

BOND UPDATE : YIELDS ARE TOO LOW and by tomorrow it will be confirmed!

NOT something I have mentioned in a while BUT might be time to reduce BOND LONGS despite the new highs today!

Tough to say it, but many YIELD CHART RSI's are VERY OVERSOLD, BOTH weekly and daily horizons. The US 30yr page 3 has additionally hit a worth while retracement.

We might need another day to confirm this thought but the evidence is strong it's been a good run, that said if stocks head LOWER then re position long bonds again.

Also remember ALL CTA s have rolled and are long given ALL major spreads have sold off.

**** Remember this is only "TIME OUT" in a bigger historical yield fall. ****

USGG30yr monthly : The great thing is this month we have already made a NEW YEAR low so the “damage” has been inflicted.



USGG30yr weekly : The RSI is now very low just as the market hits the 23.6% ret 2.5334.



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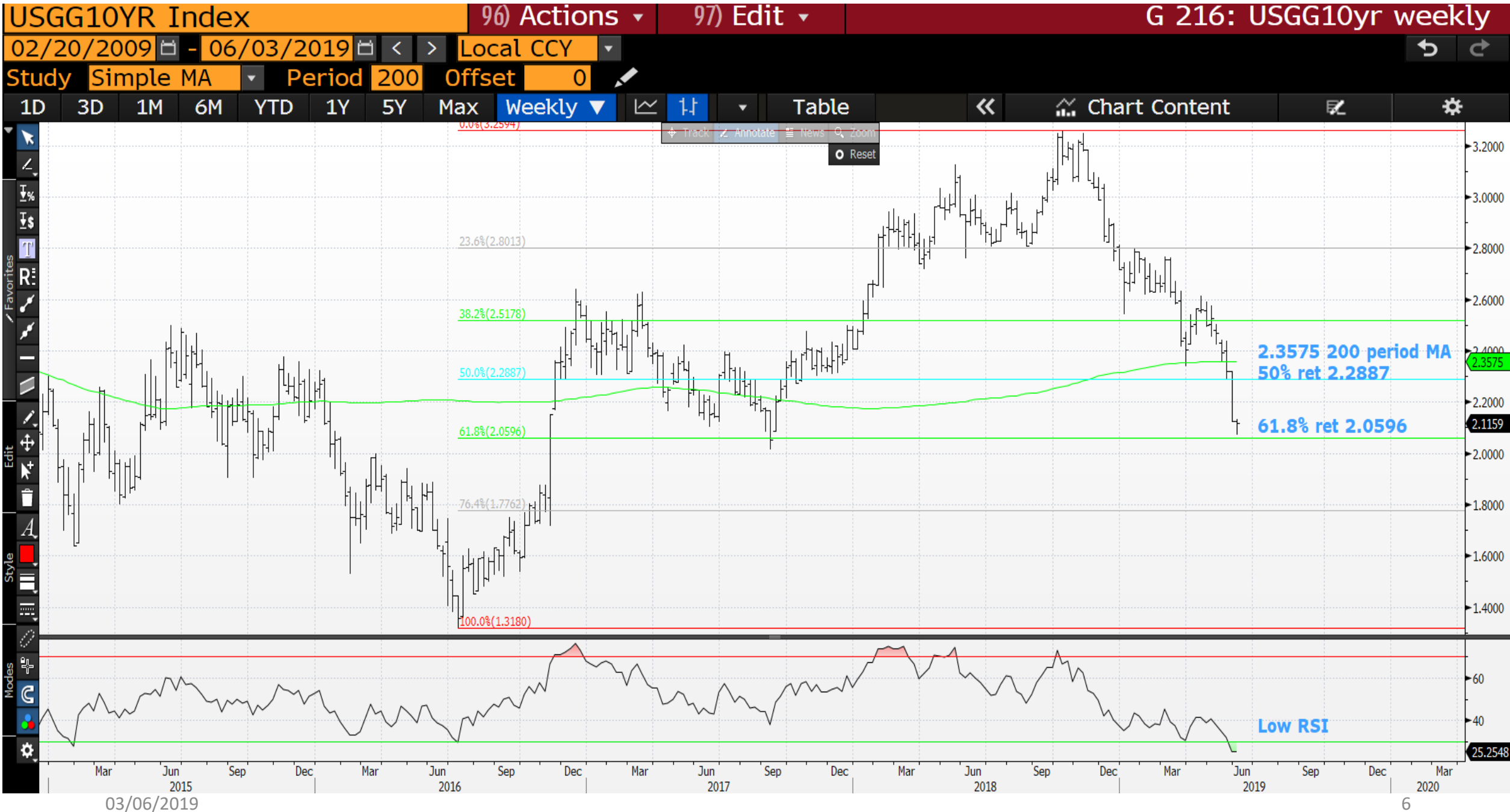
USGG30yr yield daily : The daily RSI is also very dislocated and has gone too far.



