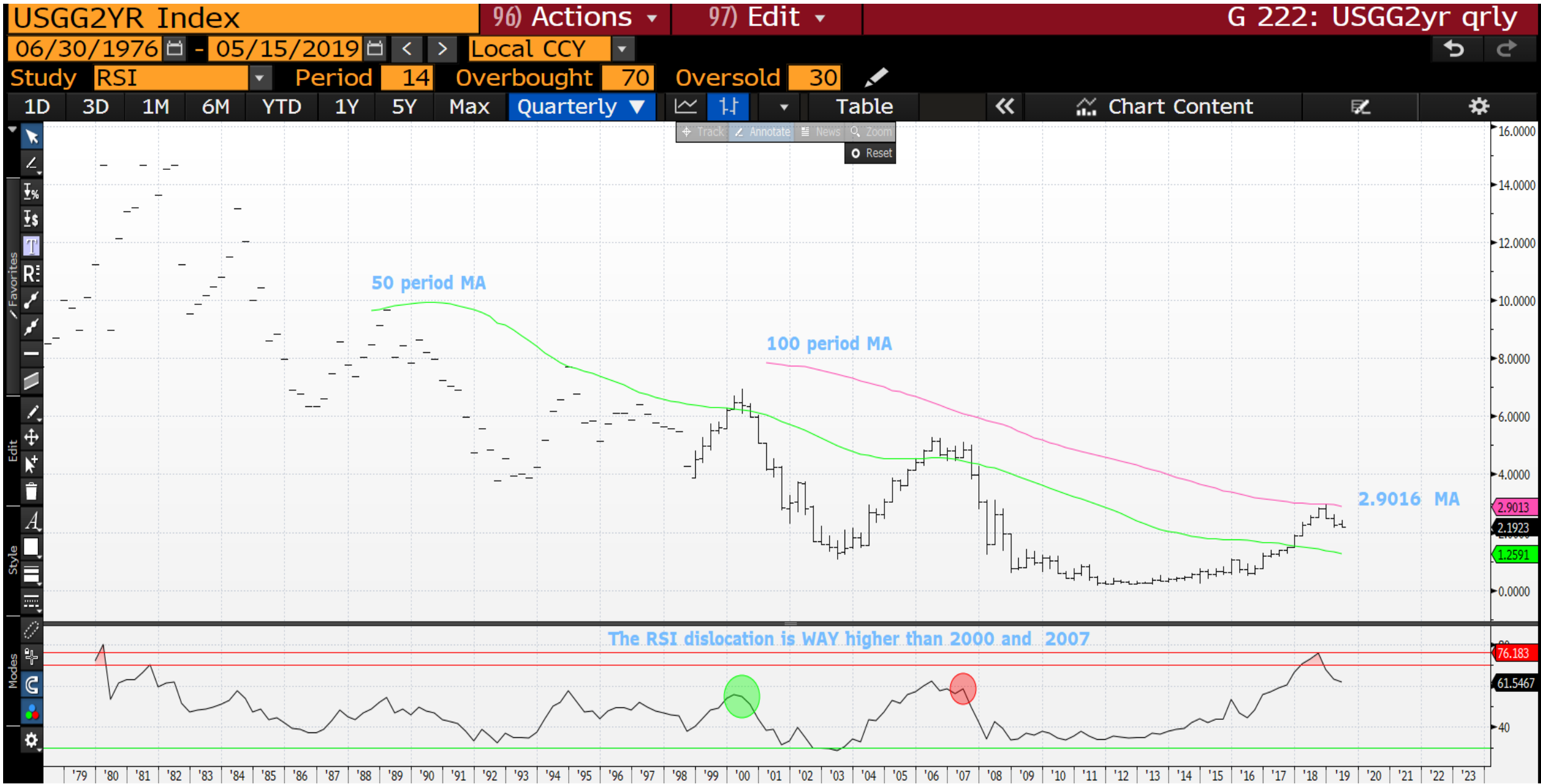




US 5yr futures : No major volume here but we continue to grind higher aided by CTA's.



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.



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USGG2yr monthly : We continue lower, next stop the 23.6% ret 1.7448.



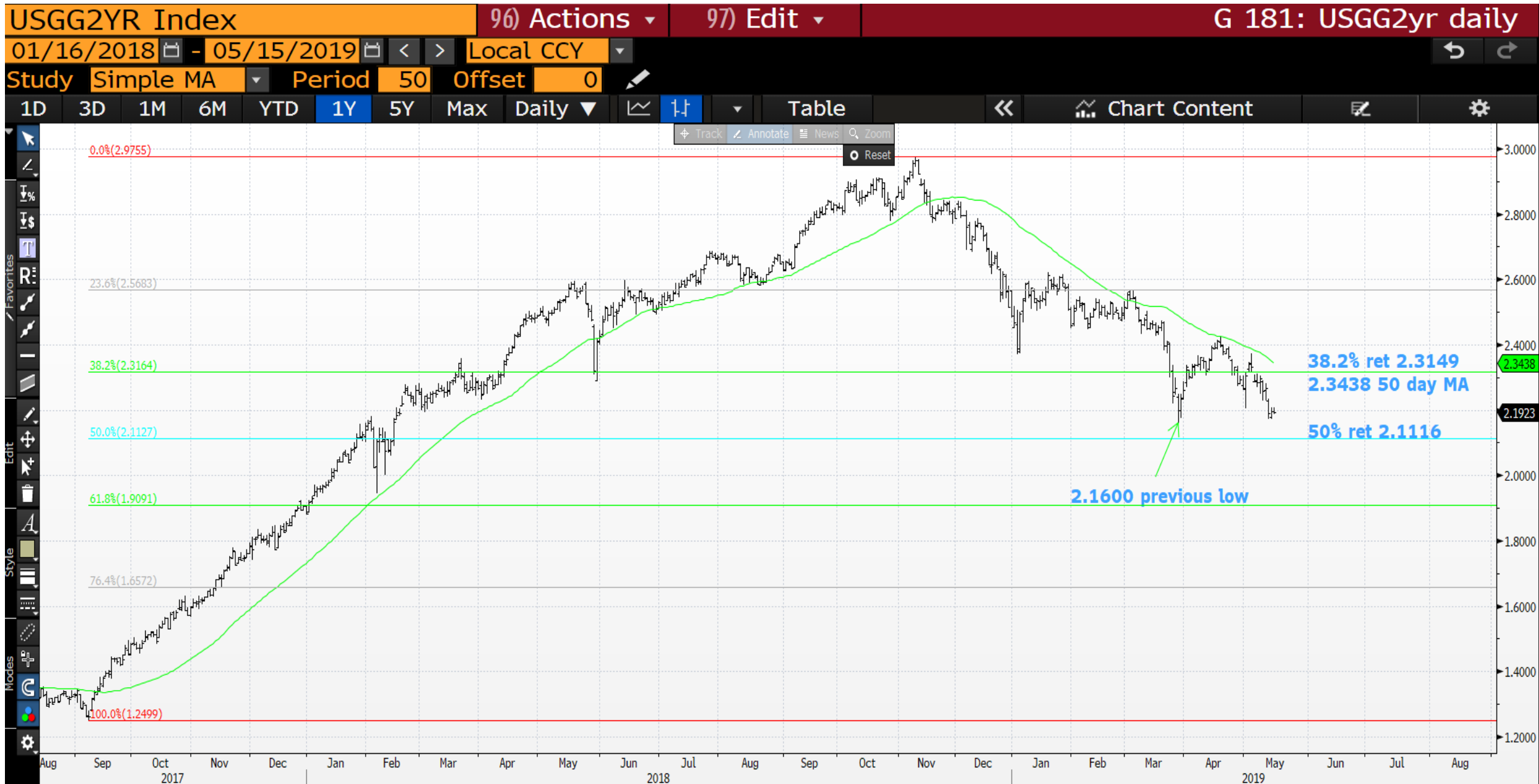
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USGG2yr weekly : We have now breached the weekly 100 period moving average 2.2200, sub the 38.2% ret 2.1035 will trigger sizeable stops.

