

MULTI ASSET UPDATE : THIS WEEKS MAJOR ISSUE, BOND YIELDS HAVE NOT BOUNCED. GOING FLAT.

The lack of yield bounce recently has been disappointing, this offered up by MAJOR weekly RSI's dislocations. Add to that STOCKS failing major MOVING AVERAGES, it is time to get flat. The AIM of being flat is ultimately to be MORE RESPONSIVE if yields - stocks continue THEIR BIGGER PATH lower.

Given bond yields have made little use of their recent weekly over extension it makes life a little unnerving especially when the OVERALL call remains yields - stocks lower. There is NO POINT being over positioned the other way, just to MISS the predicted MAIN EVENT.

Bond yields : Yields have done little with the significant weekly RSI over extensions thus time to get flat and react accordingly, possibly nearer month end.

EQUITIES : The OVERALL plan is for lower stocks and many are now failing well telegraphed moving averages. US single stocks remain troubled!

US CURVES : These have now become EXTREMELY neutral.

FX : This has been a relatively quiet area given the USD and EURO have had limited movement.

EM FX : If the DXY should continue to weaken then this should help EM and EM crosses to do well.

OIL and GOLD : Oil is in neutral territory whilst gold is close to breaching the major 1351.26 100 period moving average.

FX UPDATE

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USGG30yr monthly : History continues to repeat. It has always been a NERVOUS situation battling against the HISTORICAL call for lower yields. We do have a new year low.



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USGG30yr weekly : THE PAIN CHART. This chart called for higher yields given the dislocated RSI but thus far there has been little reaction, therefore the best positioning call would be FLAT and wait!



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USGG30yr yield daily : We made use of the low RSI but have subsequently stalled at the previous low 2.6332, not the most inspiring bounce.



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USGG30yr yield daily : Inability to breach the 200% ret 153-10 has caused concern.



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US 10yr yield quarterly : History is repeating itself nicely and it does seem we have PLENTY more downside potential.



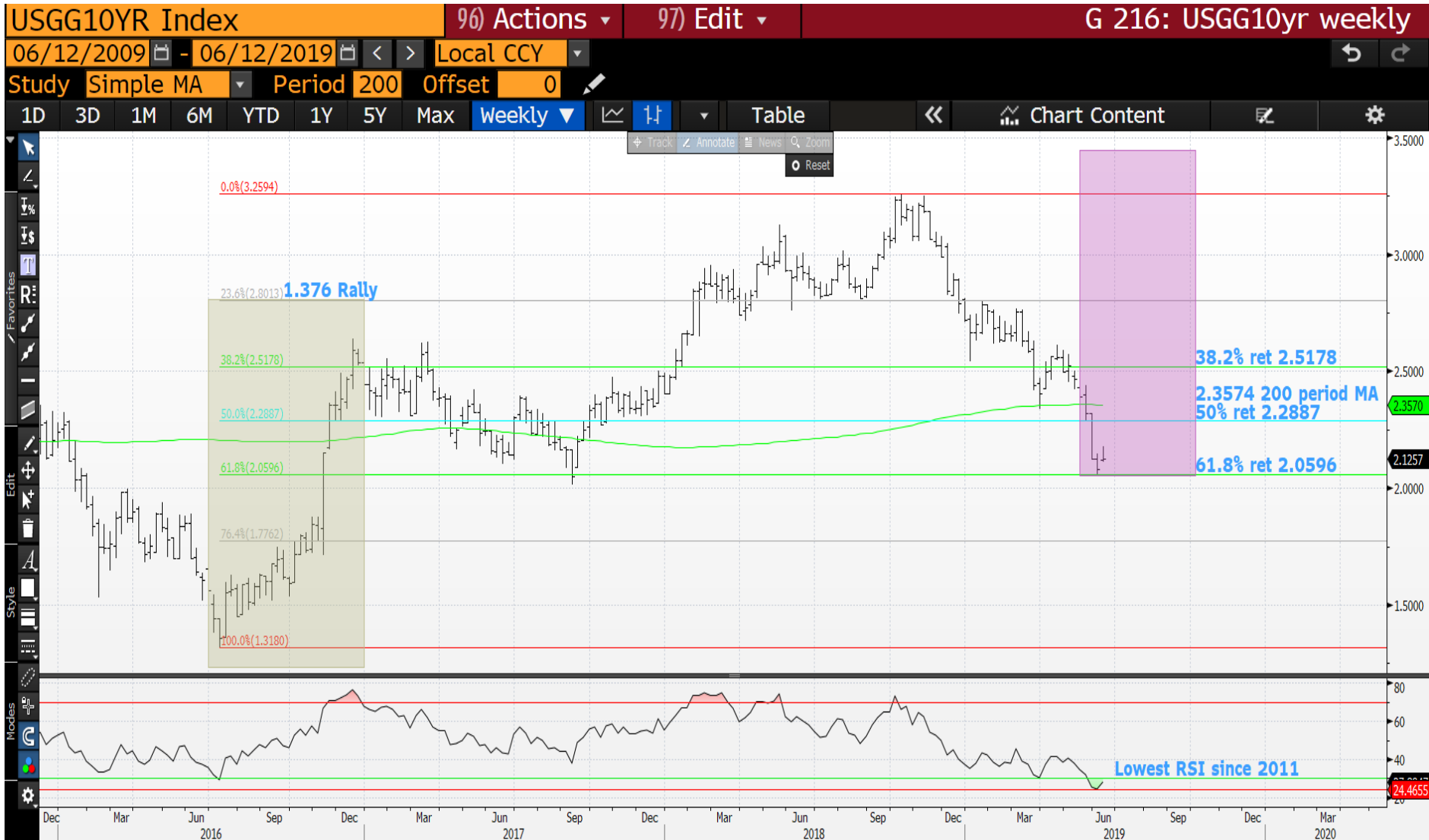
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US 10yr yield monthly : We have a minimal range and a New Year low now concerned the range could quickly increase, lower.