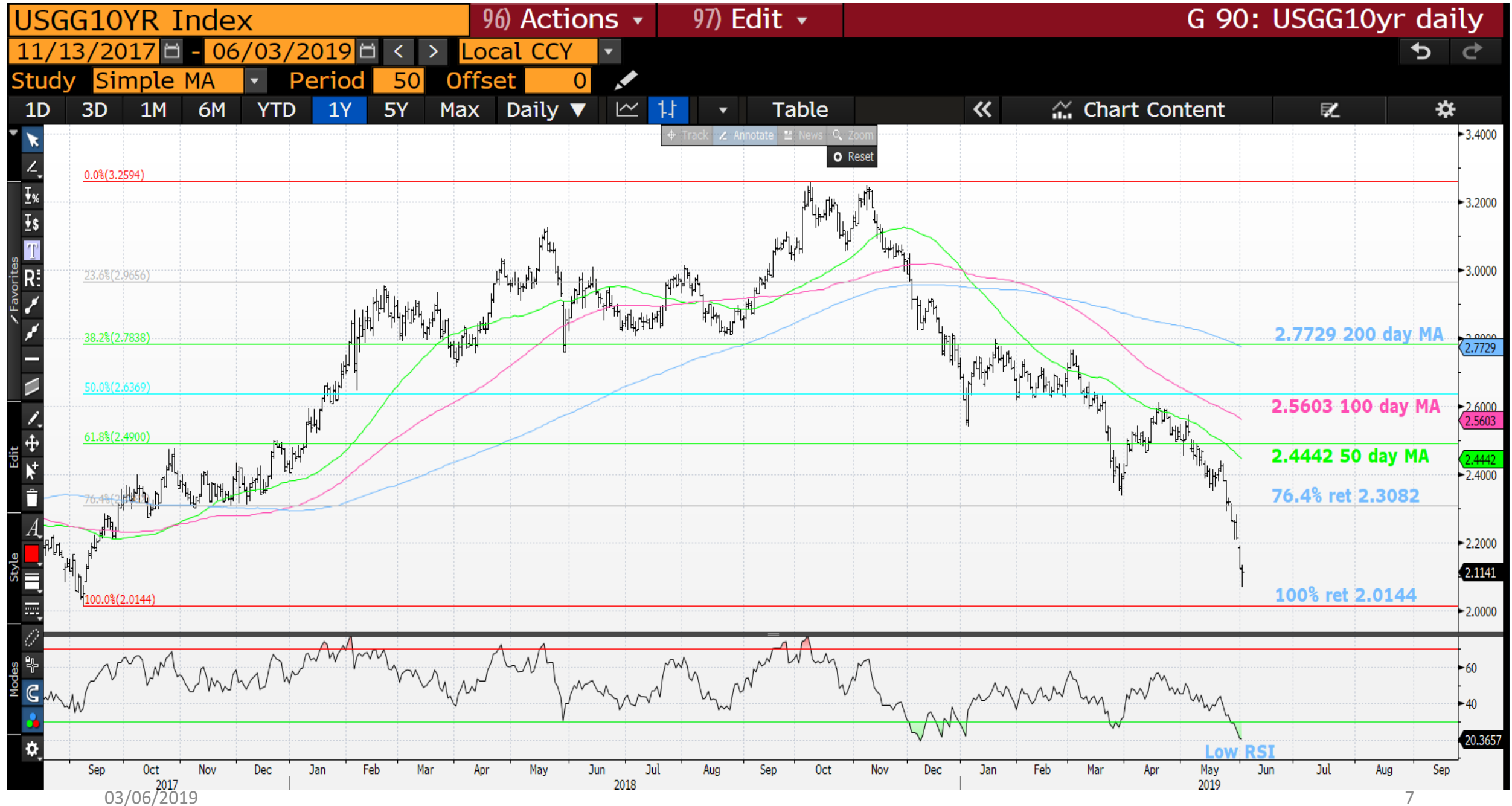
US 10yr yield quarterly : The long-term historical view remains for lower yields.



USGG10yr weekly : A weekly RSI extension that is hard to ignore just as we hit the 61.8% ret 2.0596.



USGG10yr daily : The daily RSI has a similar over extension close to the previous low 2.0144.



