

MULTI ASSET UPDATE : STOCKS ITS NOW OR NEVER, IT IS NOW! IT IS TIME FOR STOCKS TO DE-COUPLE FROM BONDS.

**BONDS : BOND YIELDS CONTINUE TO GRIND LOWER OR AT WORSE SIDEWAYS.
THE US 2YR CHART WORTH WATCHING GIVEN WE ARE TEASING THE MULTI YEAR 23.6% RET 1.7448 (PAGE 13).**

**EQUITIES : THE TIME IS NOW RIGHT FOR A TOP AND IT NEEDS TO BE FOLLOWED BY A RAPID DEMISE INTO QUARTER END!
WE ARE NOW FORMING TOPS ON MANY MARKETS HIGHLIGHTED BY SINGLE STOCKS.
STOPS ON STOCKS ABOVE RECENT INDEX HIGHS.**

US CURVES : The curves have snapped back from their recent flattening and ALL are set back on the BULL STEEPING THEME BUT this time led by the frontend.

FX : DXY is the key element here should it breach the long-term 50% ret 95.859 then its free fall time, aiding AUD, CAD and most USD EM ideas. (Page 52).

OIL and GOLD : Oil has a decision given we are SAT at the convergence of 50 and 200 day moving averages. (Page 65).

Gold continues to be the safe haven trade but the daily has reached an over bought state.

FX UPDATE

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USGG30yr monthly : History continues to repeat. The long-term outlook remains for MUCH lower yields. Target low this month remains 2.300.



USGG30yr weekly : THE DILEMA AND PROBLEM CHART! Post the last chart depicting 2.300 target we still have the ISSUE of an 2016 RSI dislocation! Previous YIELD bounces were sizeable. A TOUGH CALL.



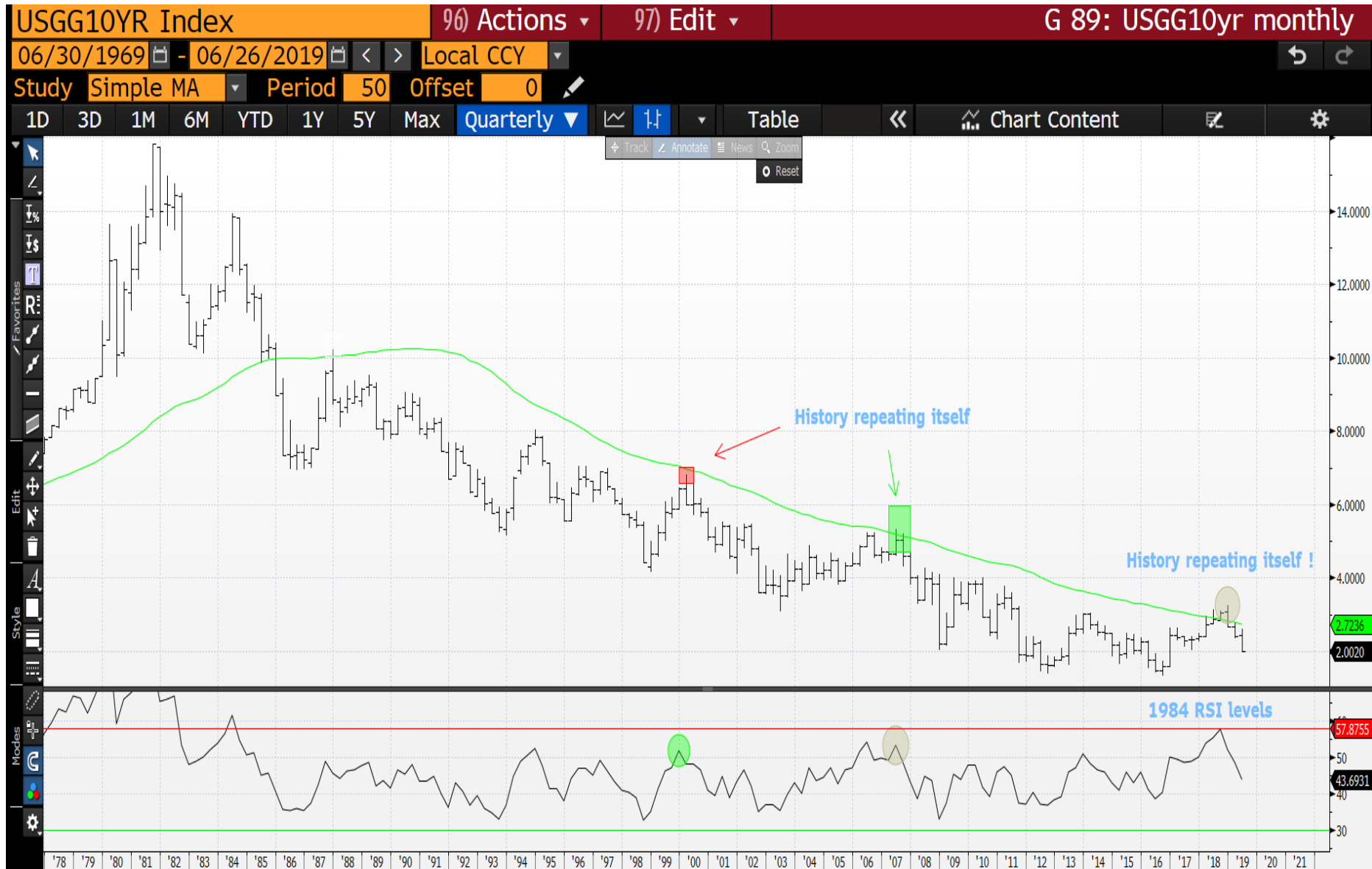
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USGG30yr yield daily : The RSI is neutral and leaving scope for a visit of the 123.6% ret 2.4368.

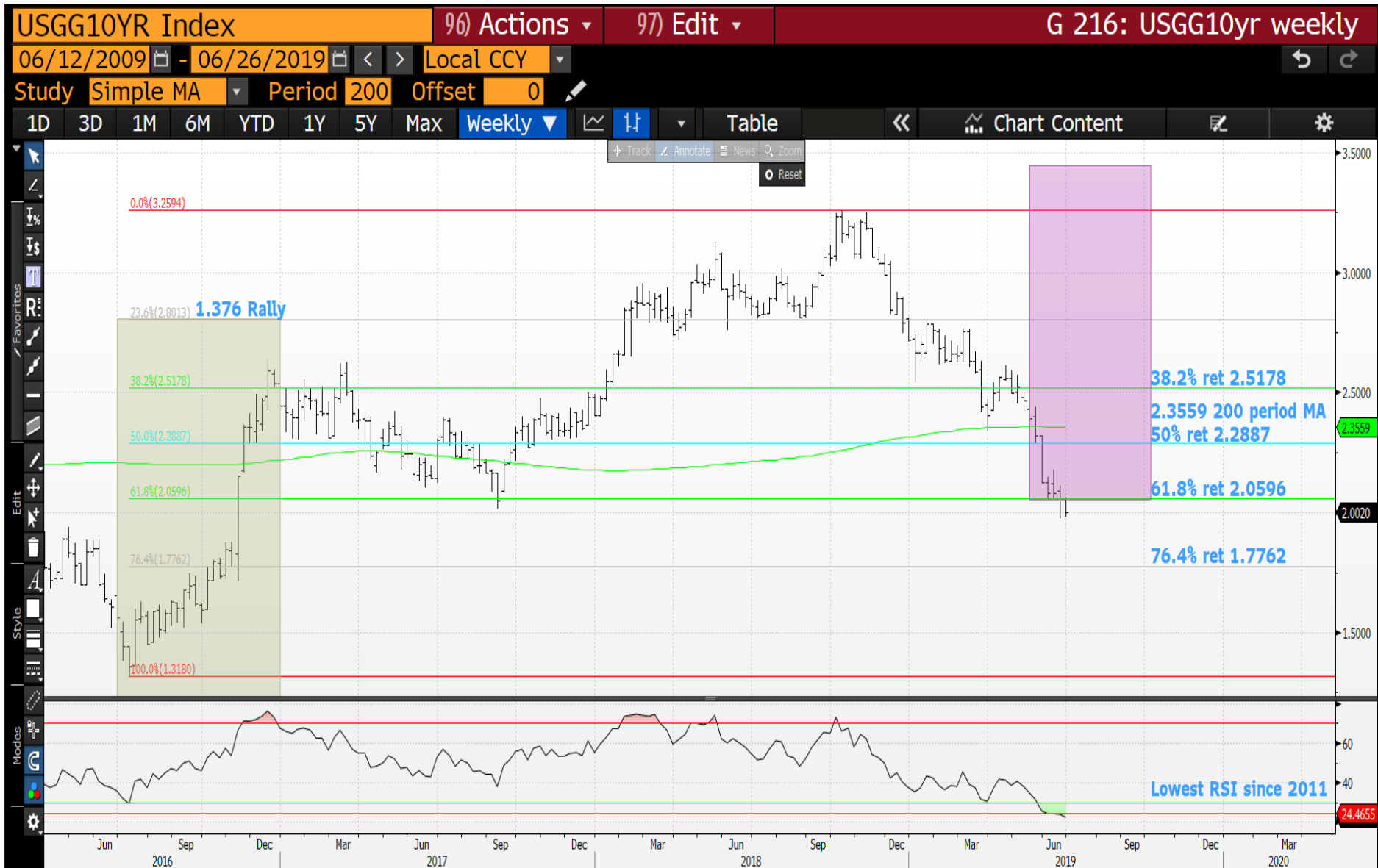


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US 10yr yield quarterly : One of the best charts to remind ALL about the historical performance back in 2000 and 2007! Lower we go, possible target low 1.7762.



US 10yr yield weekly : Despite the RSI dislocation we have managed to breach the multi year 61.8% ret 2.0596, next target is the 76.4% ret 1.7762.



USGG10yr daily : The RSI is off its lows so ideally we remain sub the 100% ret 2.0144.



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USGG5yr quarterly : History is telling us everything we need to know, remember RSI driven expectation was higher than 2000 and 2007. We have a New Year low and target 1.5133.

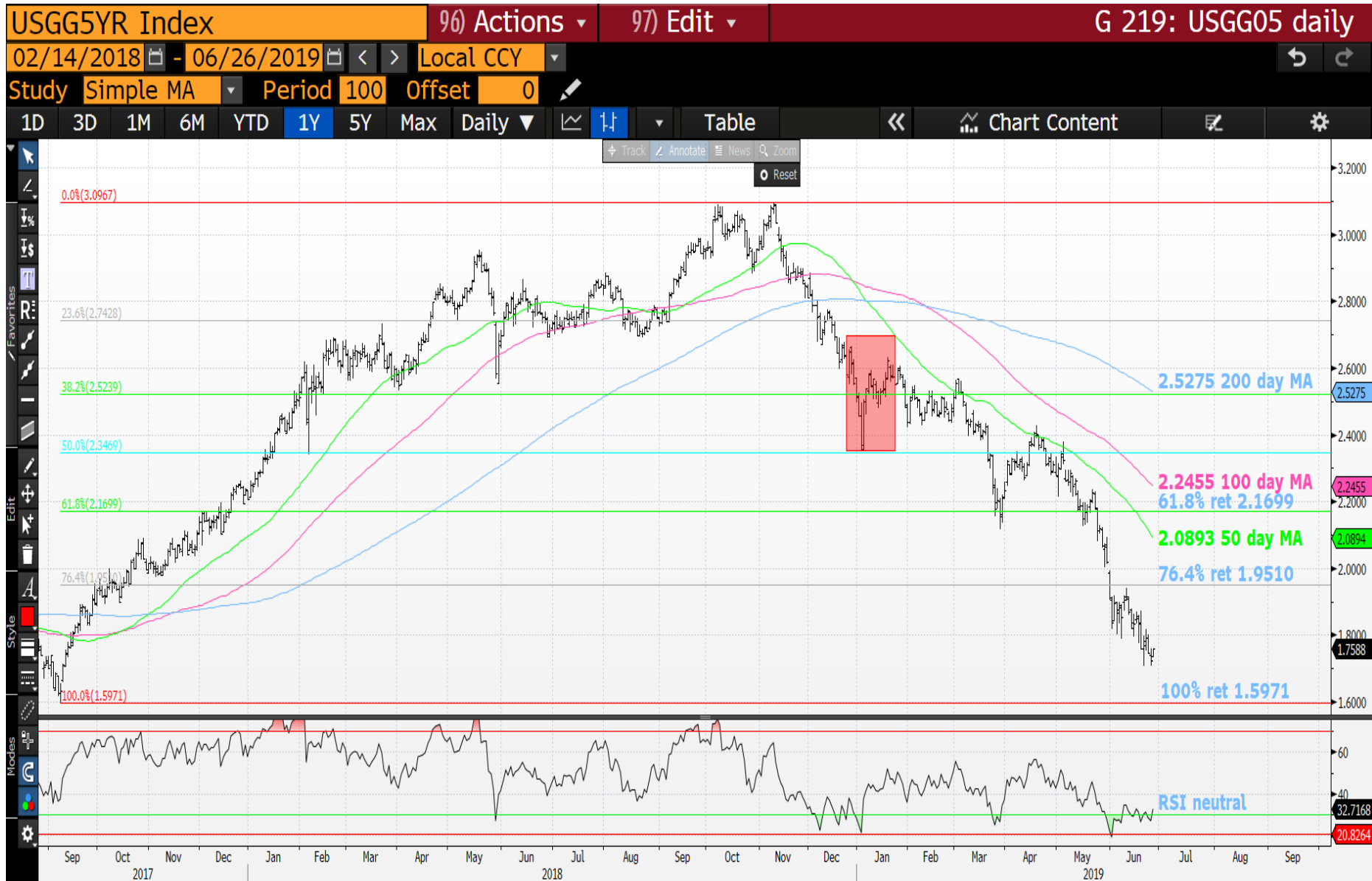


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USGG5yr monthly : We managed to print a new yield low that despite the problematic 2010 RSI! As mentioned 1.5133 next stop.



USGG5yr daily : We could ONLY recover to the 76.4% ret 1.9510 so a disappointing bounce, next stop the 100% ret 1.5971.