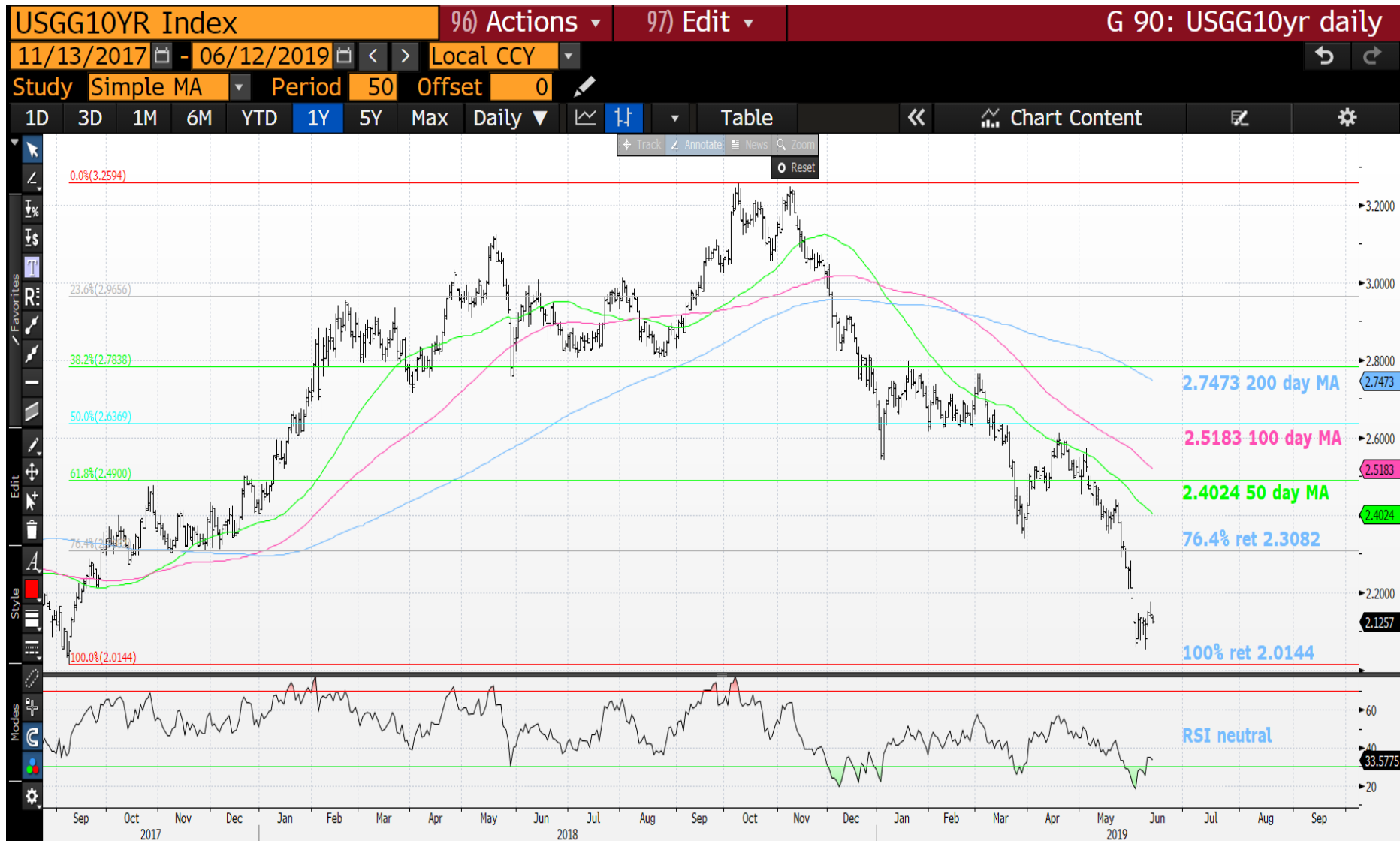
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US 10yr yield weekly : The big frustration, we have done very little with the RSI and remain close to a 61.8% ret 2.0596 breach, concerning!



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USGG10yr daily : Already we have developed a nasty upside pierce and the RSI is off its LOWS. A WORRYINGLY small bounce.



USGG10yr daily : Again limited progress in breaching the retracement support.



USGG5yr quarterly : A lot of progress this quarter and we have breached the major 1.9887 moving average.



USGG5yr monthly : A new year low and we continue to remain below last months close.



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USGG5yr monthly : AGAIN a painful chart given the historical RSI dislocation and proximity to the key 50% ret 1.8144.



USGG5yr daily : As with all previous daily charts we recovered from the low RSI ONLY to fail already at the 76.4% ret 1.9510. Disappointing.



USGG5yr daily : Again frustration at not breaching any of the retracement support.



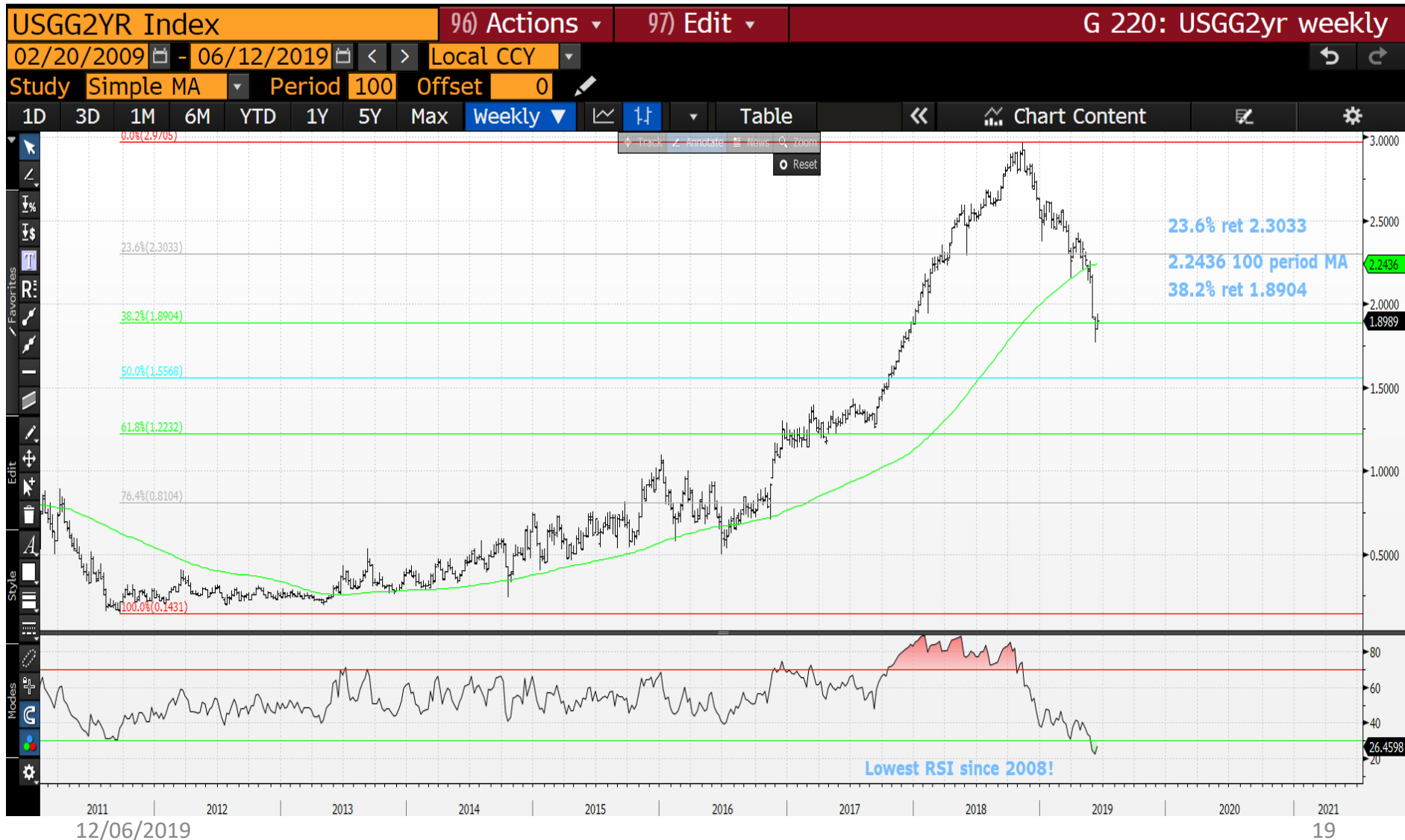
USGG2yr quarterly : This chart is very clean and clear in its representation, we have hit a rare 100 period 2.9884 with an RSI dislocation matching that of 1980. It is worth noting that since 1980 we have had other event miles-stones that failed to really influence the RSI, as NOW.