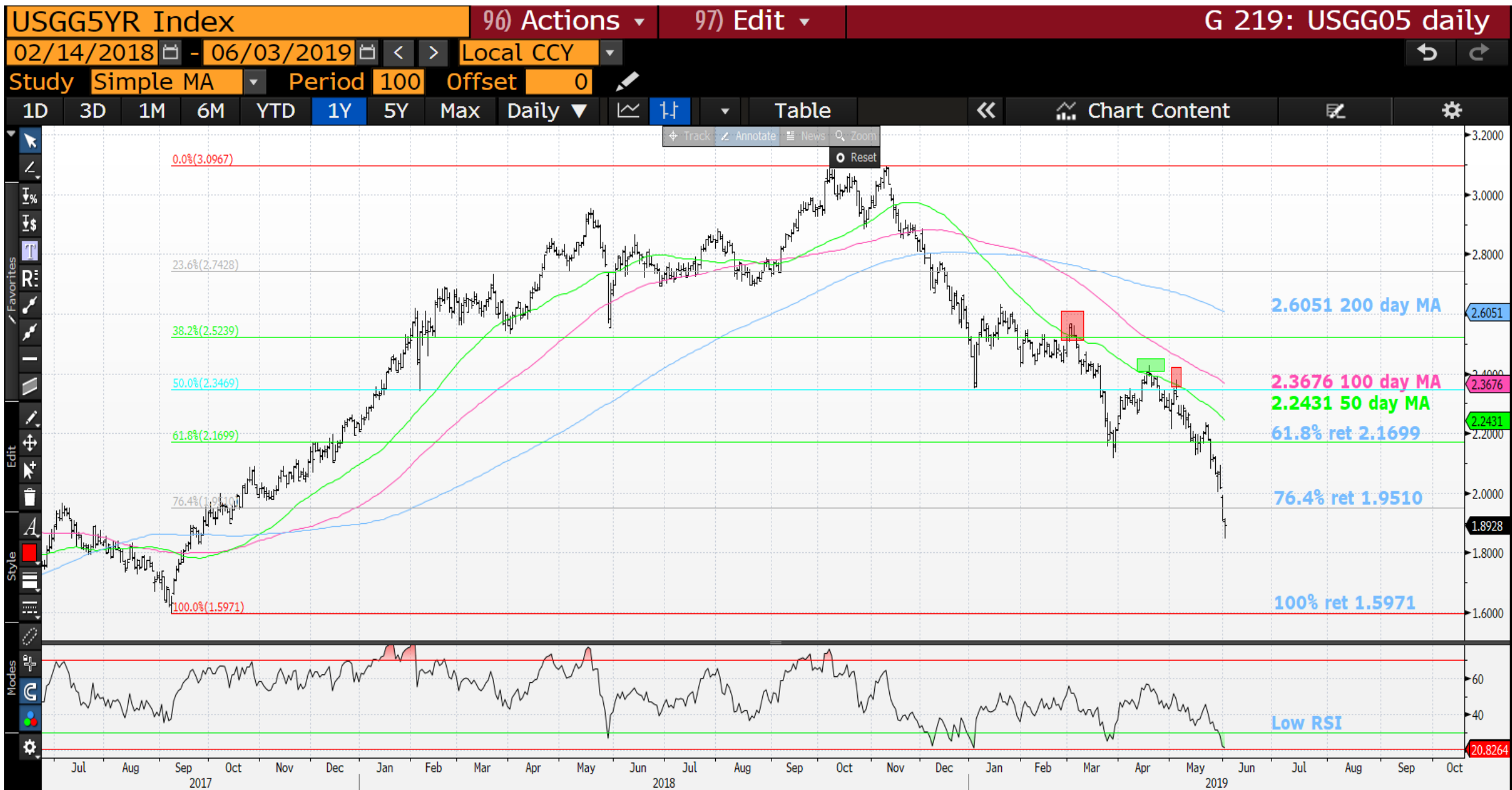
USGG5yr quarterly : We have breached the 1.9886 moving average and thus should continue lower.



USGG5yr weekly : Another low weekly RSI as we approach the 50% ret 1.8156.



USGG5yr daily : We might be SUB all major moving averages but the RSI is over extended here too.



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USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9005 with an RSI dislocation matching that of 1980. This really is forecasting SIGNIFICANTLY LOWER YIELDS.