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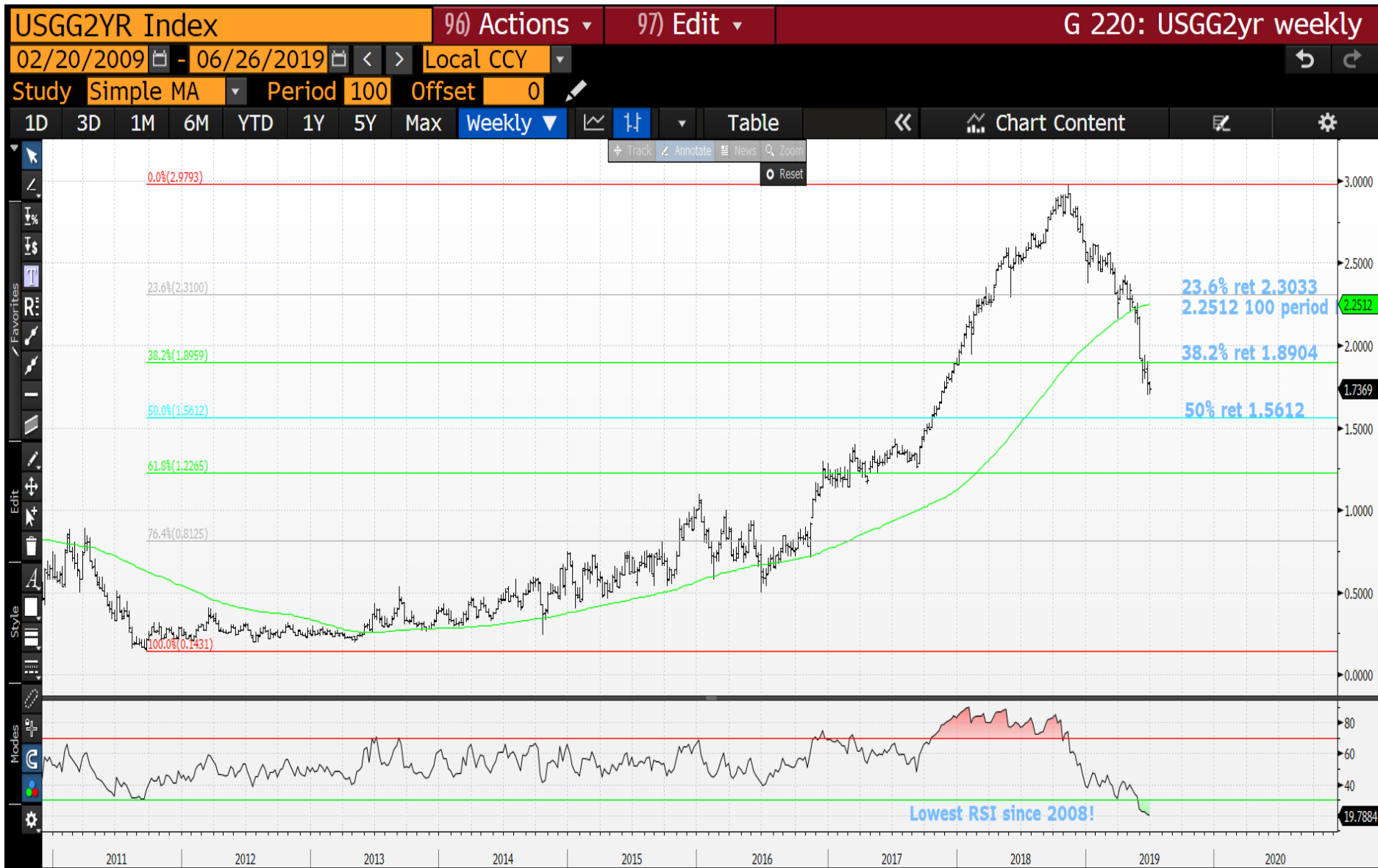
USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9884 with an RSI dislocation matching that of 1980. It is worth noting that since 1980 we have had other event miles-stones that failed to really influence the RSI, as NOW.



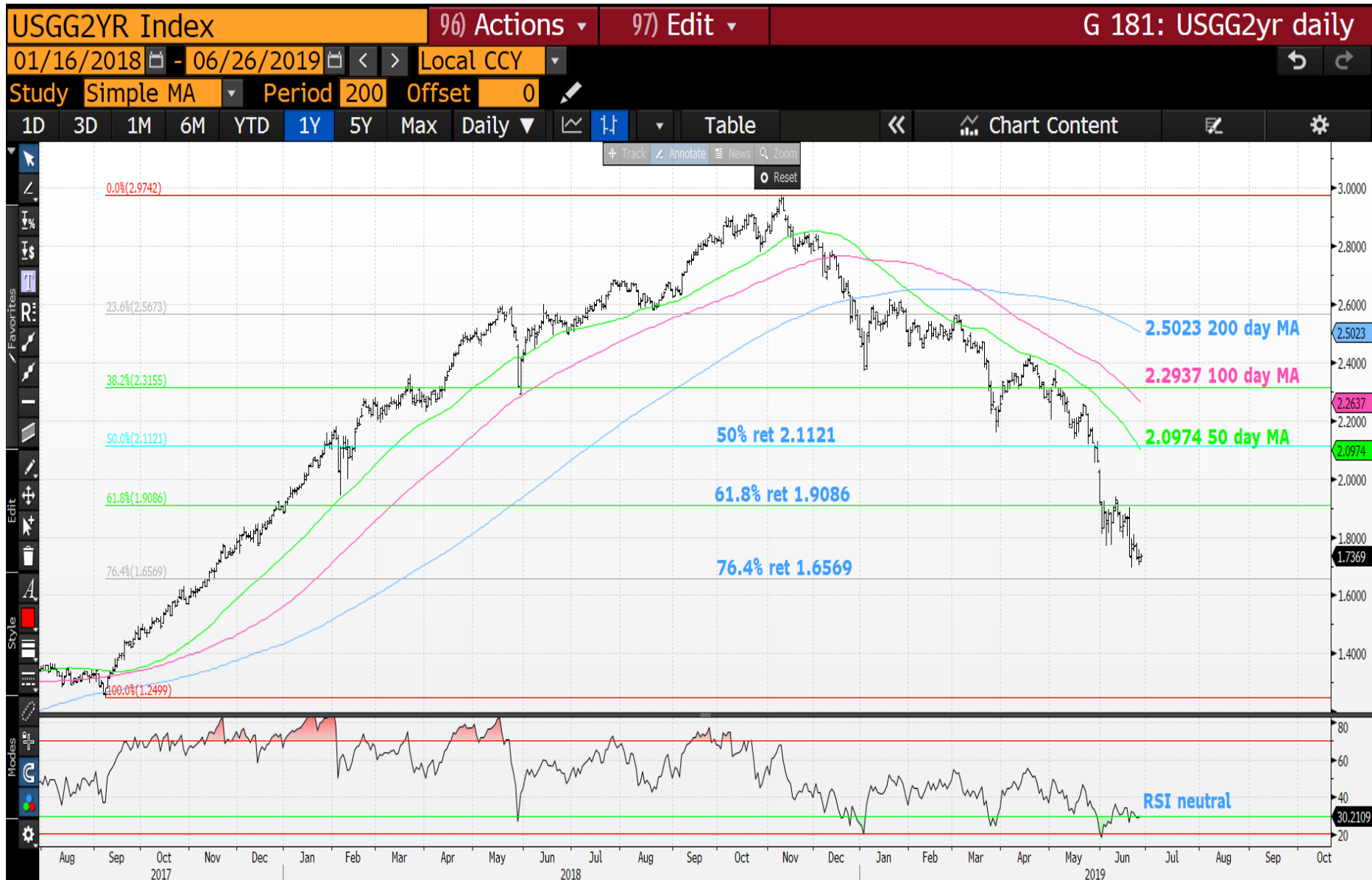
USGG2yr monthly : We have arrived at a very big decision point, I.E. the multi year 23.6% ret 1.7448 and 200 period moving average.



USGG2yr monthly : Another ridiculous RSI extension that has failed to create a reaction, next stop the 50% ret 1.5612.



USGG2yr daily : A perfect failure at the 61.8% ret 1.9086 and now targeting the 76.4% ret 1.6569.



Generic German 10yr quarterly : Plenty of room to head lower DESPITE the yields involved.



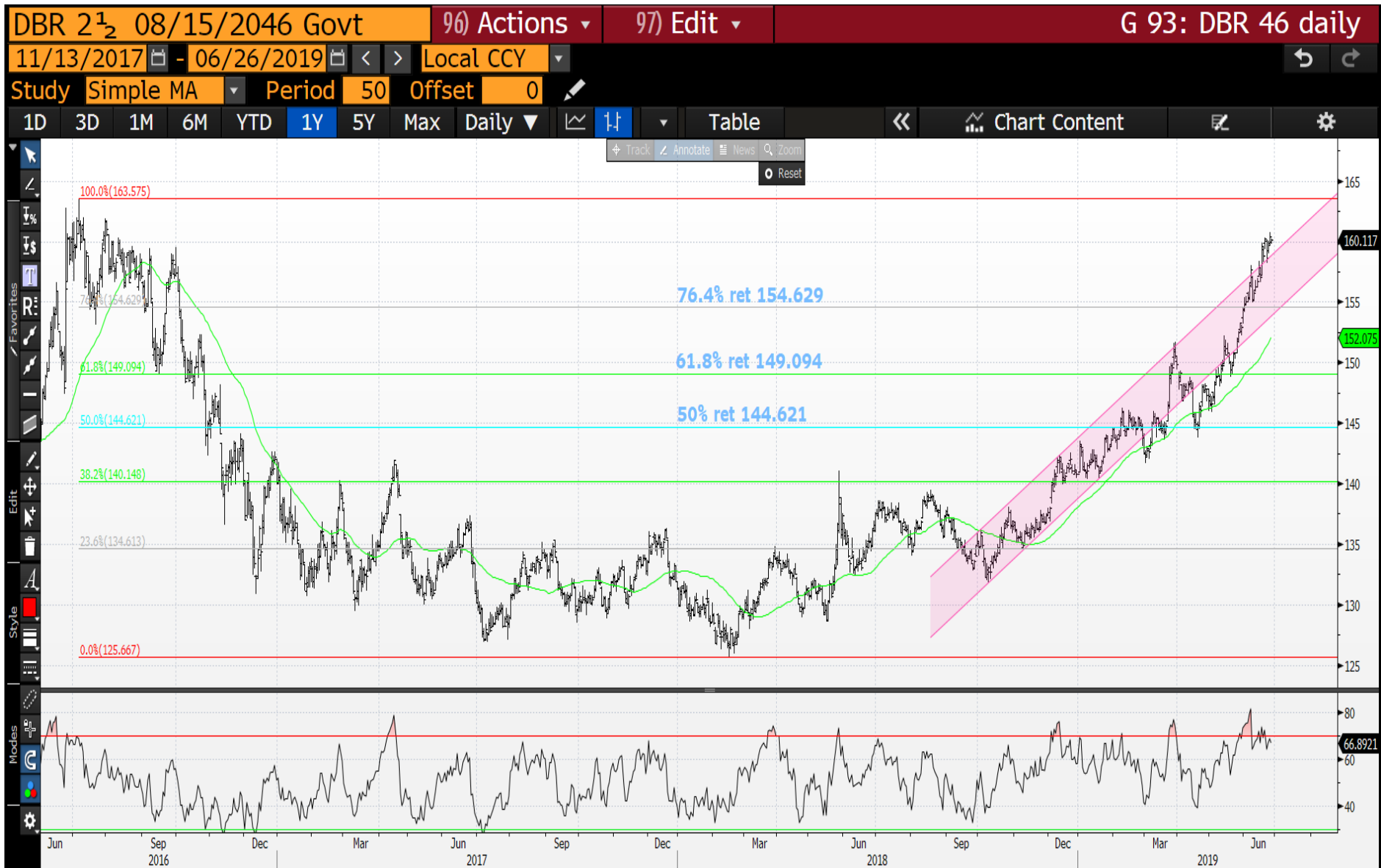
Generic German 10yr daily : Again the daily RSI is over extended however the market continues to edge lower.



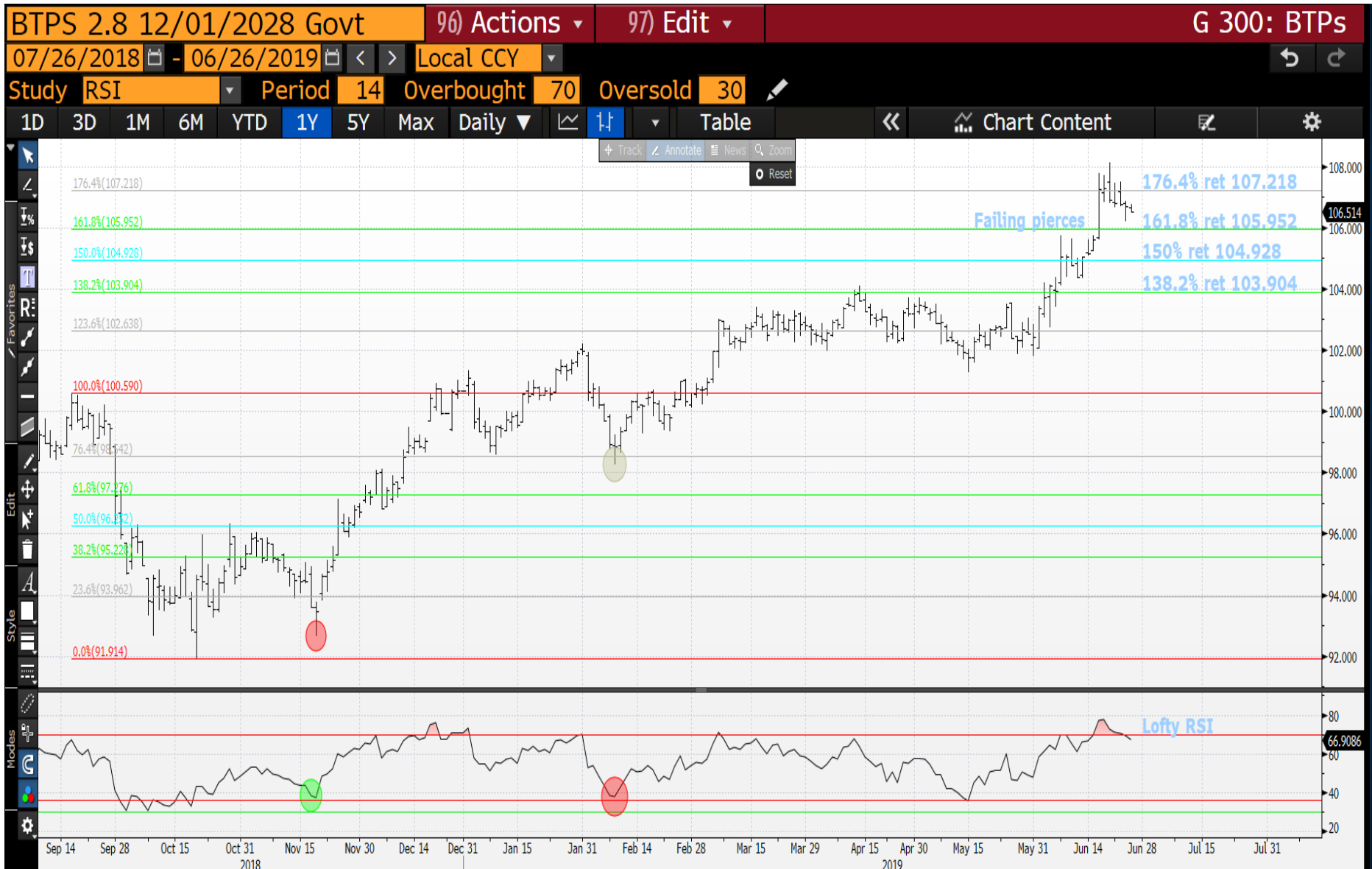
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DBR 46 daily : Such a resilient bond and poised to CONTINUE to the previous highs 163.575.