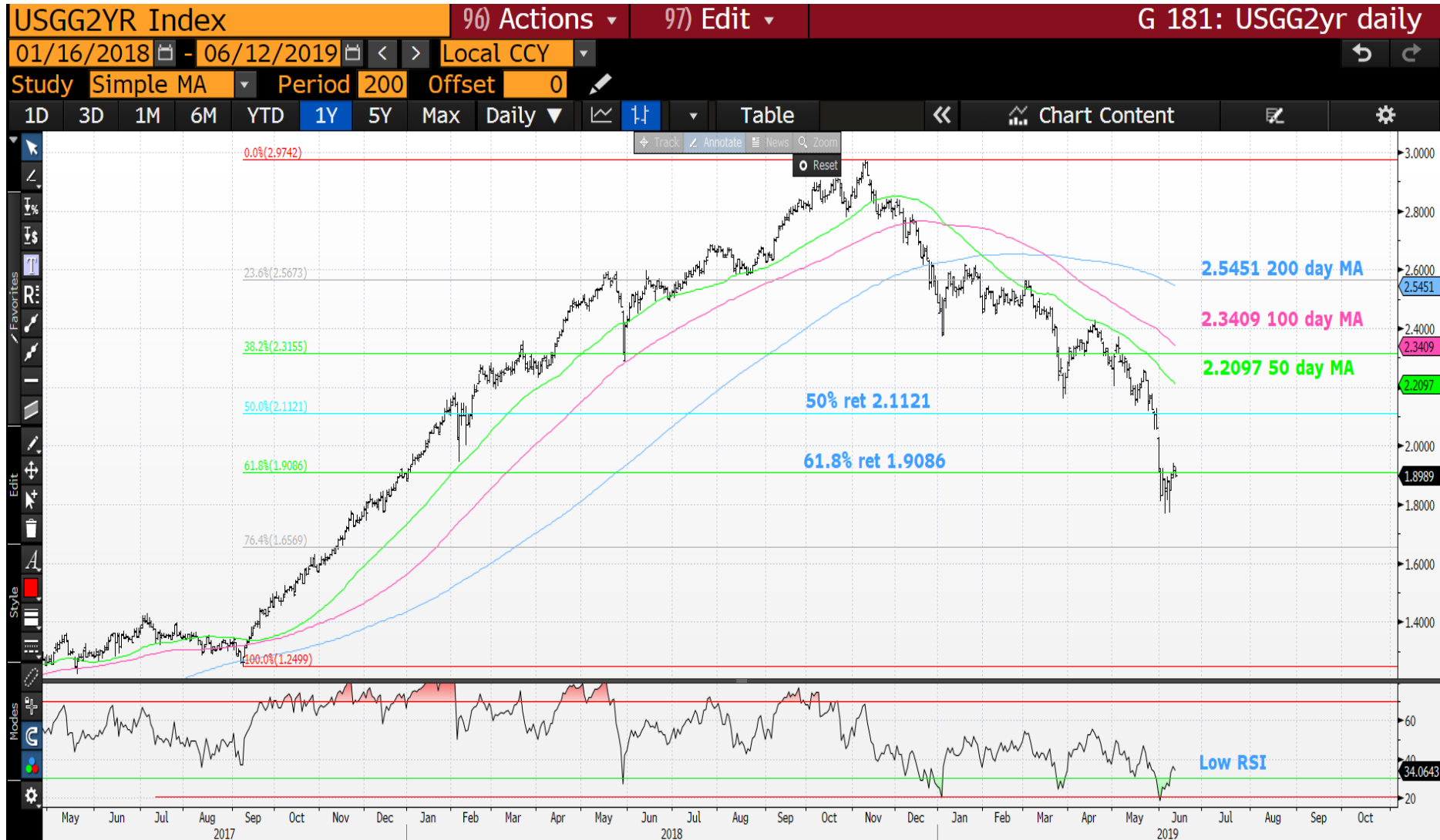
USGG2yr monthly : We have found SOME support ahead of the 23.6% ret 1.7448.



USGG2yr monthly : Again another RSI that has a ridiculous extension but failed to create a reaction.



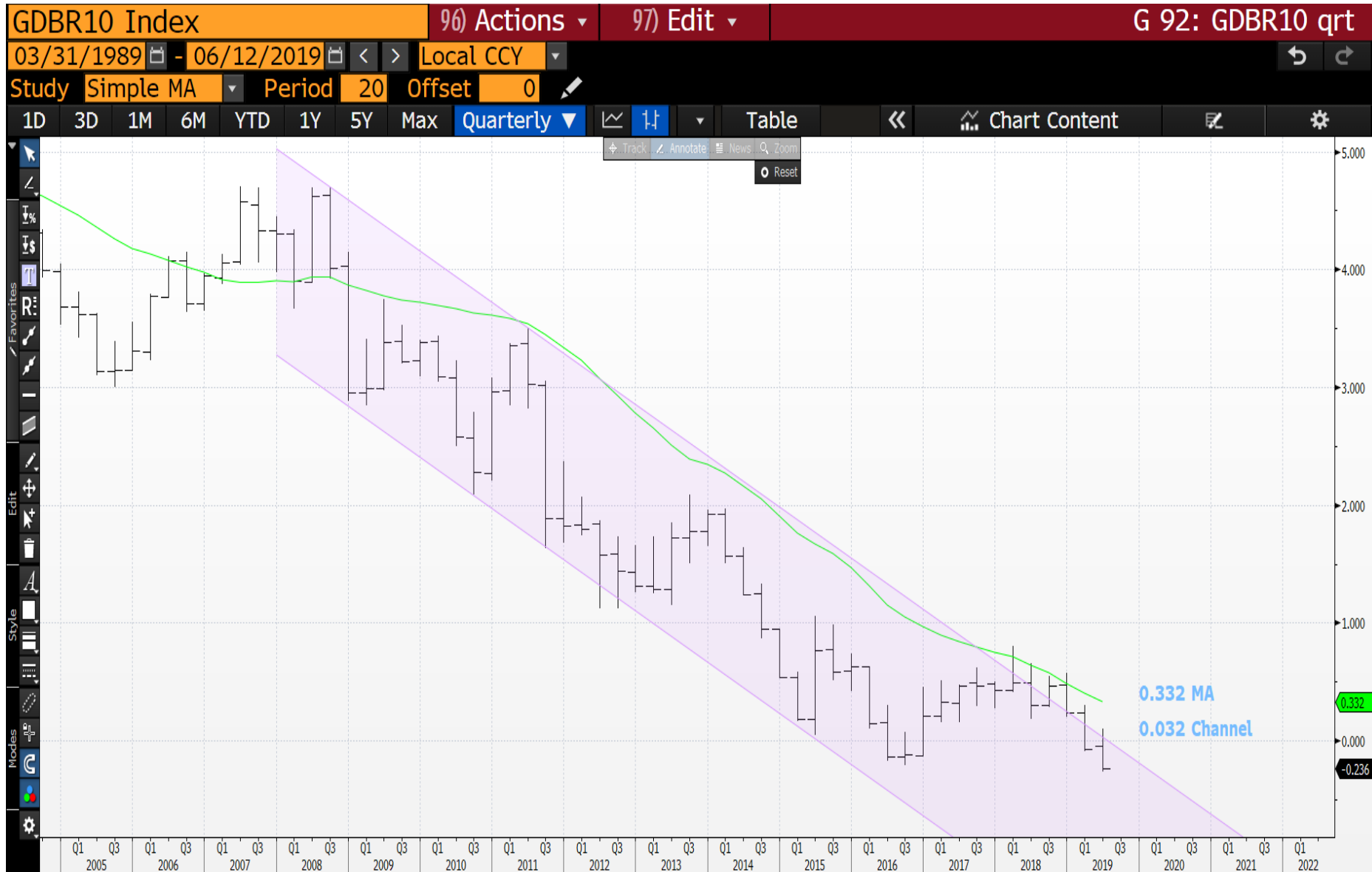
USGG2yr daily : A minor correction aided by the RSI but this momentum already seems to of fizzled out.