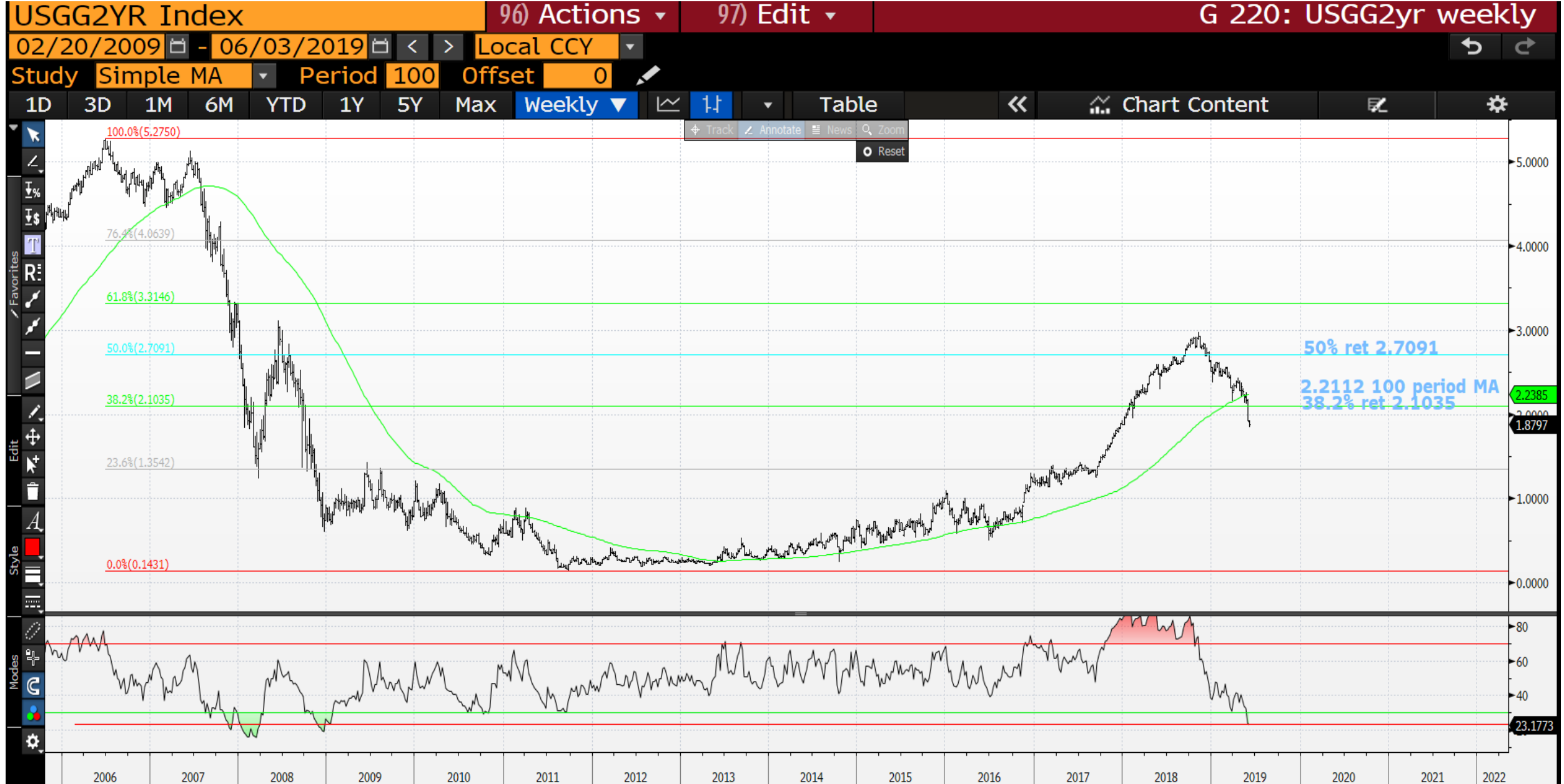


USGG2yr monthly : We have a new low this month and next stop the 23.6% ret 1.7448.



