

MULTI ASSET UPDATE : YIELDS TO CONTINUE LOWER AIDED HOPEFULLY BY MR TRUMP AND STOCKS!

MANY BOND MARKETS HAVE REACHED A NEUTRAL RSI STATUS AND THUS NEED A DRIVER FOR THE NEXT MOVE, A WEAKER STOCK MARKET SHOULD DO IT.

BOND YIELDS STALLED NICELY LAST WEEK AIDED BY SOME MAJOR FUTURES VOLUME SPIKES.

US CURVES HAVE NOW BECOME VERY MIXED.

FX WATCH THE DXY HAS STALLED AND THE EURO REMAINS ON THE VERGE OF A MAJOR DROP.

EM FX, THE LATEST USD POP HAS LIMITED THE TREND PROGRESS OF LATE.

EQUITIES, MR TRUMP HAS BEEN OF ASSISTANCE AND MANY CHARTS STILL ADVOCATE LOWER PRICES.

OIL IS RALLYING BUT IS RUNNING INTO A HEADWIND WHILST GOLD HAS BREACHED A MAJOR RETRACEMENT.

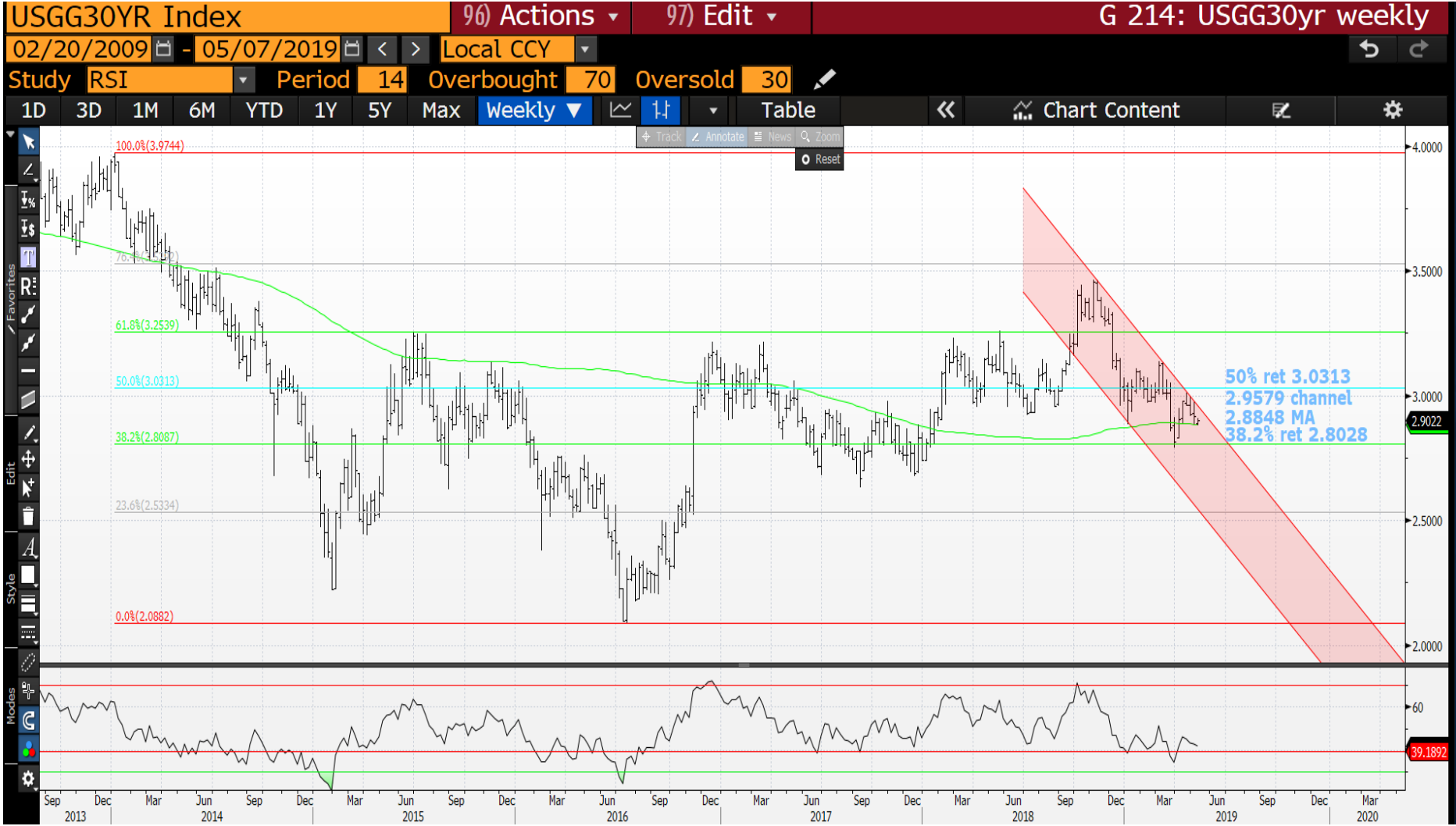
FX UPDATE

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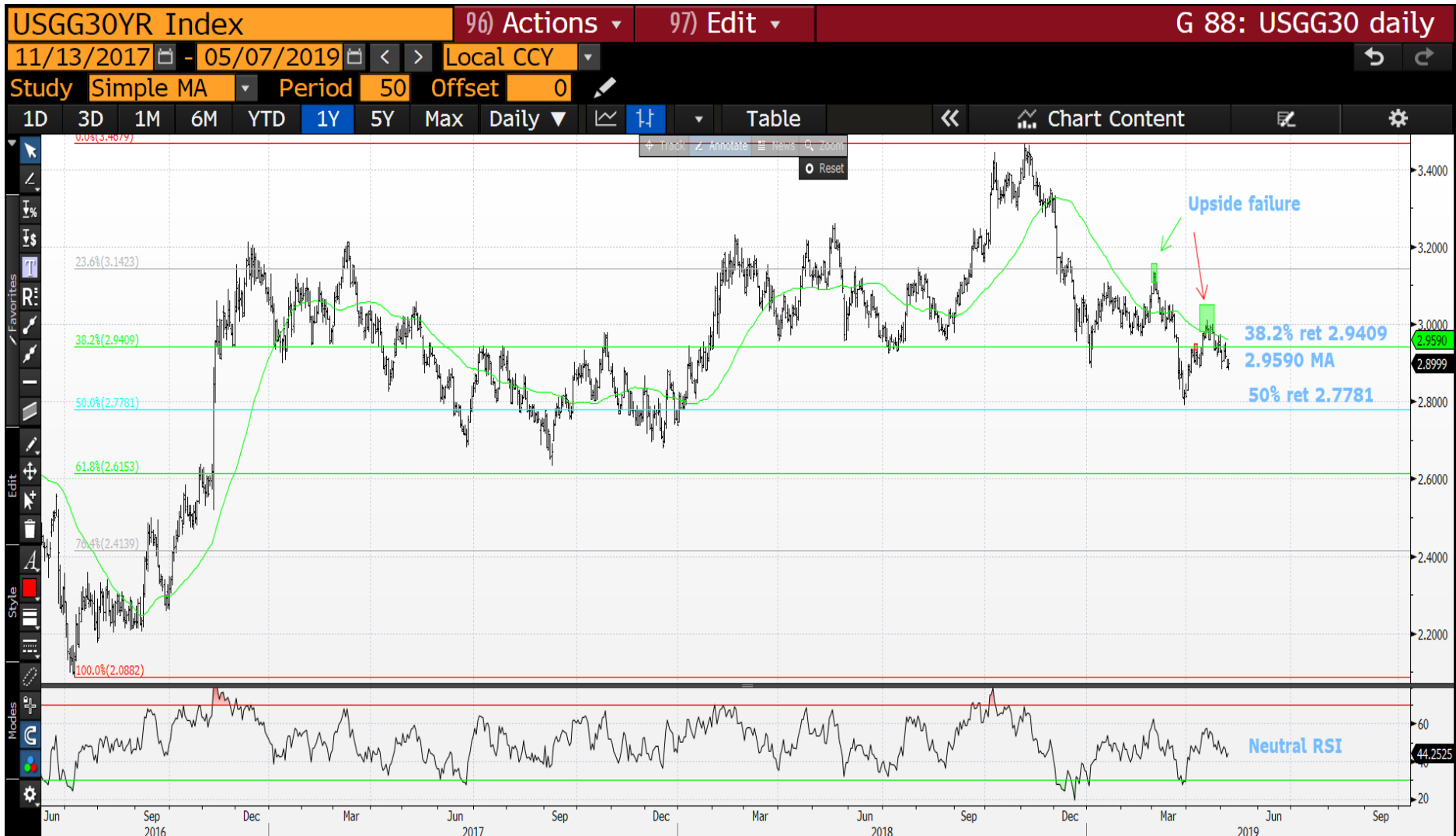
USGG30yr monthly : History continues to repeat itself as we remain below the 100 period moving average 3.0813.



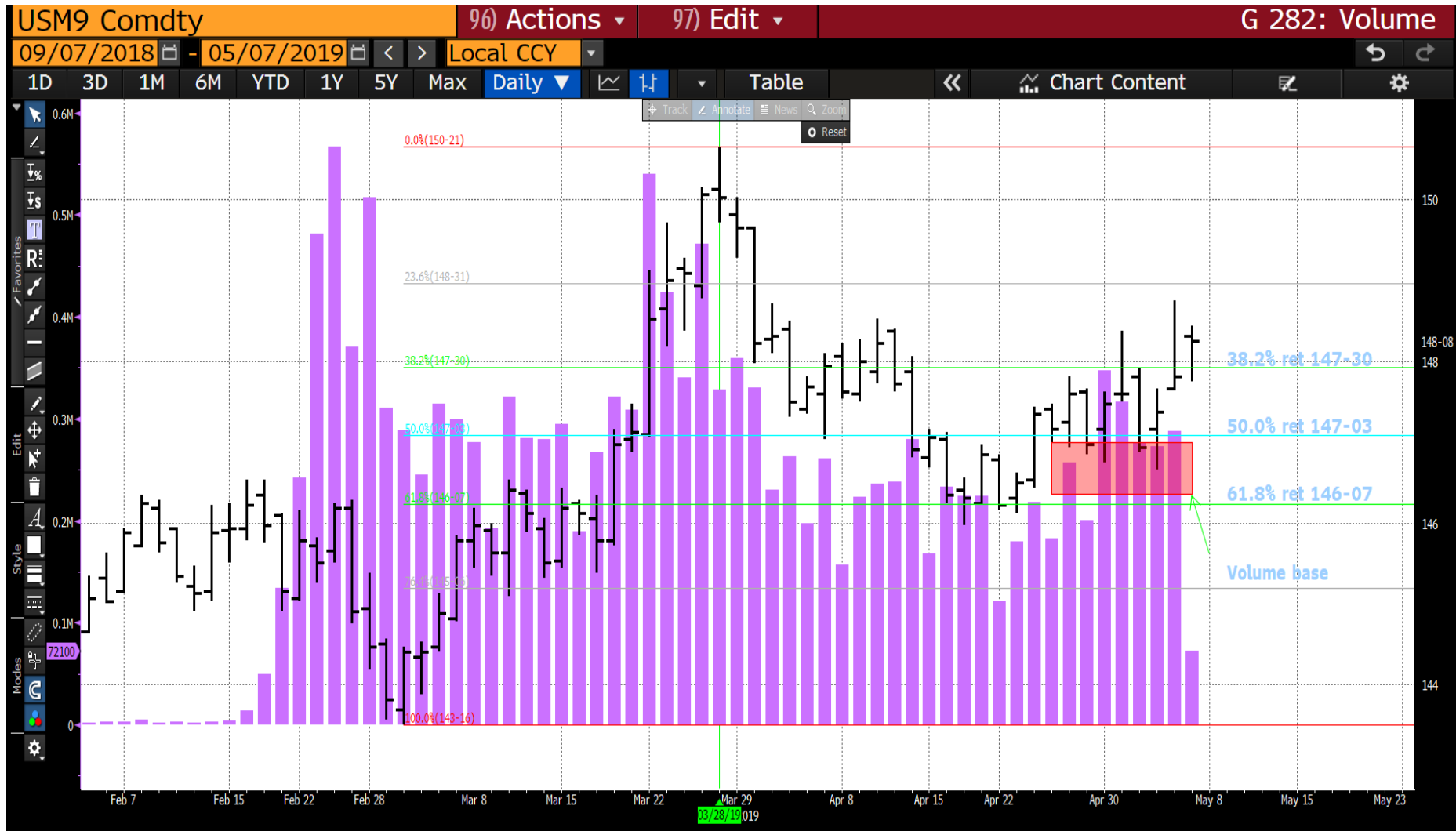
USGG30yr weekly : A KEY week for performance given we need to breach the 2.8848 moving average, sub the 38.2% ret 2.8028 will help alot.



USGG30yr yield daily : We have formed a similar set up to early March and persistently fail the 50 day moving average 2.9590. Again we need the price move maintained as the RSI is neutral.



US 30yr futures and volume : Last week produced a further sizeable volume base aiding the chance of making a new futures high.

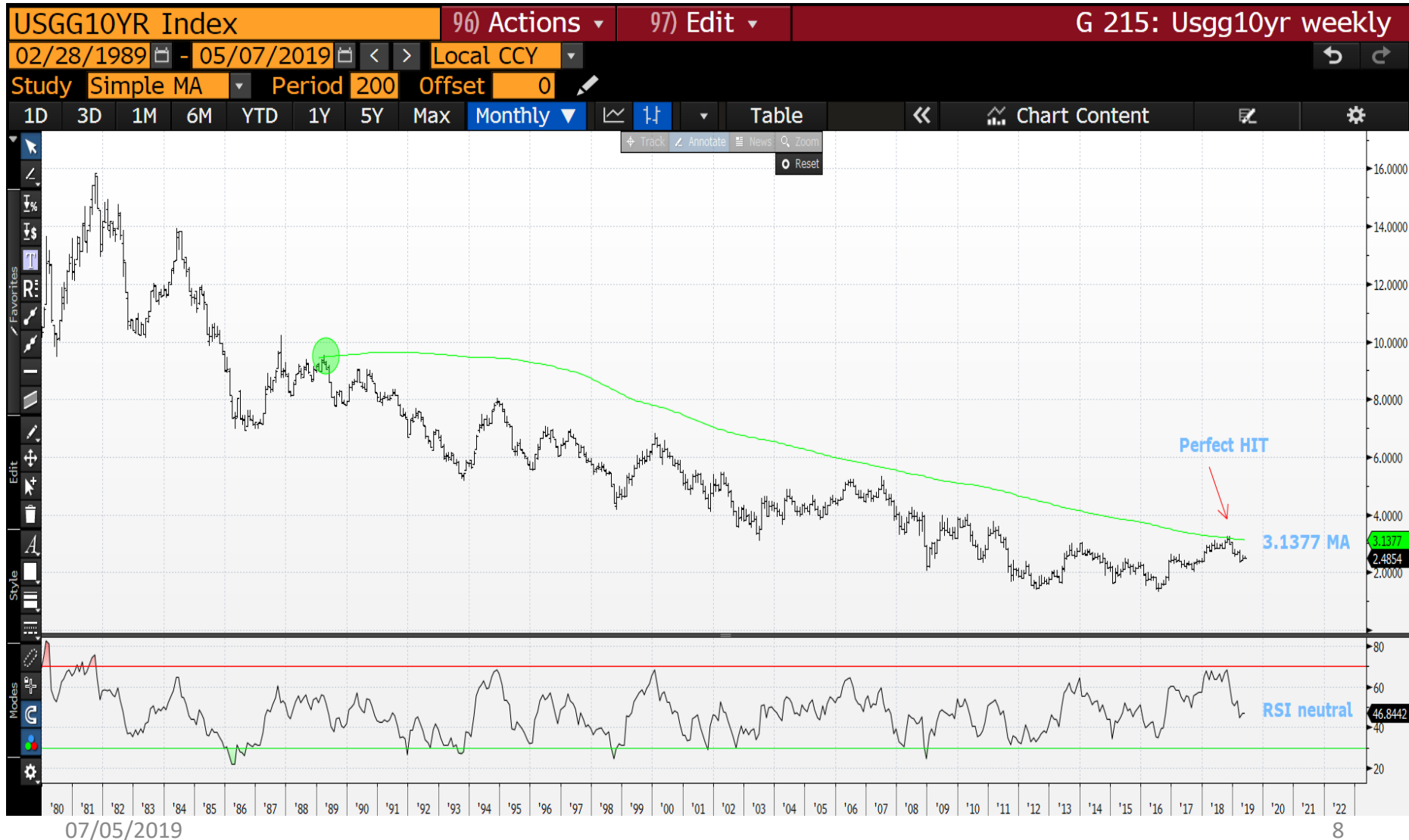


US 10yr yield quarterly : Whilst sub the 2.7332 moving average “history repeats itself”.



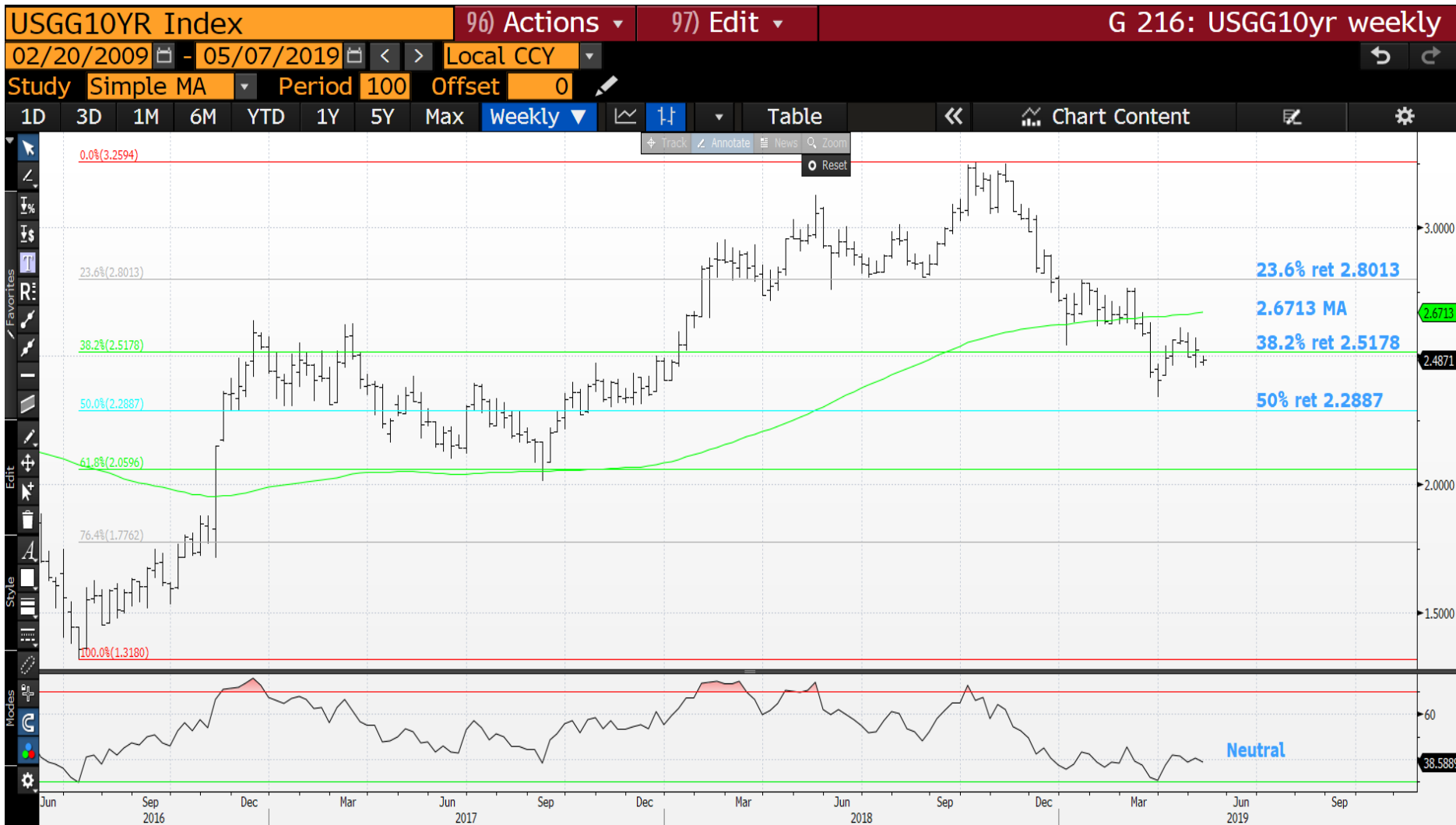
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US 10yr yield monthly : We are in “no mans land” at the moment post the PERFECT moving average HIT.



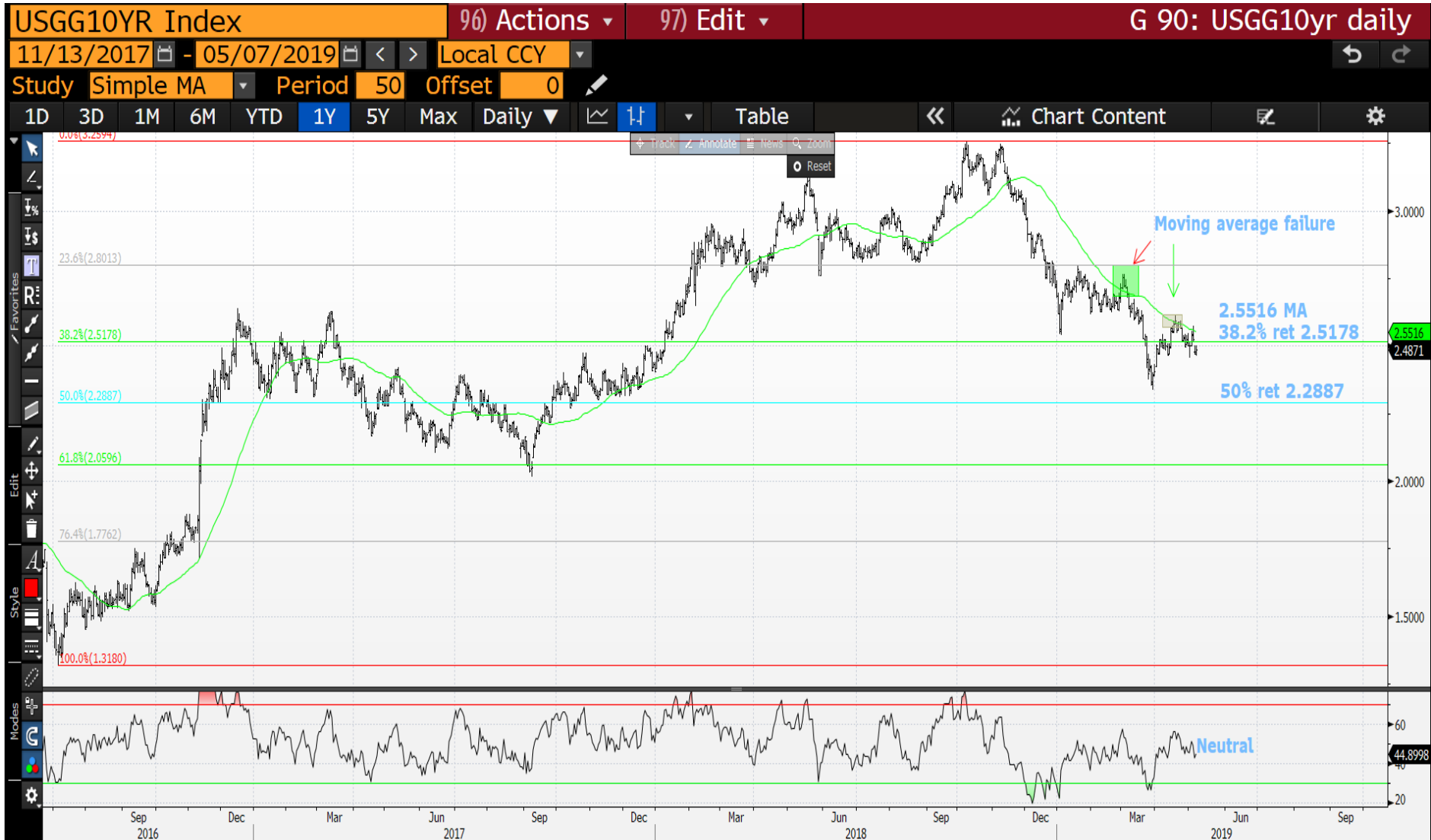
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USGG10yr weekly : The RSI is off the lows AND we continue to remain sub the 2.6713 moving average, thus predicting lower yields. We have breached the 38.2% ret 2.5178 so extremely helpful.