USGG2yr daily : Again struggling to breach any of the retracement support.



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



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Generic German 10yr daily : Again the daily RSI is over extended however the market response has been POOR.



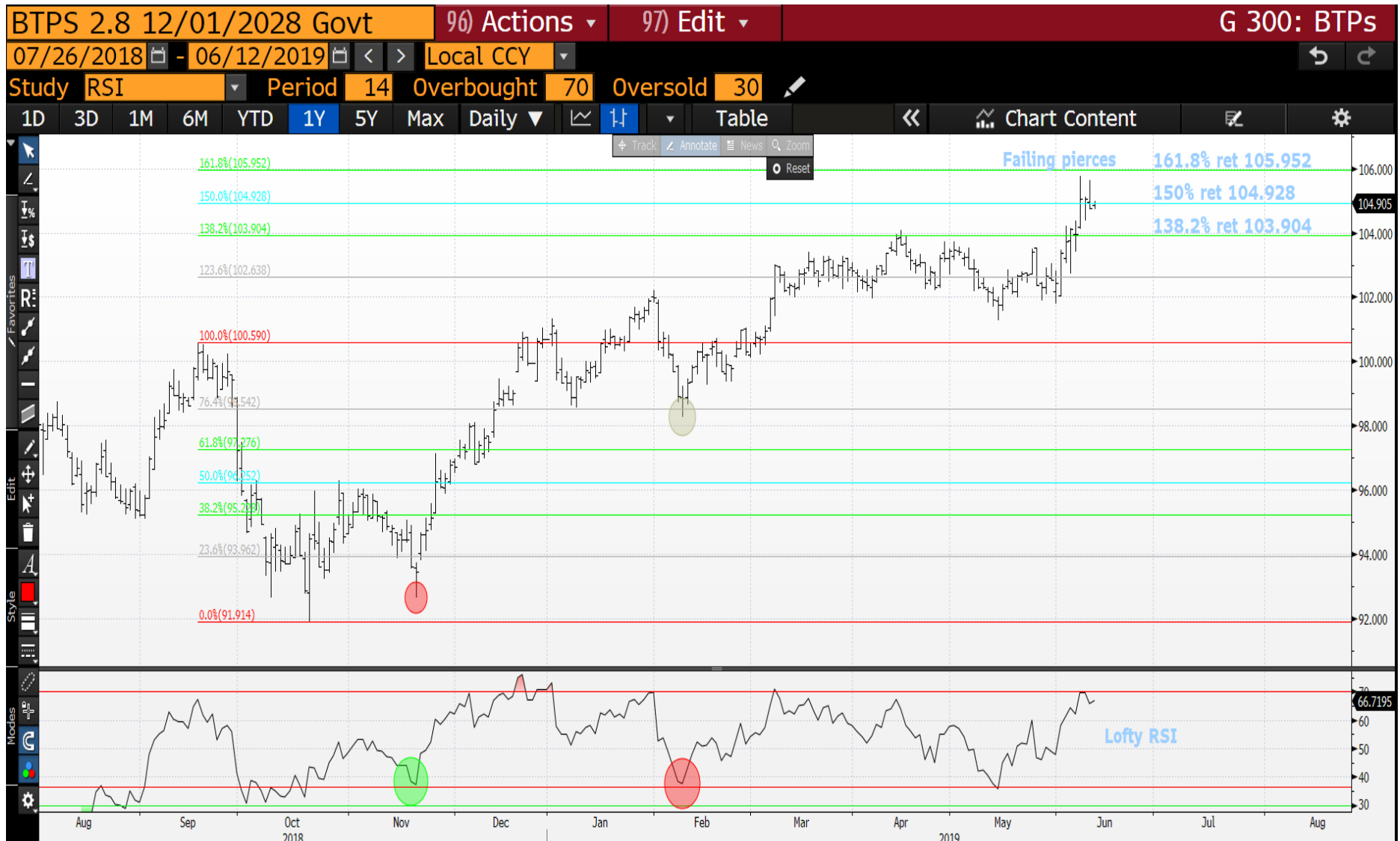
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DBR 46 daily : This bond always continues to perform however the RSI is now a little over extended.



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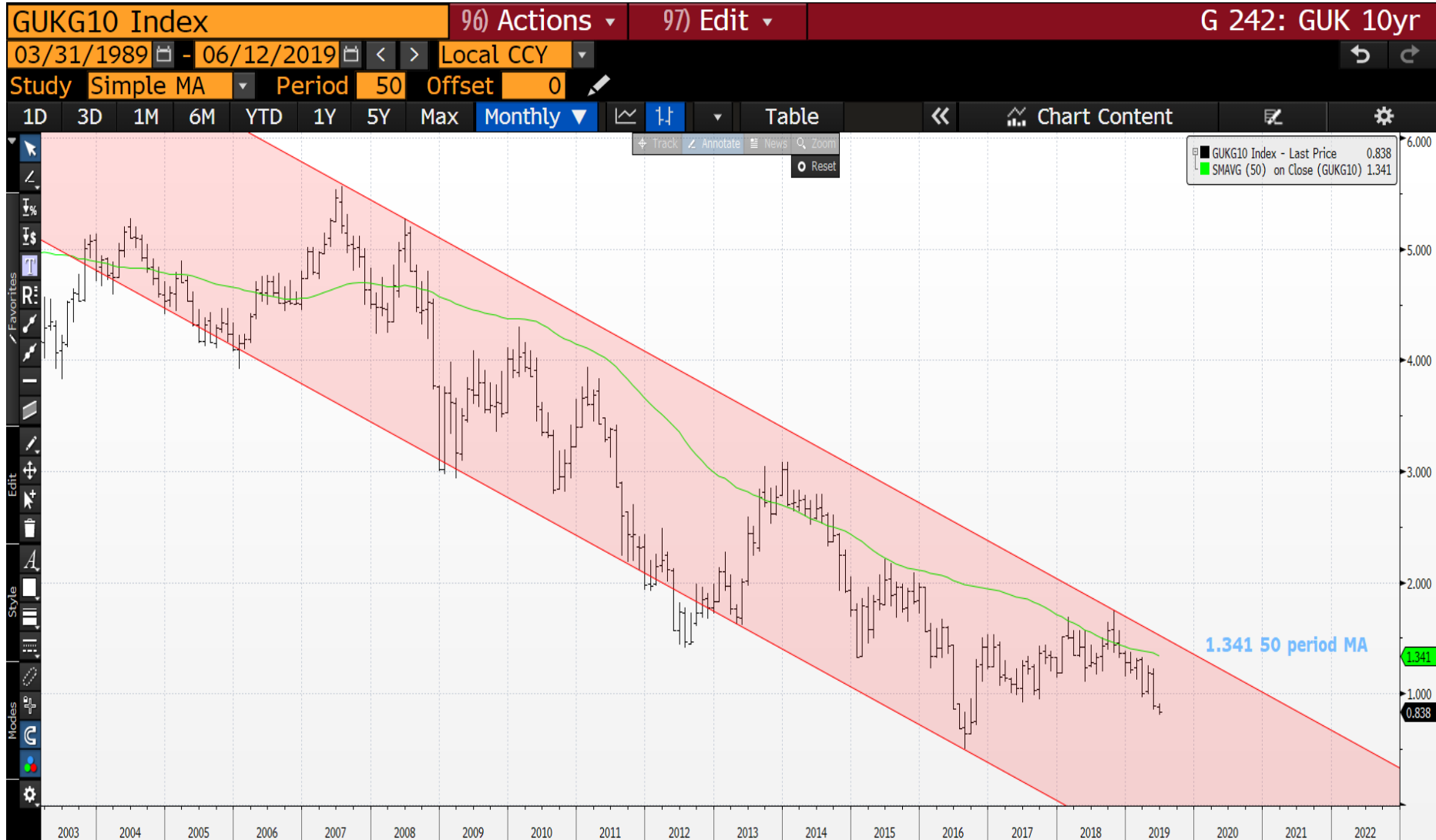
BTP 12/28 daily : The recent set of pierces remain evoking the view of STALLED market.