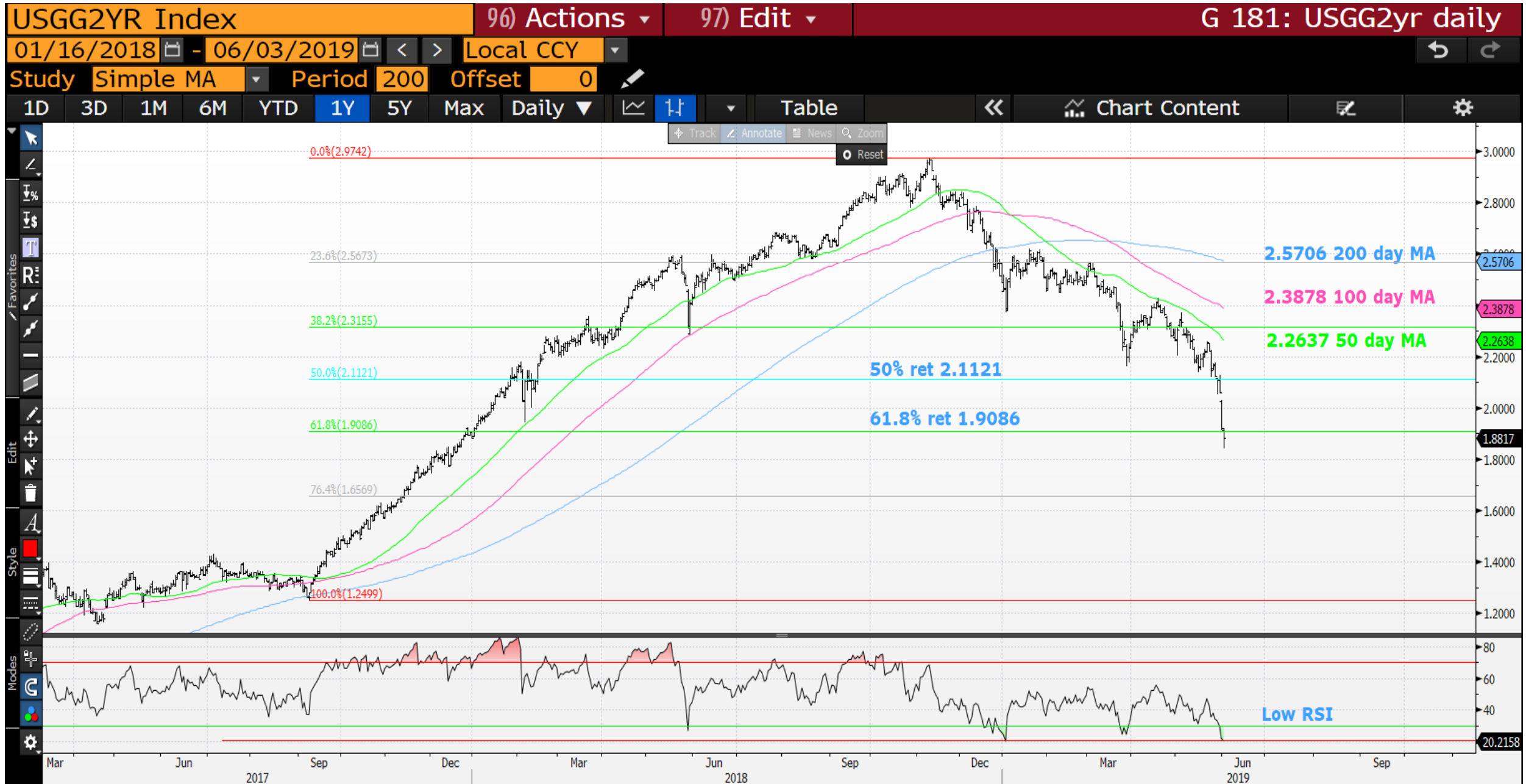
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USGG2yr weekly : We have breached most levels and the RSI is now VERY oversold.



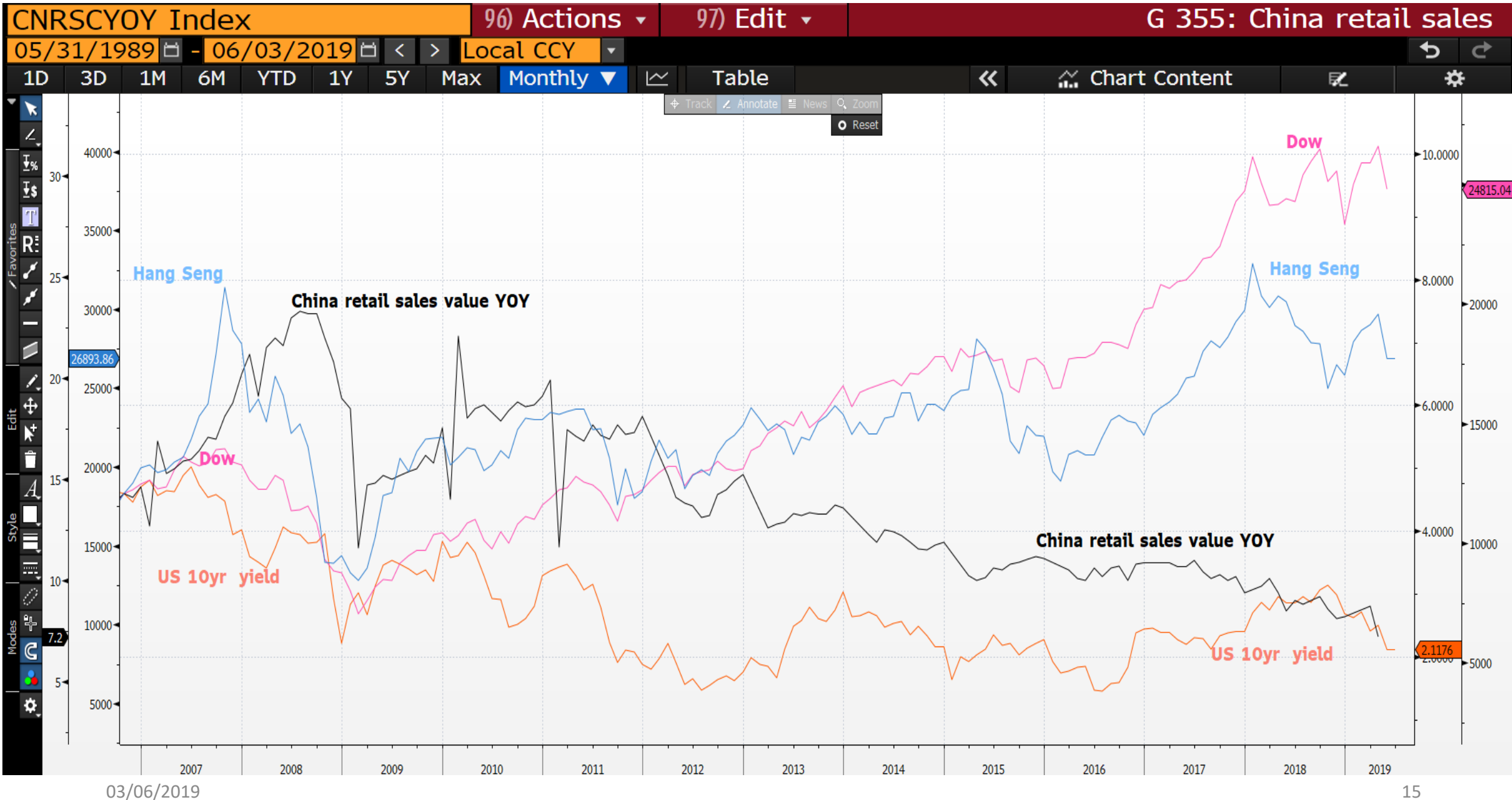
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USGG2yr daily : We REMAIN below ALL moving averages and teasing the 61.8% ret 1.9086. Given the RSI we look like finally holding.