BTP 12/28 daily : This RSI is NOW A WORRY, would tend to liquidate any longs, sub the 161.8% ret 105.952 will trigger stops.



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GUKG10 monthly : Similar to Germany, plenty more downside and would argue we replicate last months range taking us to a low of 0.633, despite the yields involved.



US curves

- It now appears that the front end curves **WILL LEAD** a bull steepening this time.
- These have become a **VERY NEUTRAL** and choppy call not helped by the current yield indecision.
- Certainly chart wise would not use the curve to represent **ANY** directional market views.

US 2-5 curve monthly : A multi year base and LOW RSI to match.

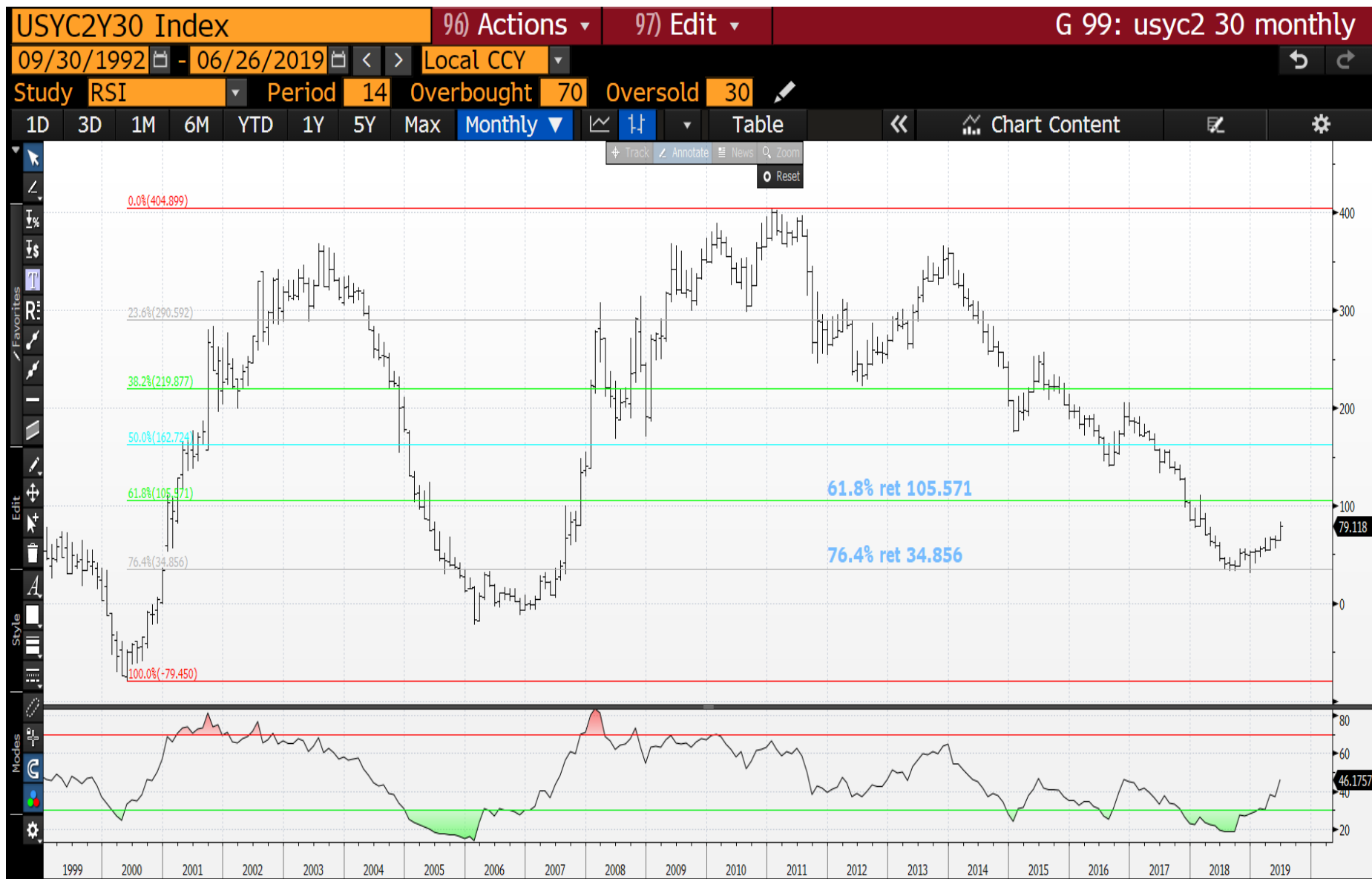


US 2-10 curve monthly : Another near perfect base and breach of the ALL important 76.4% ret 26.639.



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US 5-30 curve monthly : The market seems back on track for a steepener, next stop the 61.8% ret 105.571.



US 5-10 curve monthly : Another sharp reversal on the week to a steepening bias, next break level is the 61.8% ret 54.752.



US 5-30 curve monthly : Another curve that snapped back on yesterdays decision and key breach of the 61.8% ret 76.976.



US 10-30 curve monthly : All change as we now head steeper heading toward the 50% ret 63.918.



EQUITIES

EQUITIES : IT IS NOW TIME FOR STOCKS TO HEAD LOWER, STOPS ABOVE ALL RECENT HIGHS. THAT EASY!

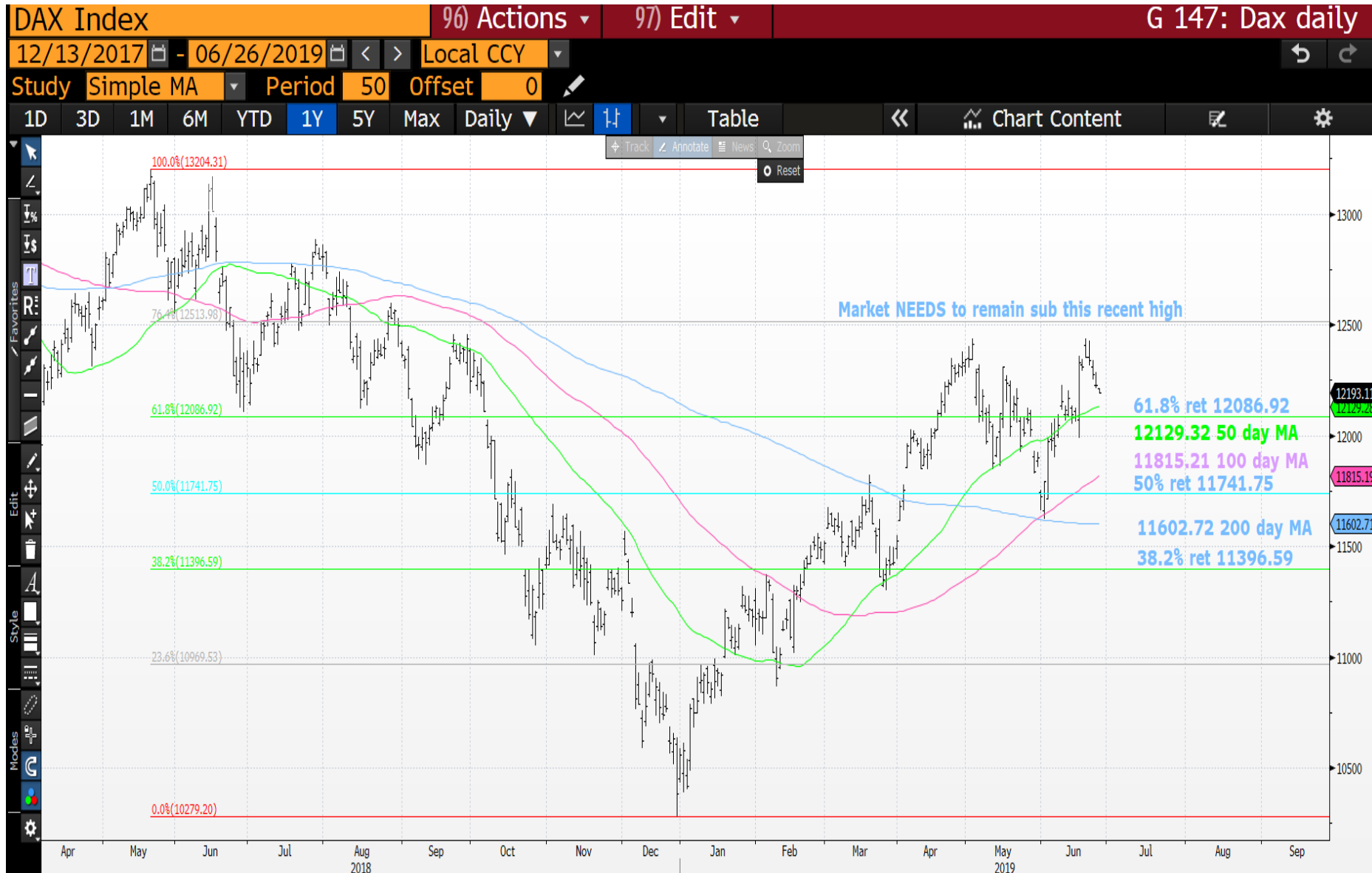
Stocks have been a CHALLENGE BEFORE and once again have bounced with bonds BUT I still feel Mr Trump will put pay to that again.

Mr Trump still remains a wild card and negative for the stock market despite all assurances yesterday about meeting Mr Xi.

DAX monthly : The last 3 months are forming a top IF we fail and weaken into the quarter end.



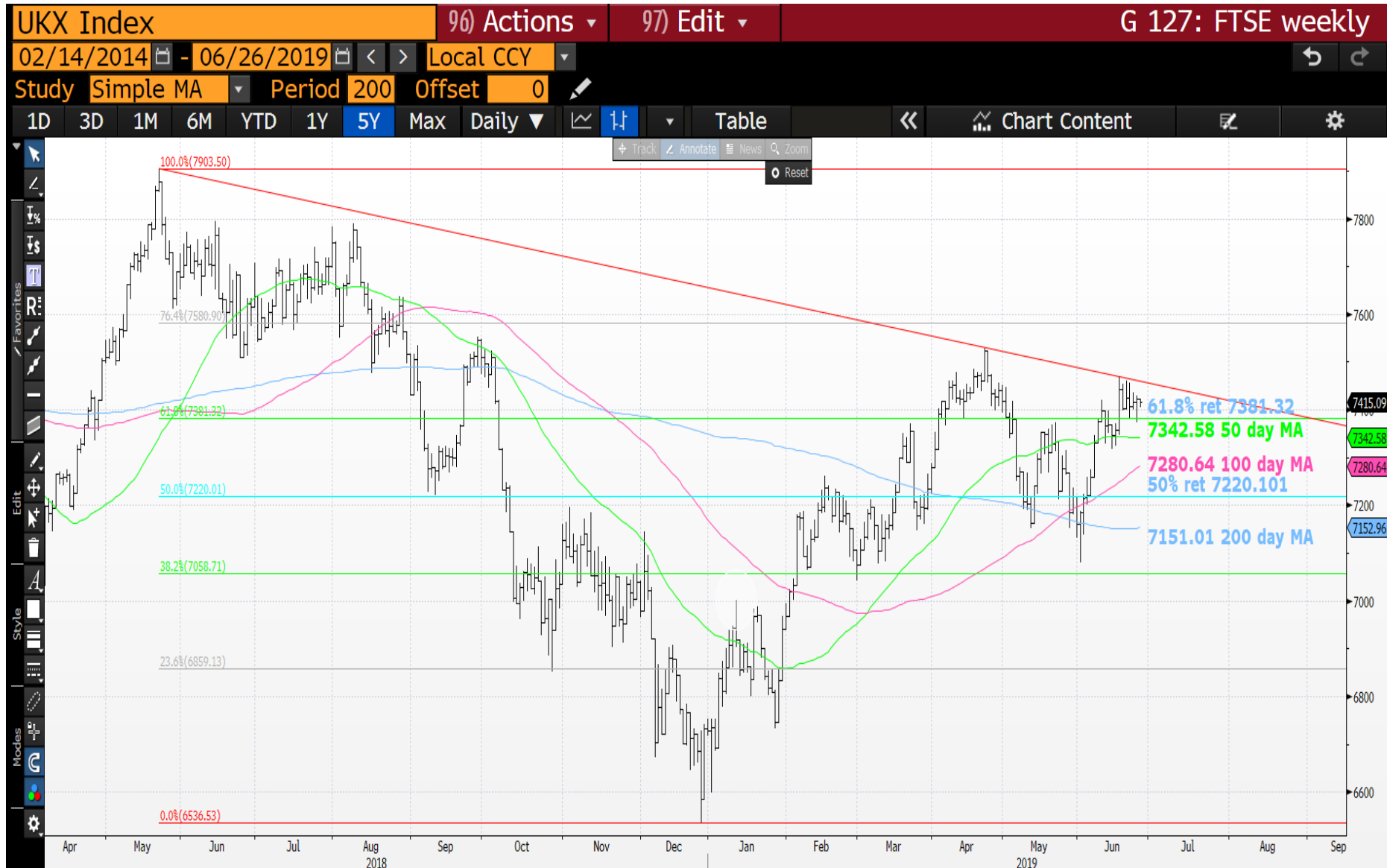
Dax daily : All to play for here! We have a TOP but now NEED to start breaching downside levels. Sub the 12129.32 50 day moving average would be a good start.