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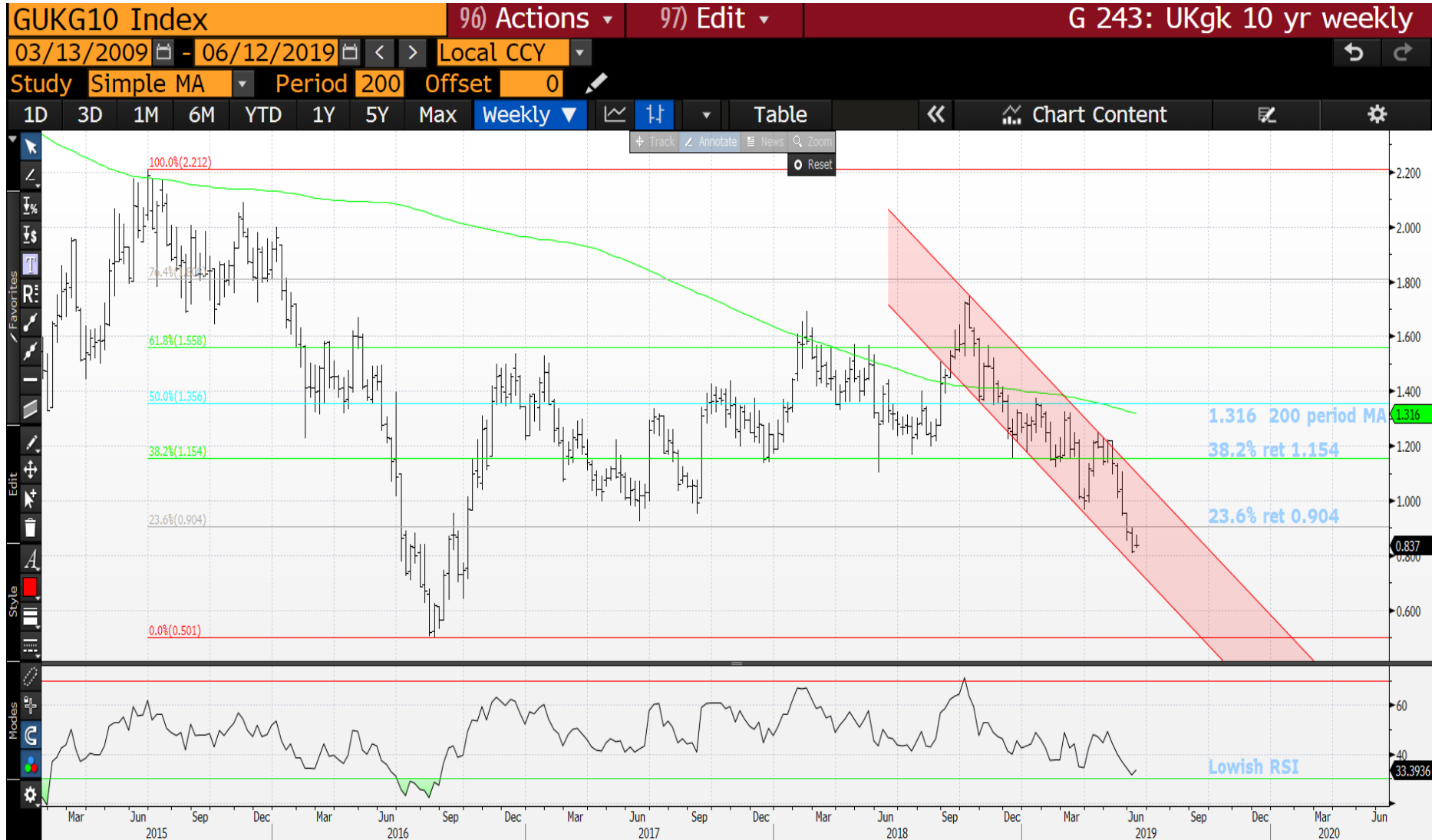
GUKG10 monthly : We have a New Year low and limited range whilst sub last months low.



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GUKG10 weekly : Despite the low RSI we remain sub the 23.6% ret 0.904.



GUKG10yr daily : Again a RSI that brought little to the bounce.



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US curves

- **These have become a VERY NEUTRAL and choppy call not helped by the current yield indecision.**

US 2-5 curve monthly : The break out rally has stalled almost immediately.



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US 2-10 curve monthly : Another false break for the time being.