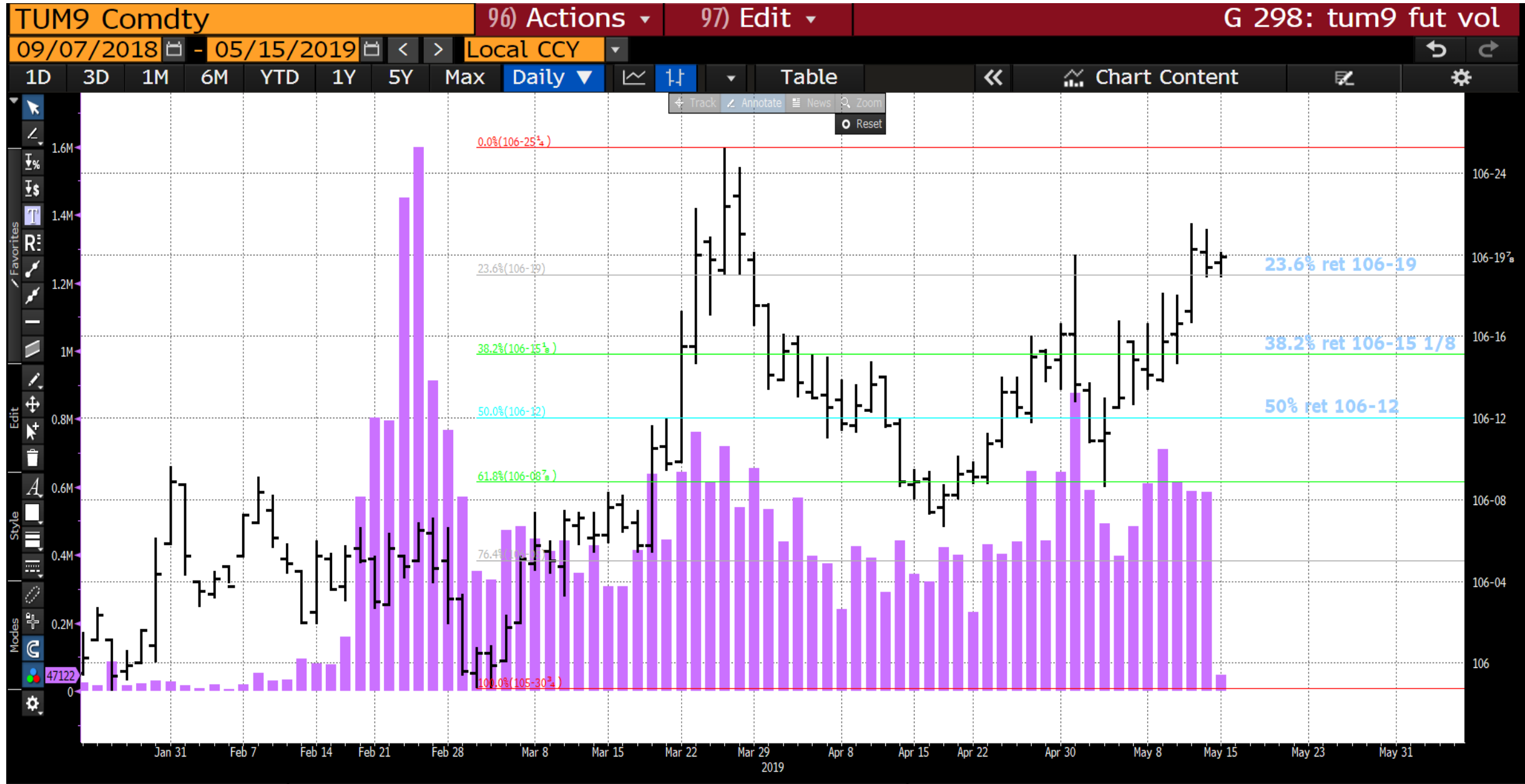


USGG2yr daily : We are close to the PAIN break, sub the 2.1600 low and expect a more MAJOR drop.