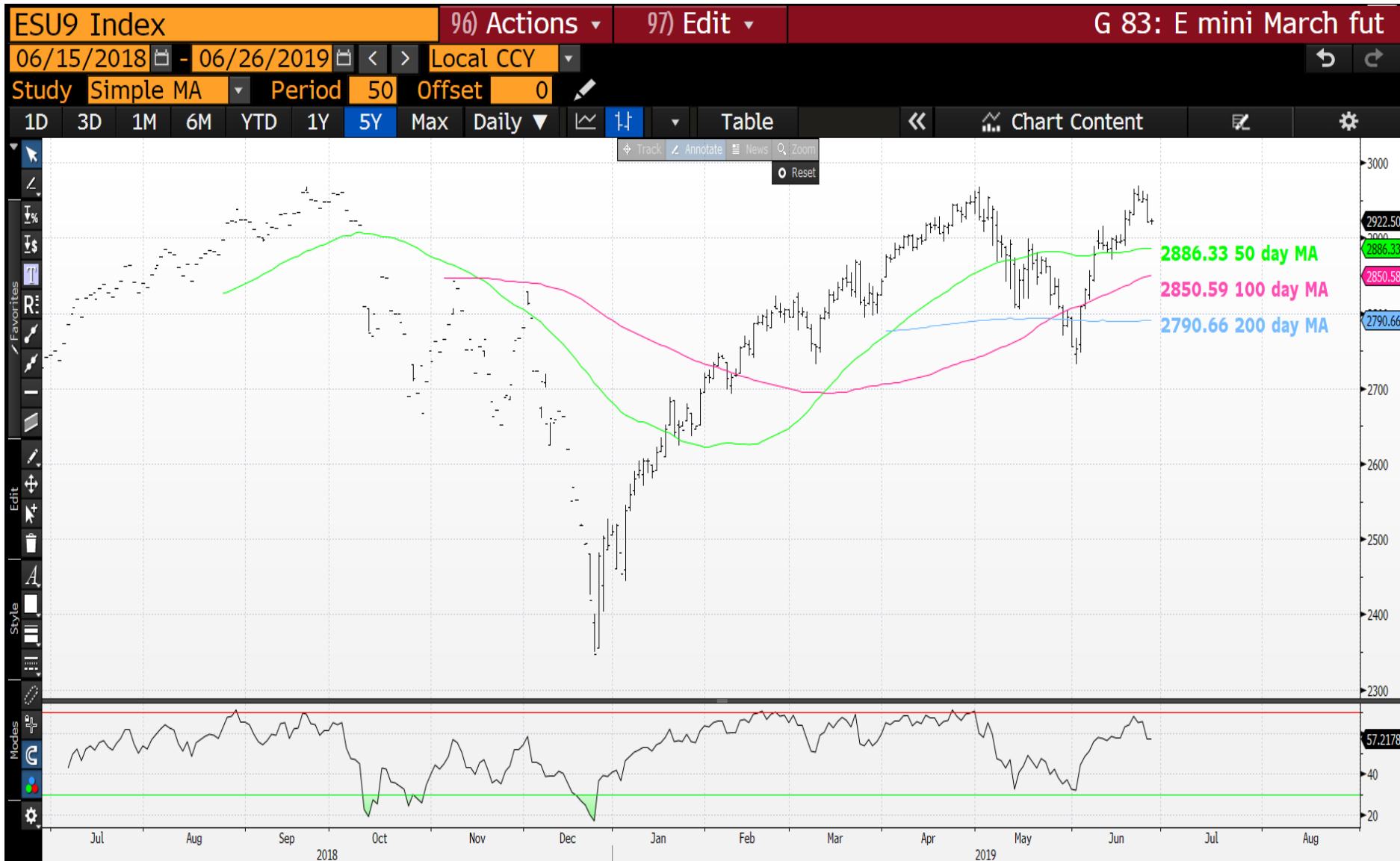
FTSE monthly : We persist in failing the all important 123.6% ret 7527.88, KEY now that we head lower!



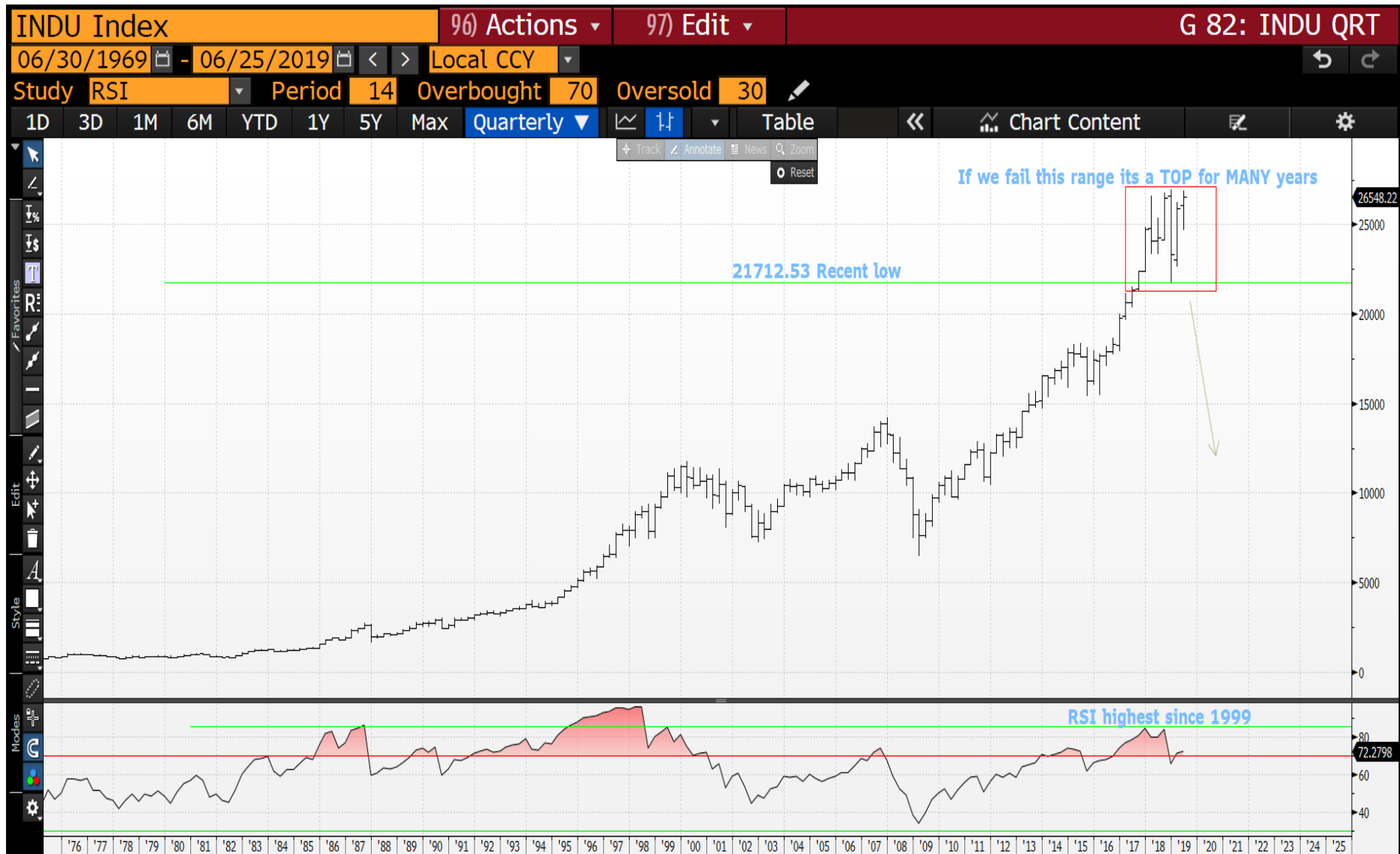
FTSE daily : A significant trend line but we do need to start breaking below the retracements and moving averages.



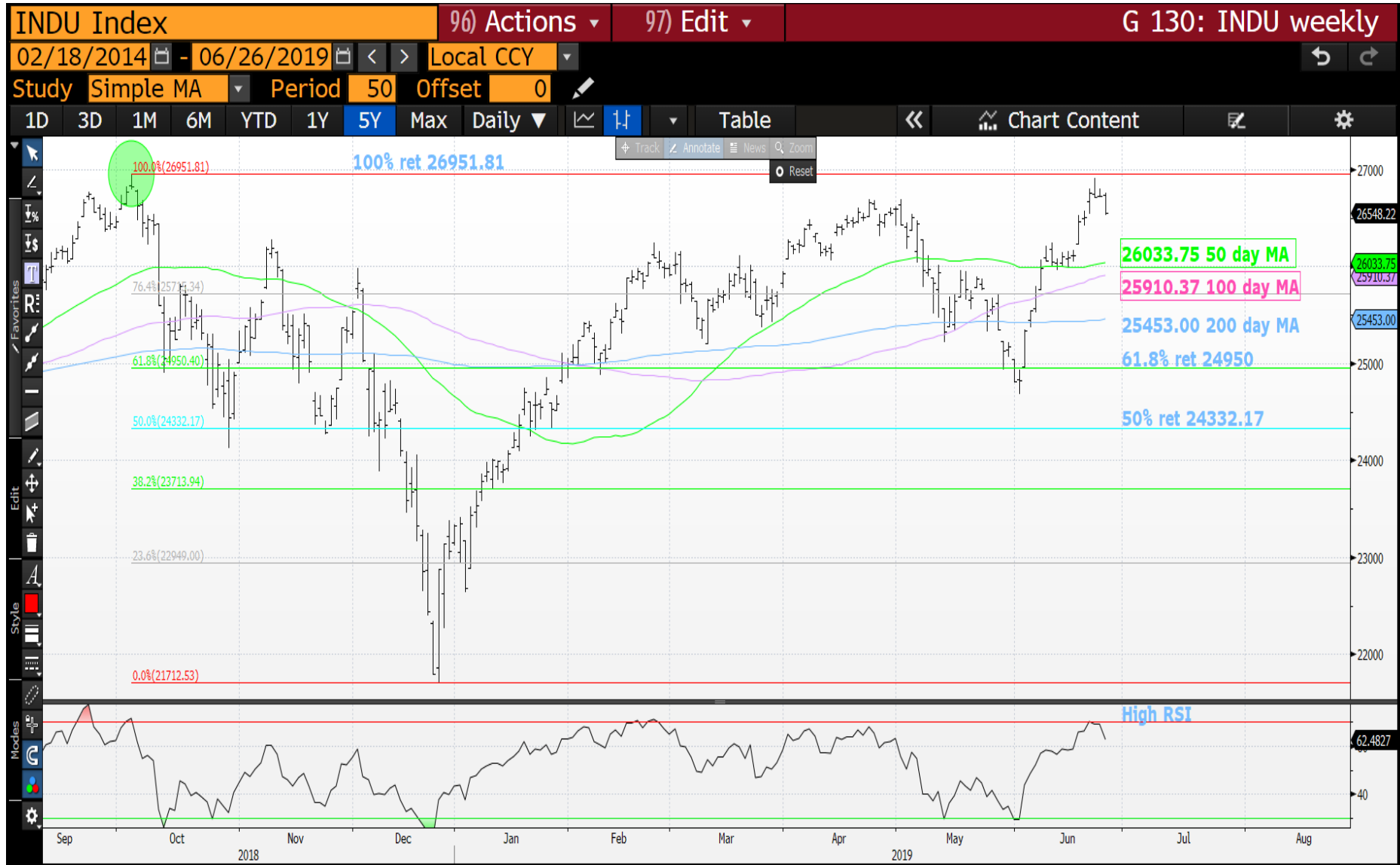
E mini S*P daily : The RSI remains high BUT we do need to start breaching the moving averages.



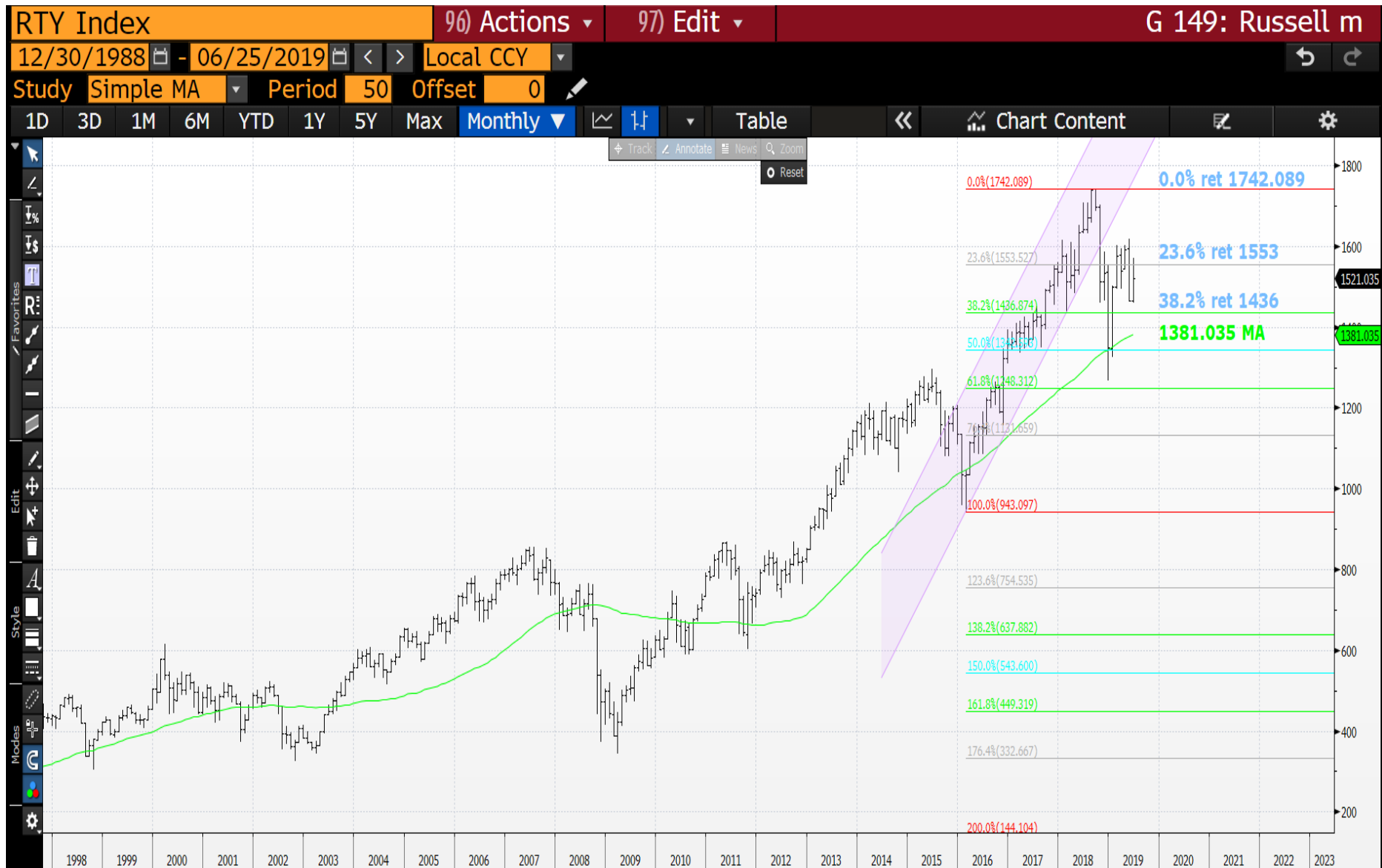
DOW quarterly : We remain close to the recent highs BUT these need to hold.