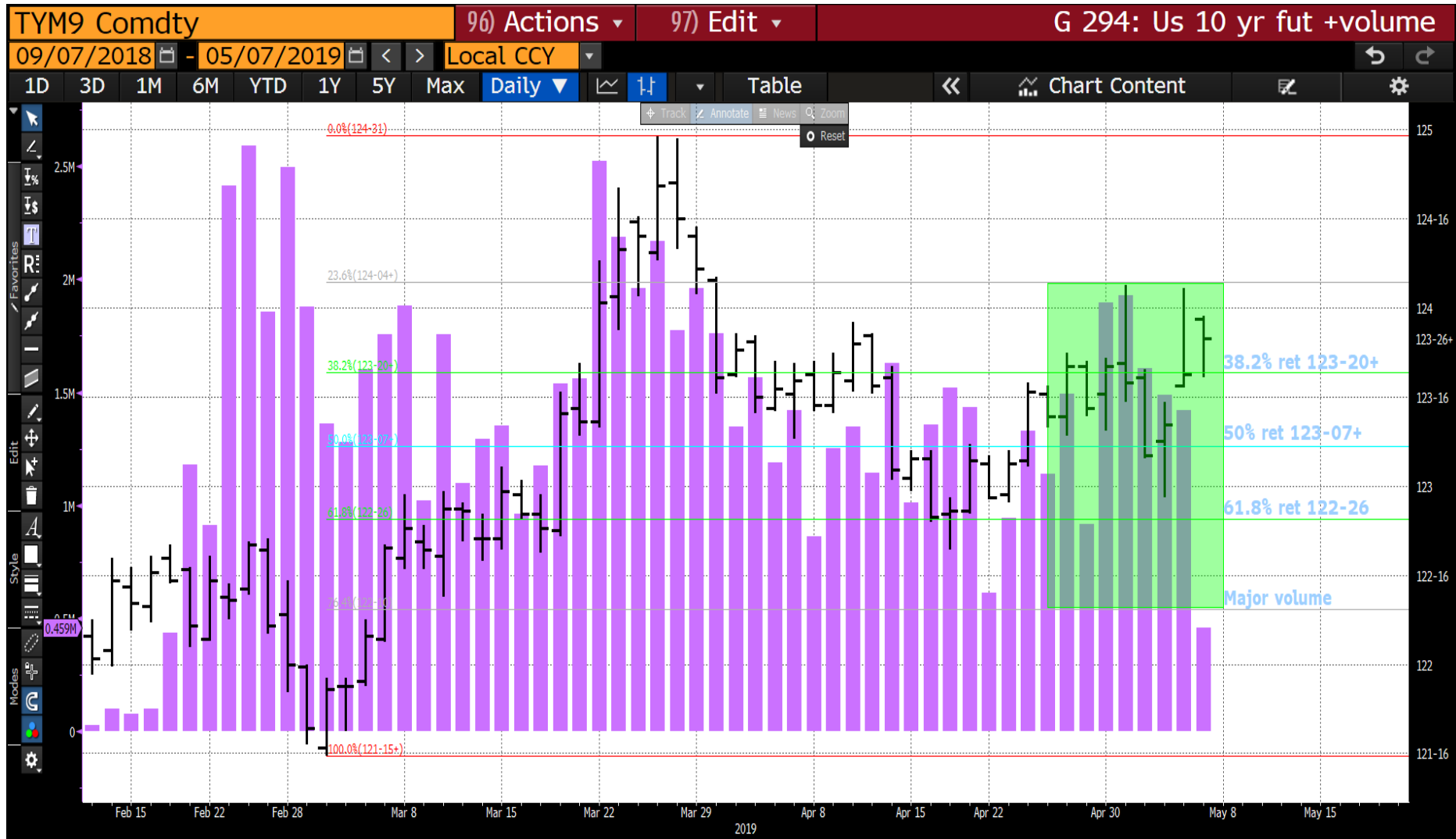


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USGG10yr daily : The RSI is neutral BUT we are FAILING the 2.5516 moving average. A repeat of March is looking likely.



US 10yr futures : An even greater endorsement of a VOLUME base last week, we should head higher and breach the 23.6% ret 124-04+ .



USGG5yr quarterly : We are well on the way to testing the 1.9965 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. Take out the moving average and history will very much repeat itself.

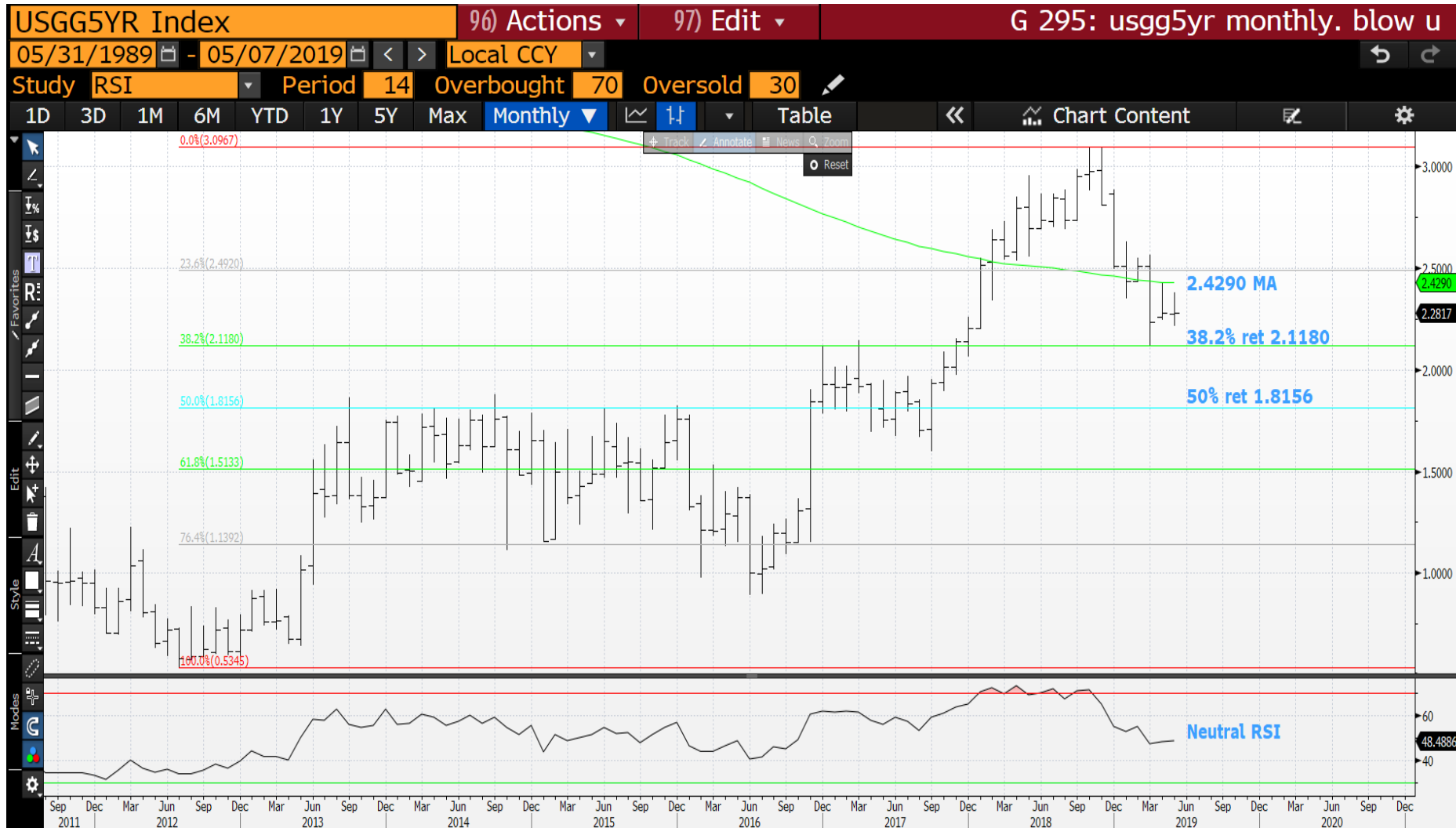


USGG5yr monthly : Despite the neutral RSI we have moved lower on the month FIRMLY rejecting the 2.4290 moving average. A breach of 2.1162 previous months low will be IDEAL.



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USGG5yr monthly : A “blow up” of the previous chart to highlight the IMPORTANCE of this 2.4290 moving average failure. A breach or close near 2.1180 will be IDEAL.



USGG5yr weekly : Again a FURTHER endorsement of the reliable moving average endorsed by a nice failure if the 38.2% ret 2.3298.

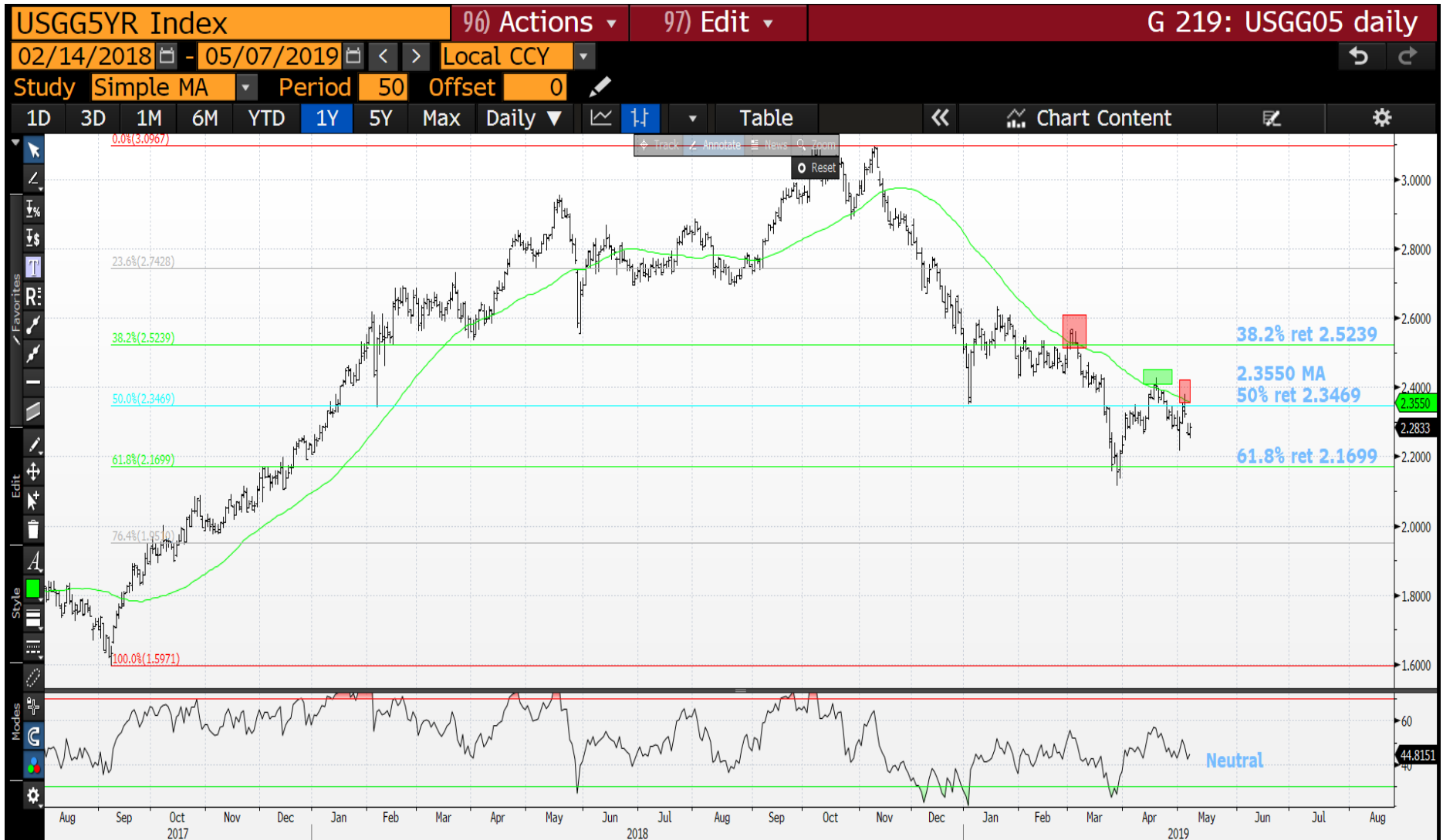


USGG5yr weekly : Another “blow up” highlighting the weekly moving average resistance coming in at 2.4447. A close sub the 38.2% ret 2.2542 on the week will be VERY helpful.

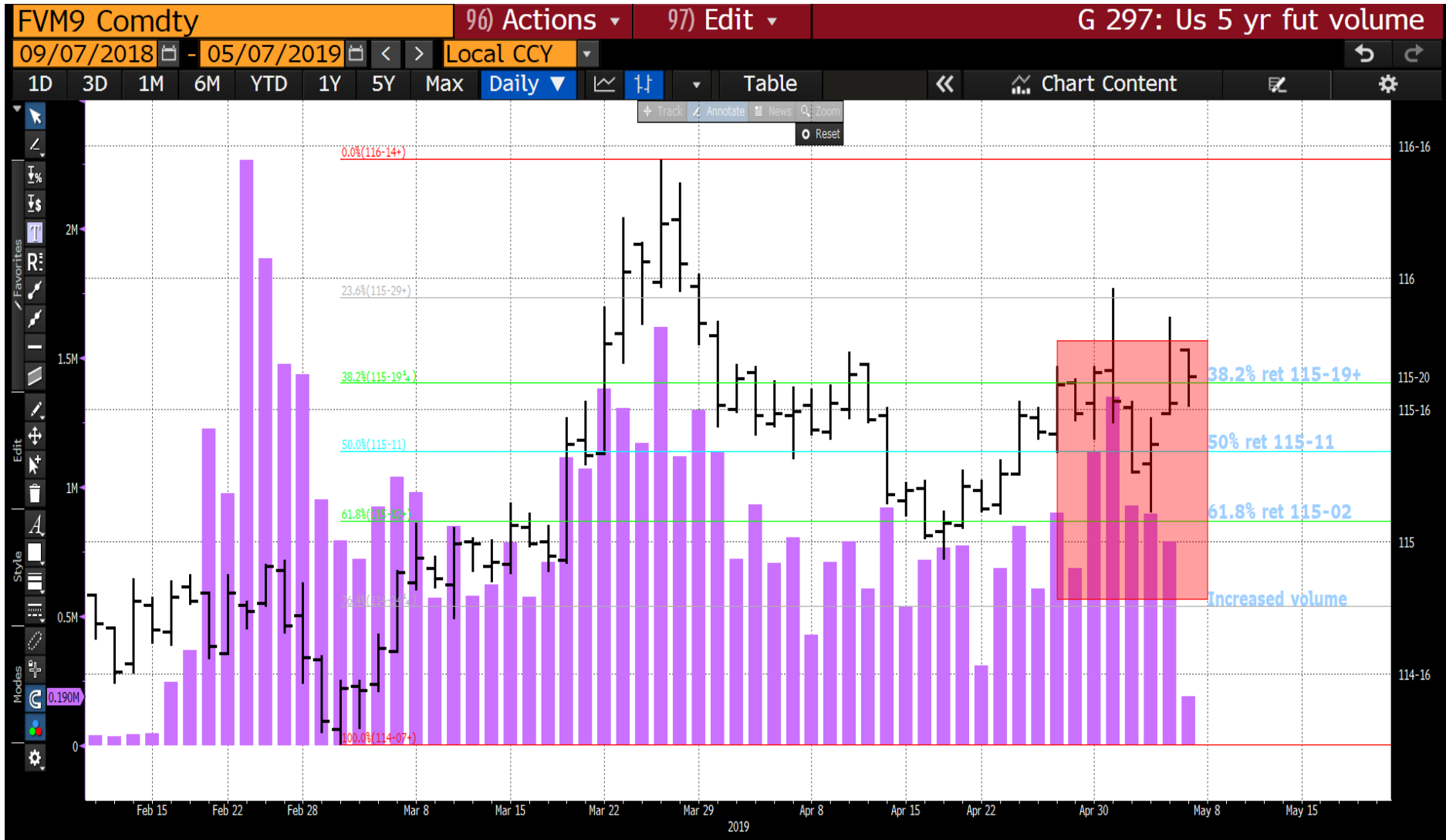


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USGG5yr daily : We HAVE stalled nicely against the 2.3550 moving average and breached the 50% ret 2.3469. History continues to repeat itself.



US 5yr futures : Reasonable volume last week highlights the continued buyers, hopefully we can head higher from here.

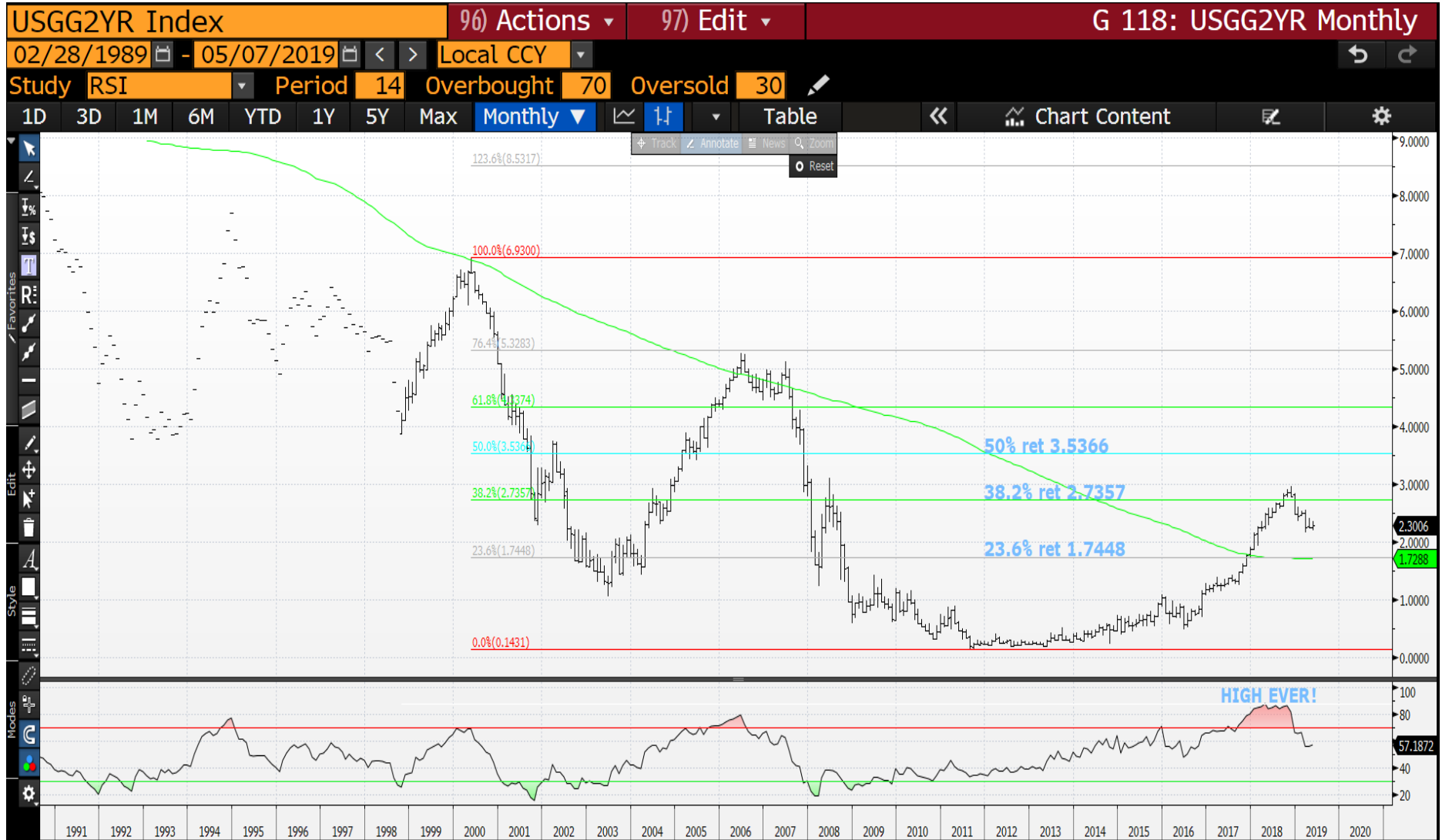


USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9026 with an RSI dislocation matching that of 1980. It is worth noting that since 1980 we have had other event miles-stones that failed to really influence the RSI, as NOW.

This tells me there is a lot of positions and expectation on this bet for higher rates!



USGG2yr monthly : We have posted a new low beating last month.



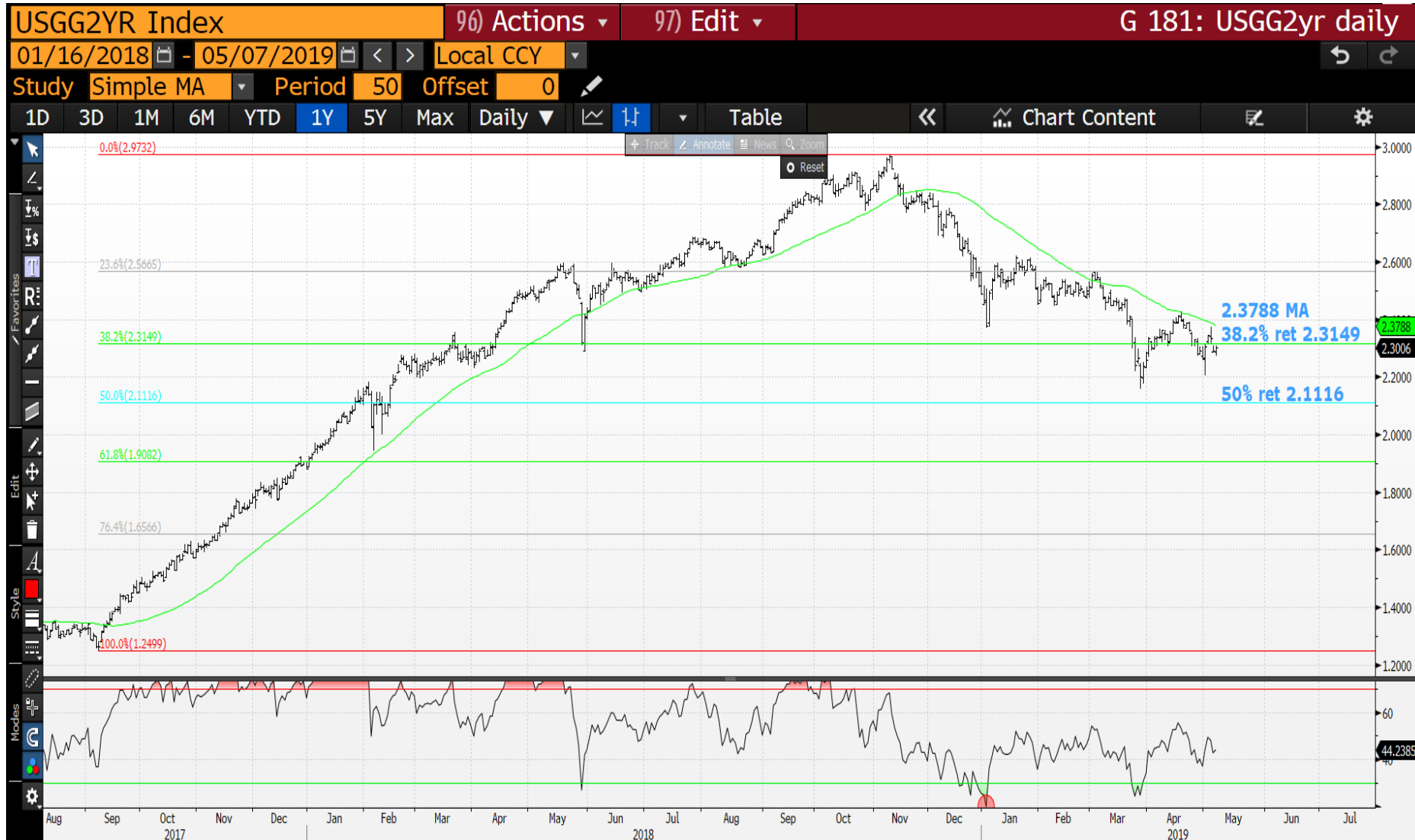
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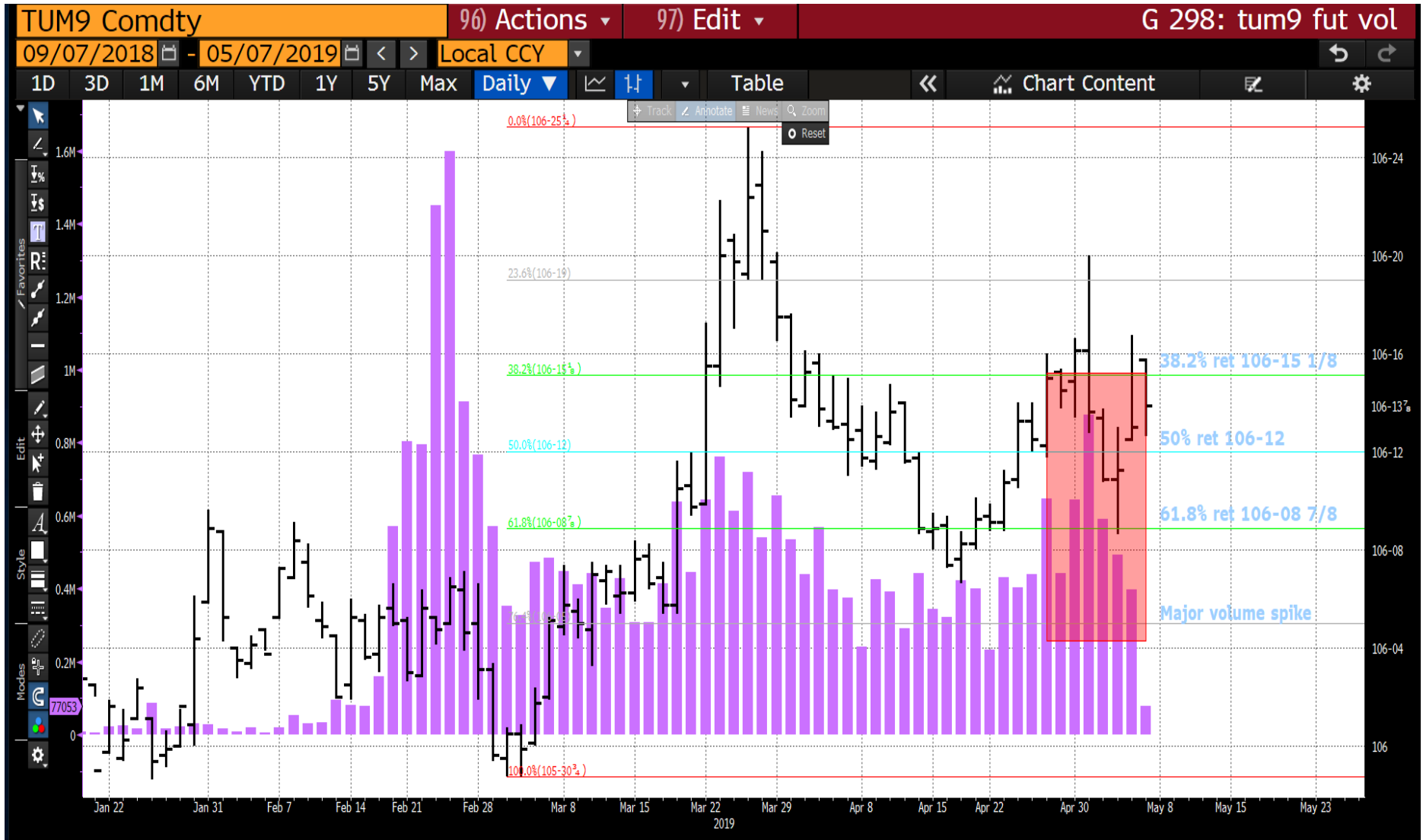
USGG2yr weekly : This is the second time we have found the 100 period moving average to be of use, sub it 2.115 will open the flood gates.