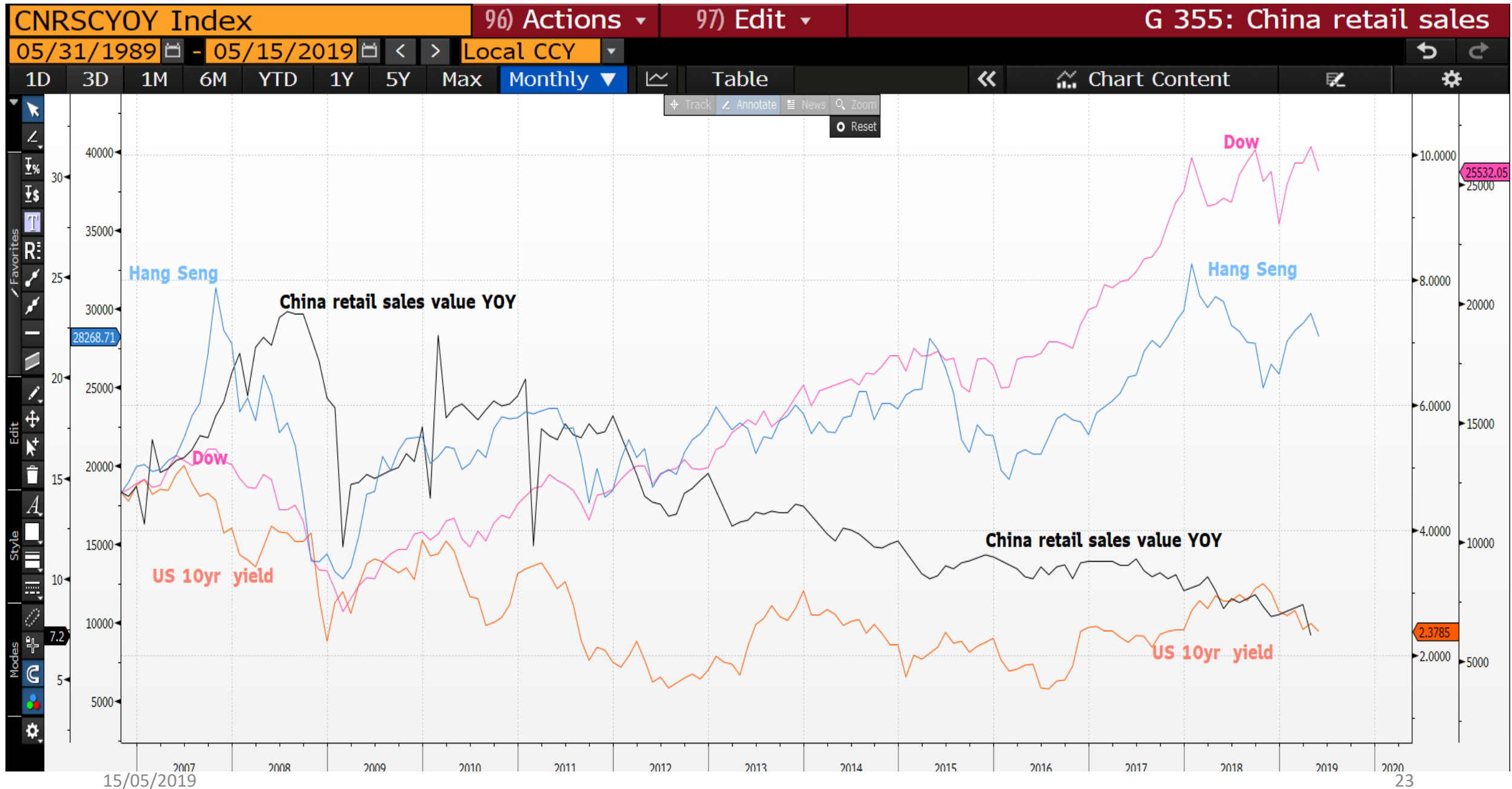


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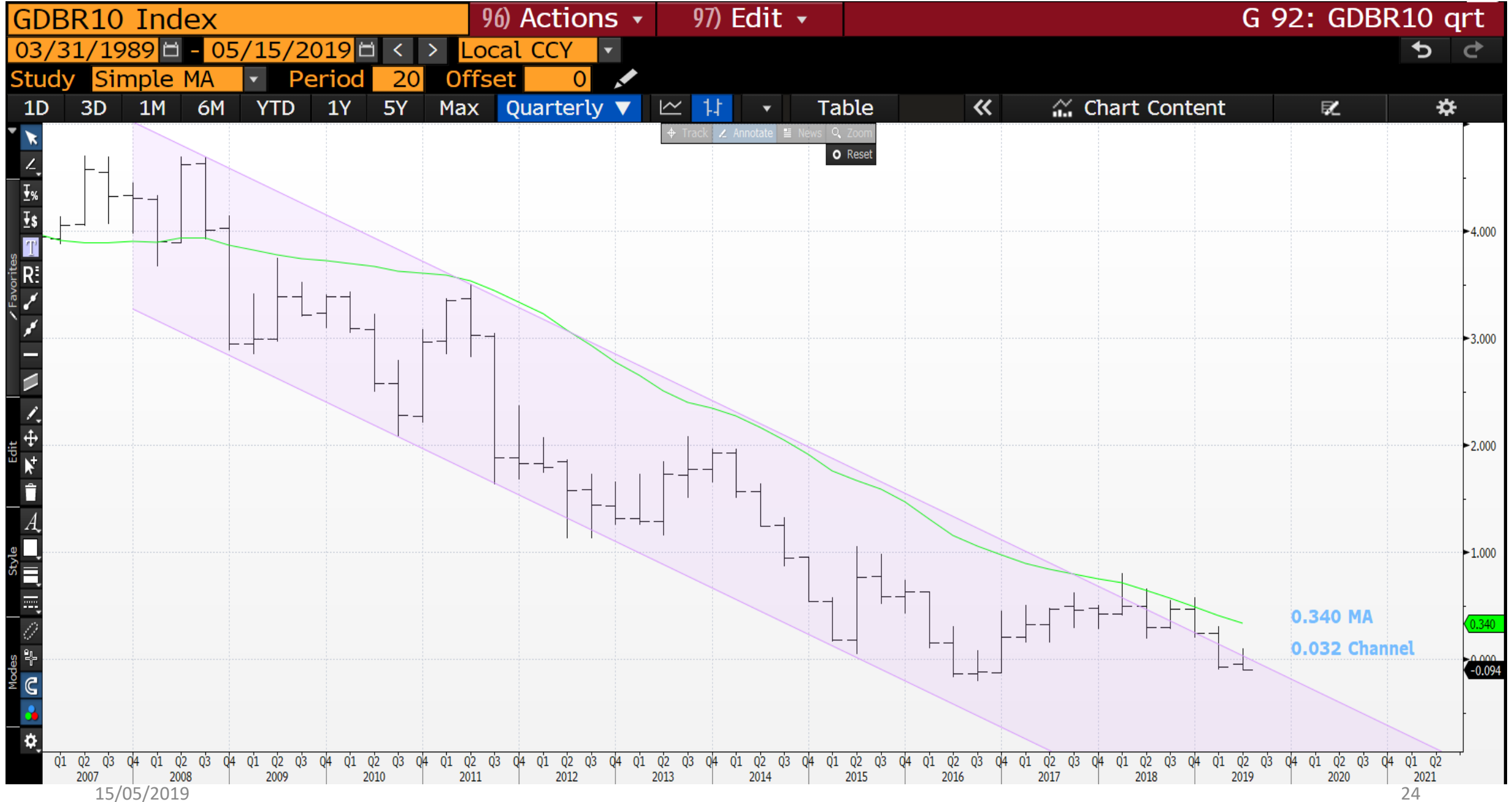
US 2yr futures : We continue to grind higher and a close above the 23.6% ret 106-19 keep the trend alive.



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?

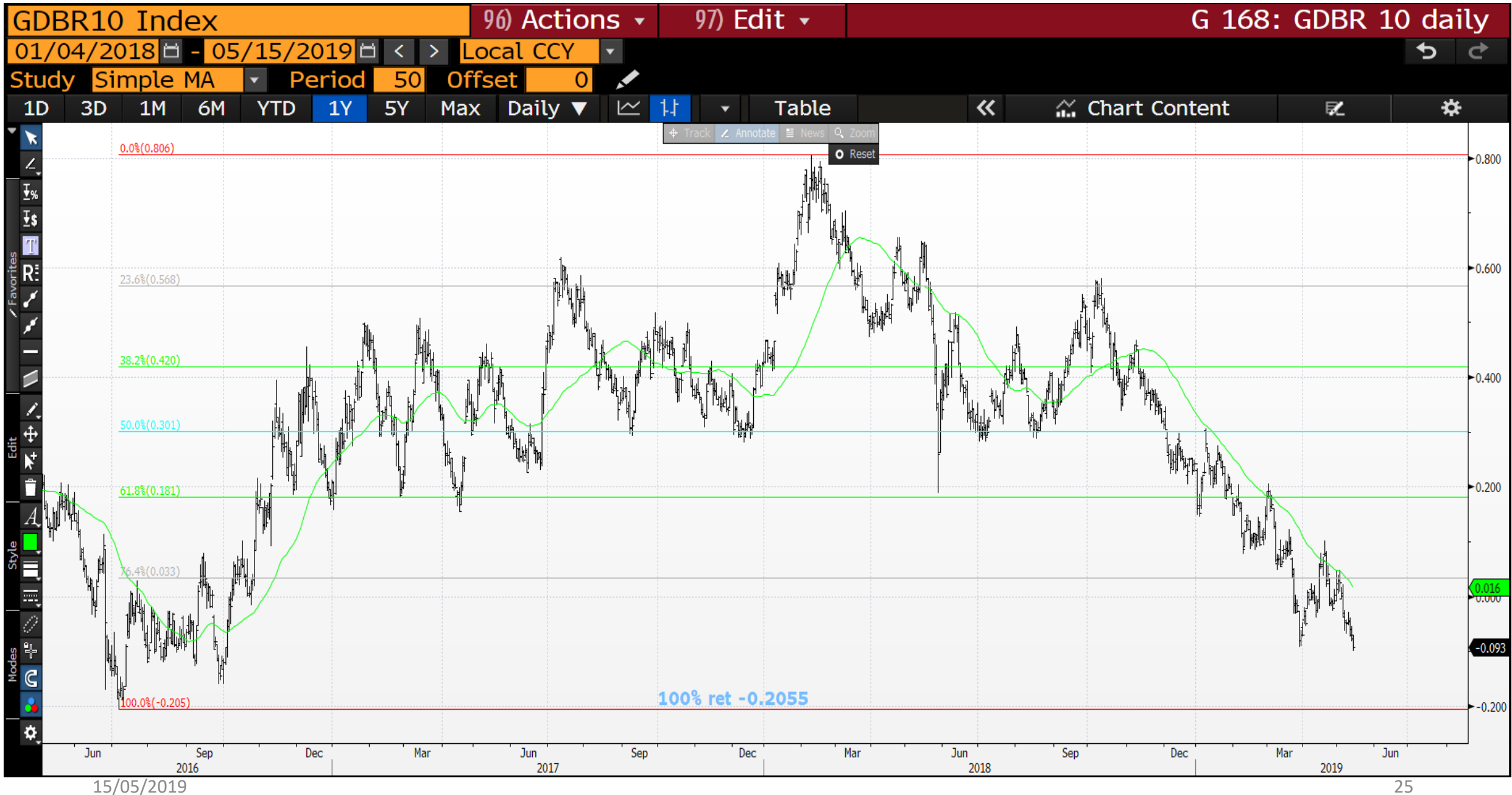


Generic German 10yr quarterly : Despite the yields involved we look to continue a lot lower.