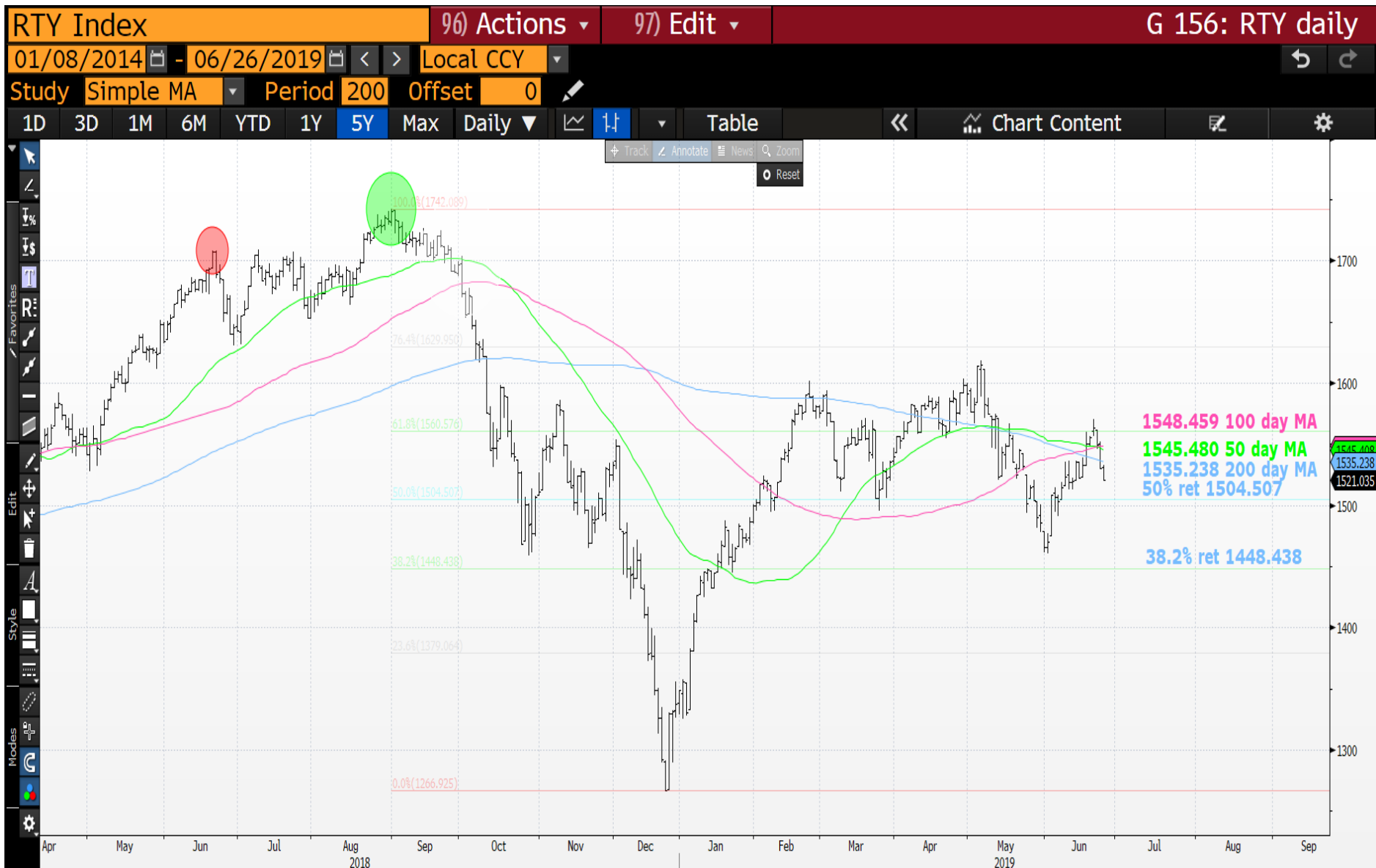
DOW daily : A top is in?! The timing could not be more perfect given our proximity to the previous high and RSI positioning.



Russell monthly : We remain sub the 23.6% ret 1553, thus should head lower.



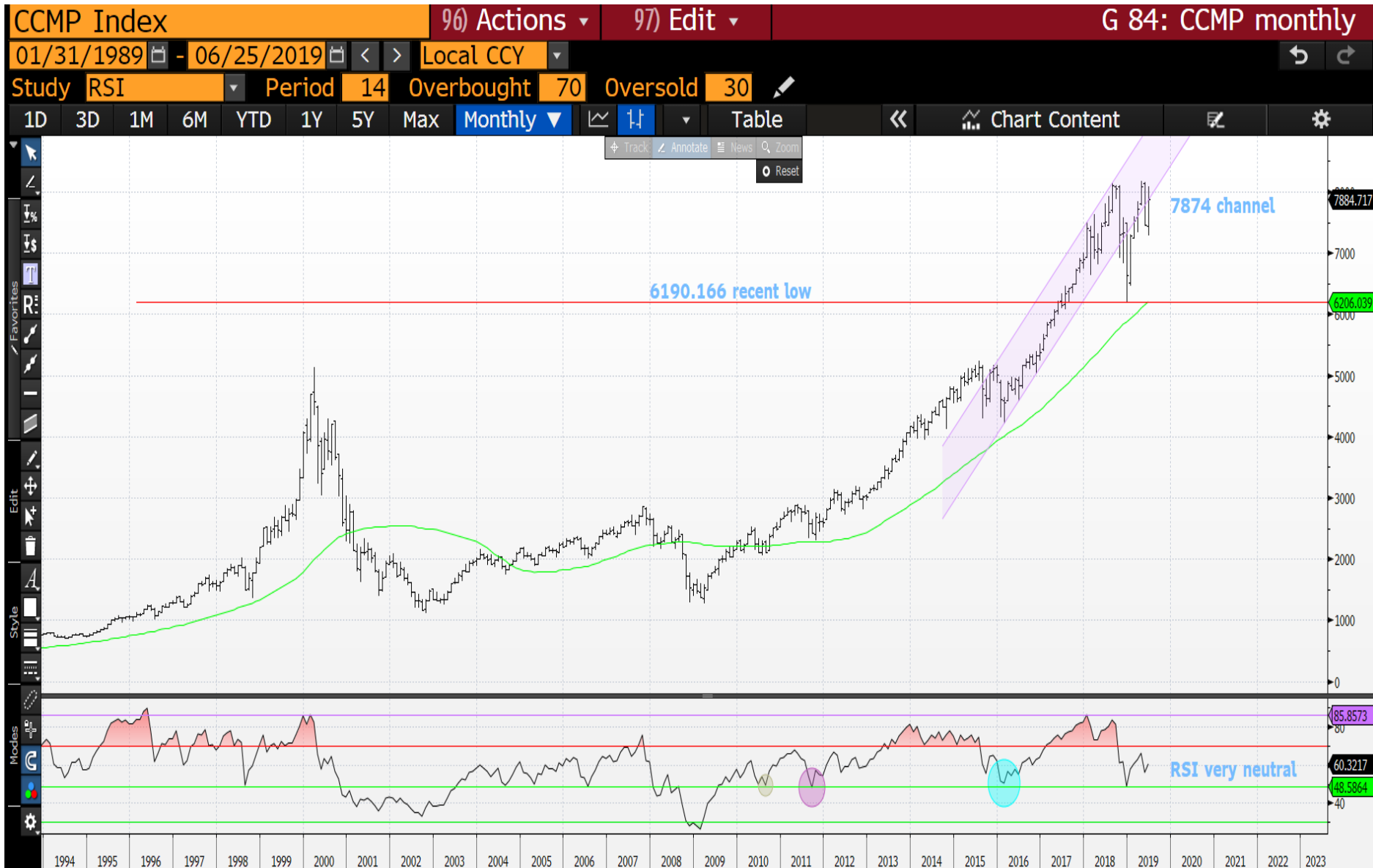
Russell daily : A GREAT bounce recently BUT we now SUB ALL moving averages AND heading lower.



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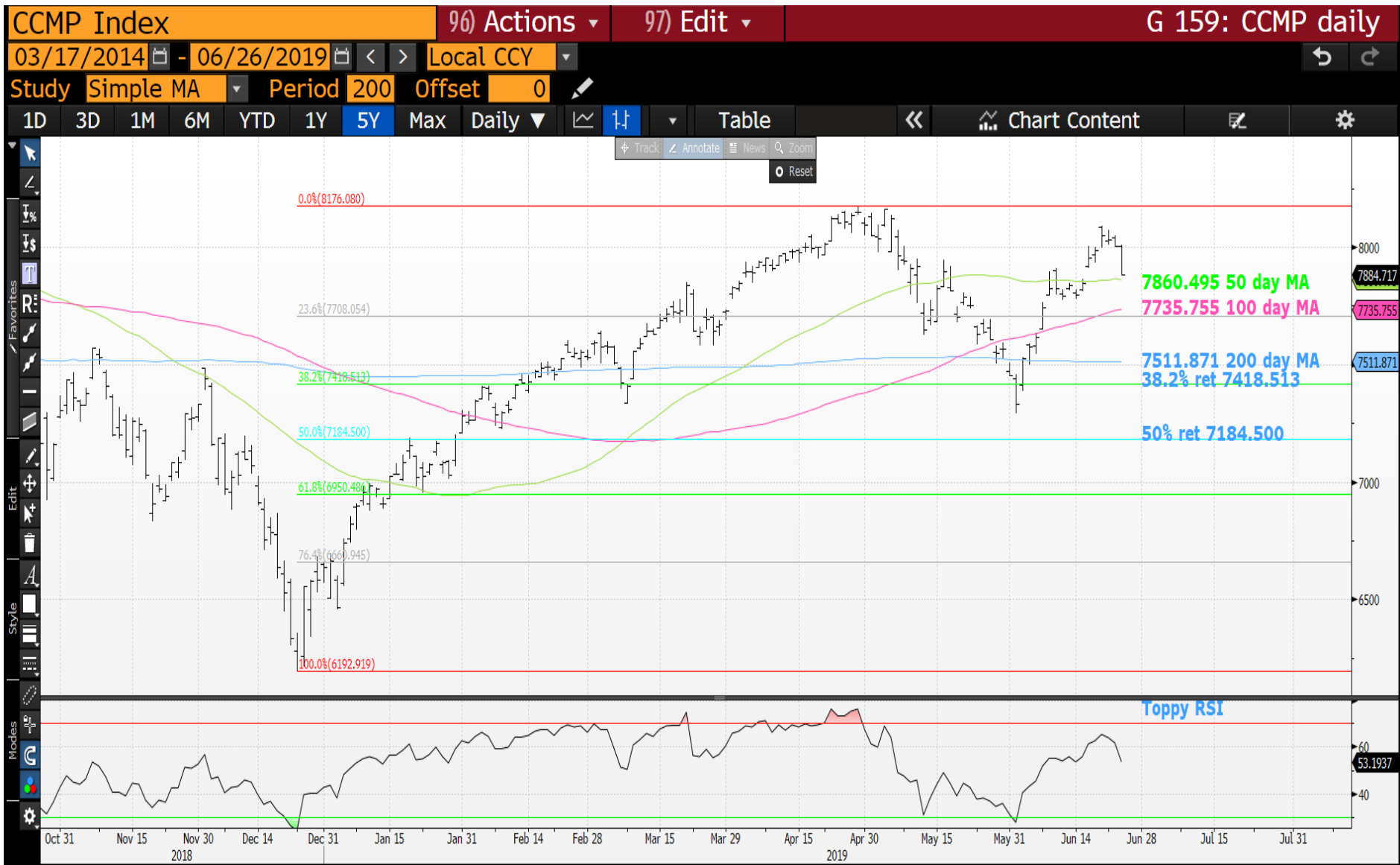
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CCMP monthly : The trend channel remains KEY at 7874. Ideally we weaken in to the quarter close.



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CCMP monthly : We are failing the previous high and close to breaching the 50 day moving average 7860.495.



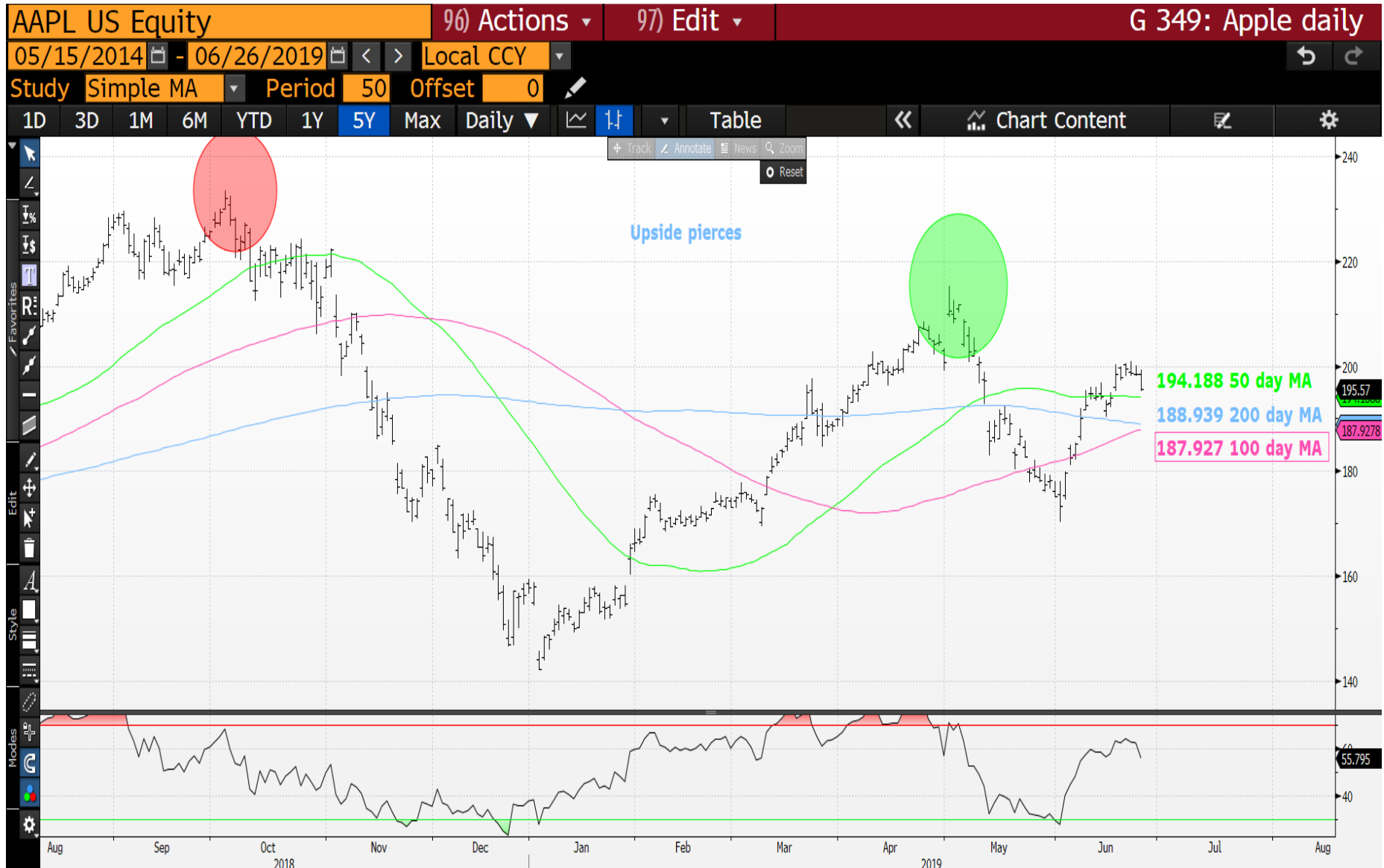
Hang Seng monthly : We have recovered 50% of this months range so could be a good place to FAIL.