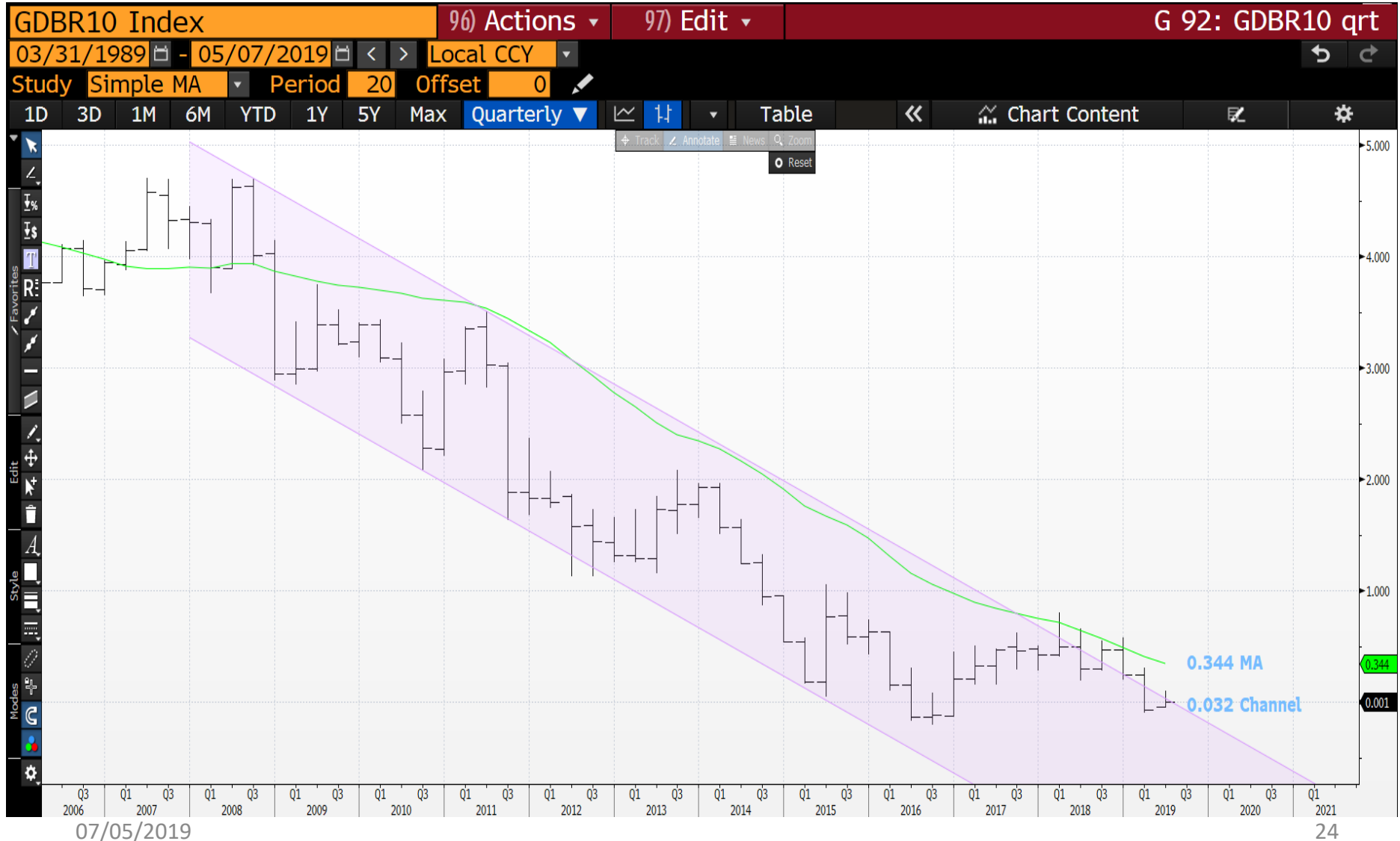
USGG2yr daily : Yet another failure of the 2.3788 moving average and look like heading a lot lower. Maintaining below the 38.2% ret 2.3149 will be VERY helpful.



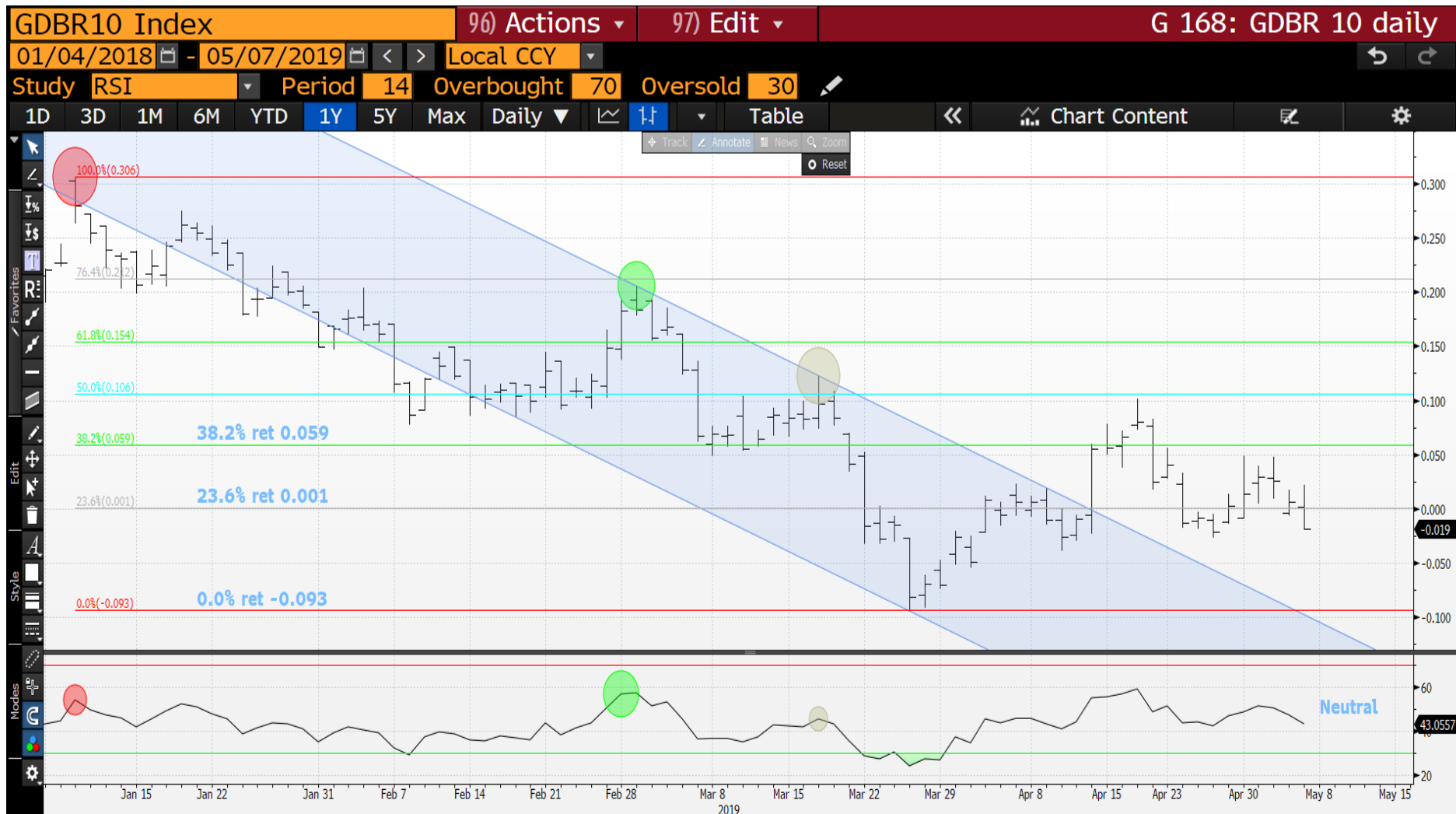
US 2yr futures : Last week saw a decent volume spike but ideally we need a move back above the 38.2% ret 106-15 1/8th soon.



Generic German 10yr quarterly : We are back INSIDE the channel and so should head lower.

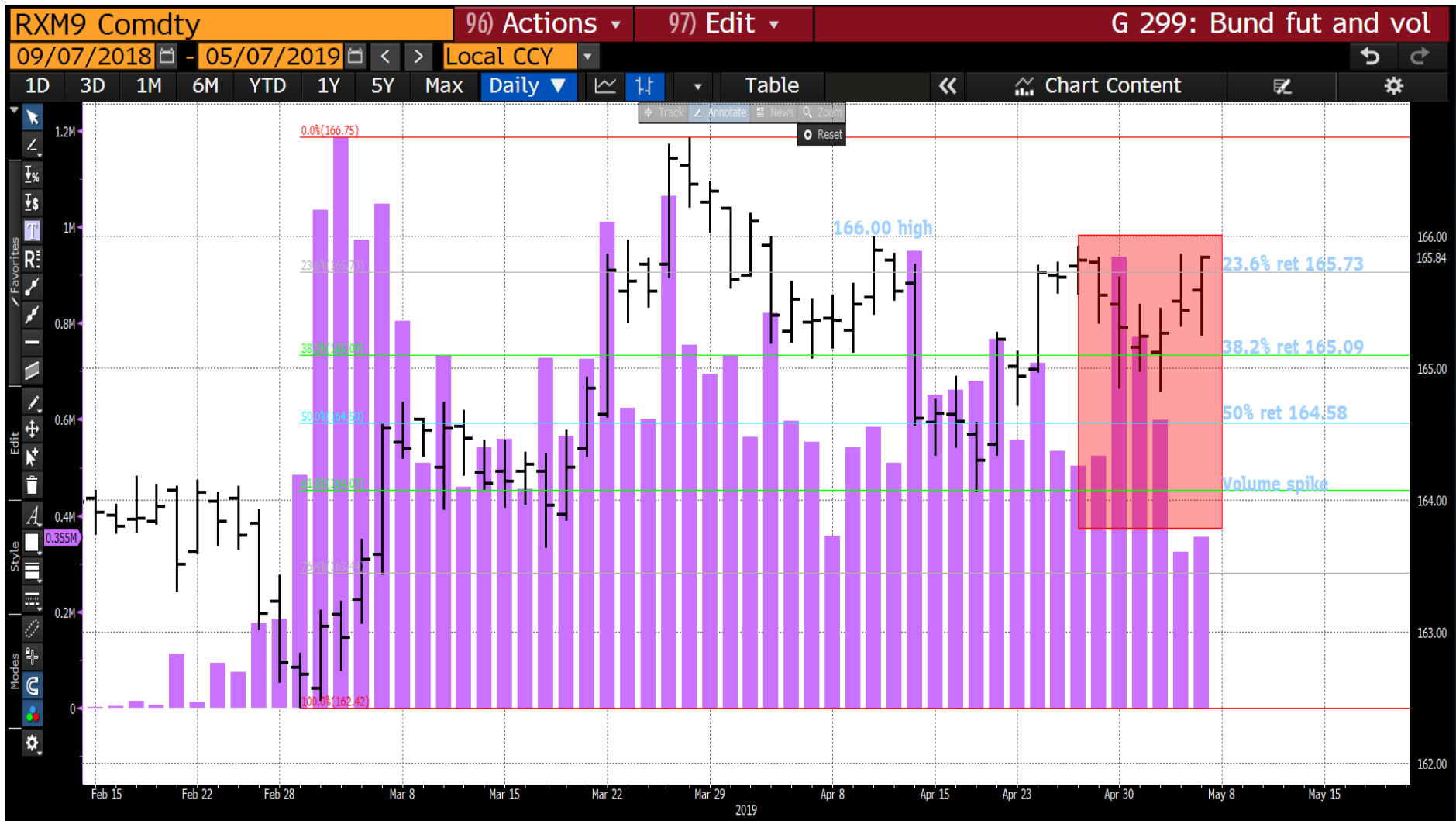


Generic German 10yr daily : We have breached the 23.6% ret 0.001 thus the next target is the recent lows 0.0% ret -0.093.

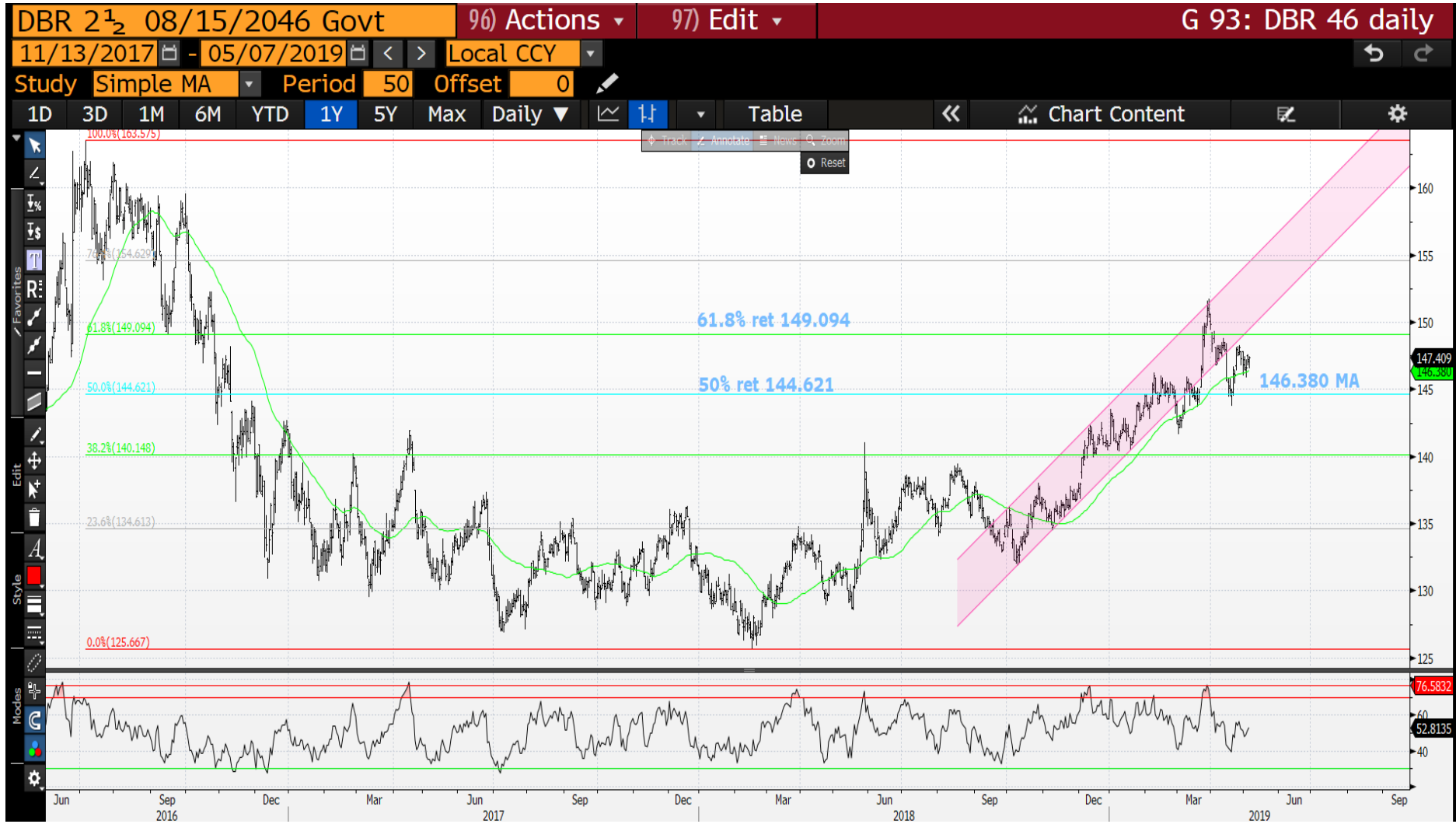


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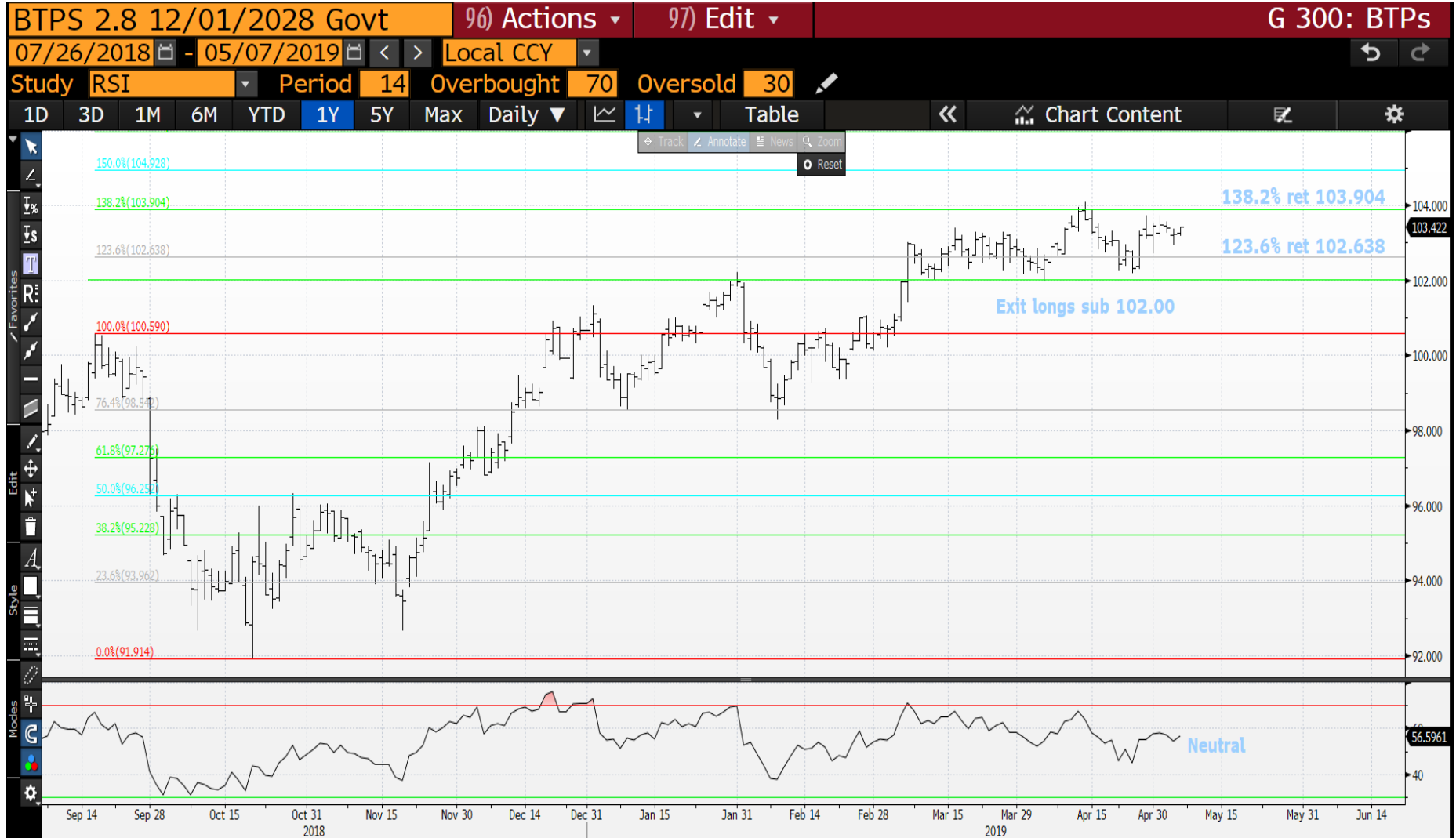
Bund futures : The end of the month saw sizeable volume and now we are close to taking out the 166.00 high.



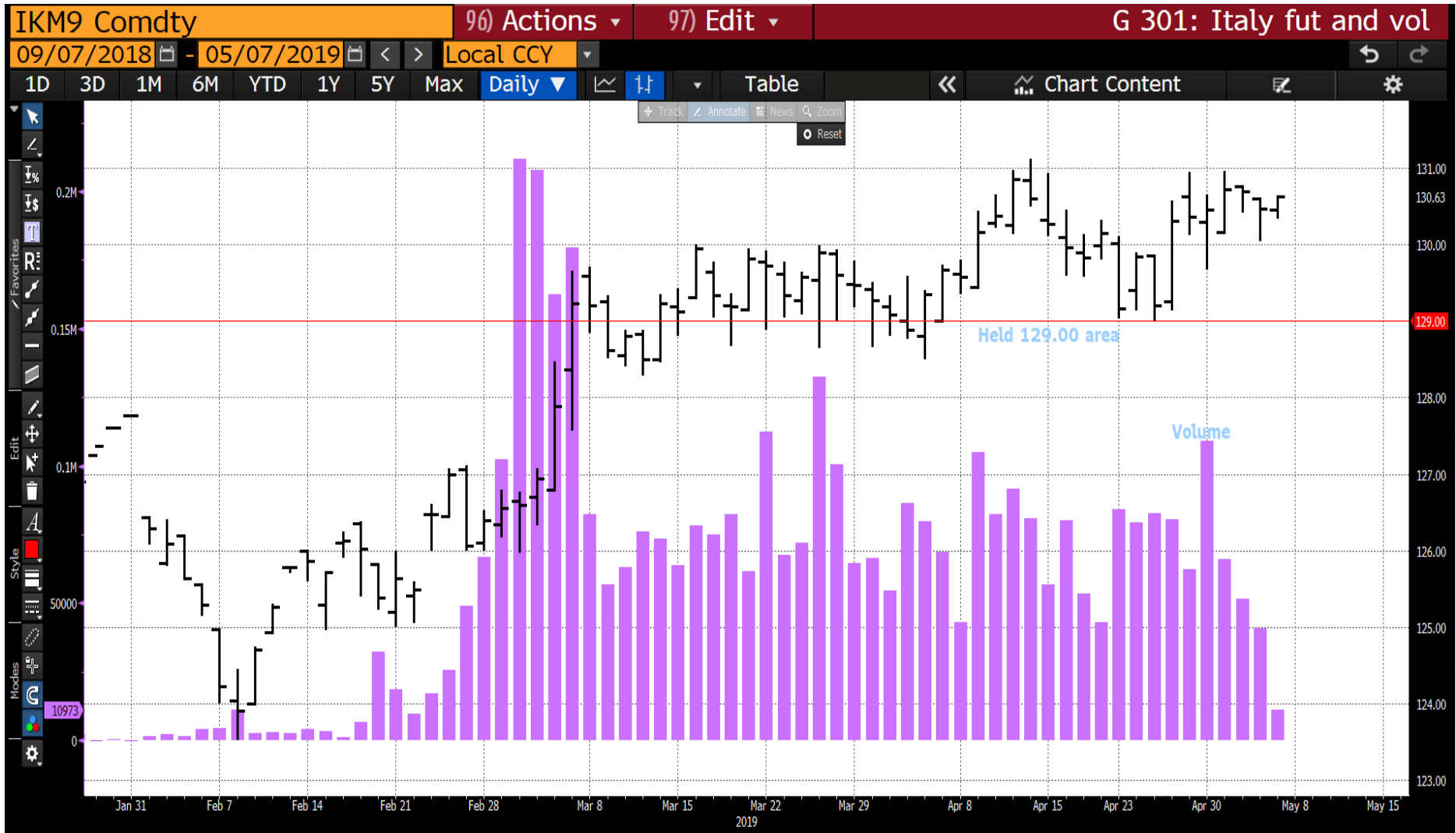
DBR 46 daily : We have HELD the 146.380 moving average so should continue the grind higher.



BTP 12/28 daily : We have lost the RSI dislocation BUT we are holding and grinding higher.
Exit all longs sub 102.00.