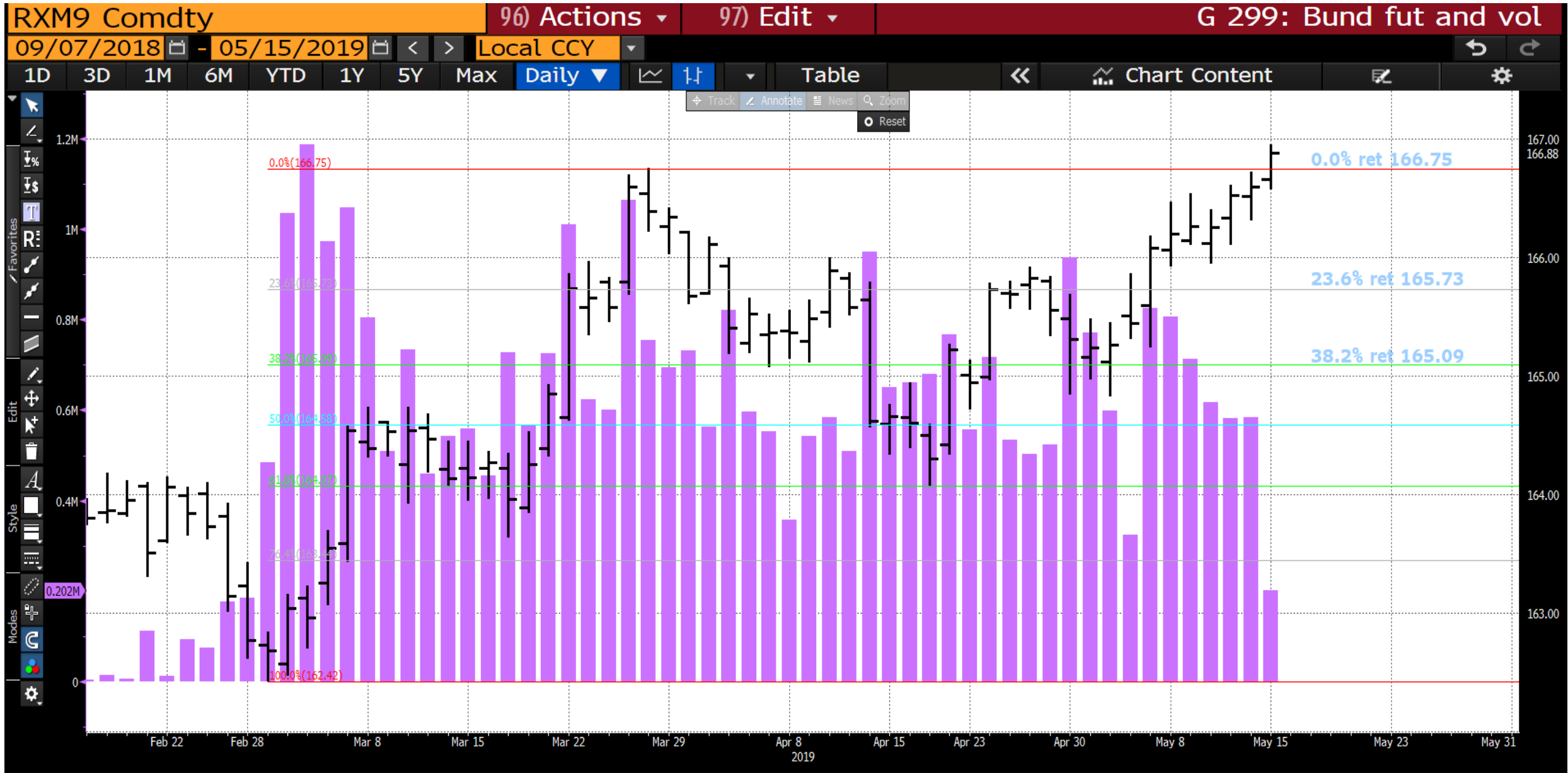




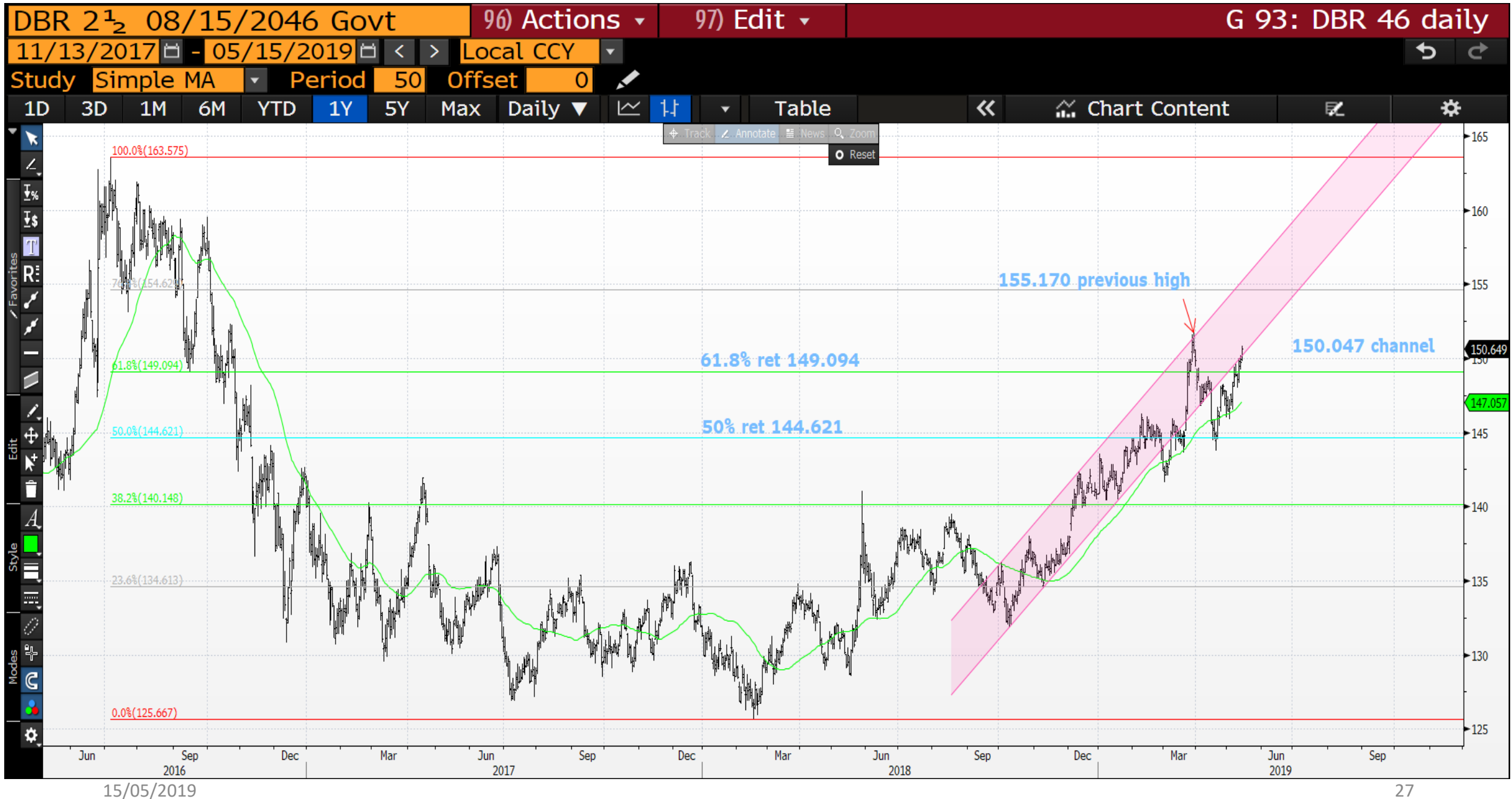
Generic German 10yr daily : We have definitely adhered to the 50 day moving average, next stop the 100% ret -0.2055.



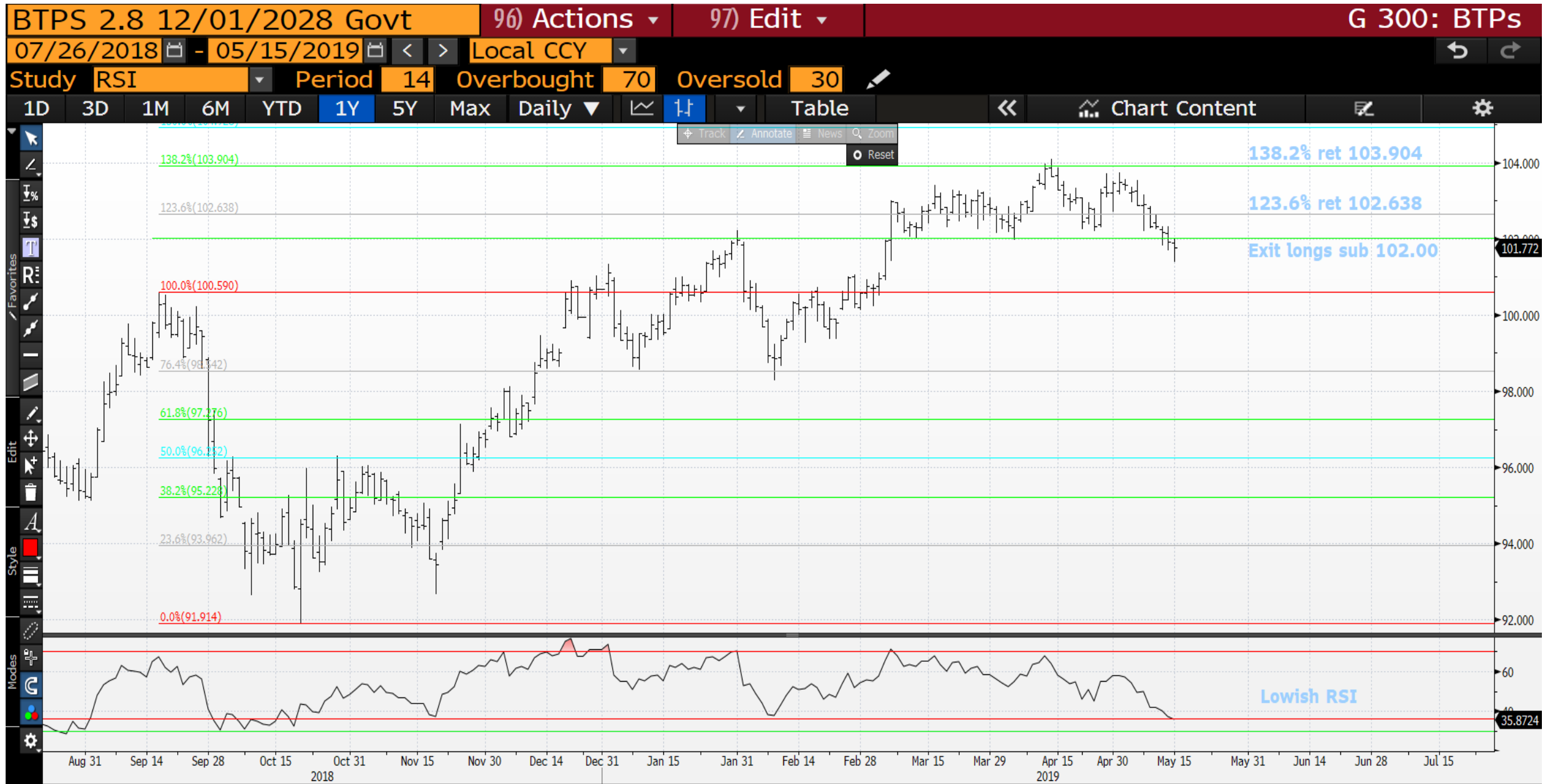
# Bund futures : New highs aided by volume and CTA buying.