Hang Seng daily : The bounce seems to be struggling here against the 50 and 100 day moving average resistance.



APPLE daily : Some work to do here in breaching the moving averages but all are concentrated nicely in one area. Ideally we breach ALL this week.



INTEL daily : This remains a VERY WEAK market, failing ALL moving averages YET AGAIN.

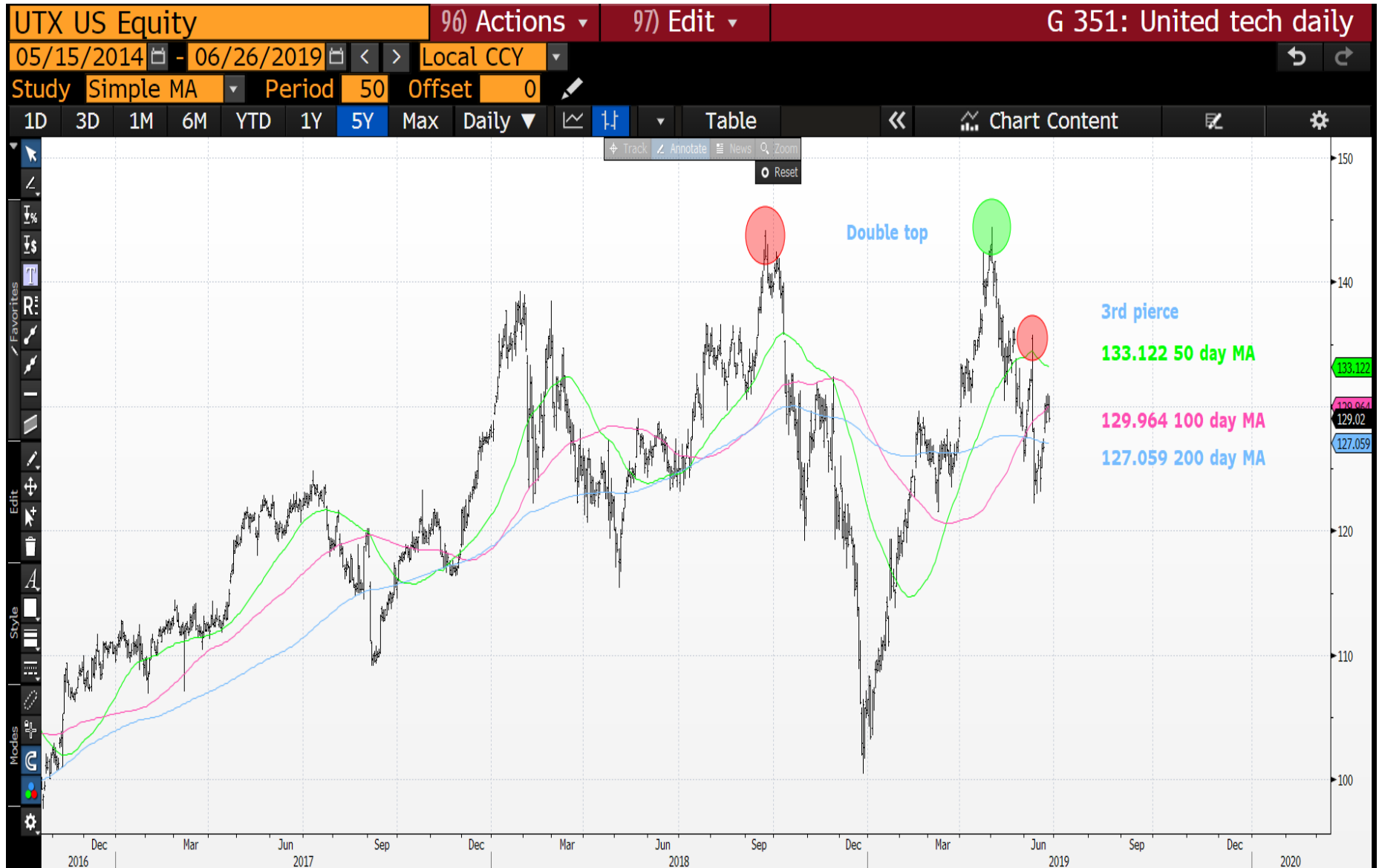
Sub the 50% ret 42.23 it fails BIG TIME!



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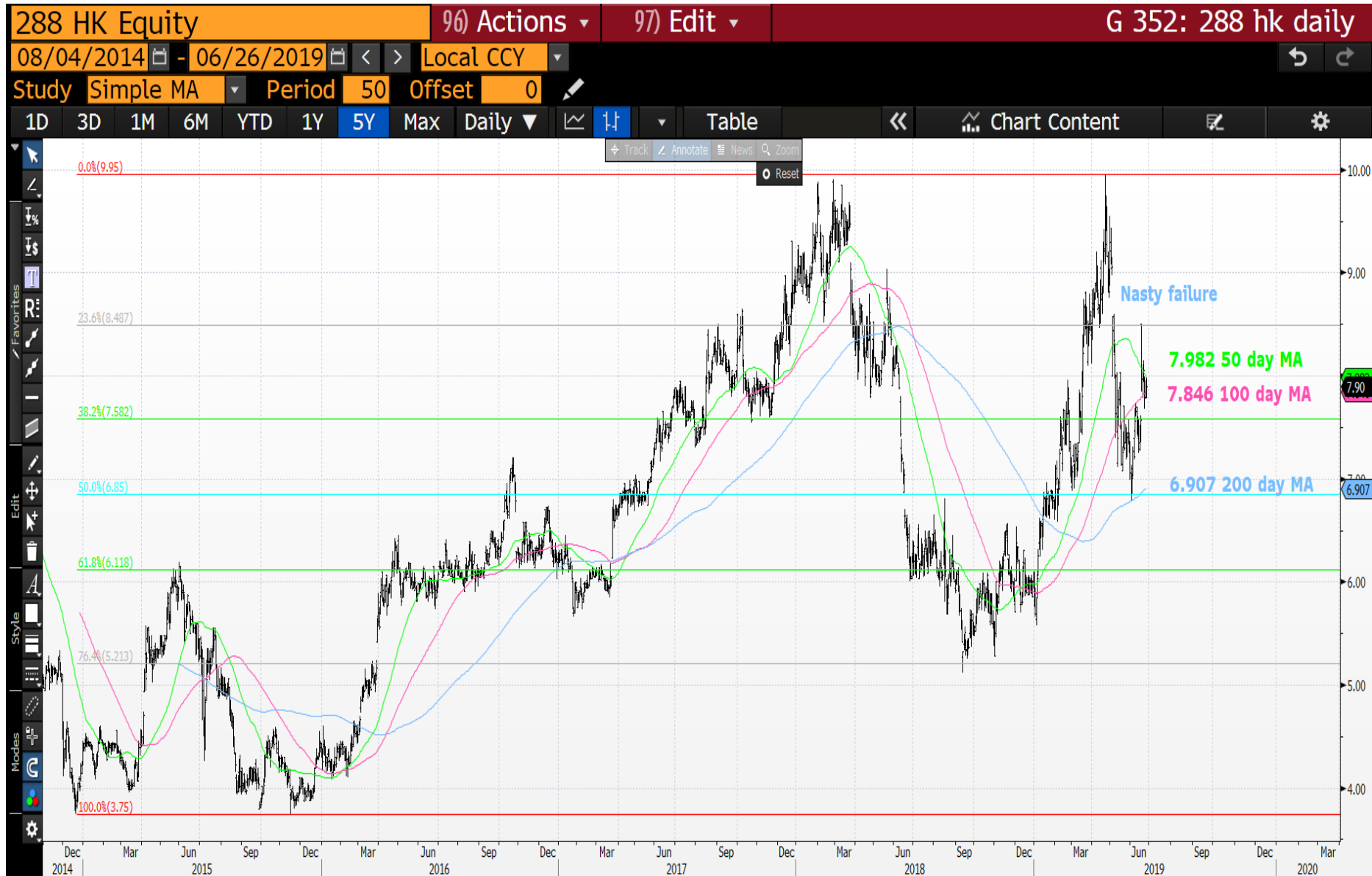
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UNITED TECHNOLOGIES daily : Any recoveries in this stock have been MINIMAL! Sub the 200 day 127.059 will be a clincher.



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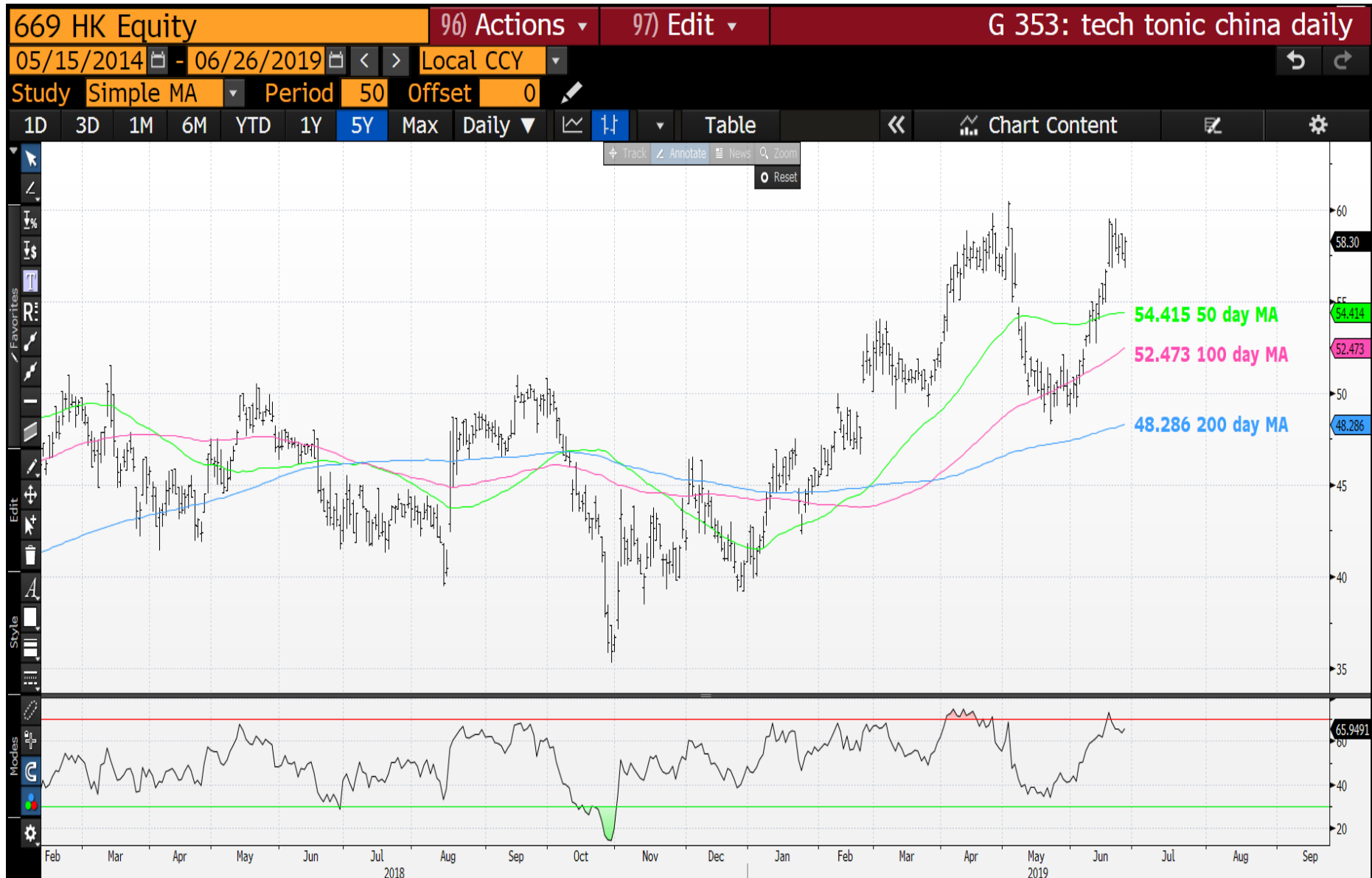
WH GROUP daily : We continue to fail the 23.6% ret 8.487, just need to head a lower.



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TECHTRONIC INDUSTRY daily : The RSI is lofty and we need to remain sub the previous high.