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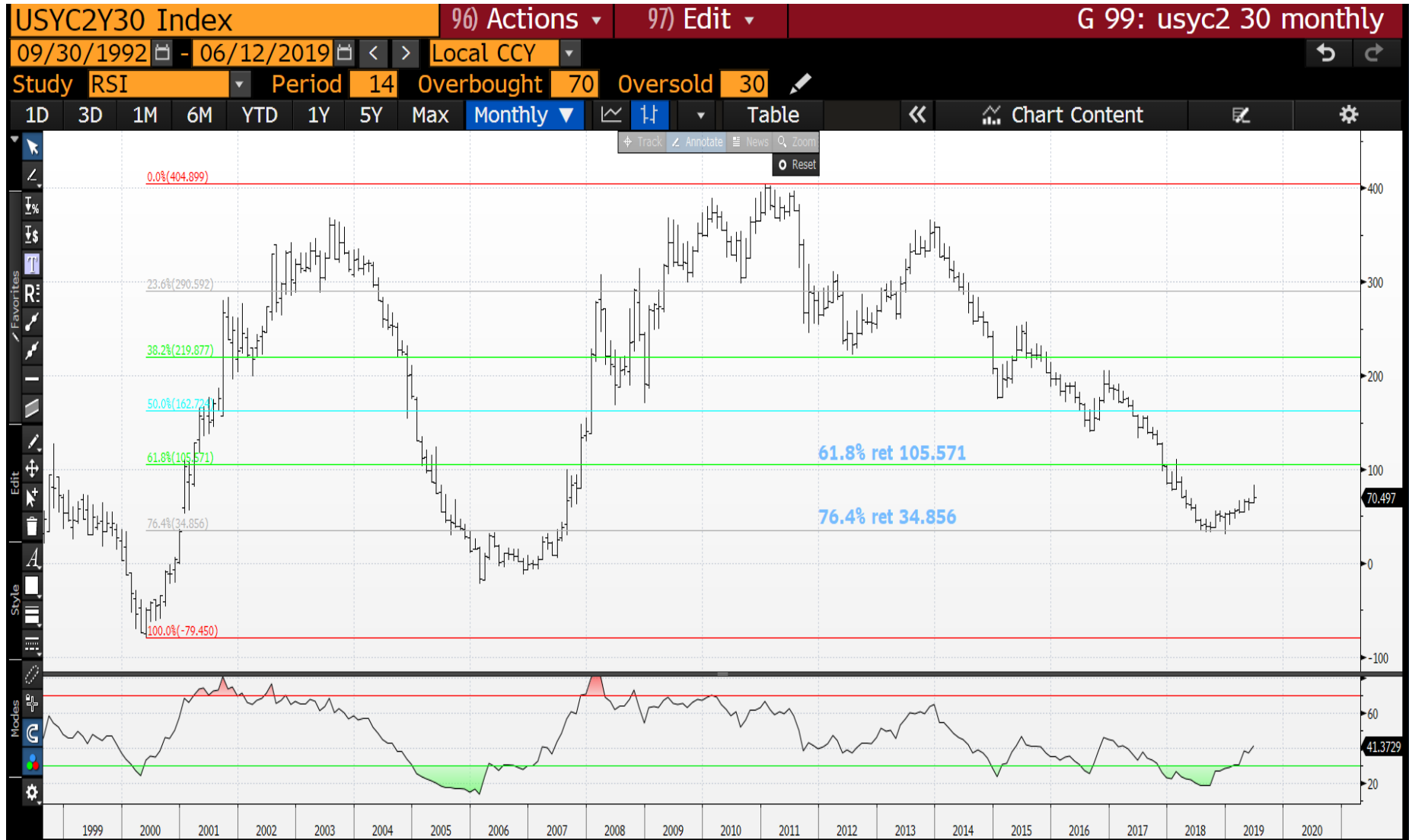
US 5-30 curve monthly : We have a sizeable negative upside pierce.



US 5-10 curve monthly : Not the most exciting curve play.



US 5-30 curve monthly : We have a sizeable negative upside pierce so should continue to flatten.



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



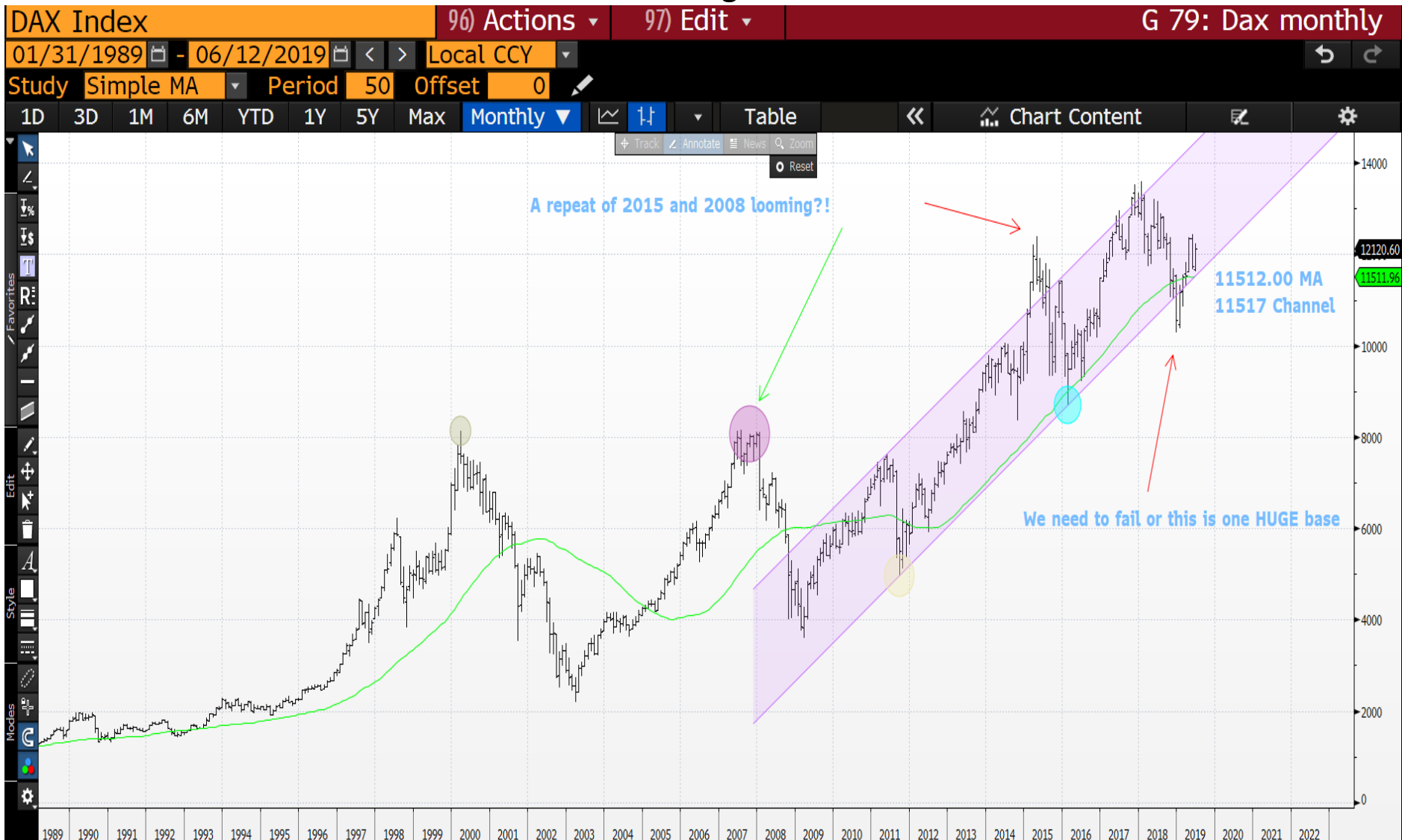
EQUITIES

EQUITIES :

Stocks have bounced nicely when the call for a bond yield bounce initiated, sadly they are **ALREADY** failing significant levels, similar to the bond yield **STALL**.