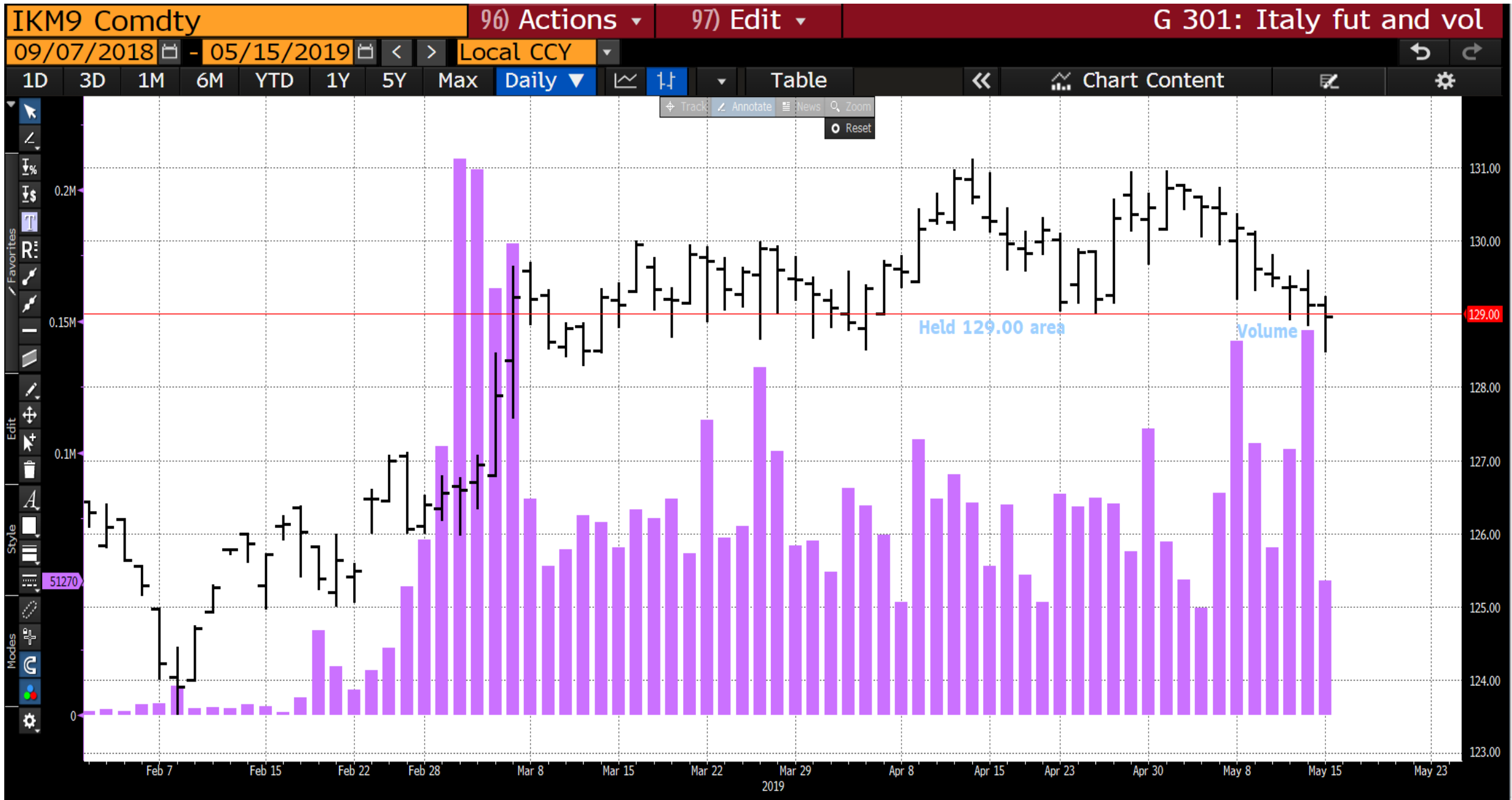
DBR 46 daily : We are back in the channel with this very reliable and resilient bond! Next major target is to breach is the 15.170 previous high.



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



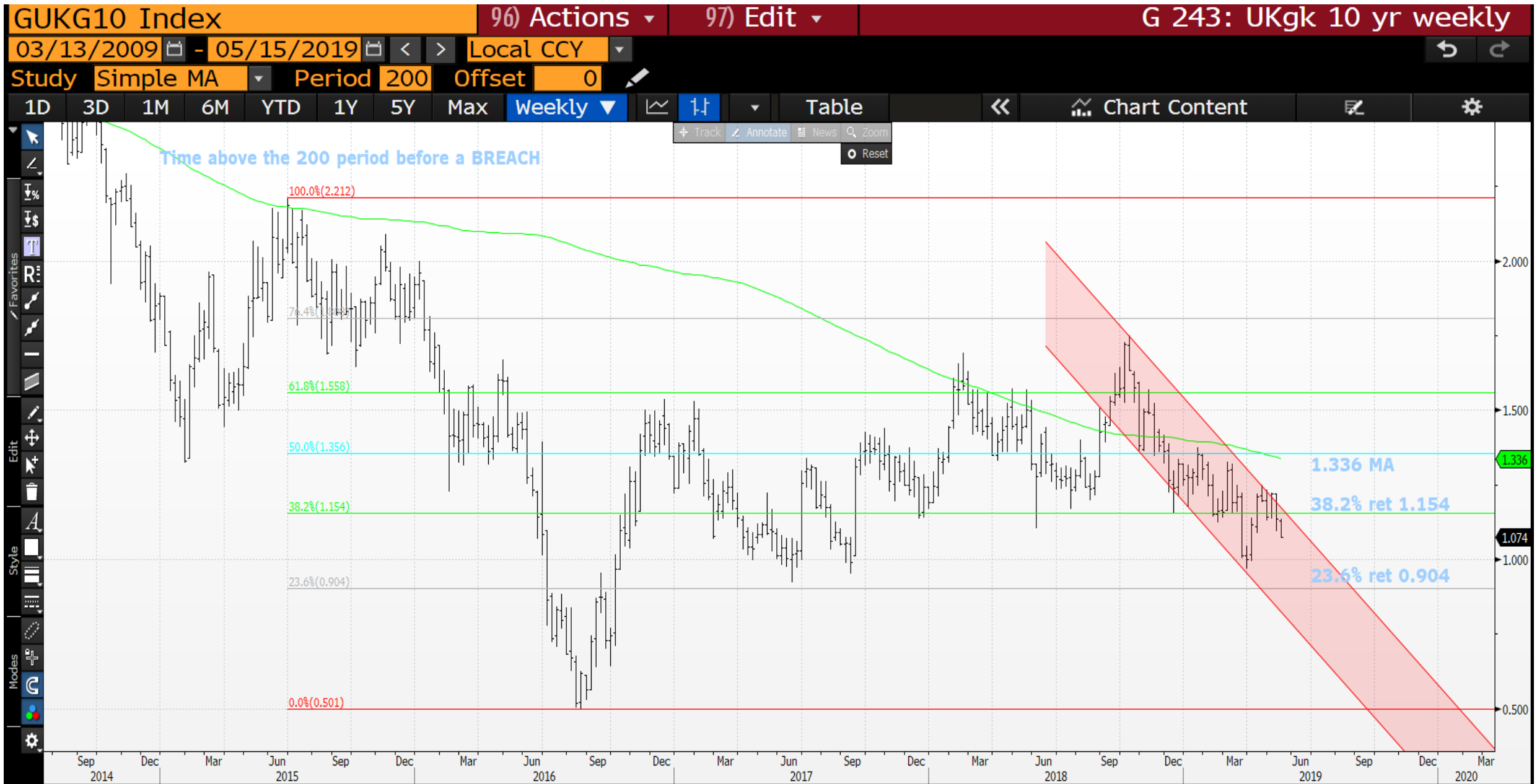
Italian futures : Increased volume might be indicating LONGS EXITING.