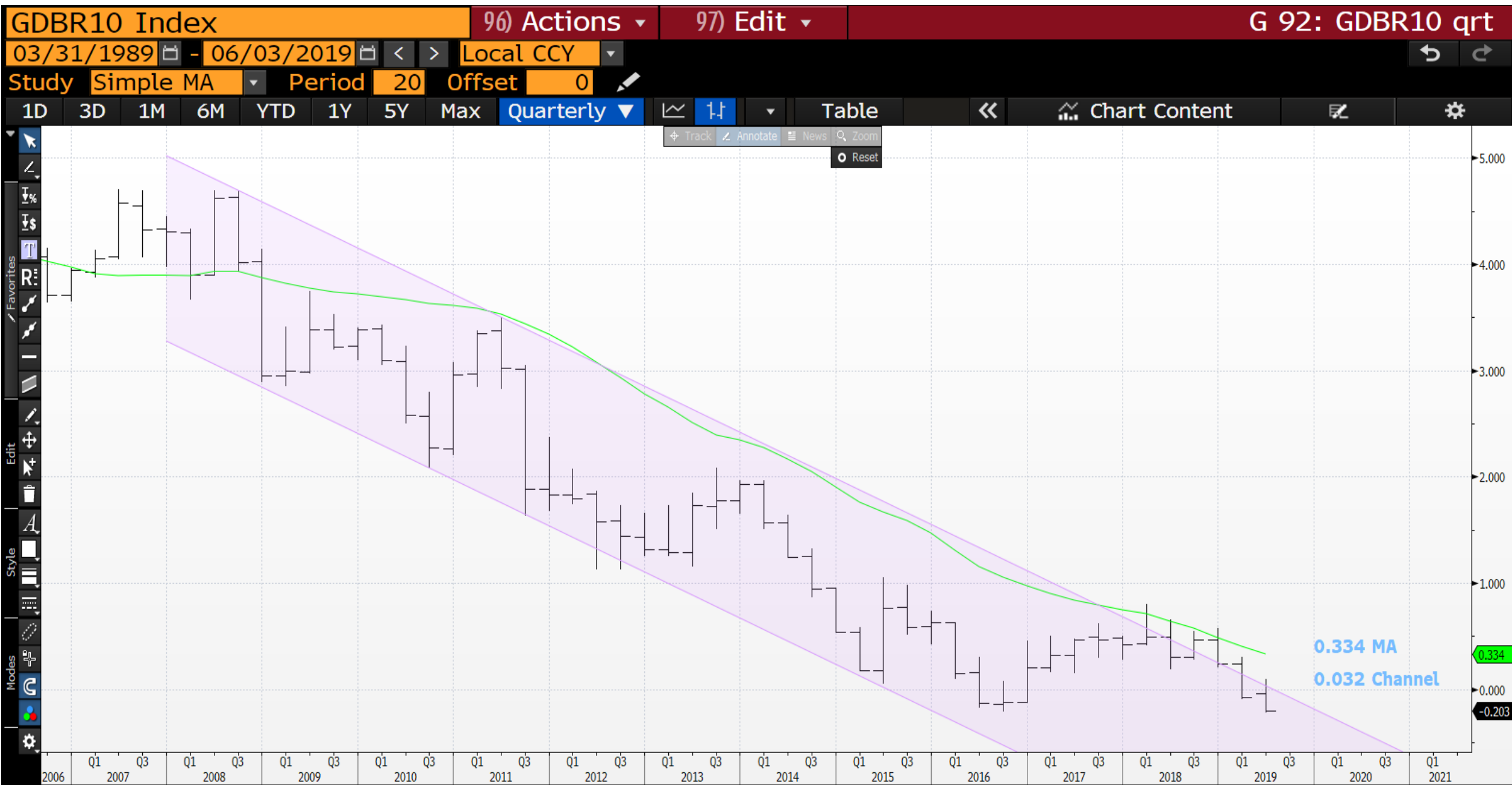


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China retail sales overlaid with US 10yr yields, Hang Seng and Dow : If US yields are historically going lower alongside China retail sales then begs the question, HOW WRONG ARE STOCKS?