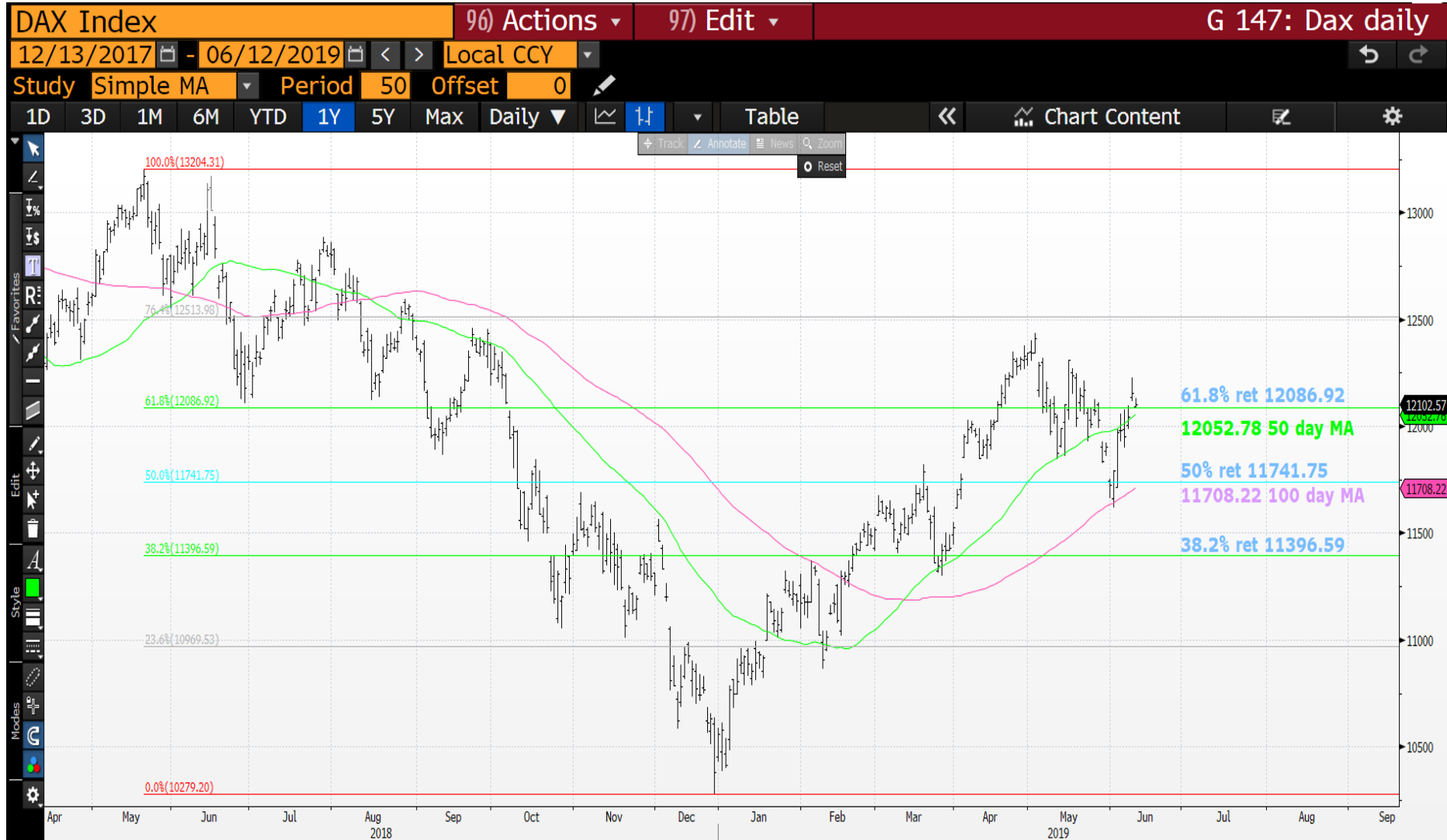
Mr Trump and developments in Hing Kong have heightened CYHNA press coverage, not some thing the Chinese are comfortable with.

DAX monthly : We have HELD ALL the right levels but KEY ASPECT is DO we breach the recent high?



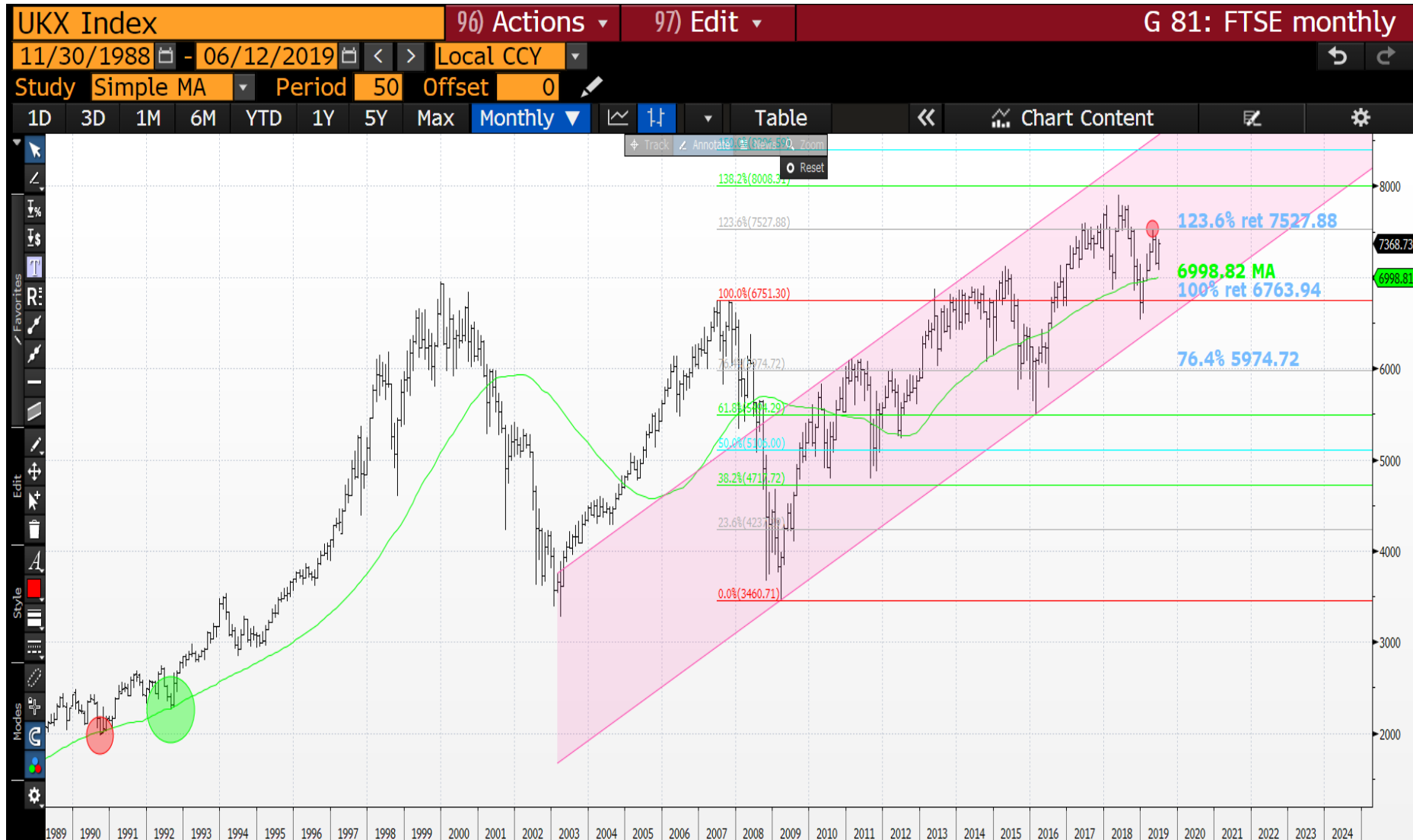
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Dax daily : We have failed to breach the recent high, created an upside pierce and now poised to breach the 61.8% ret 12086.92. One to watch.