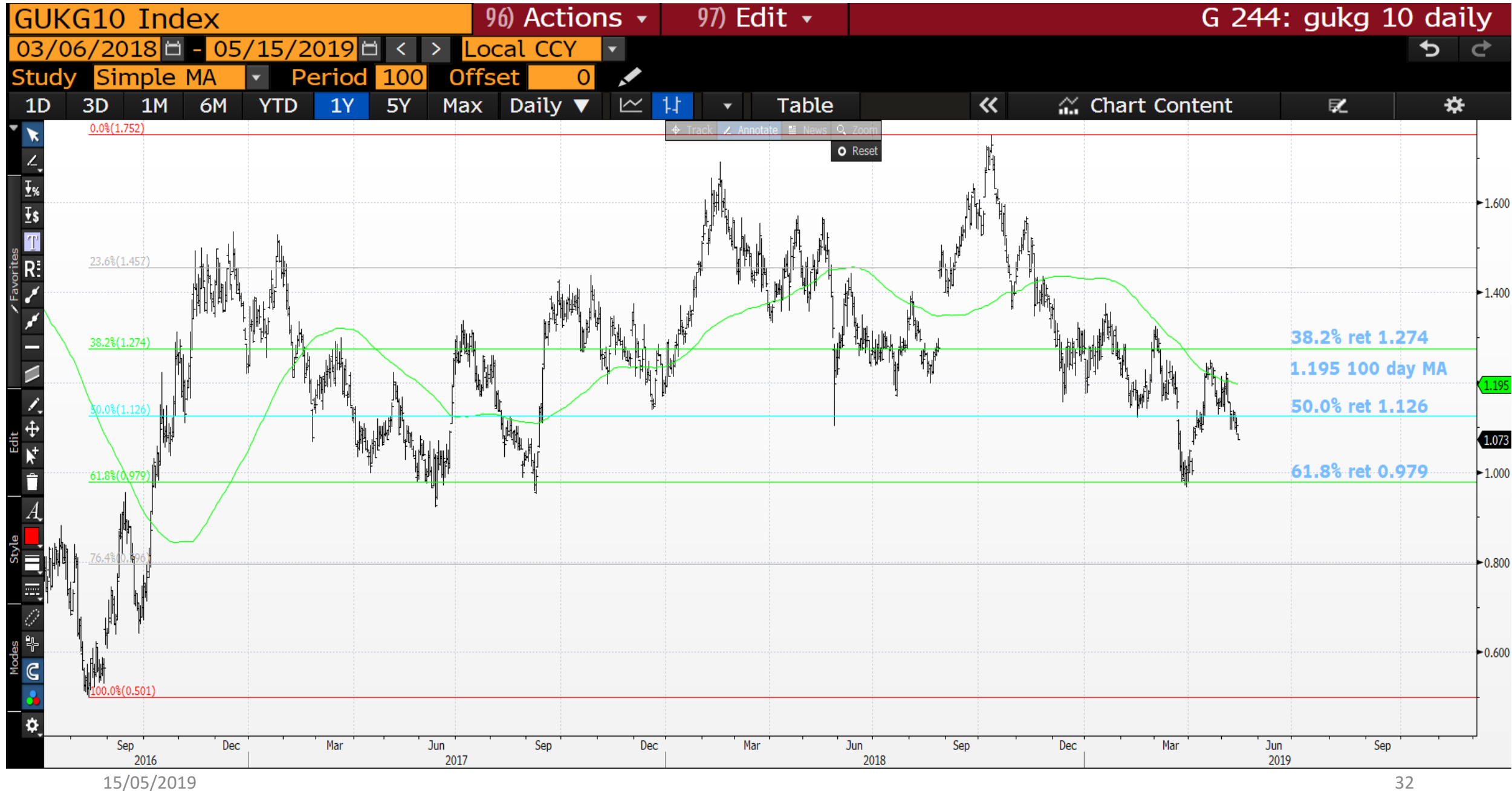
GUKG10 monthly : We continue to remain sub the 1.364 historical moving average, thus history should repeat itself.



GUKG10 weekly : As with many other charts failing the channel results in much lower yields.

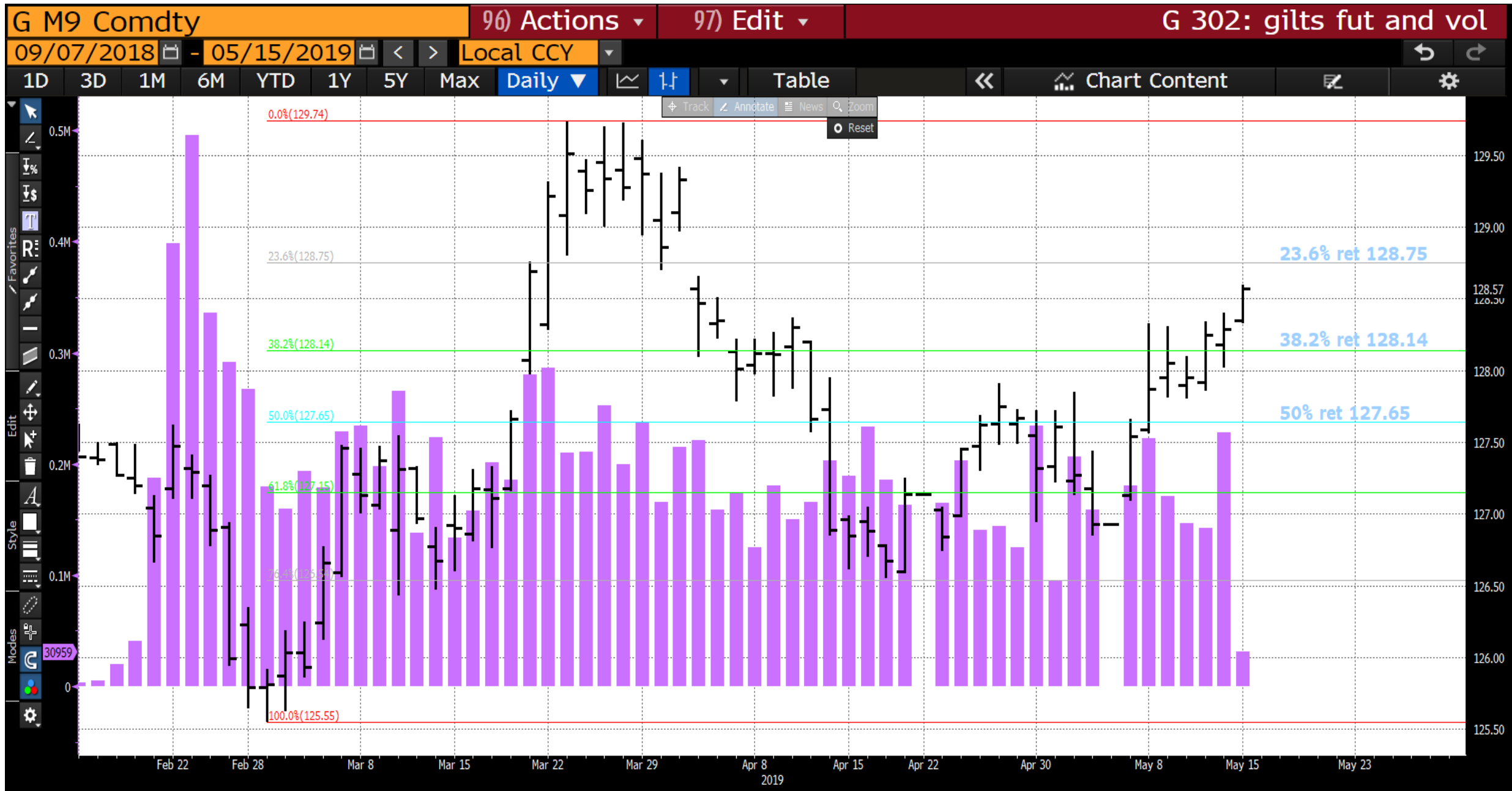


GUKG10yr daily : We continue to grind lower and the next target is the 61.8% ret 0.979.