Italian futures : It looks like the March longs have not exited!



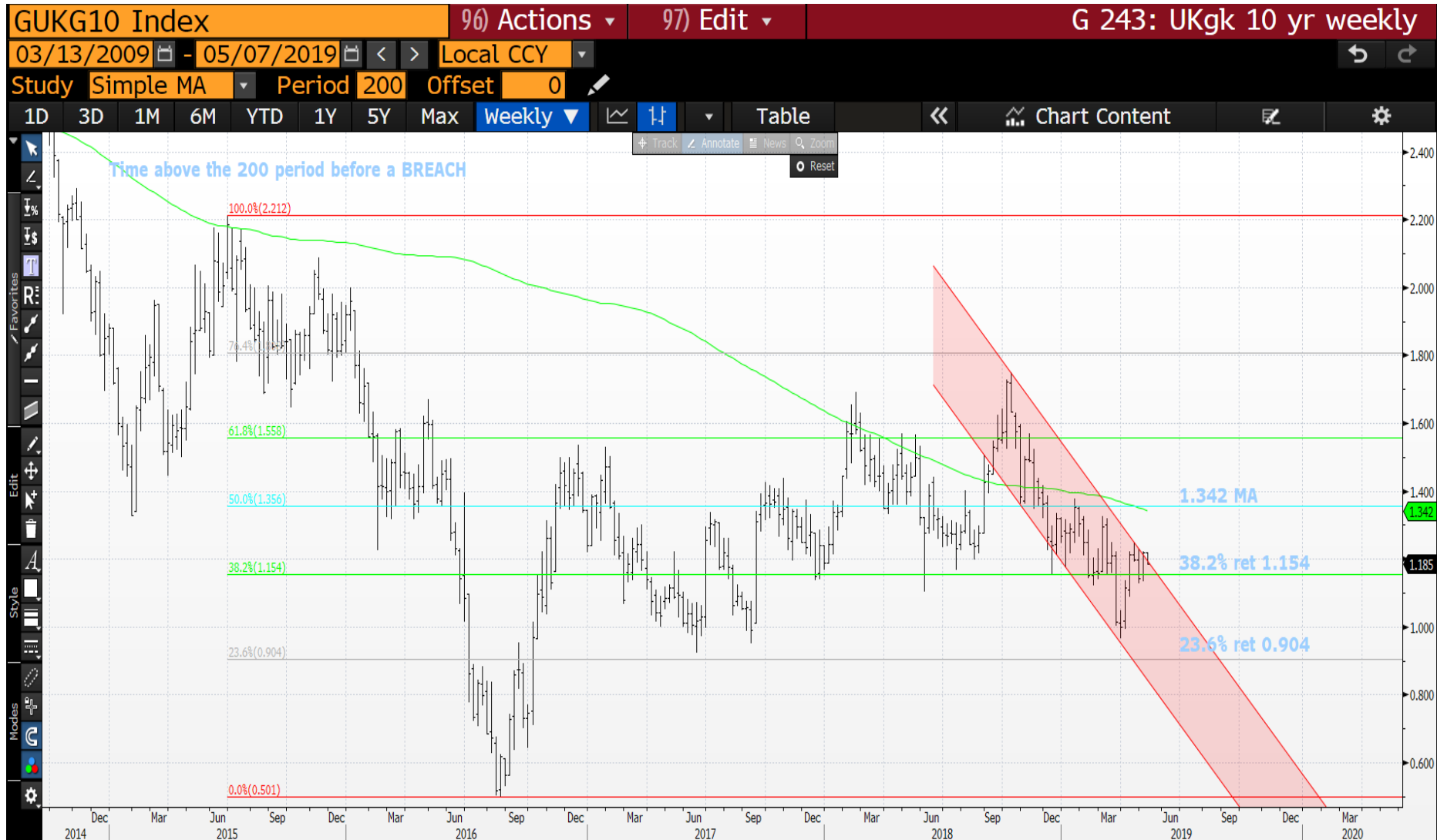
GUKG10 monthly : We continue to remain sub the 1.367 historical moving average, thus history should repeat itself.



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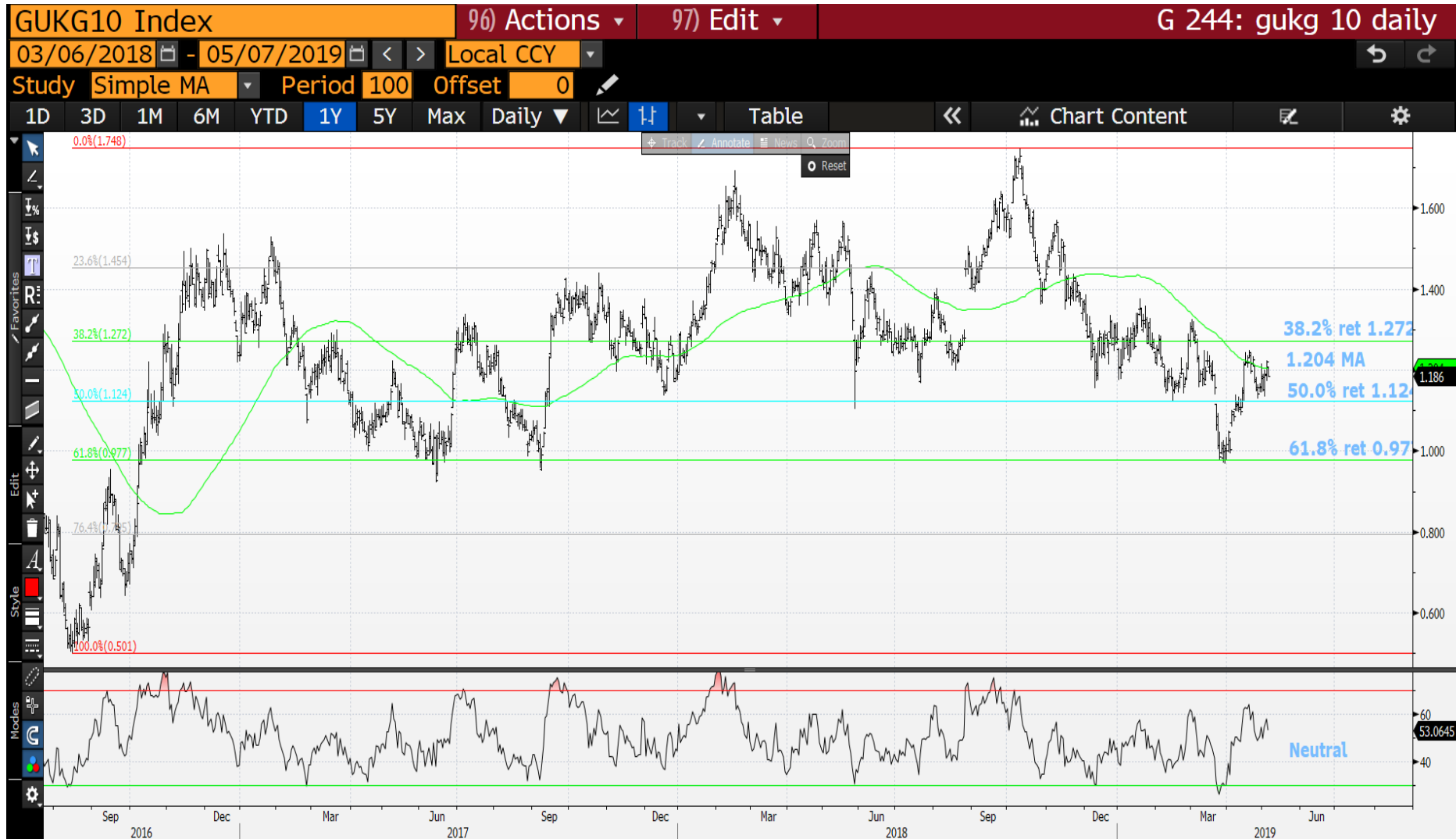
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GUKG10 weekly : The channel is proving its worth and so we should continue lower, sub the 38.2% ret 1.154 will help a lot.



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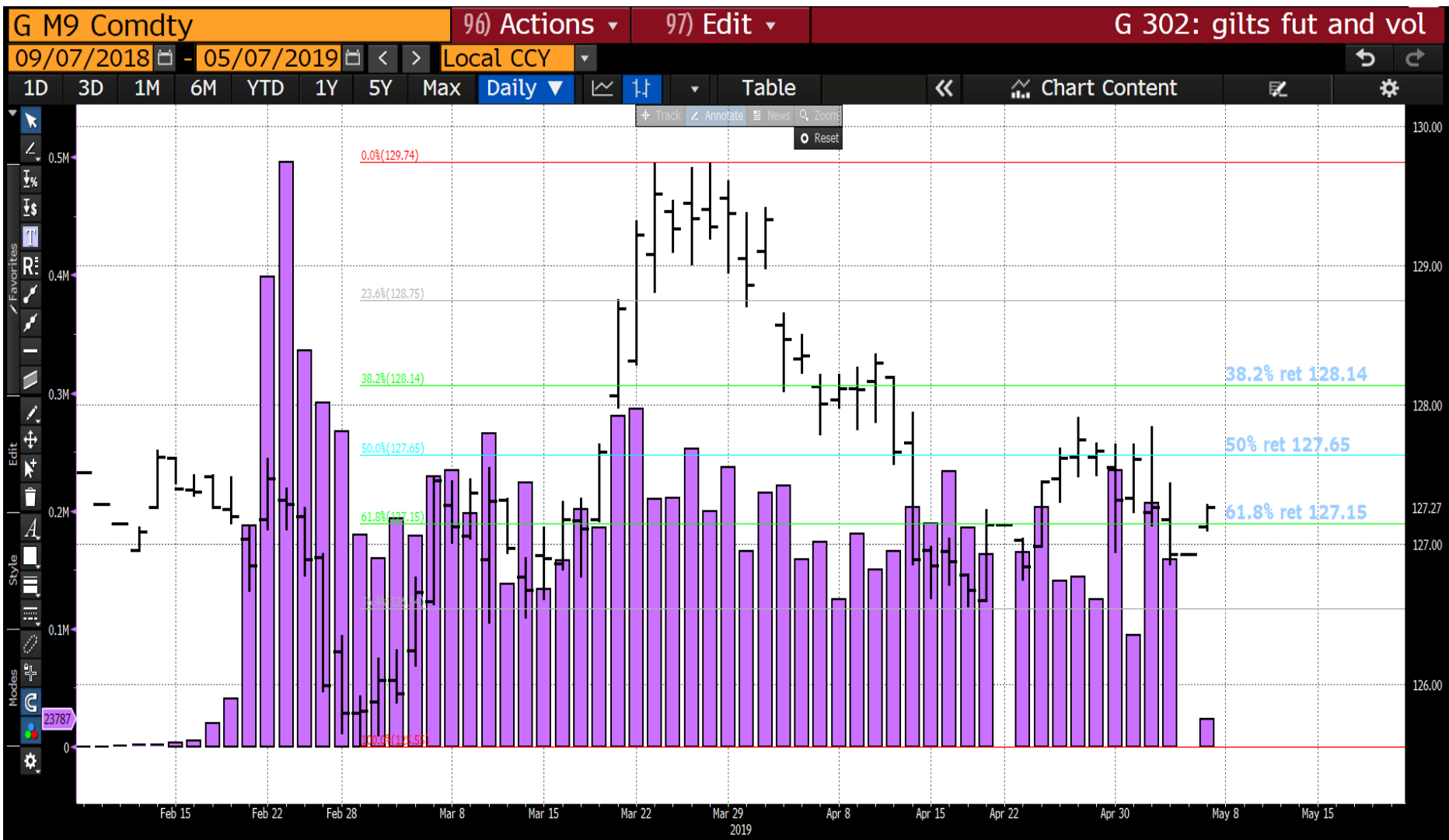
GUKG10yr daily : The RSI is reasonably high and we have dipped below the 1.204 moving average. We NEED to head lower into the week.



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Gilt futures : Volume has been steady with a marginal pick up at the lows, ideally we need to breach the 50% ret 127.65. We do have a new futures high today thus CTAS should be buying.

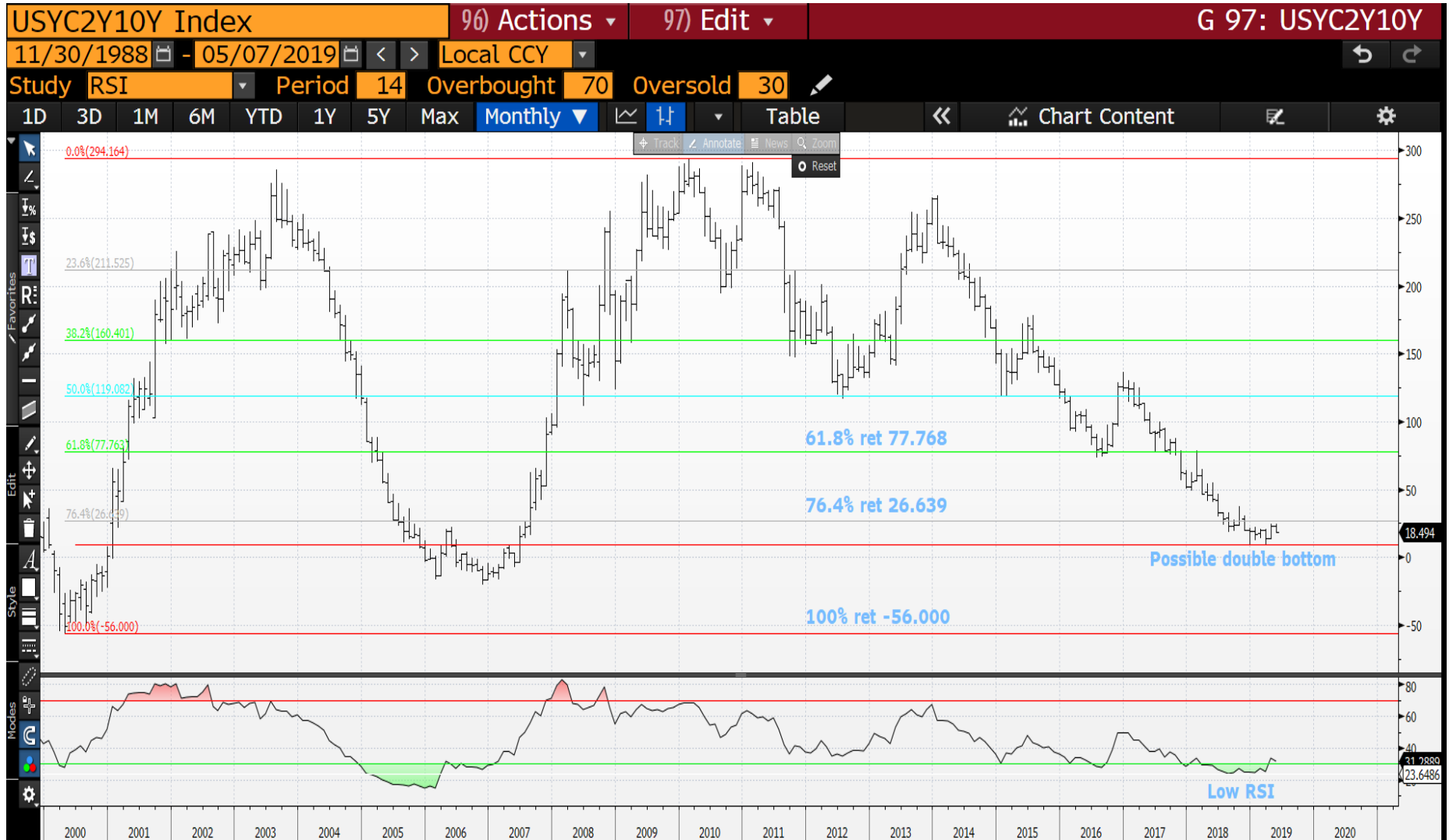


US 2-5 curve monthly : We HAVE formed a DECENT BASE but are now struggling for fresh steepening.

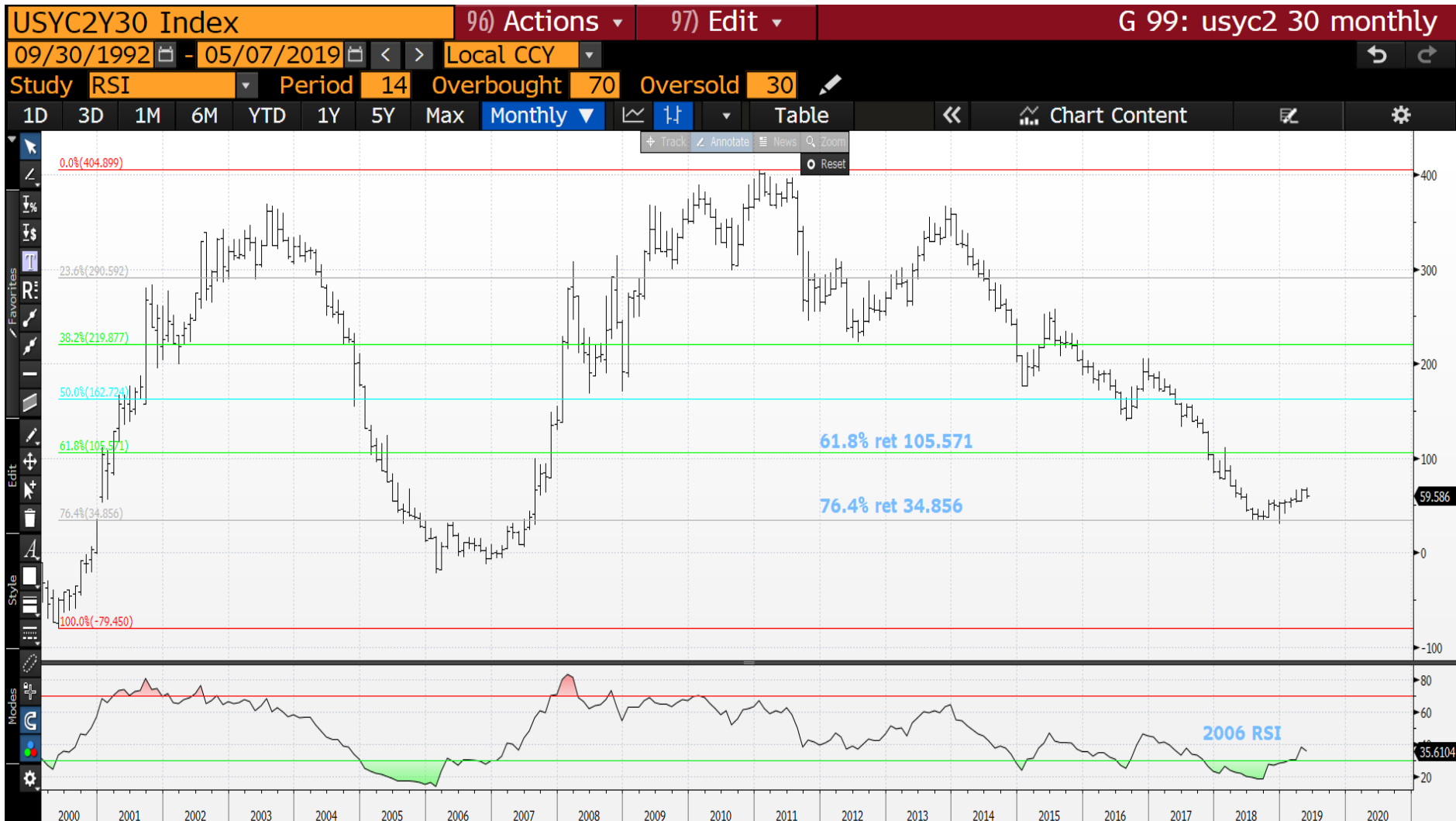


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US 2-10 curve monthly : We have now formed a DECENT base over the last few months, a good time to get involved in a steepener. Add on a breach of the 76.4% ret 26.639.



US 2-30 curve monthly : A tricky time here as the RSI is firmly neutral.



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US 5-30 curve monthly : We have a sizeable negative upside pierce, we just need to see if it survives.



US 10-30 curve monthly : We have a pretty major upside pierce BUT have yet to breach the 61.8% ret 38.721.



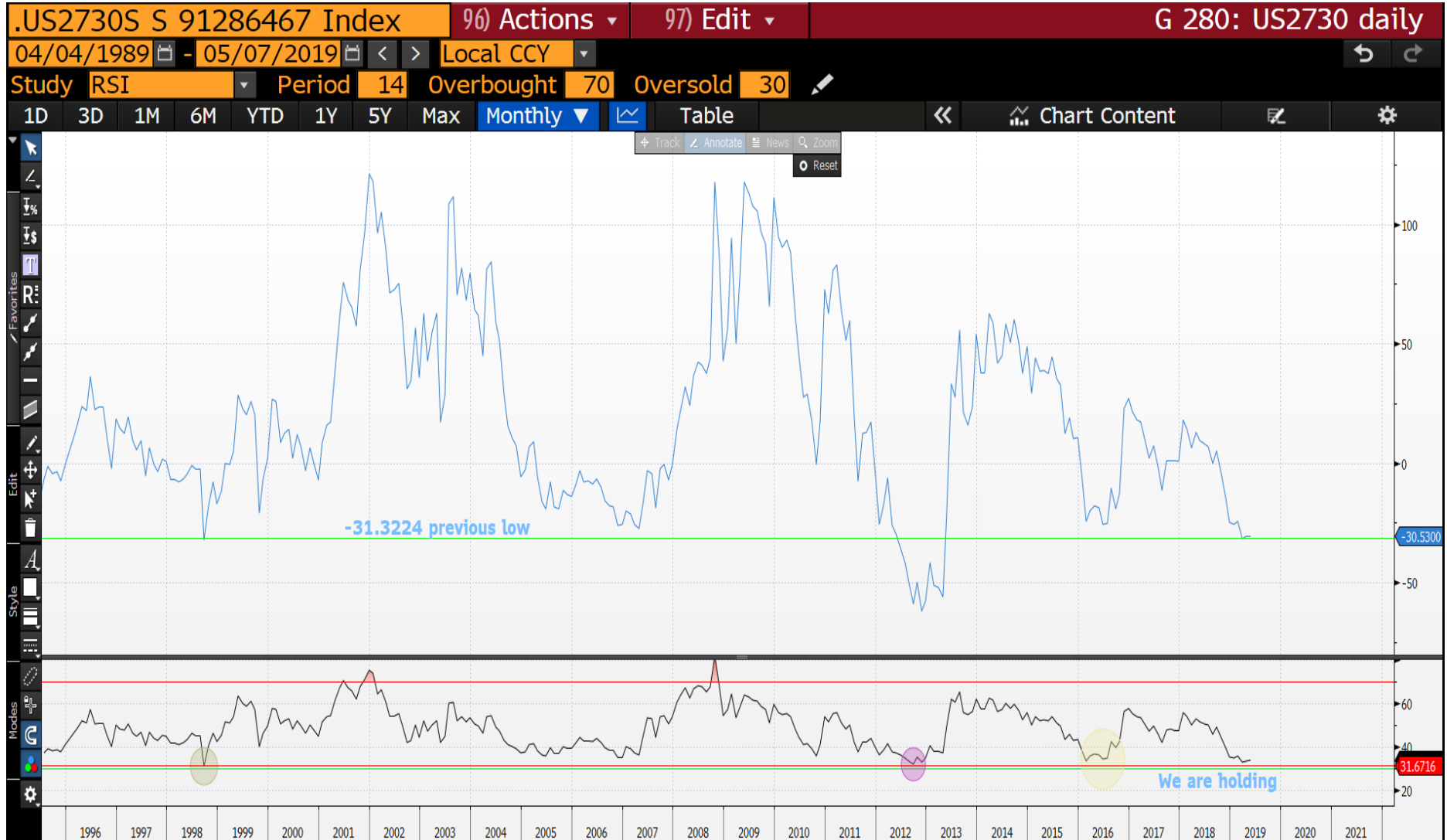
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US 10-30 curve weekly : A very sideways performance of late but we are holding the 55.116 moving average.