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



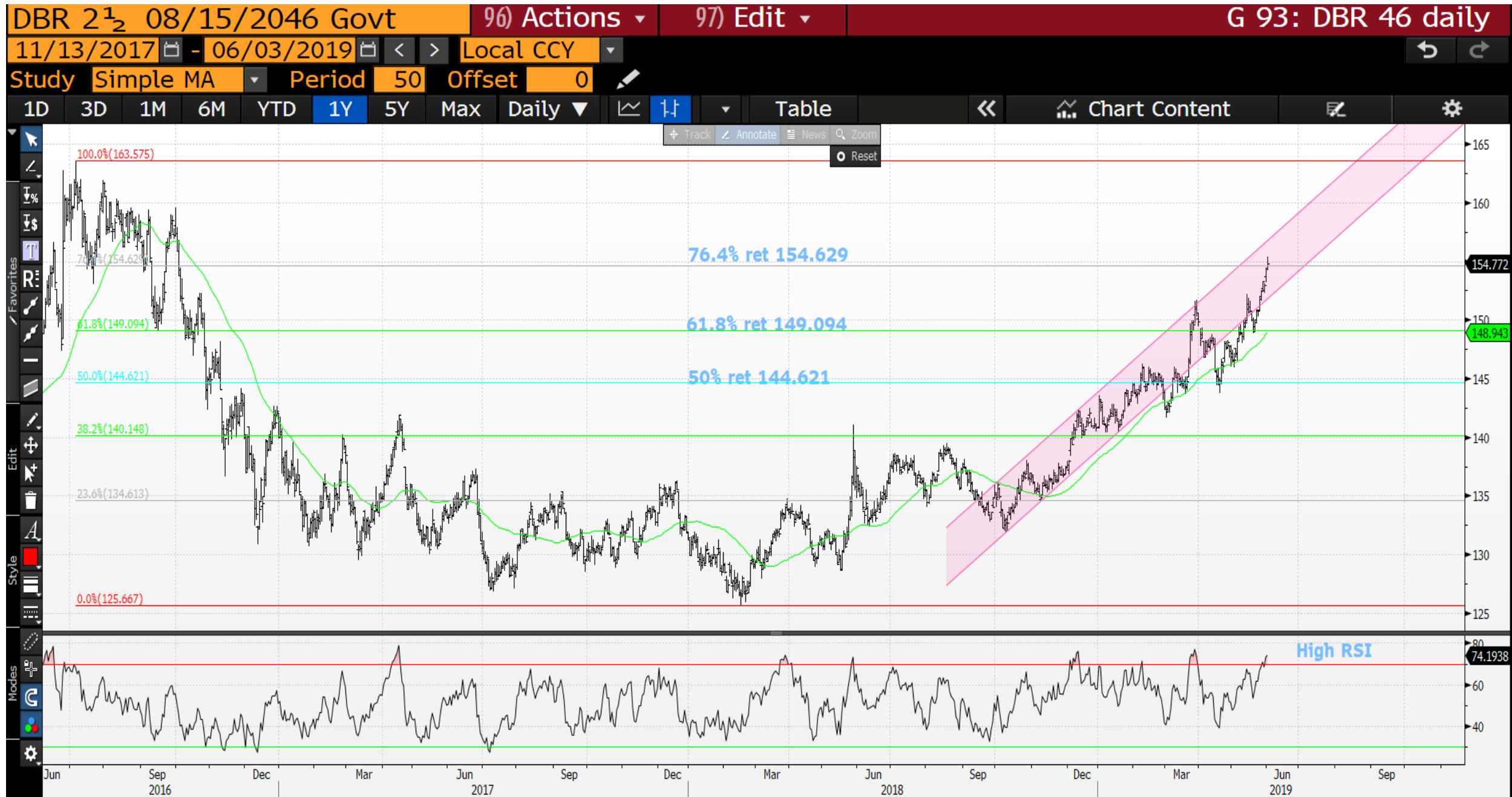
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Generic German 10yr daily : We have taken the RSI to a very oversold state as we hit the previous low.