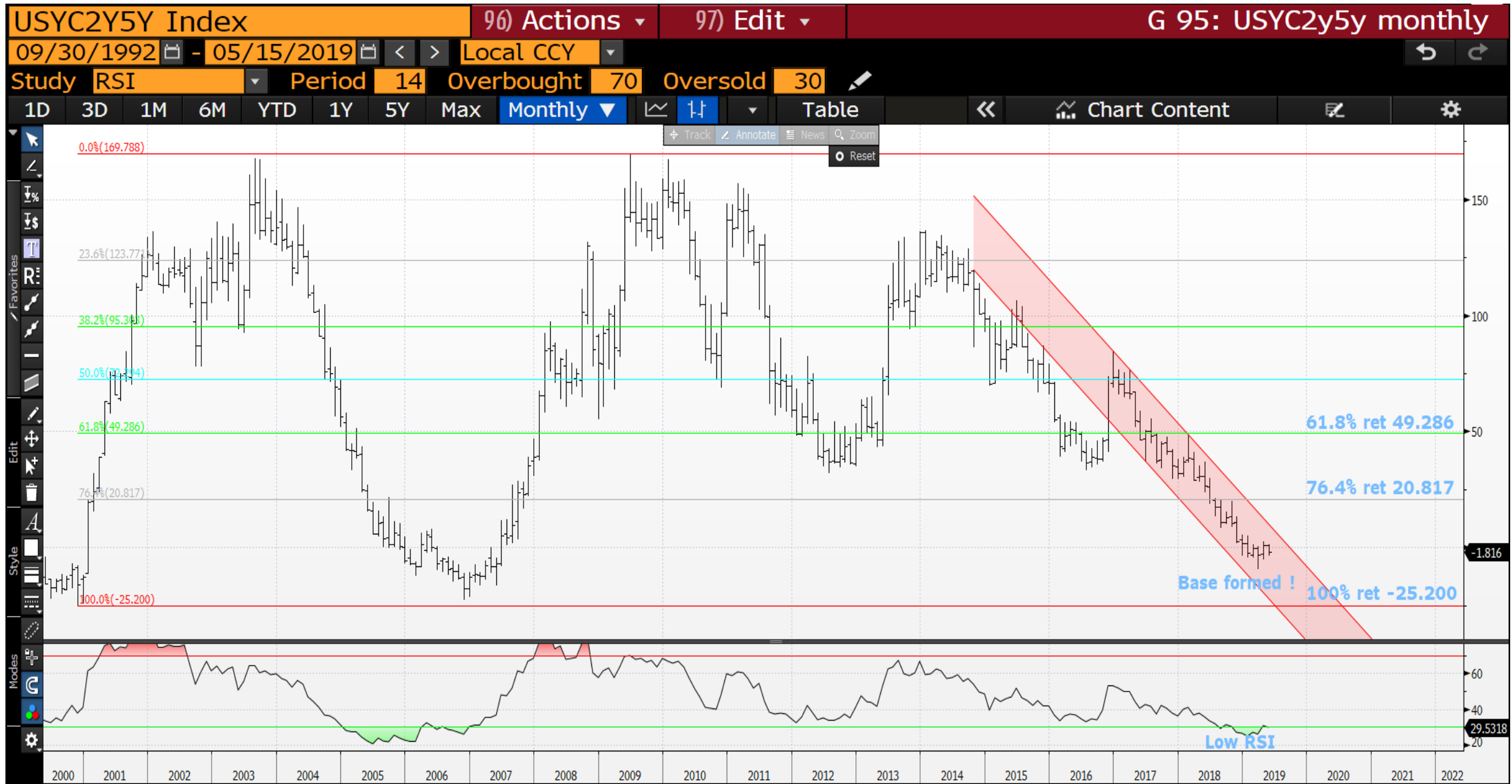
Gilt futures : Gilts have been left behind and the volume participation seems low but new highs should draw back the CTA'S.



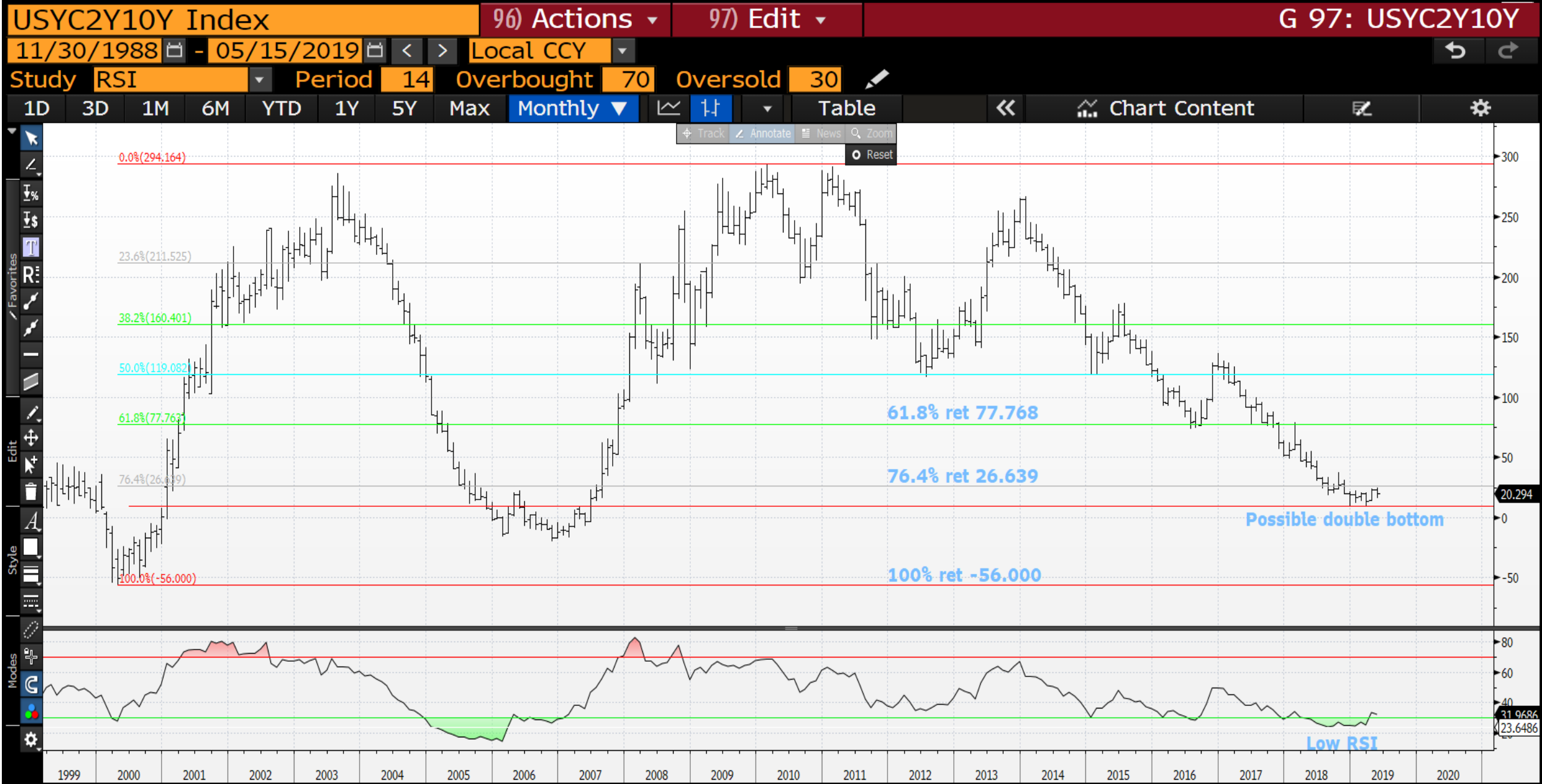
## US curves a once in a lifetime opportunity?