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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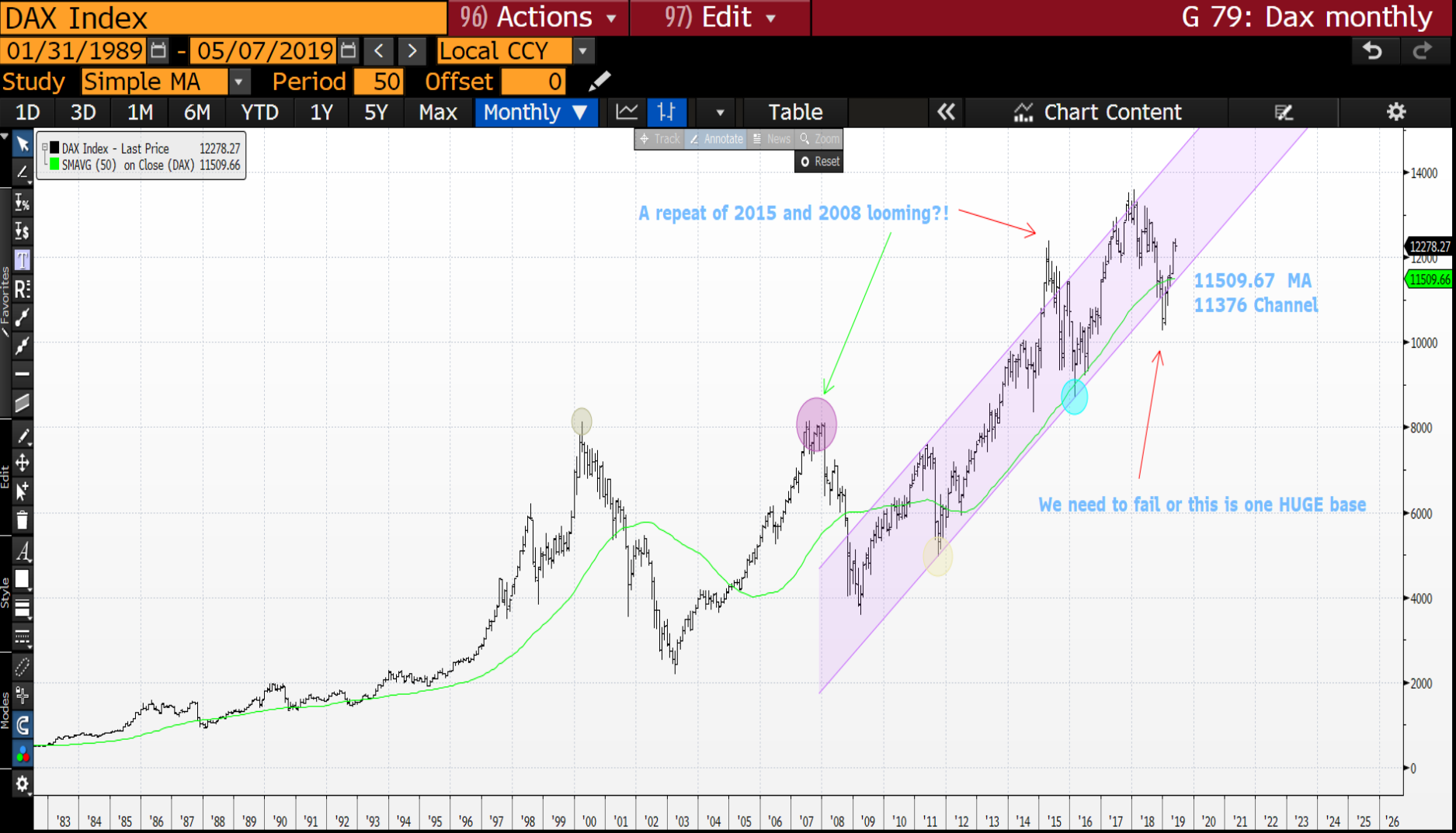
EQUITIES

EQUITIES : They continue to be the biggest obstacle to lower bond yields but the hope is Mr Trump will help in forming a stock TOP.

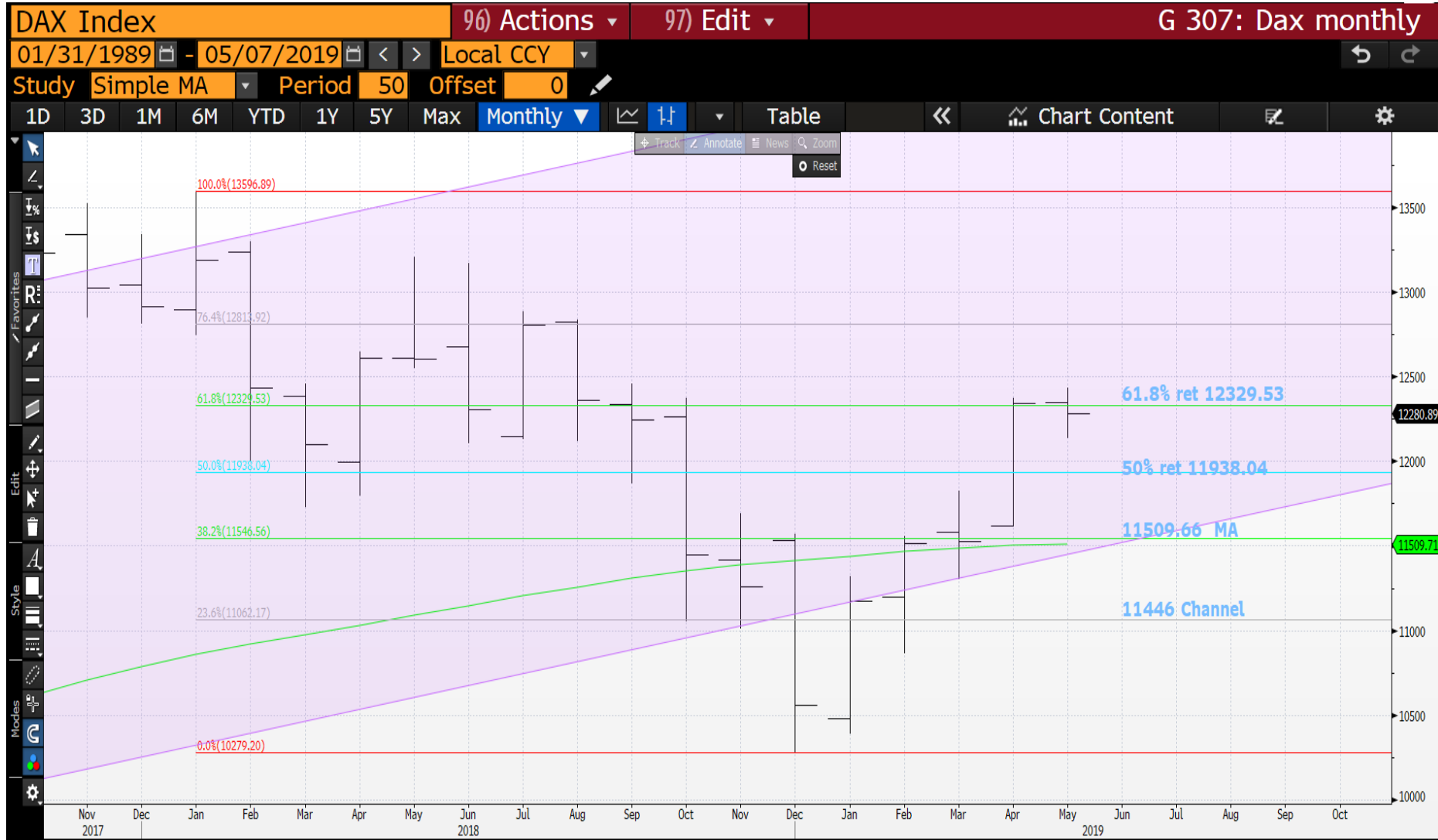
Many will argue that stocks are FINE and a level of comfort is now built in. This has never been more of a critical location TO FAIL. Optimism is built in along with positions however MANY EARNINGS SEASON is upon us and personally I don't think it will go well.

They continue to perform but further upside progress seems limited.

DAX monthly : Do now have that sinking feeling that the latest BASE is in!



DAX monthly : We are now teasing the 61.8% ret 12329.53!



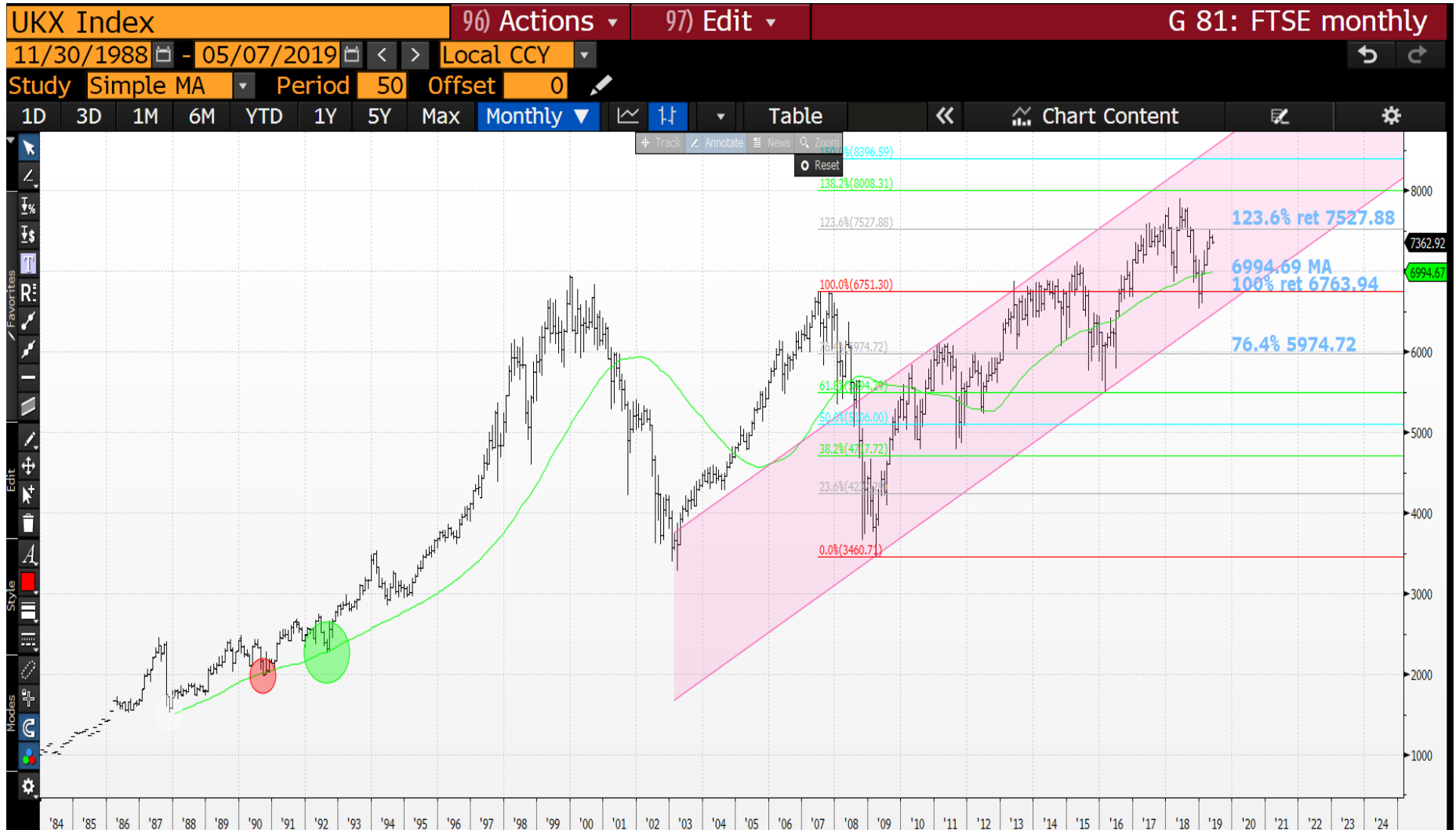
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Dax daily : Not that it has made much difference before BUT the RSI is now the highest since November 2017! Ideally we need to close below the 61.% ret 12086.92 to be classed as a FAIL.

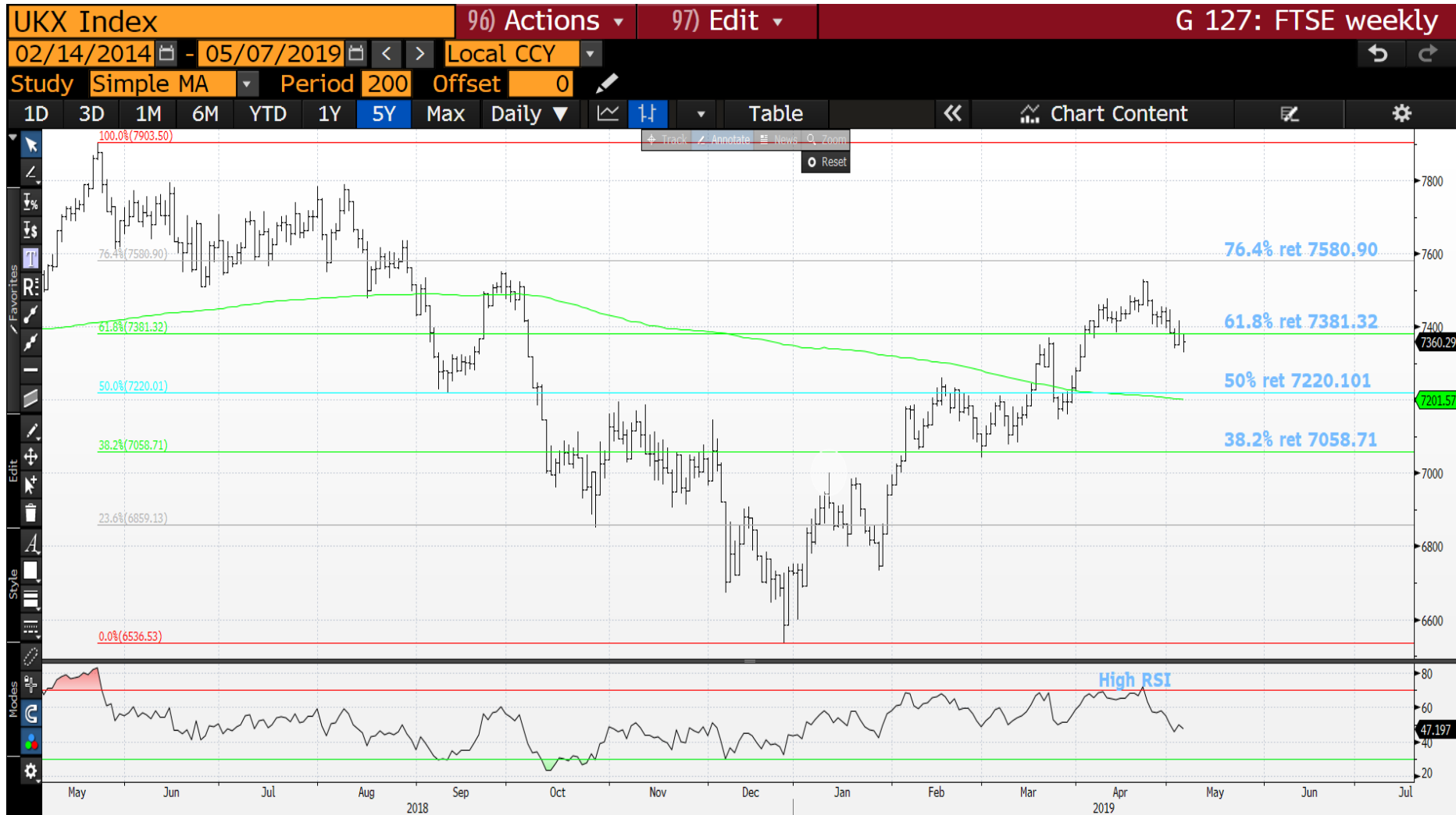


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FTSE monthly : This has ALWAYS been a VERY technical contract thus the latest failure at the 123.6% ret 7527.88 might be VERY significant. A more encouraging chart for FAILURE.

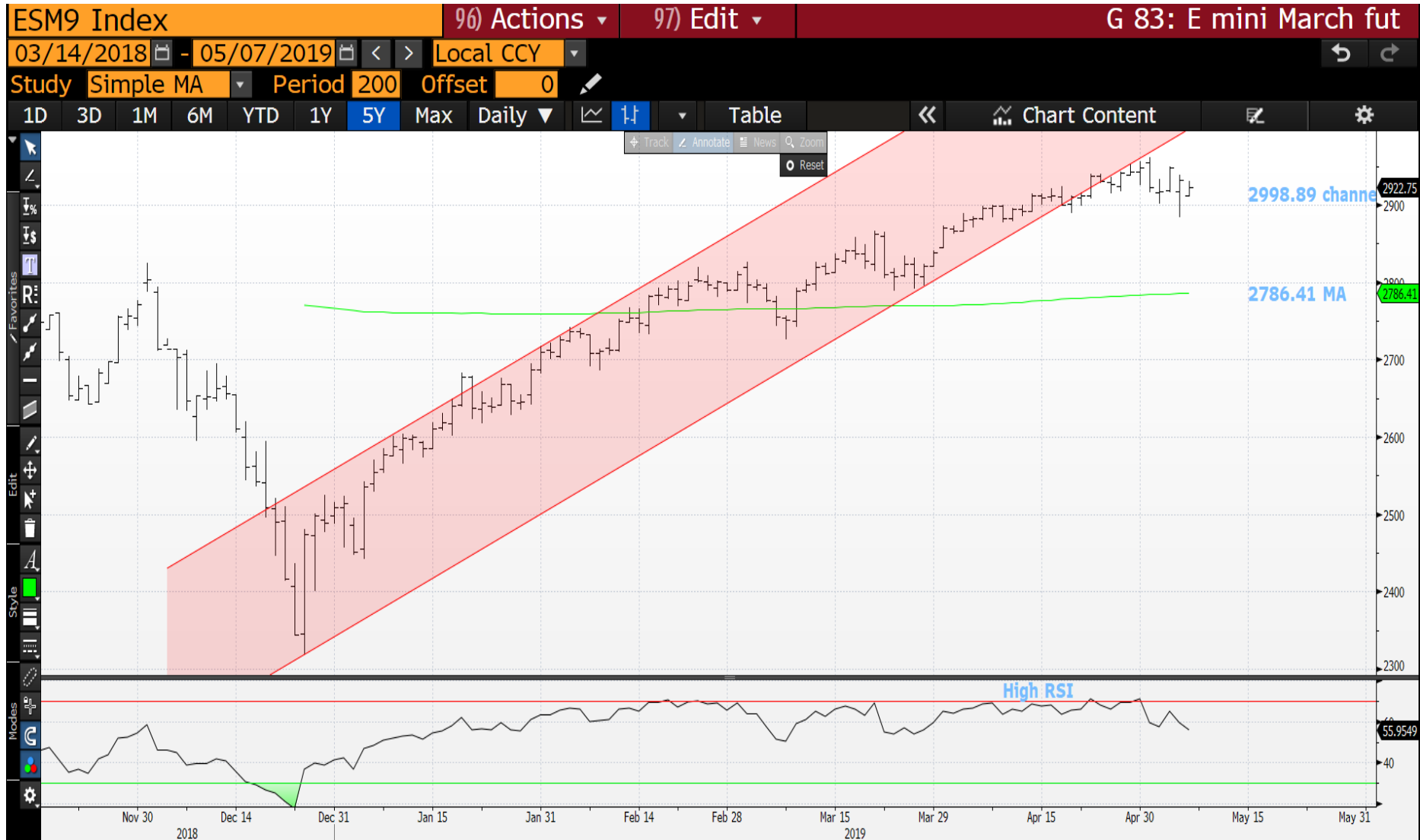


FTSE daily : The RSI is off its highs but remaining sub the 61.8% ret 7381.32 helps.



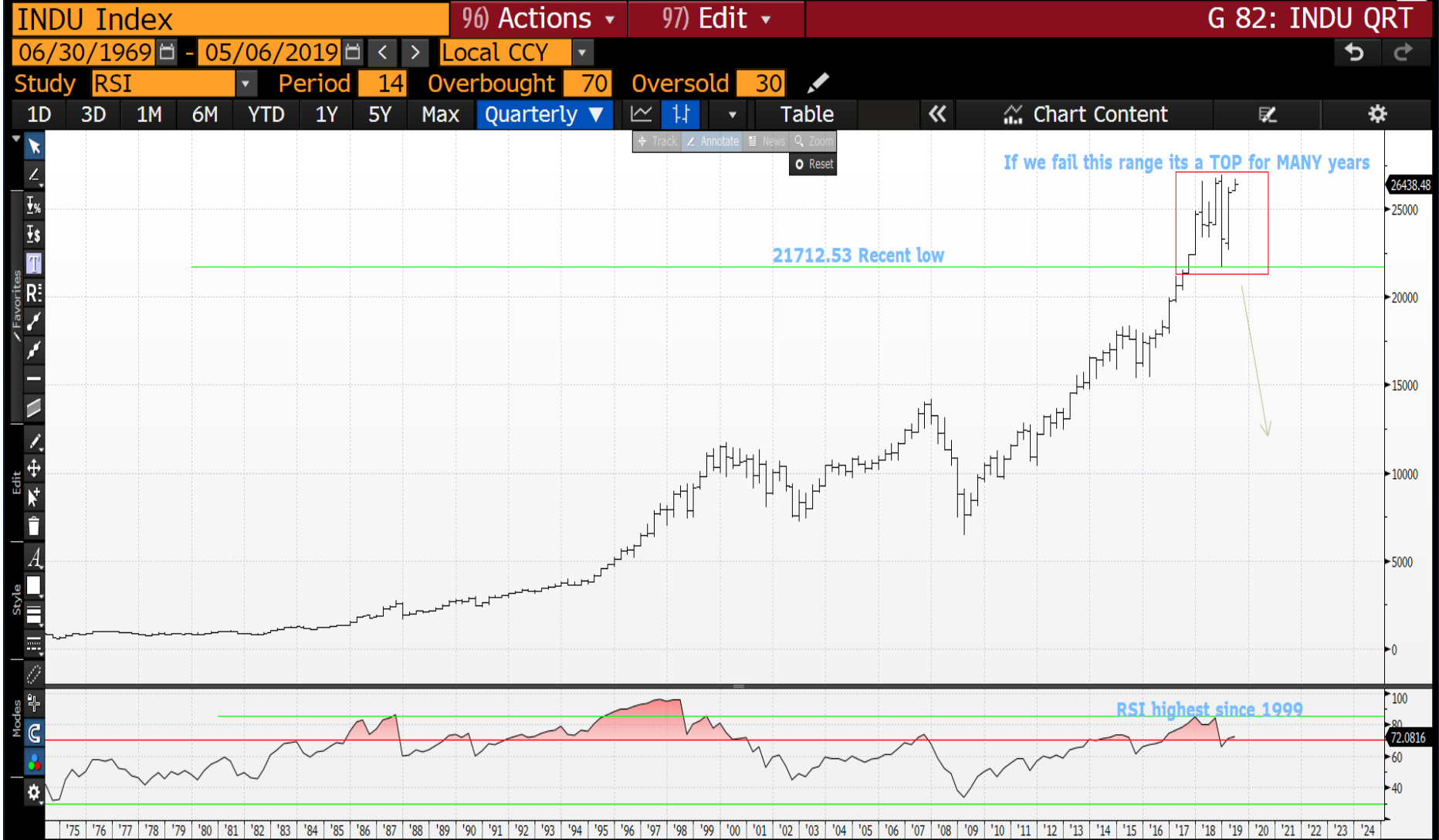
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E mini S*P daily : The RSI has been high before but this time we are outside the TREND CHANNEL.