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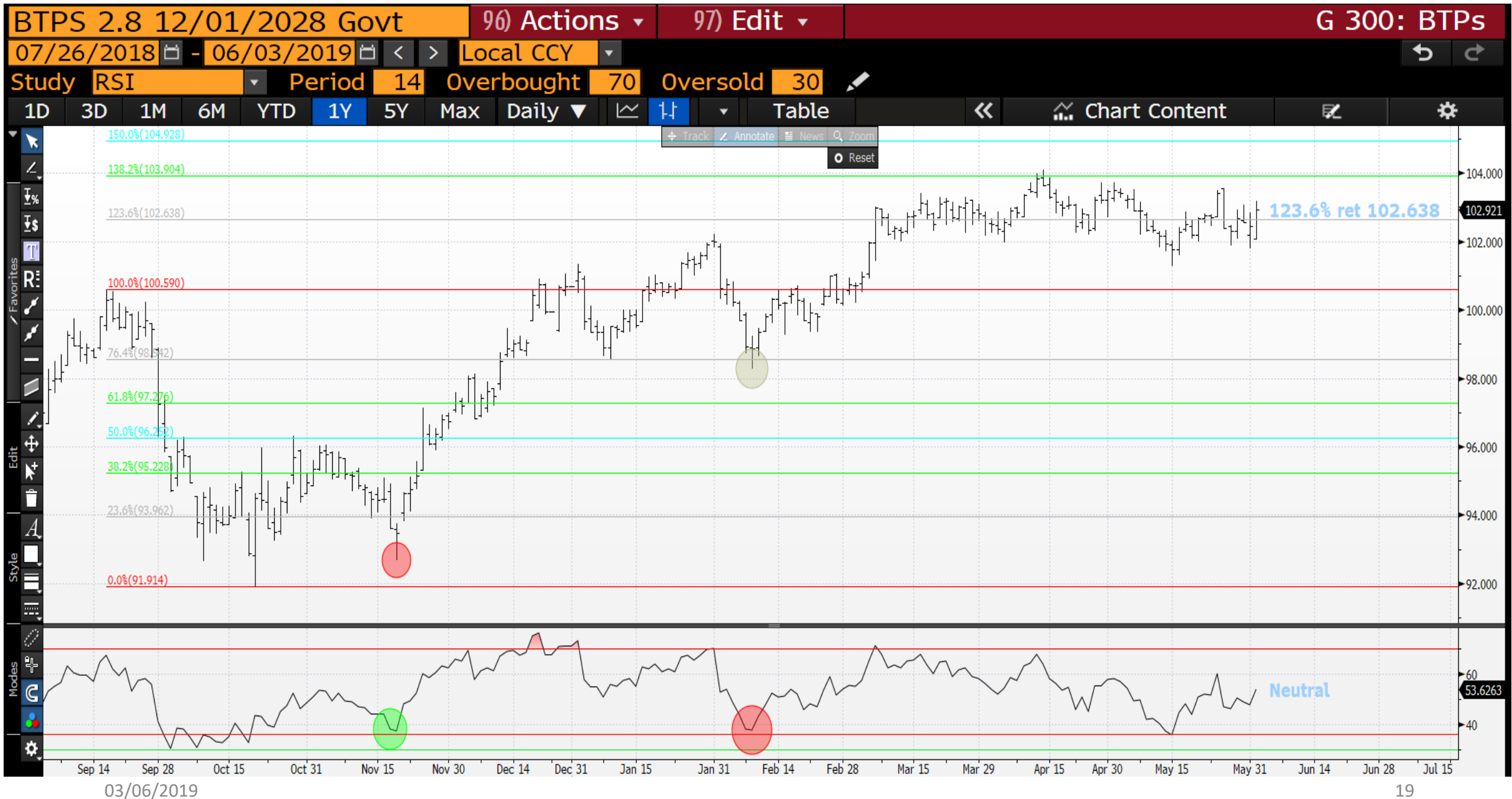
DBR 46 daily : As always the ever reliable bond but might be worth taking profits given the RSI.



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BTP 12/28 daily : NEUTRAL!



GUKG10yr daily : The RSI now looks very LOW.



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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