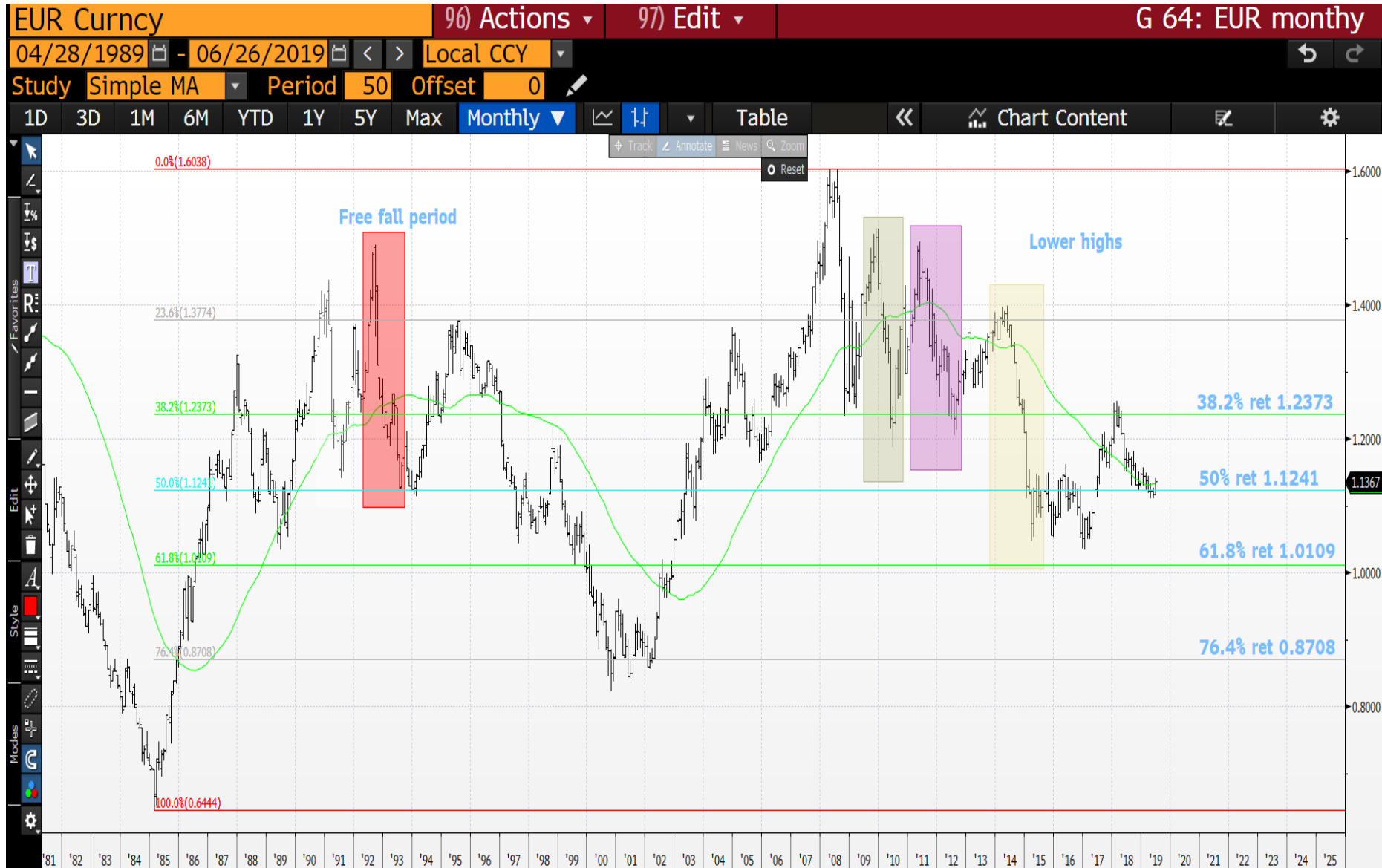
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FX UPDATE

- **FX UPDATE :**
- **Given the DXY is now failing it should help the AUD rally and assist many EM crosses ready to see the USD weaker and EM stronger.**
- **DXY sub the 50% ret 95.859 will be a KEY break.**
- **The EURO is testing a key 1.1354 200 day moving average.**
- **EM is a firm favourite with REAL MONEY but WILL do a lot better as the DXY stalls.**

EUR USD monthly : Sadly a very sideways environment given we have held the multi year 50% ret 1.1241, for the moment.



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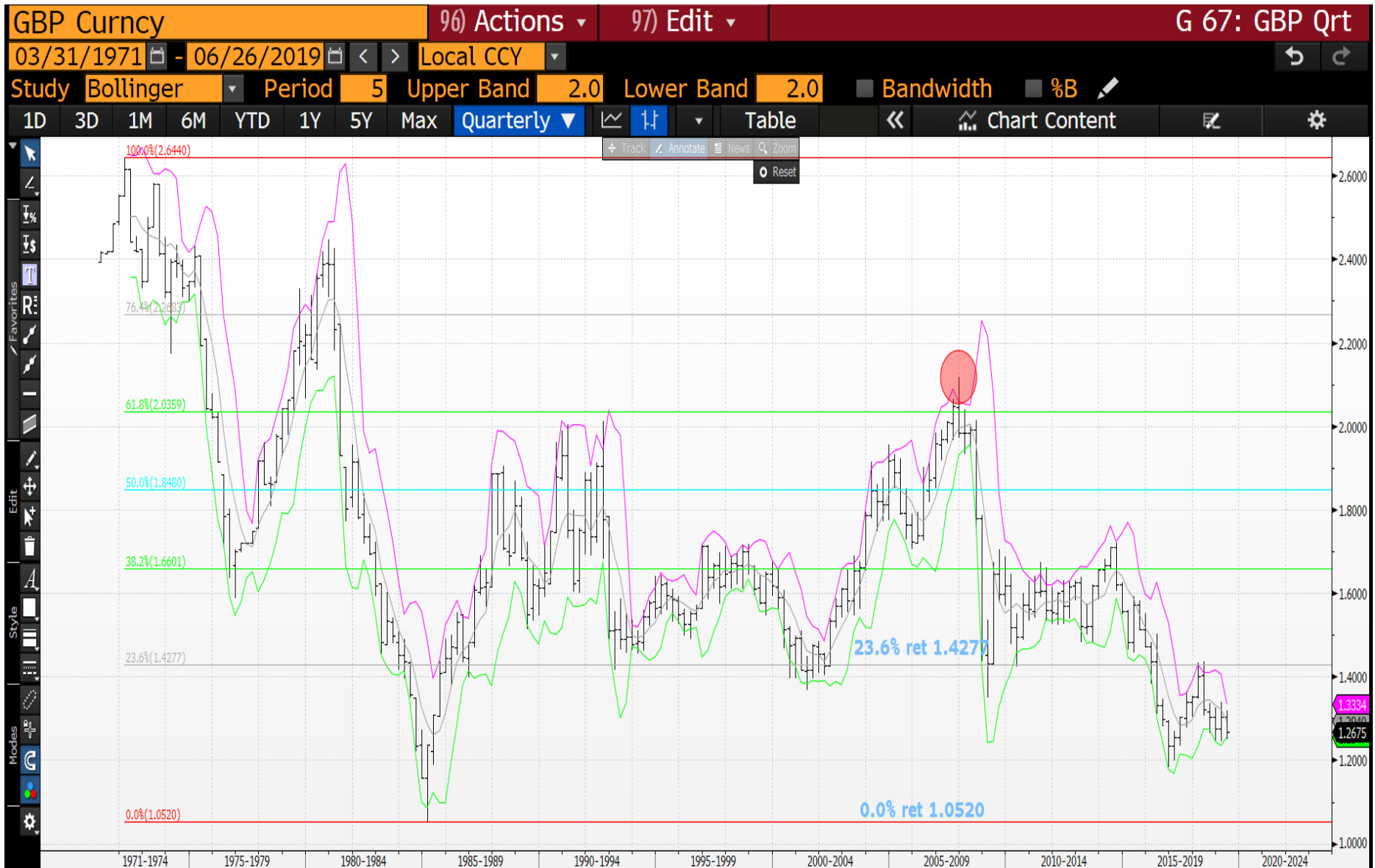
EUR USD daily : This could be a key failure at the 1.1354 200 day moving average, a breach of the 61.8% ret 1.1188 should trigger stops.



EUR GBP quarterly : We now have several very major opposing pierces indicating a NEUTRAL tone.



Cable quarterly : This has spent the quarter TRAPPED in the bollinger band range.



DXY monthly : ONE TO WATCH! We are poised to breach of the 50% ret 95.859 which will have major long-term implications.



AUD USD monthly : One chart that is endorsing a break lower for the DXY. We have a sizeable base and the previous downside pierce remains in tact. Higher we go adding to longs above the 61.8% ret 0.7185.



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USD CAD weekly : Another chart advocating USD weakness given we have breached the RELIABLE 50 period moving average 1.3243. We could witness a rapid CAD appreciation.



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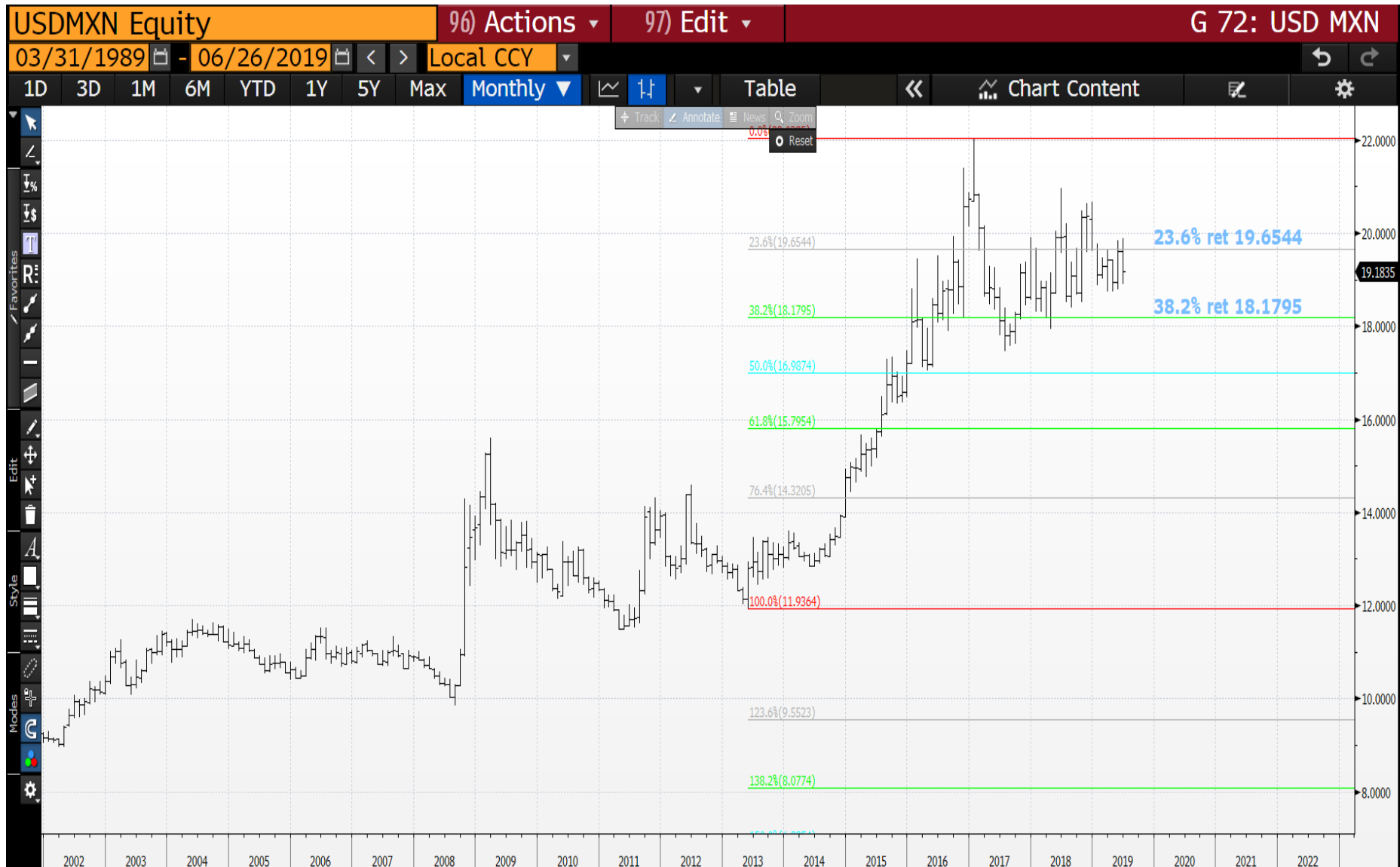
USD JPY monthly : I had to include this, the RSI and market is very neutral, not a conversation piece.



EM UPDATE

- **EM : With the DXY rolling over then the following crosses should benefit nicely.**
- **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.**
- **Many REAL MONEY ACCOUNTS ARE LONG EM BONDS AND LOOKING TO ADD IF CORE YIELDS CONTIINUE MUCH LOWER.**

USD MXN monthly : The market continues to remain sub the 23.6% ret 19.6544 thus maintaining a bearish tone for the USD and a positive one for the MXN, we should pick up momentum now.