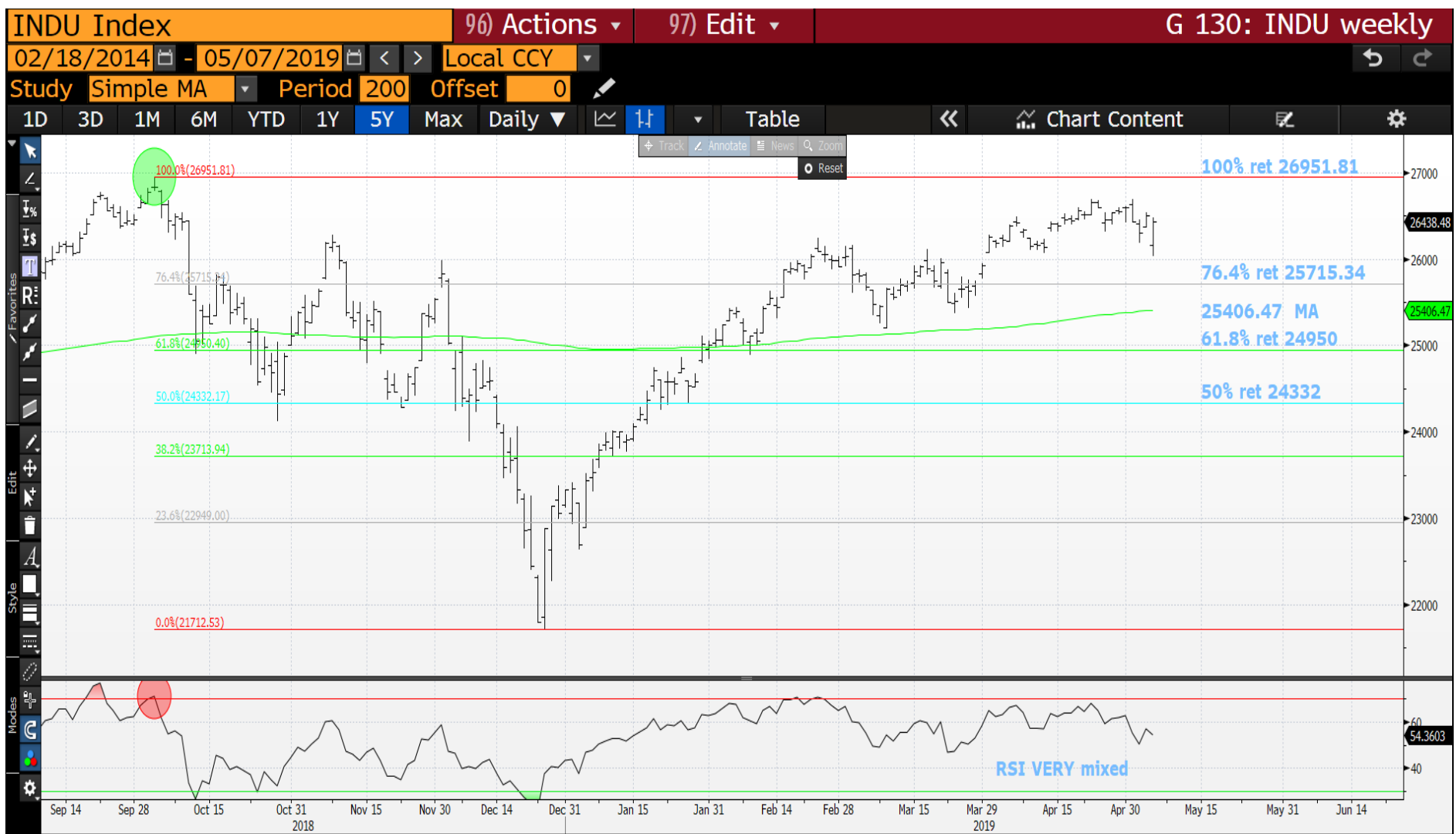


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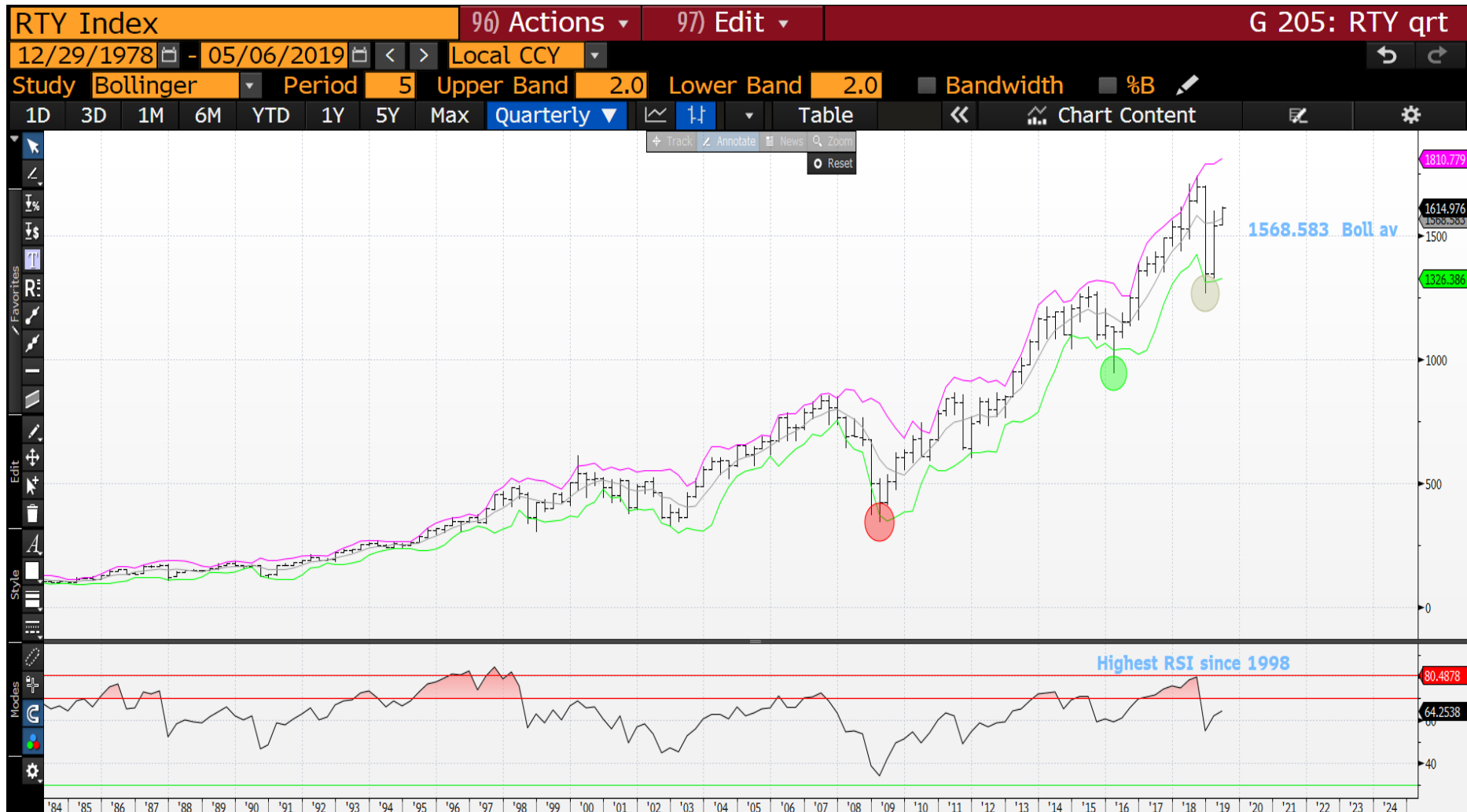
DOW quarterly : We have breached the last quarters highs so shall see.



DOW daily : Some upside progress but seems limited, a breach of the 76.4% ret 25715.34 will help.

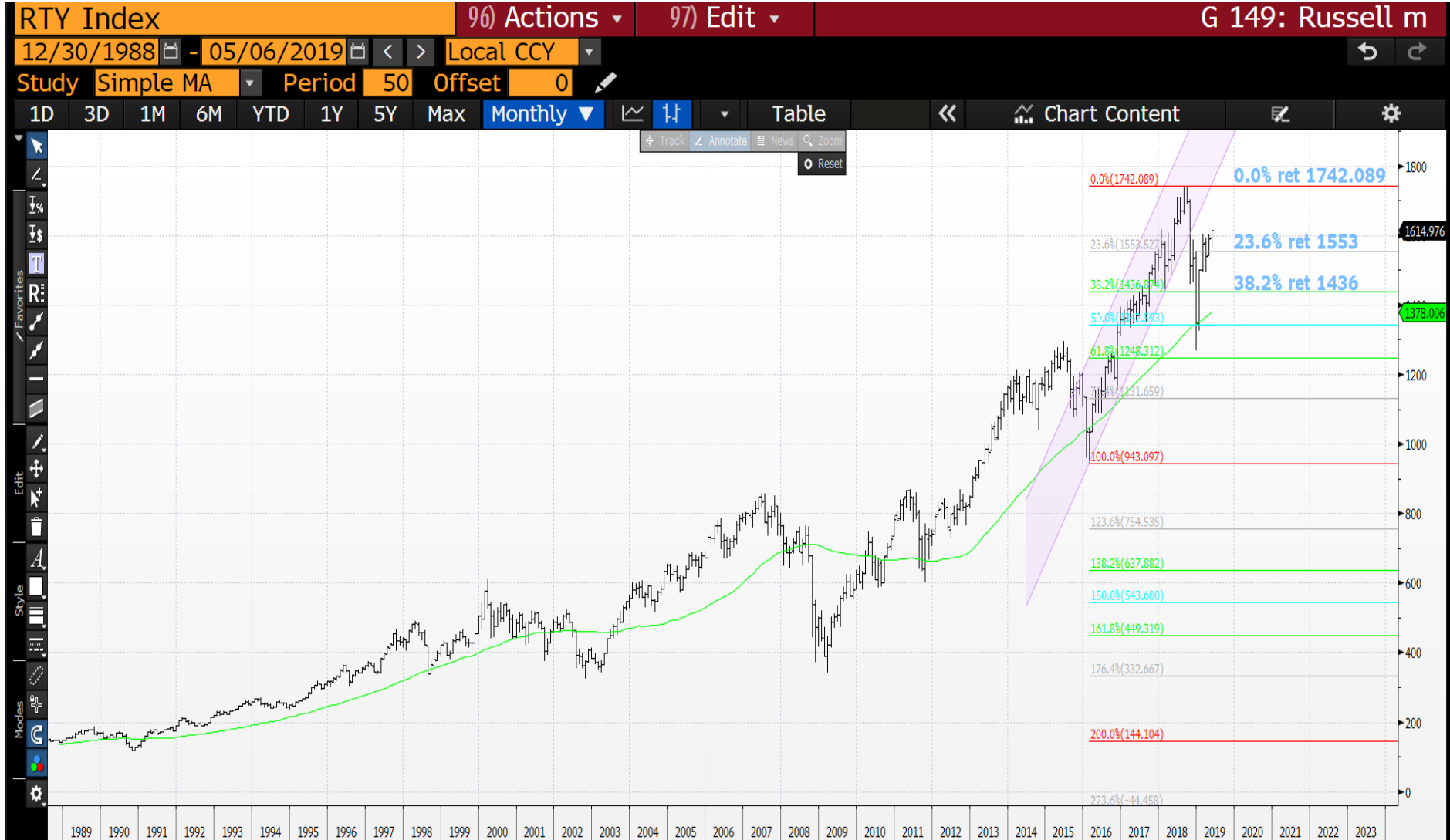


Russell quarterly : We have had a sizeable bounce but looks doubtful it will repair the terminal damage. Ideally we need to REMAIN below the 1568.583 bollinger average.



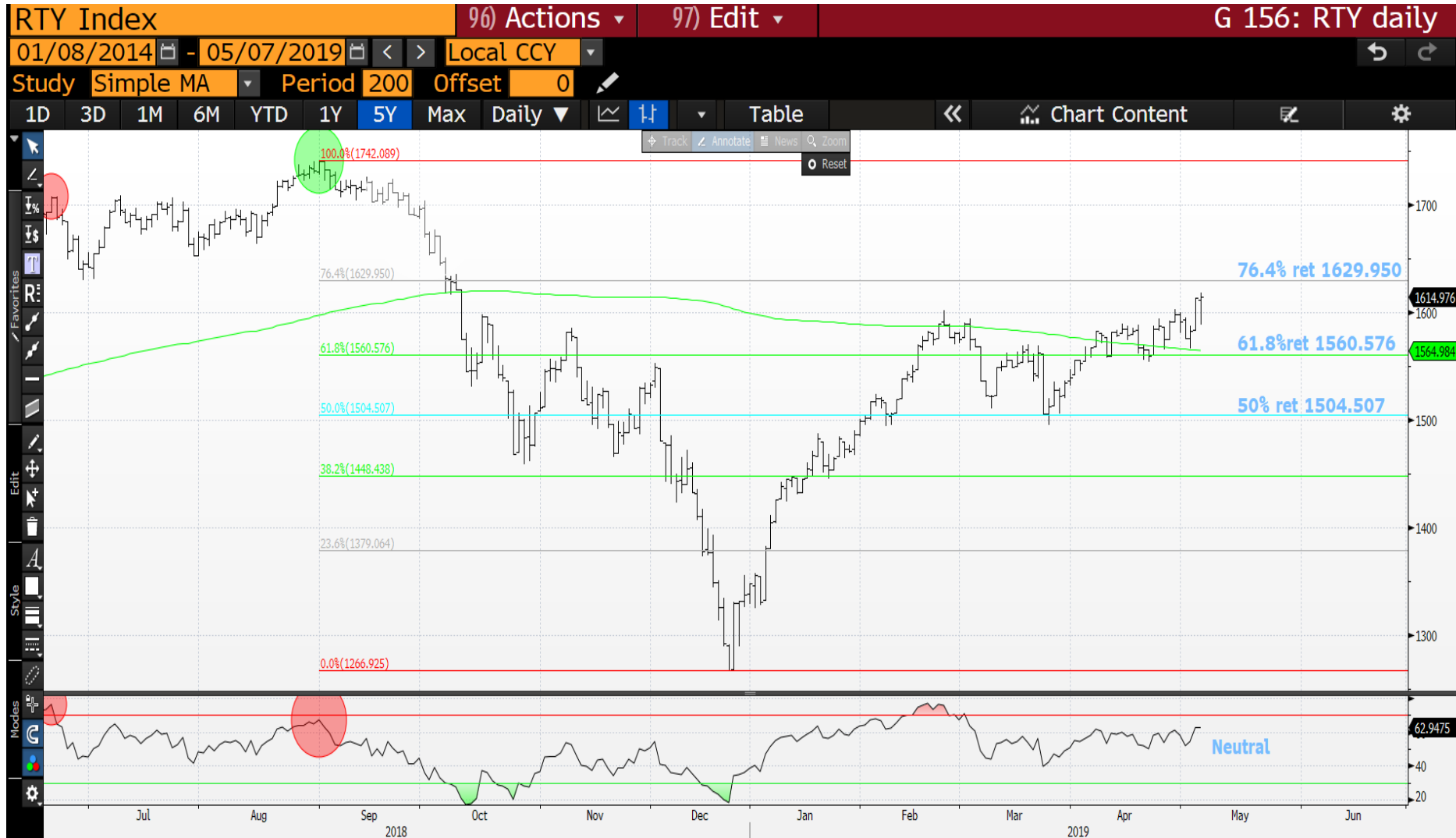
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Russell monthly : We have breached last months high so lets see if it continues higher.



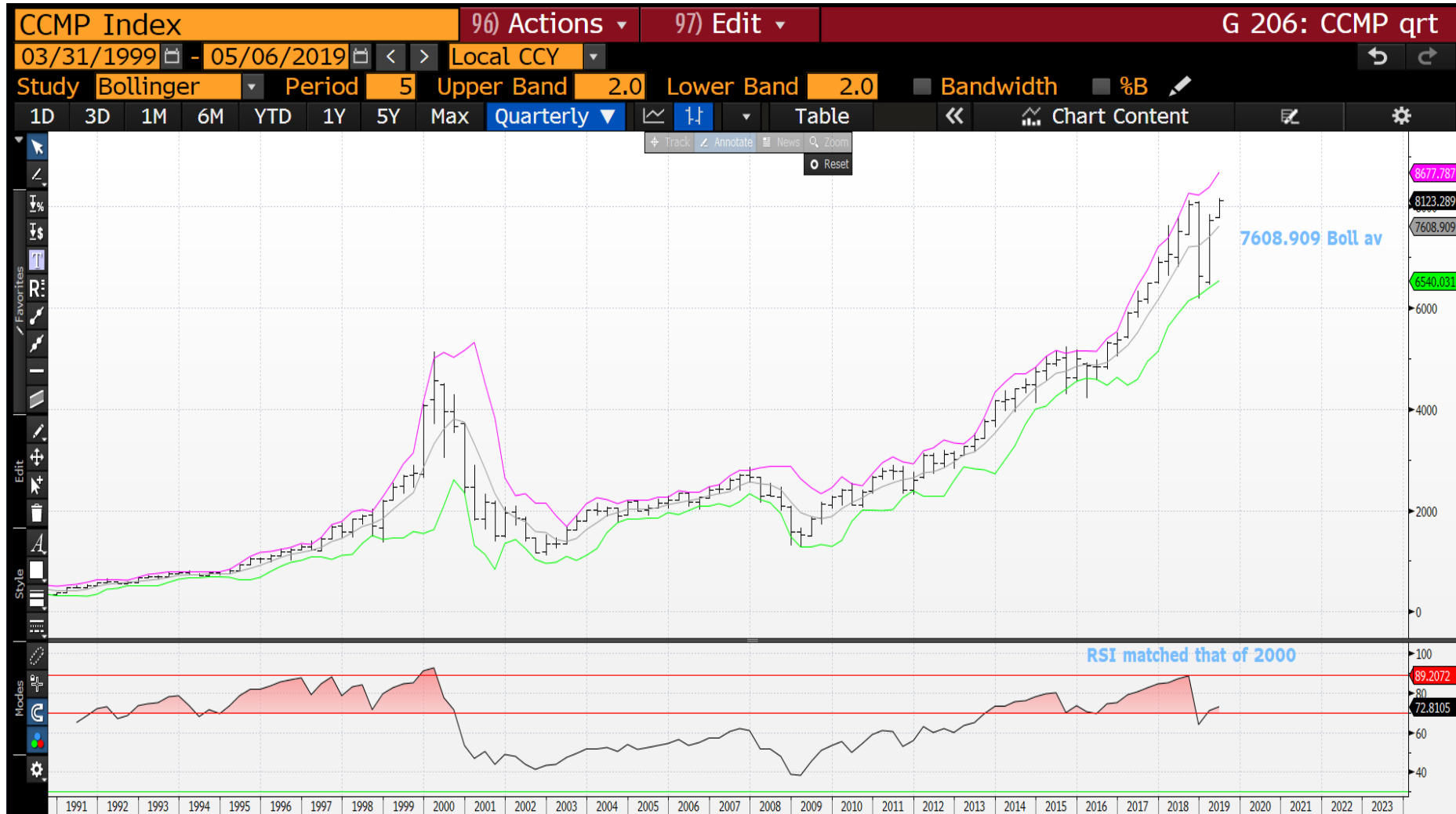
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Russell daily : A very neutral chart that becomes positive once above the 76.4% ret 1629.950.



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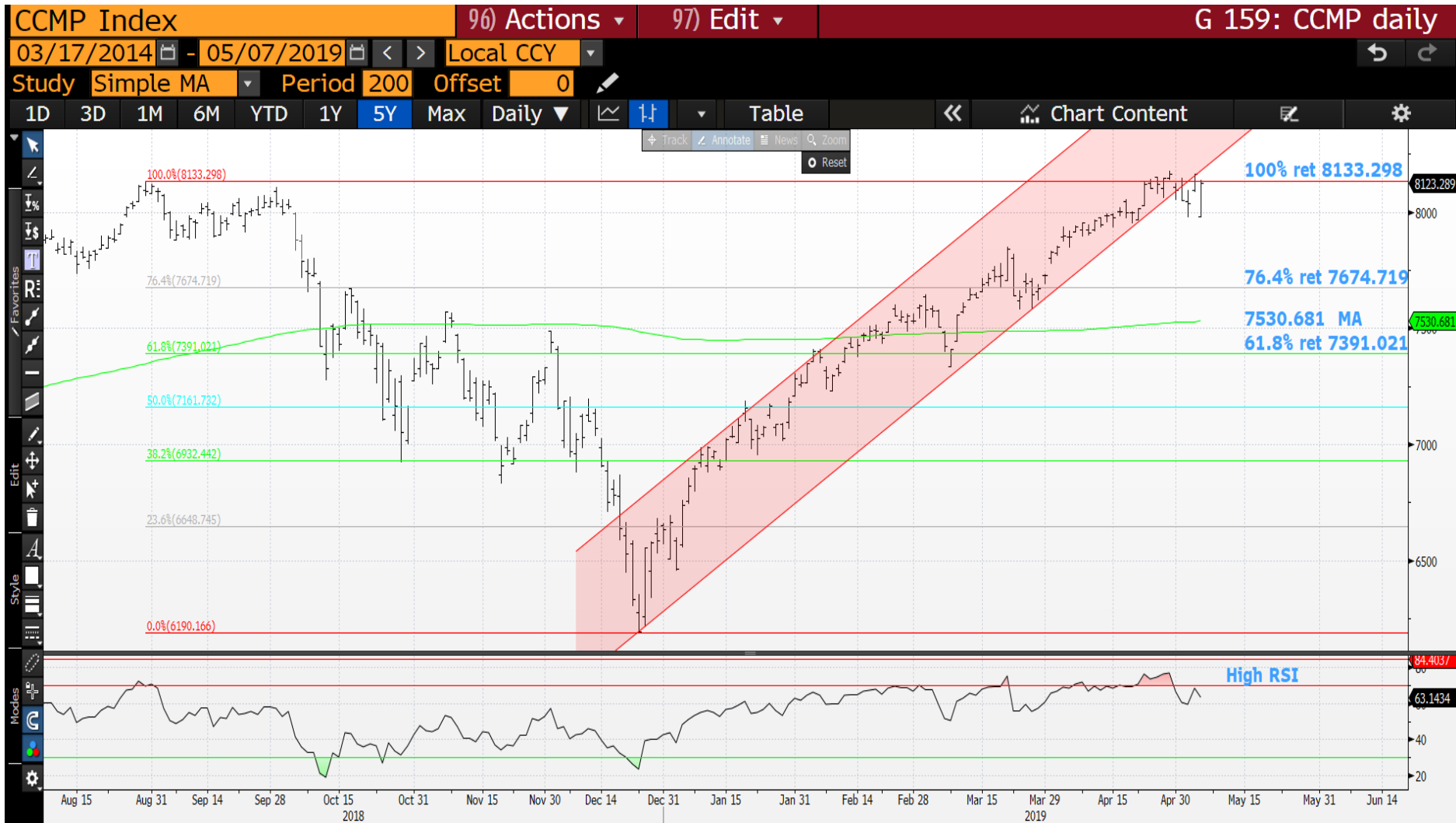
CCMP quarterly : We are now above last months high and in positive territory, SO A LOT OF WORK NEEDED to negate this.



CCMP monthly : We have opened inside the channel 7783 so a lot to do to FAIL.



CCMP monthly : We have hit the previous high 8133.298 and produced an RSI to match!



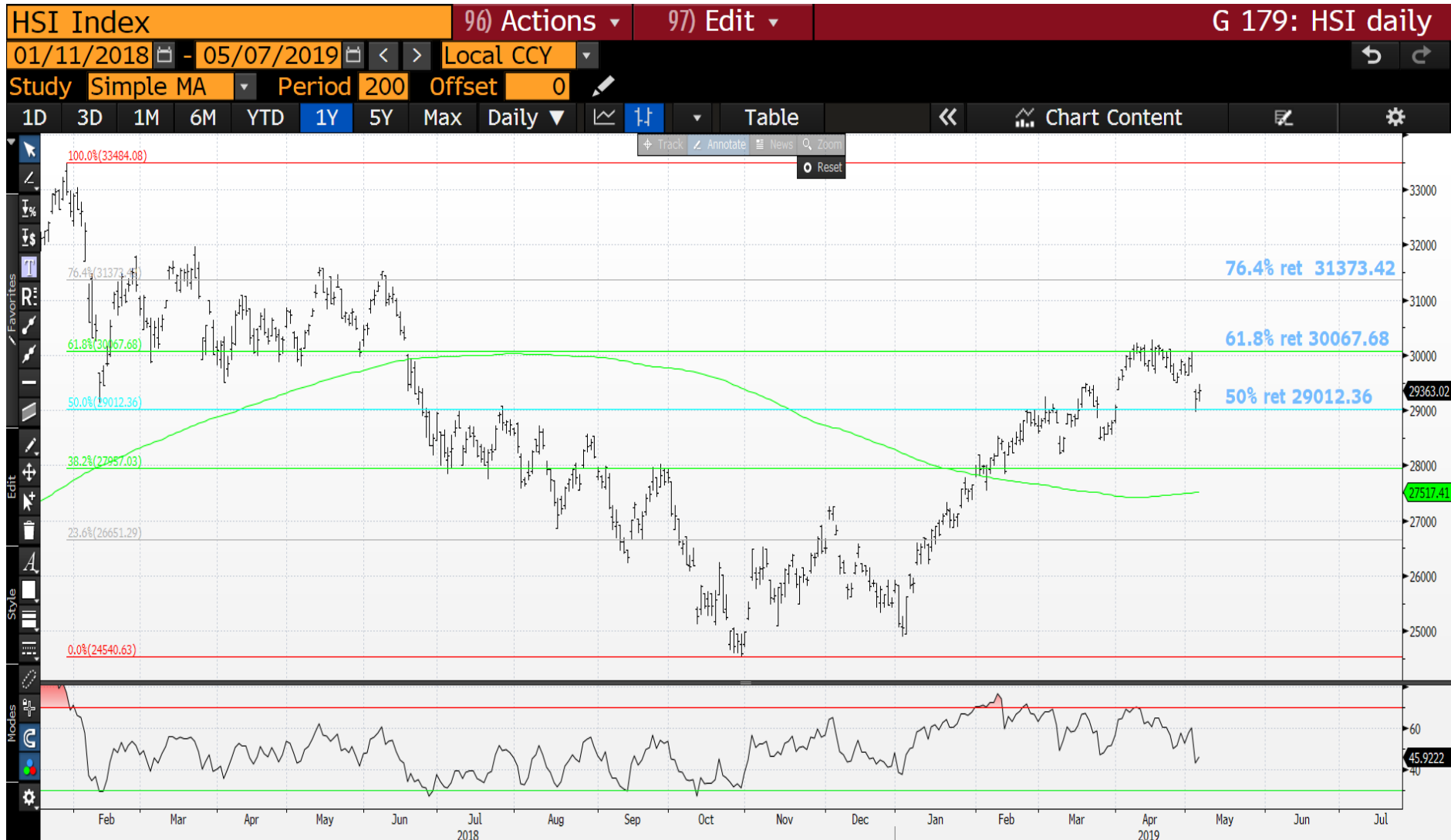
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Hang Seng monthly : Little talked about but this has witnessed a MAJOR reversal, do the Chinese know something?



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Hang Seng daily : We seem to of formed a SOLID top given the time and volume spent FAILING the 61.8% ret 30067.68. Sub the 50% ret 29012.36 will trigger stops.