- **Curves : They seem to have lost their way post the back end STALL in late March. 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!**

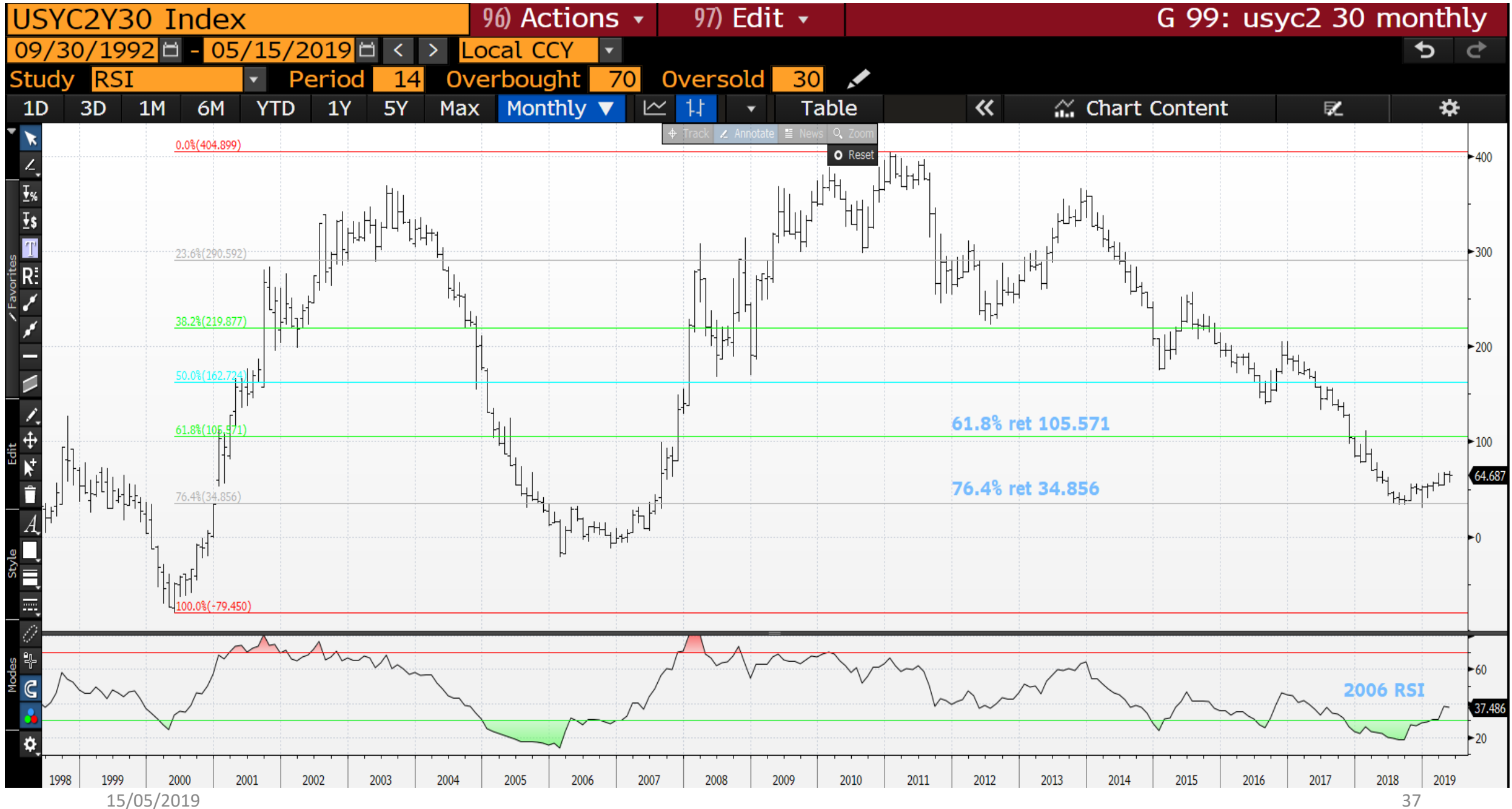
US 2-5 curve monthly : We HAVE formed a DECENT BASE but yet to really do anything with it, would prefer to see the monthly close before reacting.



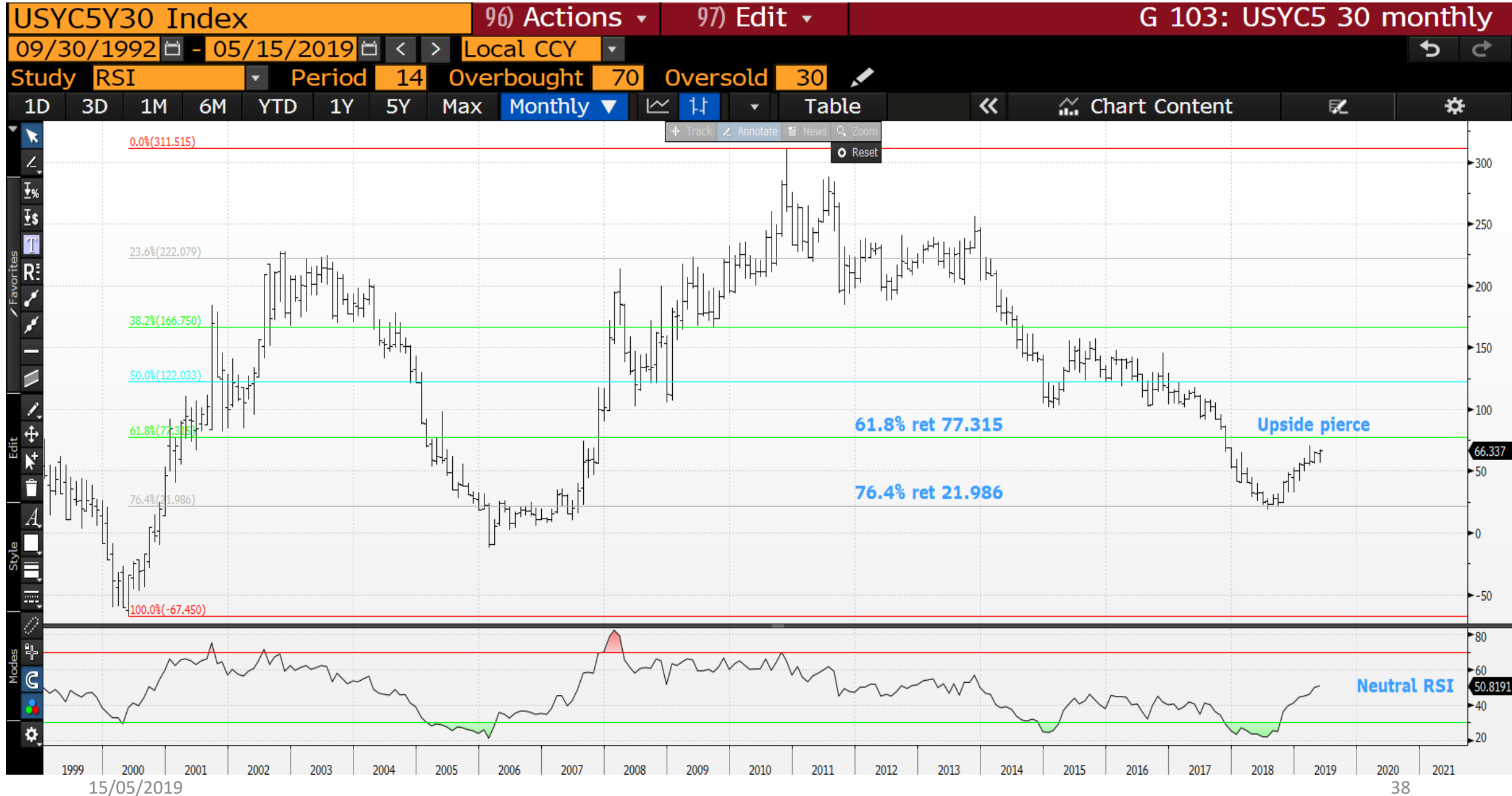
US 2-10 curve monthly : Again we have a decent base but need to breach the 76.4% ret 26.639 and head steeper, utilising the RSI tension.



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 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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