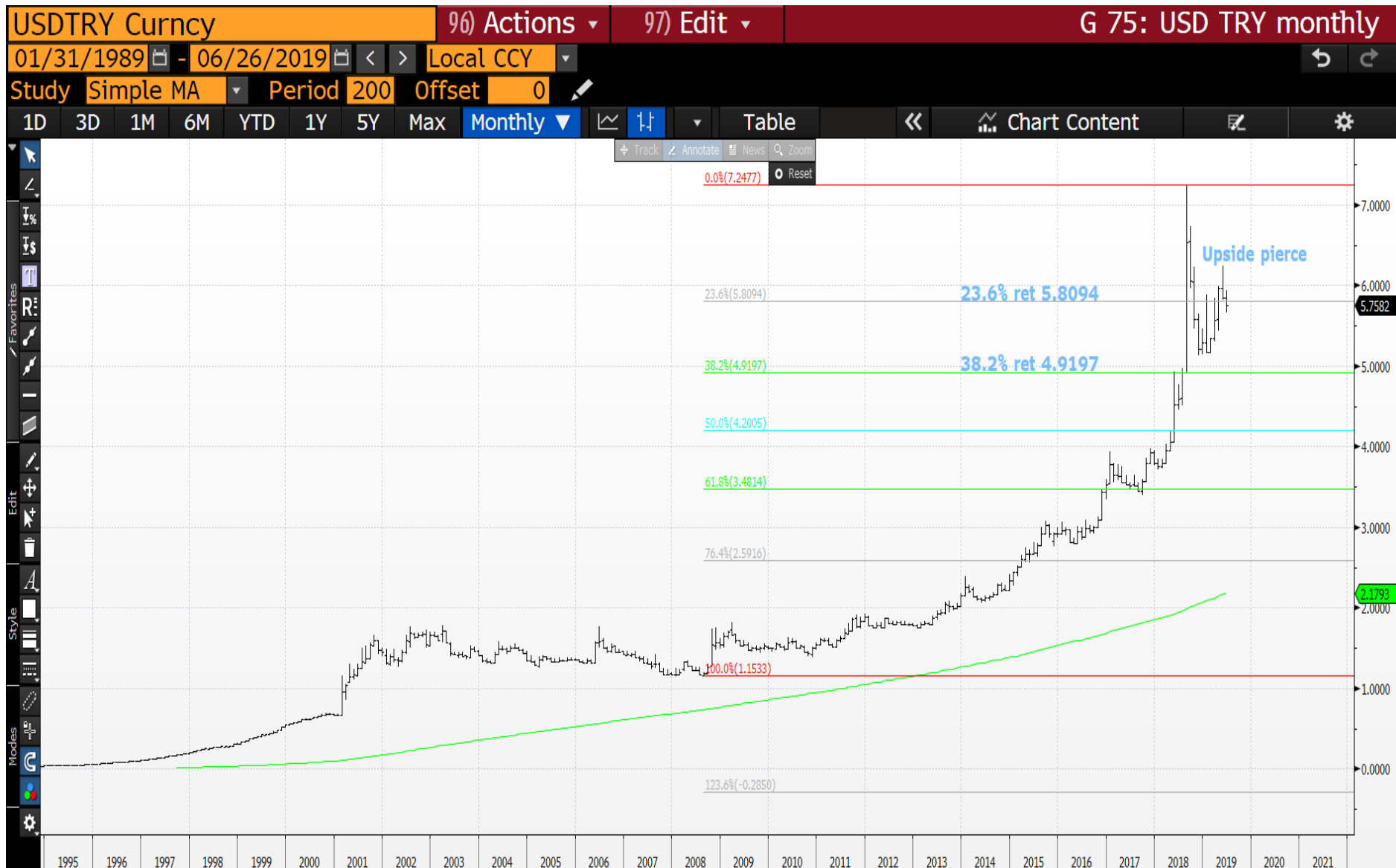


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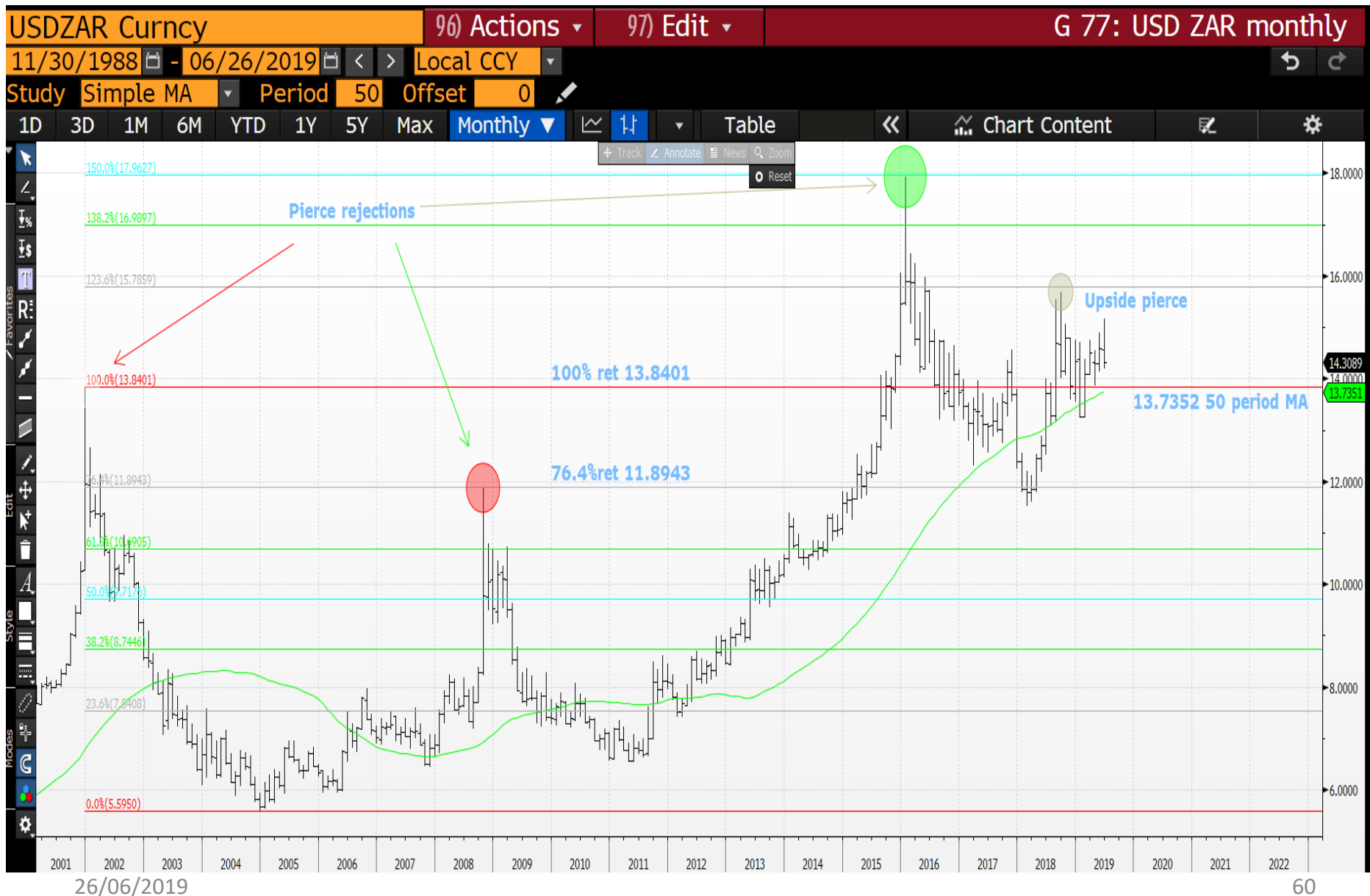
USD BRL monthly : We have developed a VERY NASTY upside pierce and continue to endorse this cross is heading a lot lower. A NEAR PERFECT MULTI YEAR TOP.



USD TRY monthly : Another chart with an upside pierce from last month, we need to make the most of that with a close sub the 23.6% ret 5.8094.



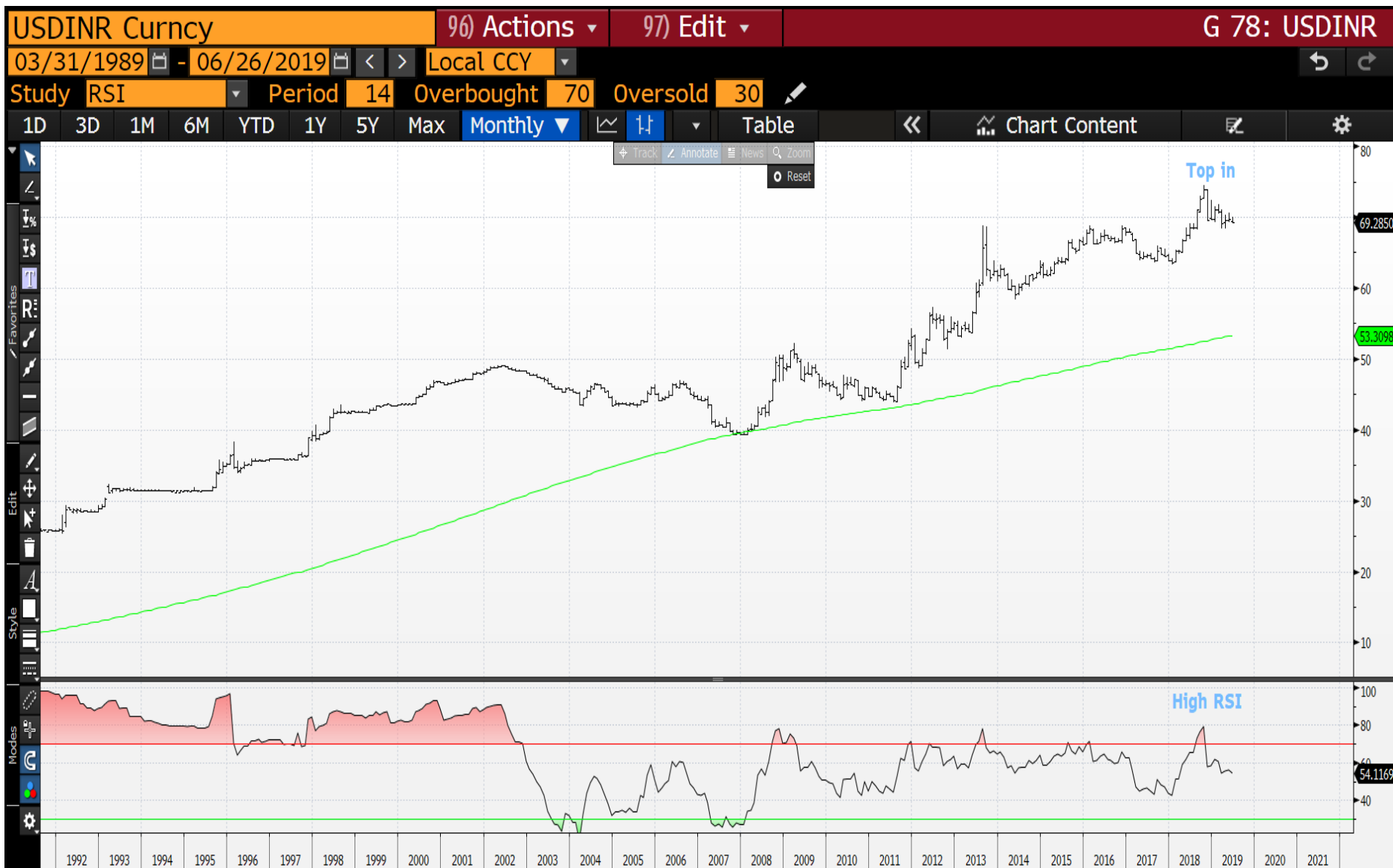
USD ZAR monthly : We have been in a similar range for several months but ideally we can breach the 100% ret 13.6871 soon.



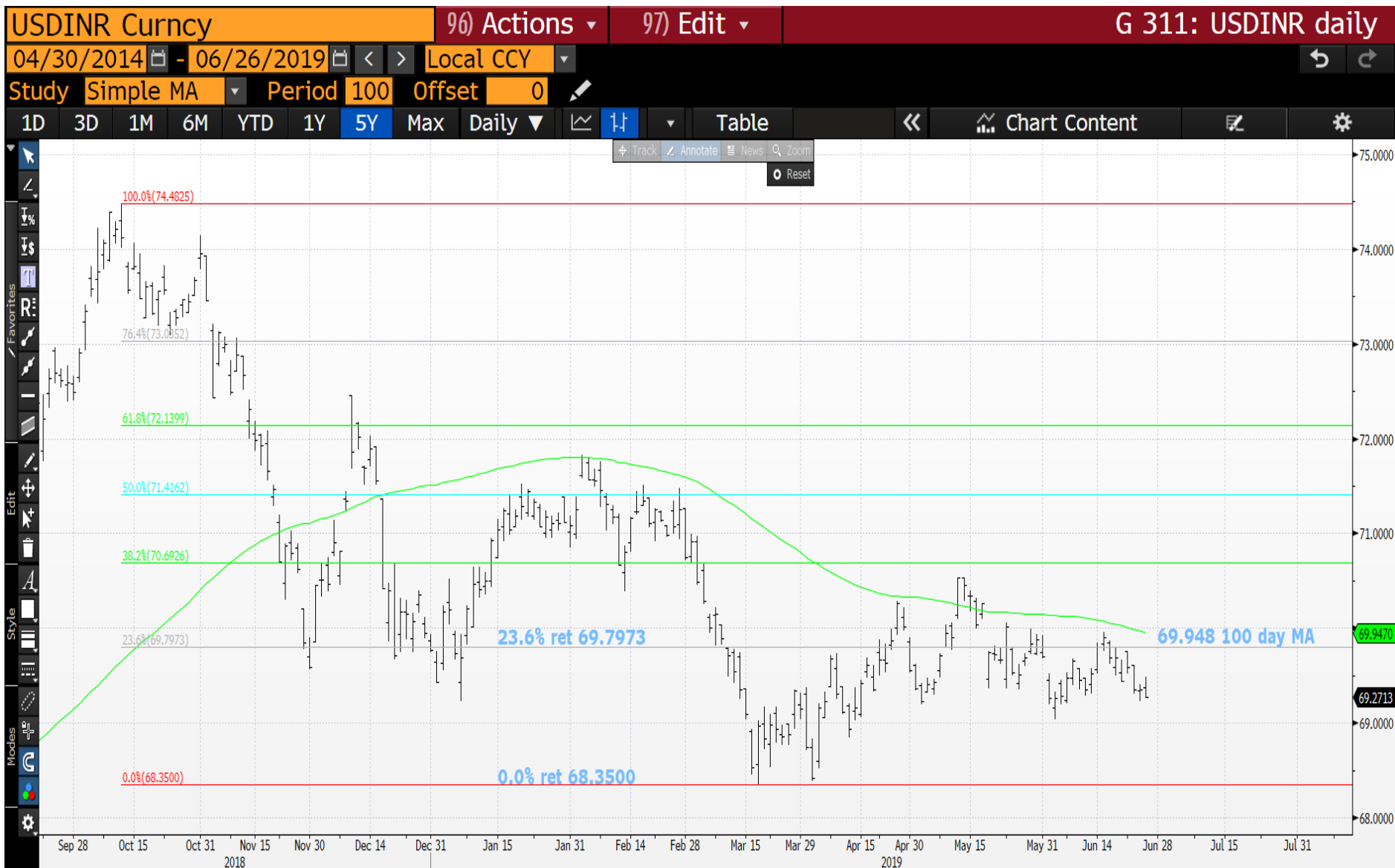
USD RUB monthly : We are poised for a MAJOR break lower once we have by-passed the 38.2% ret 61.9293.



USD INR monthly : A BIG ONE for 2019 as PLENTY of downside possibility. We have witnessed narrow ranges of late but progress is continuing lower.



USD INR daily : The moving average has been particularly useful, it forms persistent resistance. Lower we go.



CL1 monthly : Oil remains on high alert given the middle eastern situation.



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CL1 daily : VERY MUCH DECISION TIME. The latest bounce is poised to stall at the 50% ret, 50 and 200 day moving average. We shall see.



GOLD monthly : We are poised to head a lot higher whilst above 1351.03 100 period moving average.



GOLD daily : We have breached the 38.2% ret 1380.59 thus next target is the 50% ret 1483.80 providing we have worked off the extended RSI.



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