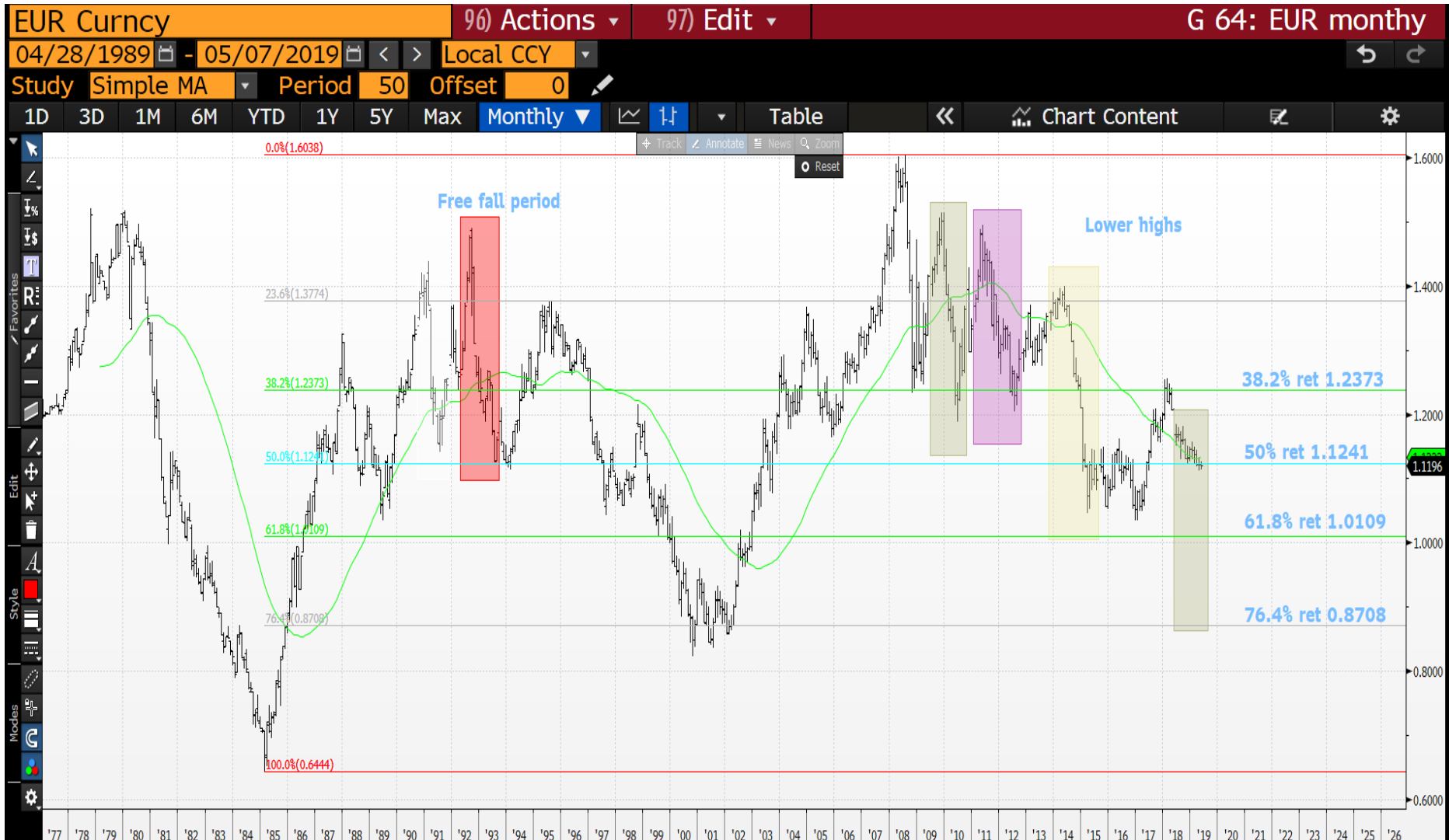


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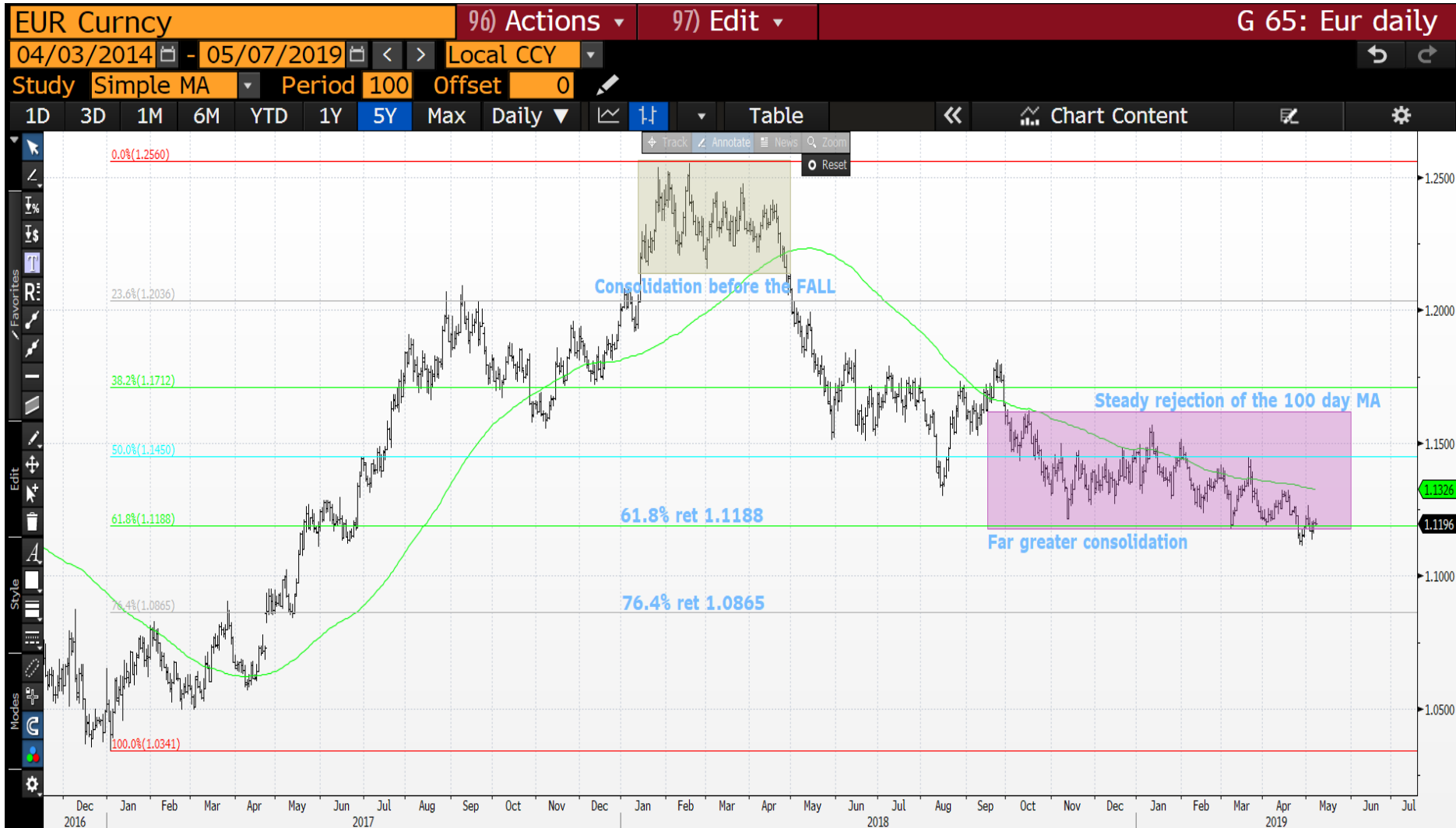
FX UPDATE

- **FX UPDATE :**
- **EURO :** The EURO is “HOTTING UP” as we ease toward European elections. Given 1.1241 is breached then EUROPE-EU has a MAJOR CREDIBILITY ISSUE. We have a major test on right now, FAIL and its 1.08 handle.
- **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** has breached the recent highs but real question is how far does it rally?
- **EM** now stepping forward as MANY multi year tops are close to being confirmed. EM is a firm favourite with REAL MONEY but been held back on the latest USD rally.

EUR USD monthly : We have FINALLY breached the multi year 50% ret 1.1241, this should mean a SAVAGE drop in the next few weeks.



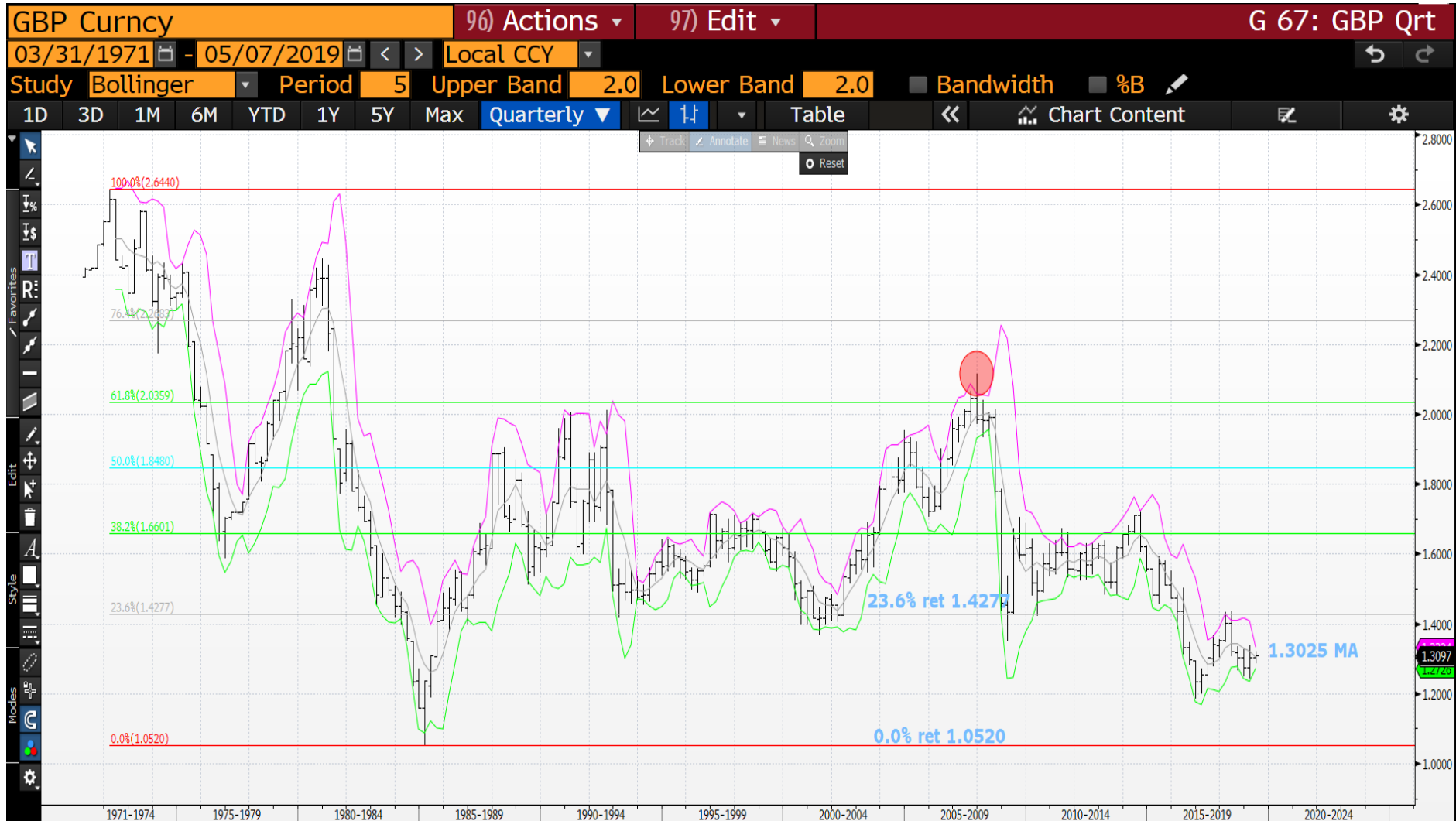
EUR USD daily : Providing we remain sub the 61.8% ret 1.1188 then the next MAJOR draw is the 76.4% ret 1.0865.



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 : The bollingers have narrowed reflecting the stalemate over Brexit.



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DXY monthly : We have finally POPPED the 5 month high and stops naturally drawing us higher. We seem to be running out of steam already.



DXY daily : We have struggled to make full use of the range break and sub the 86.095 will trigger a FALSE BREAK.



AUD USD monthly : We continue to hold and ideally we breach the 61.8% ret 0.7185 soon.



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USD CAD weekly : After holding the moving average persistently we have FINALLY breached the 23.6% ret 1.3451.



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USD JPY monthly : I had to include this but the RSI and market is very neutral, not a conversation piece.

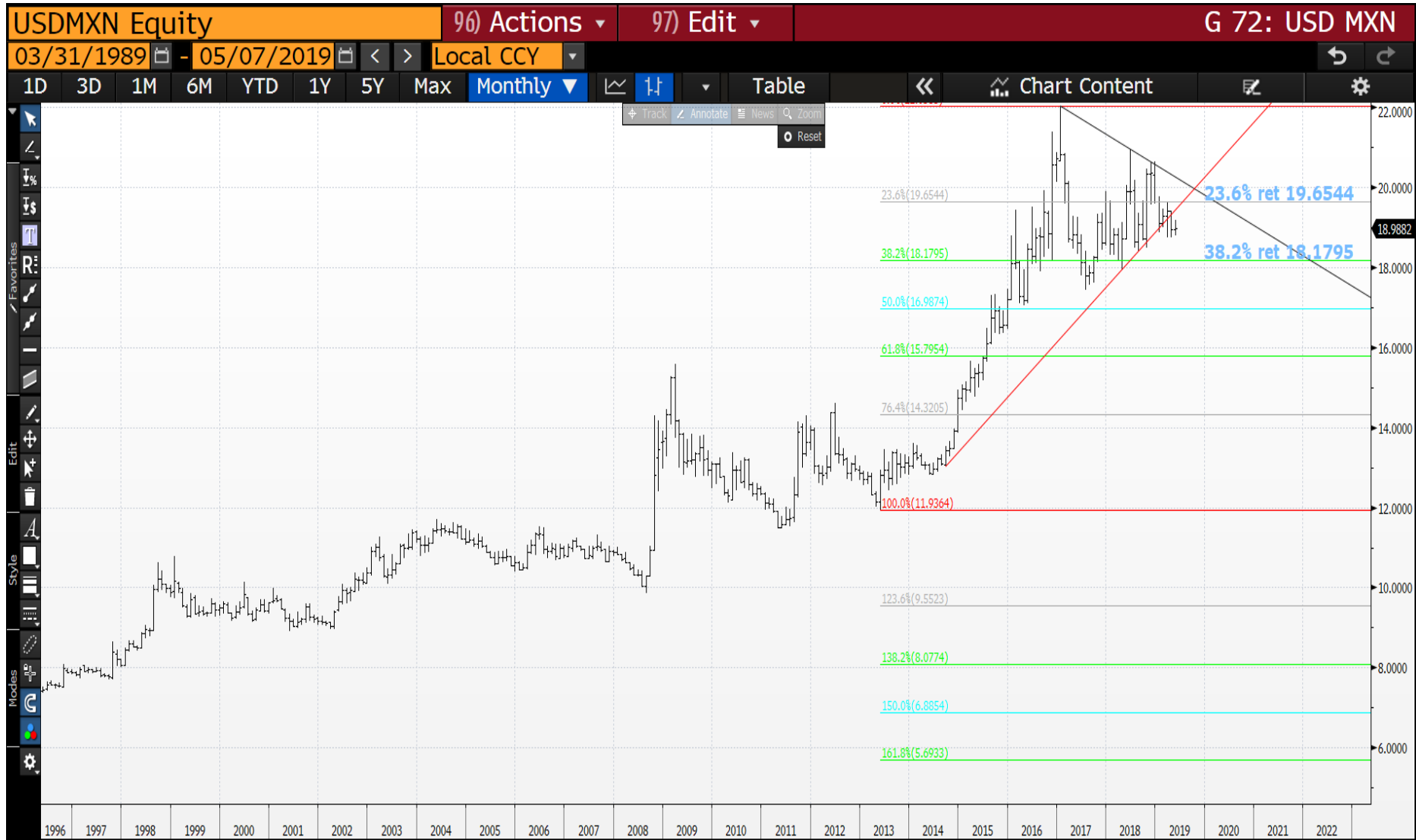


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EM UPDATE

- **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 have seen a recent HALT to the trend lower given the latest USD pop.**
- **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!**

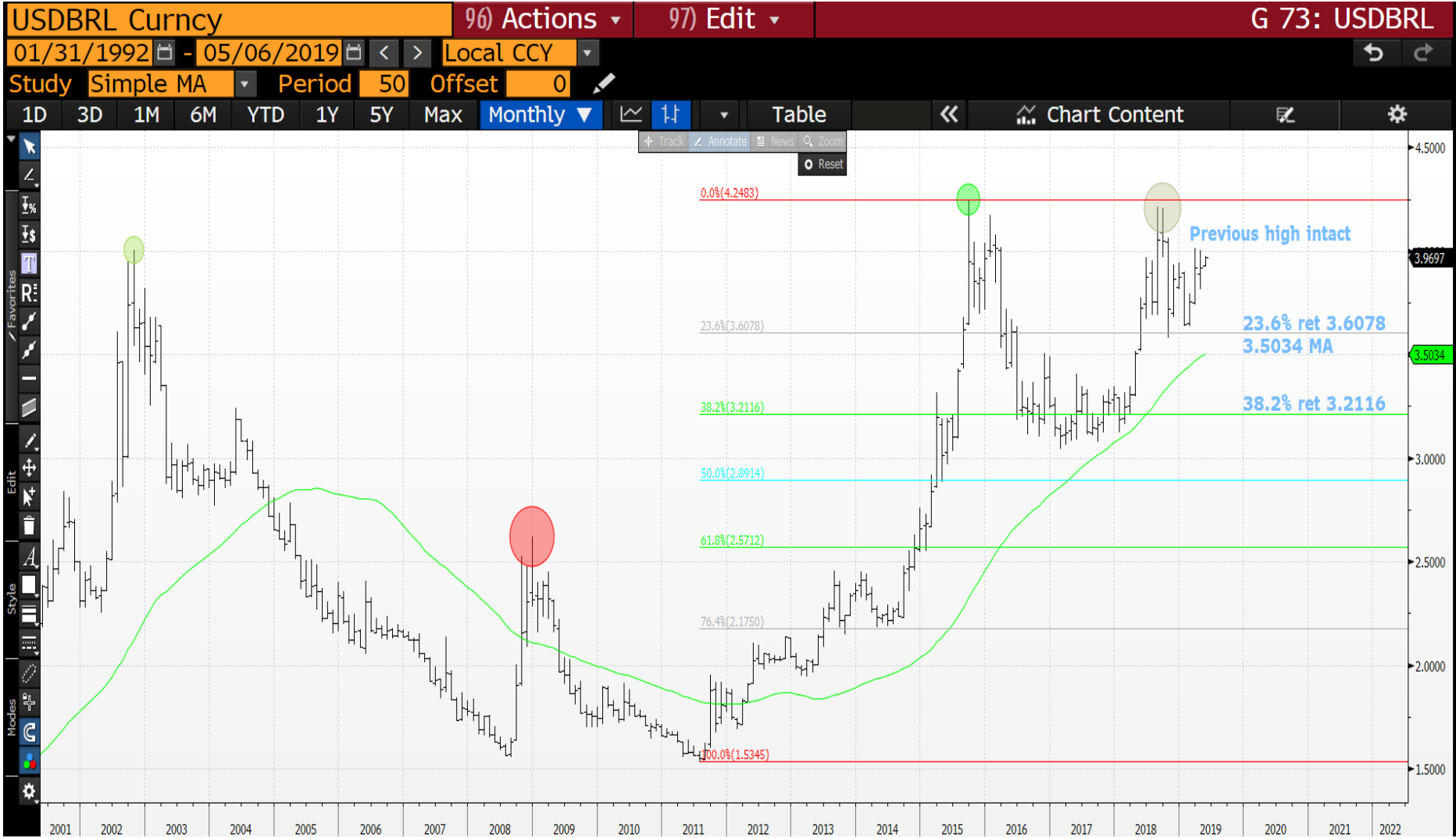
USD MXN monthly : We remain HEAVY and thus should head lower to form a new monthly low.



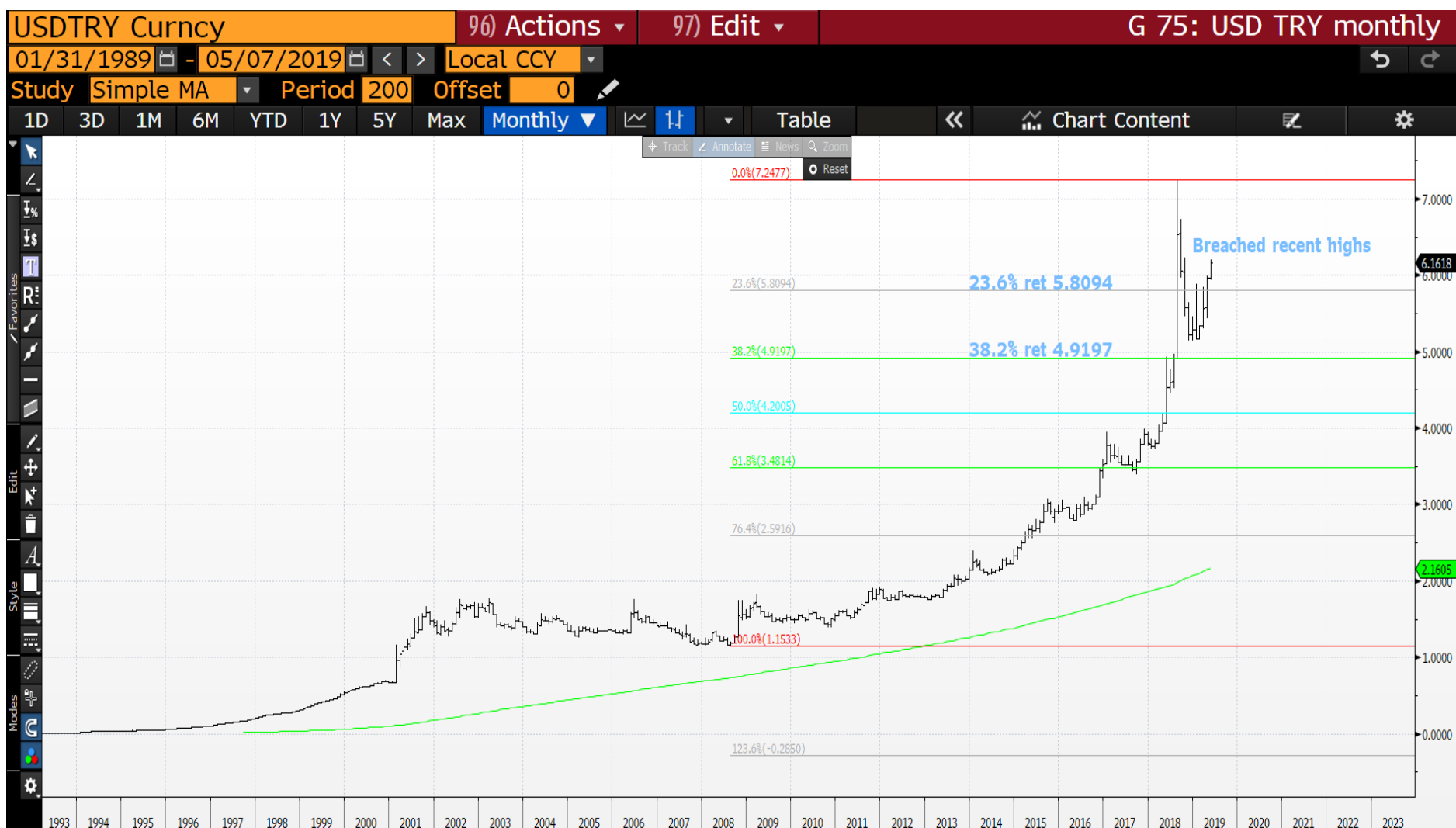
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USD BRL monthly : A crucial test here as we are close to last months high.

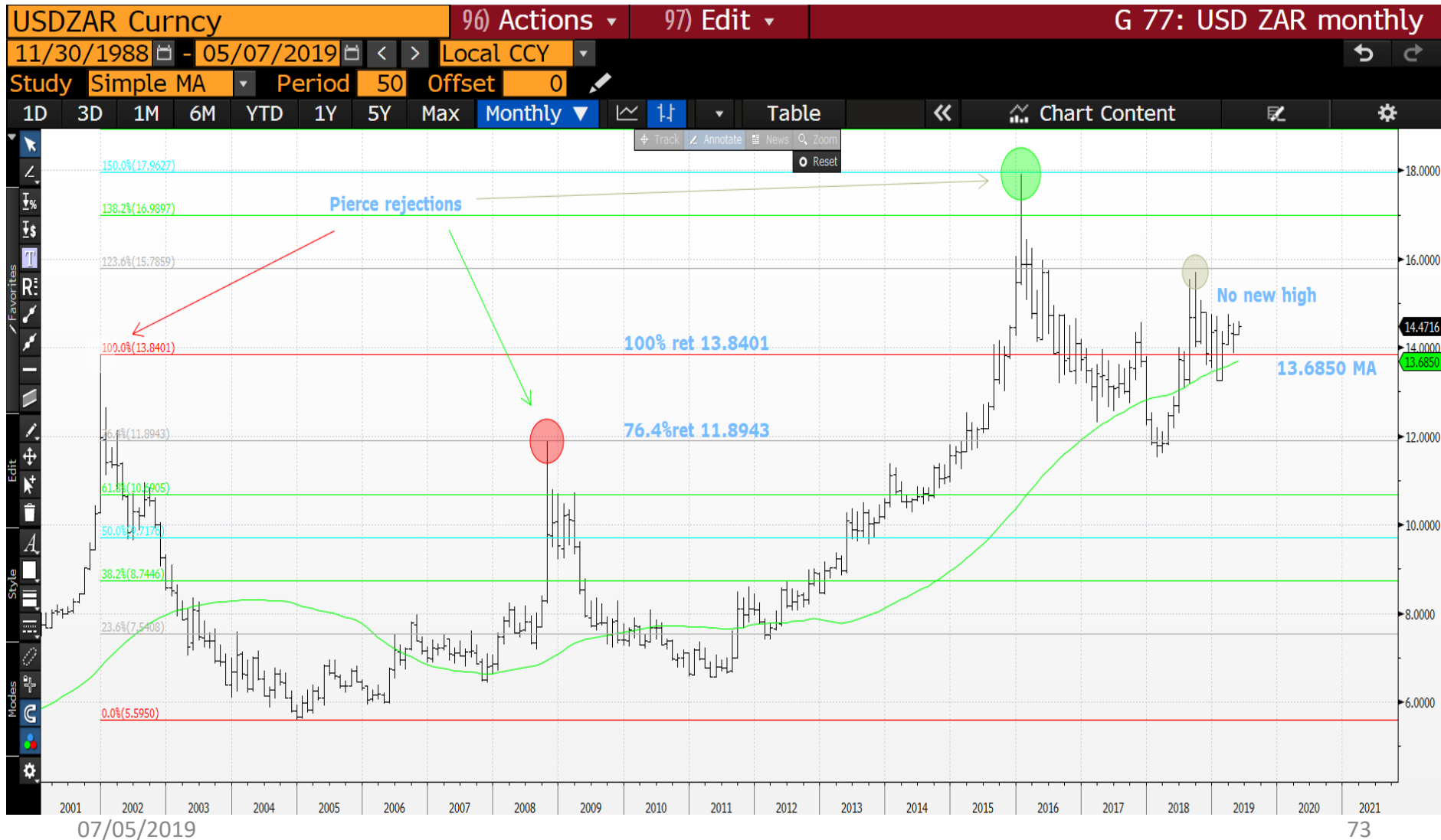


USD TRY monthly : The TRY has been weakening generally and popped last months high-23.6% ret 5.8094 on the latest DXY move.

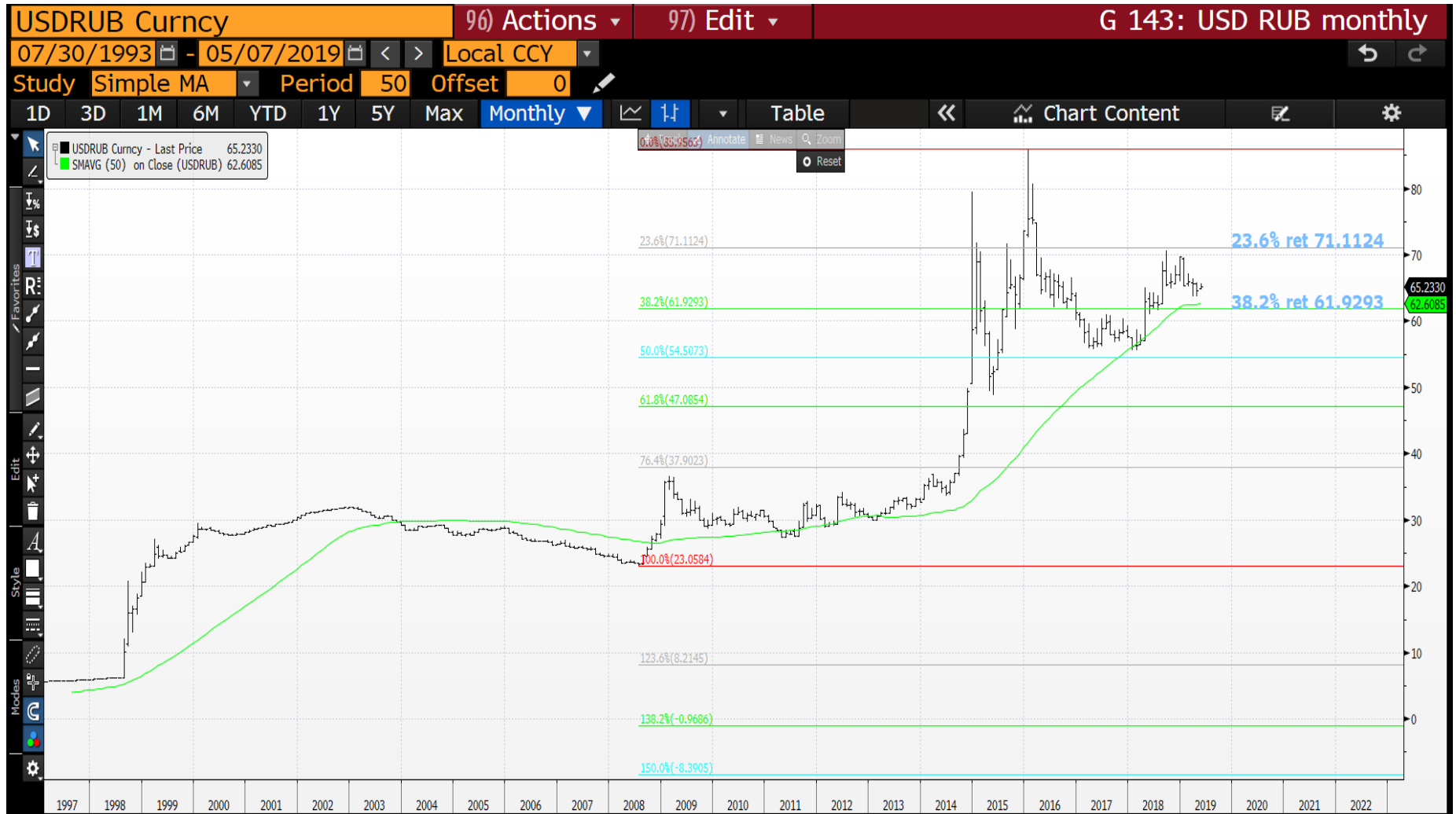


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USD ZAR monthly : The 100% ret 13.8401 held so hopefully it is revisited soon.

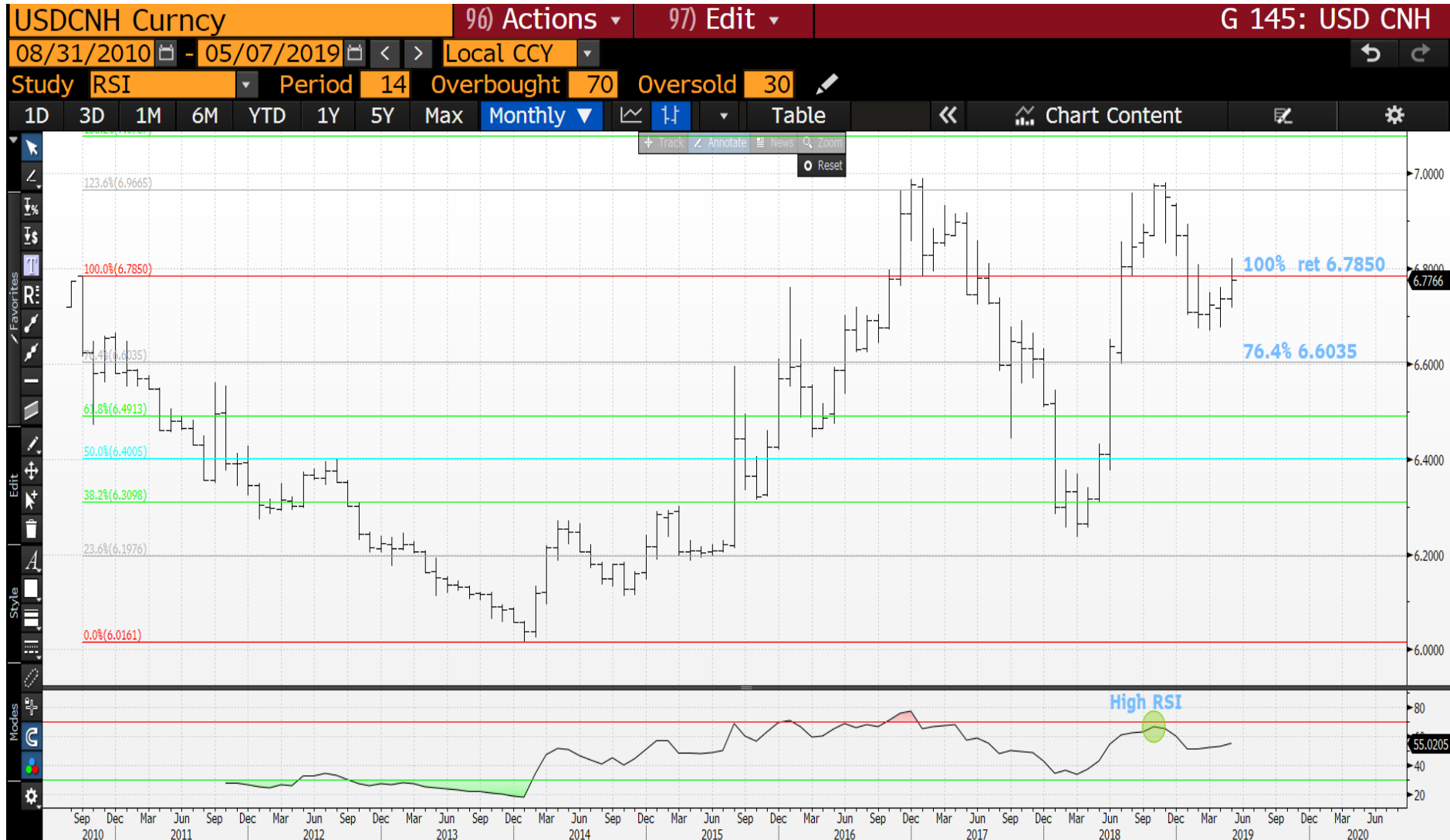


USD RUB monthly : The USD strength has halted the market ahead of the 38.2% ret 61.9293-moving average.



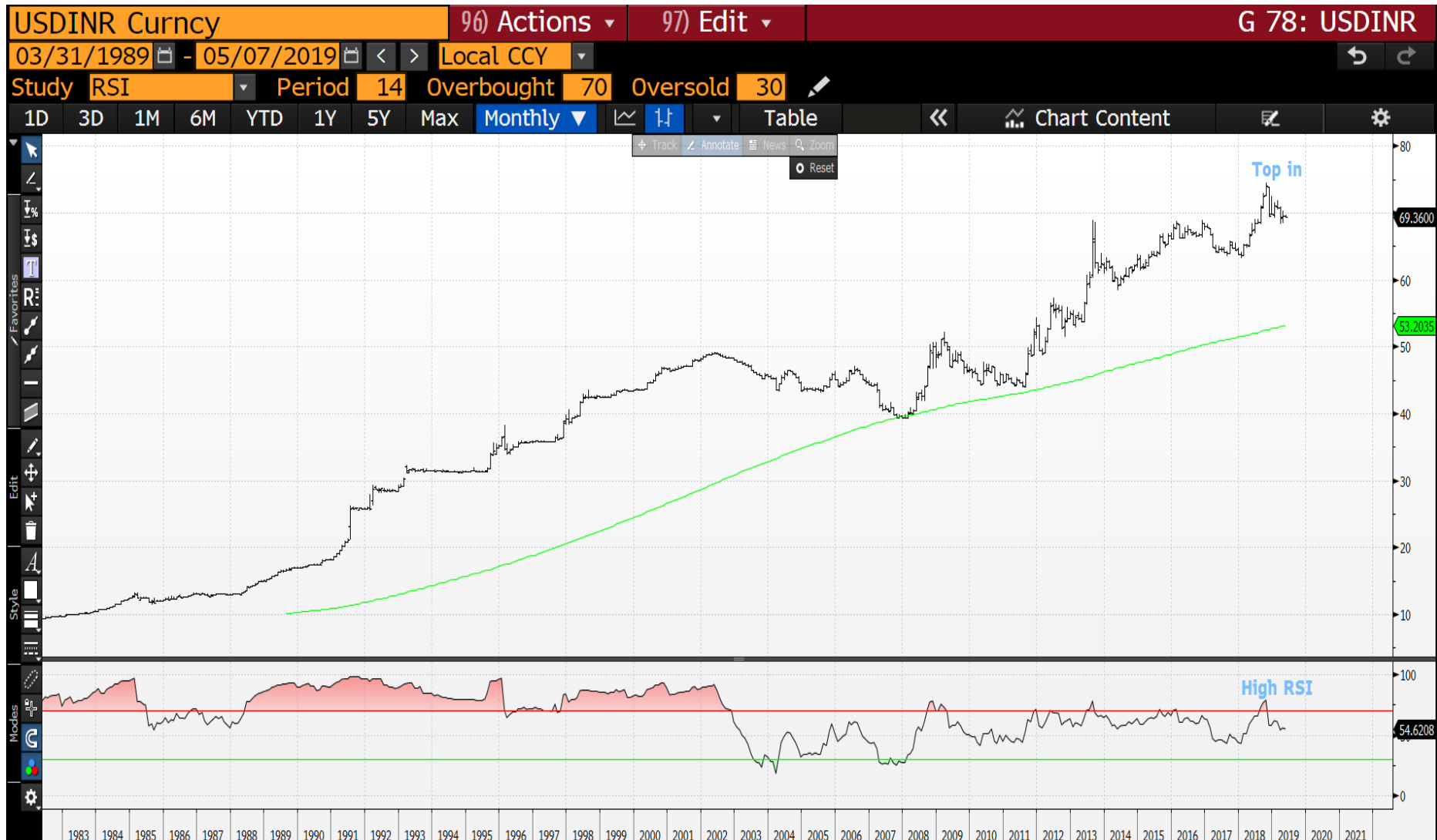
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USD CNH monthly : Certainly one to note going forward given its TECHNICAL HIT! We have pierced the multi year 100% ret 6.7850 and heading toward 6.6000.

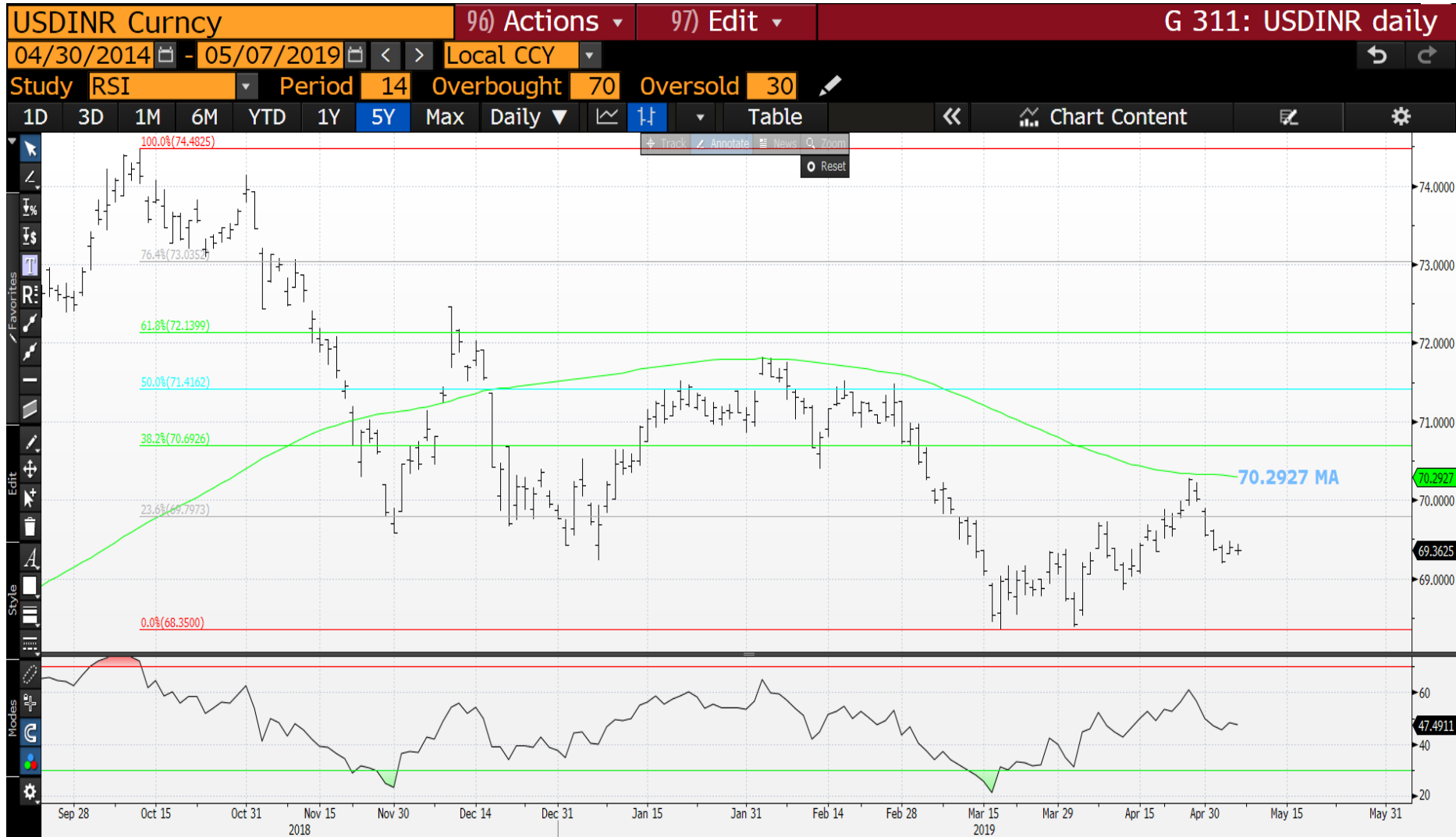


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USD INR monthly : A BIG ONE for 2019 as PLENTY of downside possibility. The RSI is as HIGH as September 2013 and we APPEAR to be forming a TOP.



USD INR daily : We have maintained sub the 100 day moving average 70.2927 so should continue to head lower.



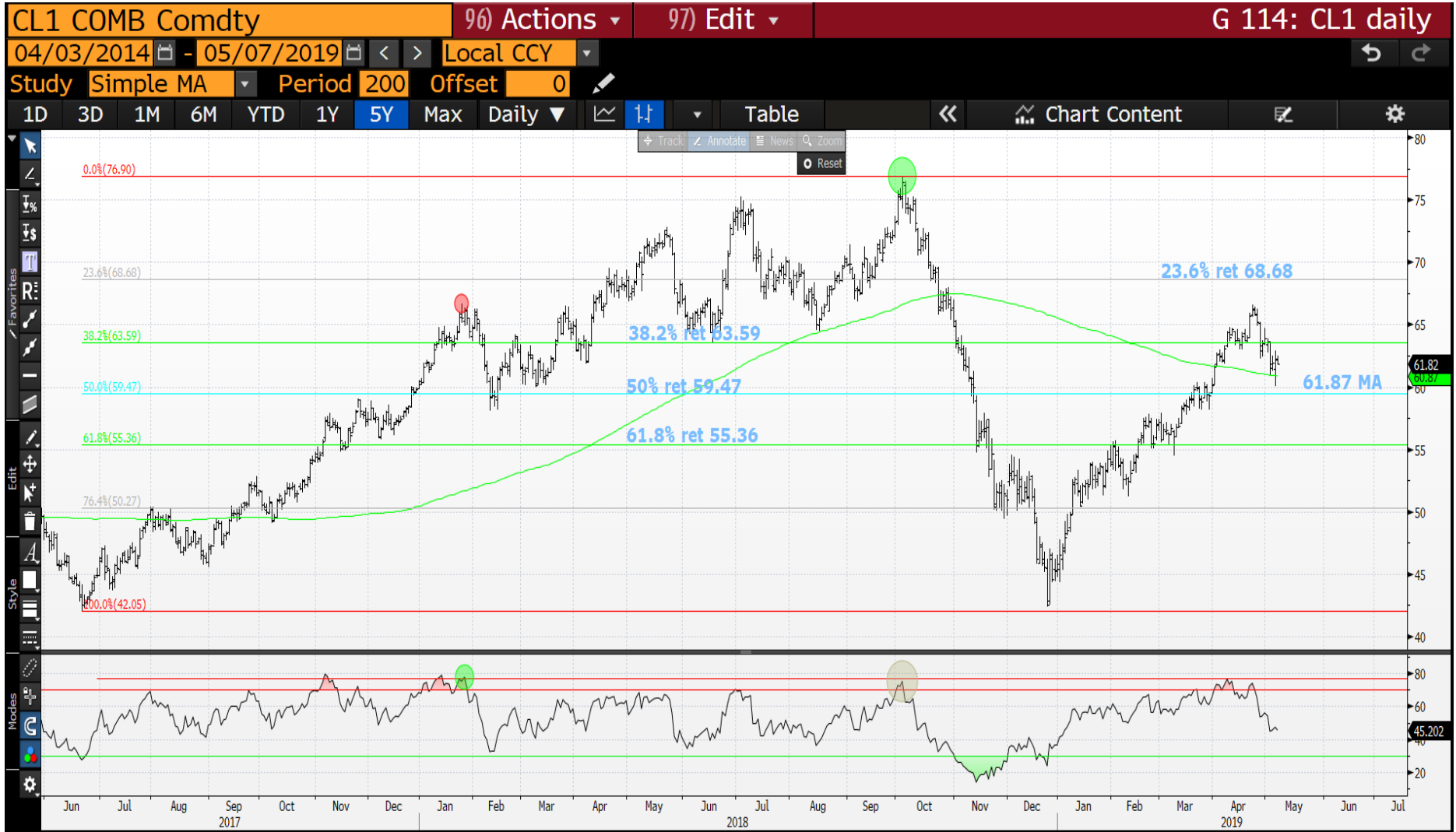
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CL1 monthly : We SHOULD struggle against the 68.16 moving average.



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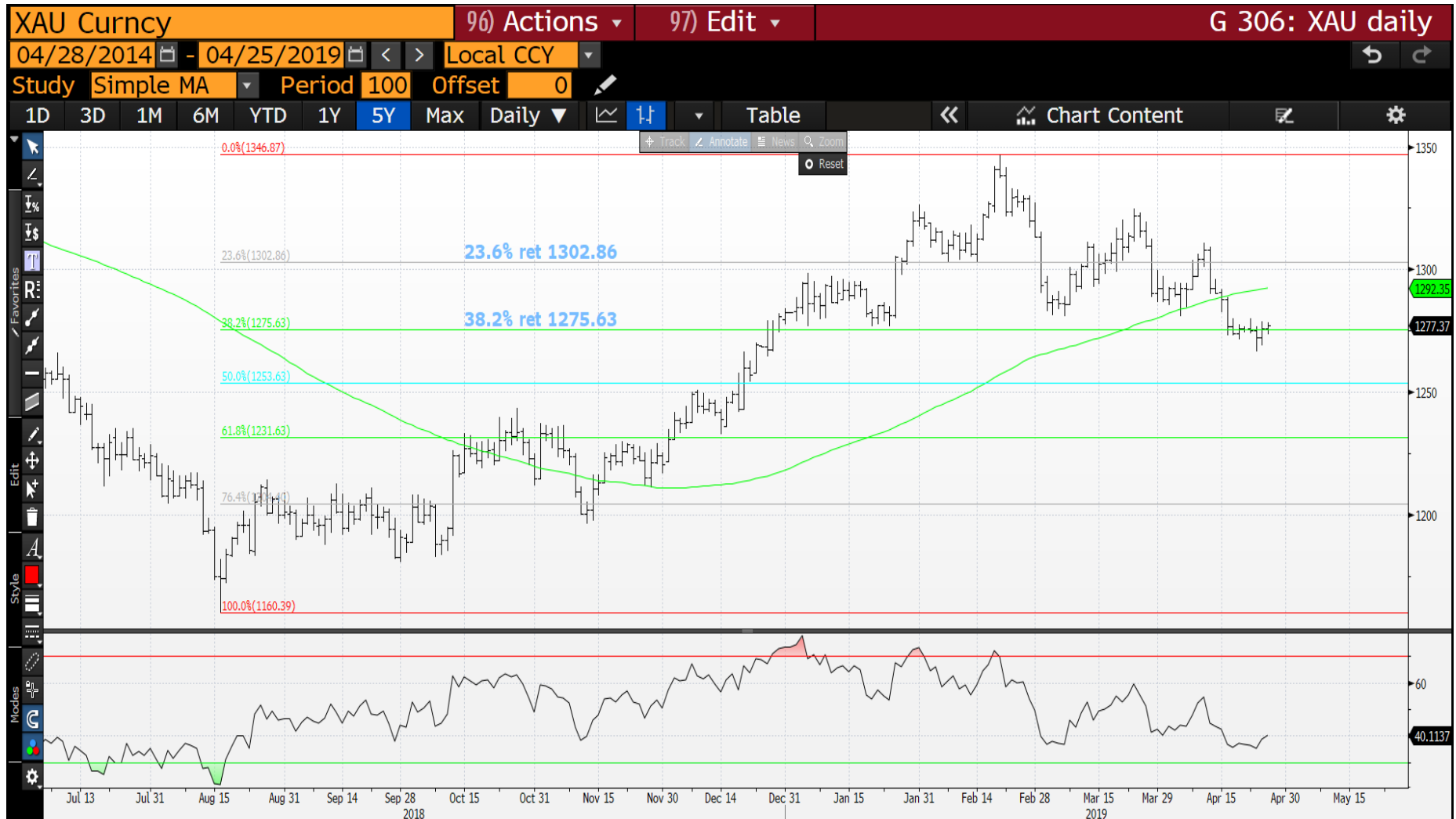
CL1 daily : We are teasing the 200 day moving average thus a KEY conclusion if lower.



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.



GOLD daily : The RSI is low and we are teasing the 38.2% ret 1275.63.



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