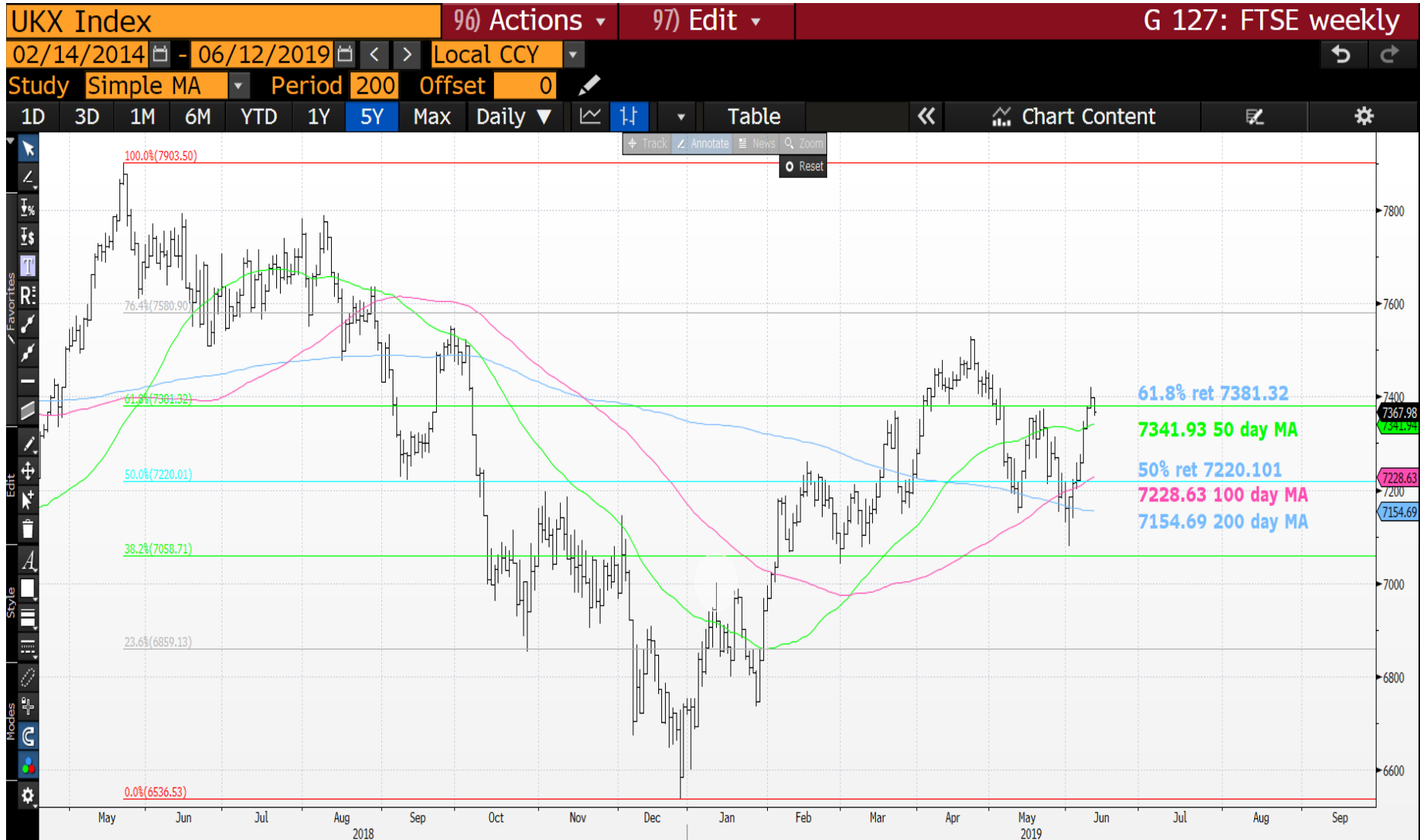


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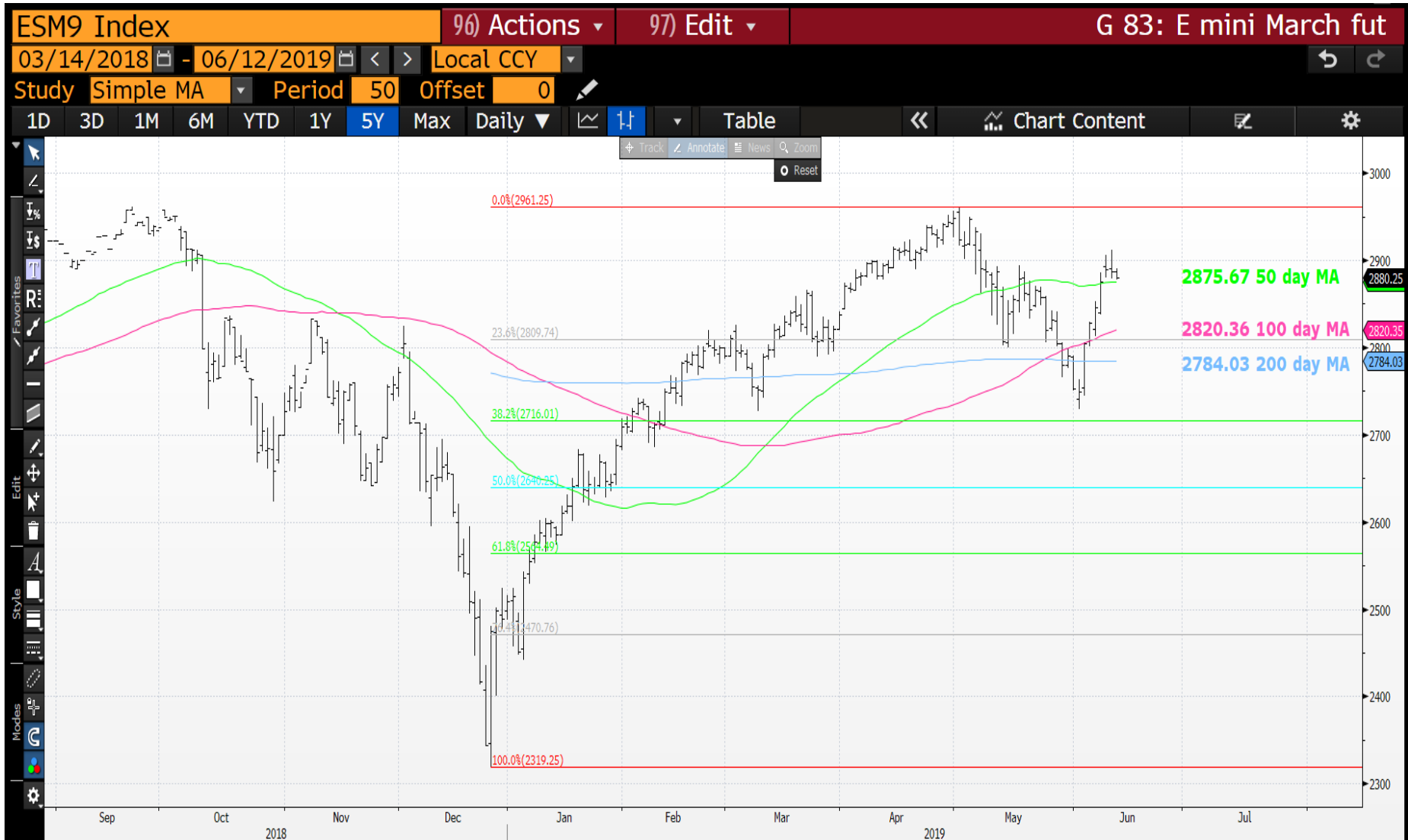
FTSE monthly : We continue to remain below the all important 123.6% ret 7527.88, KEY that this remains the high.



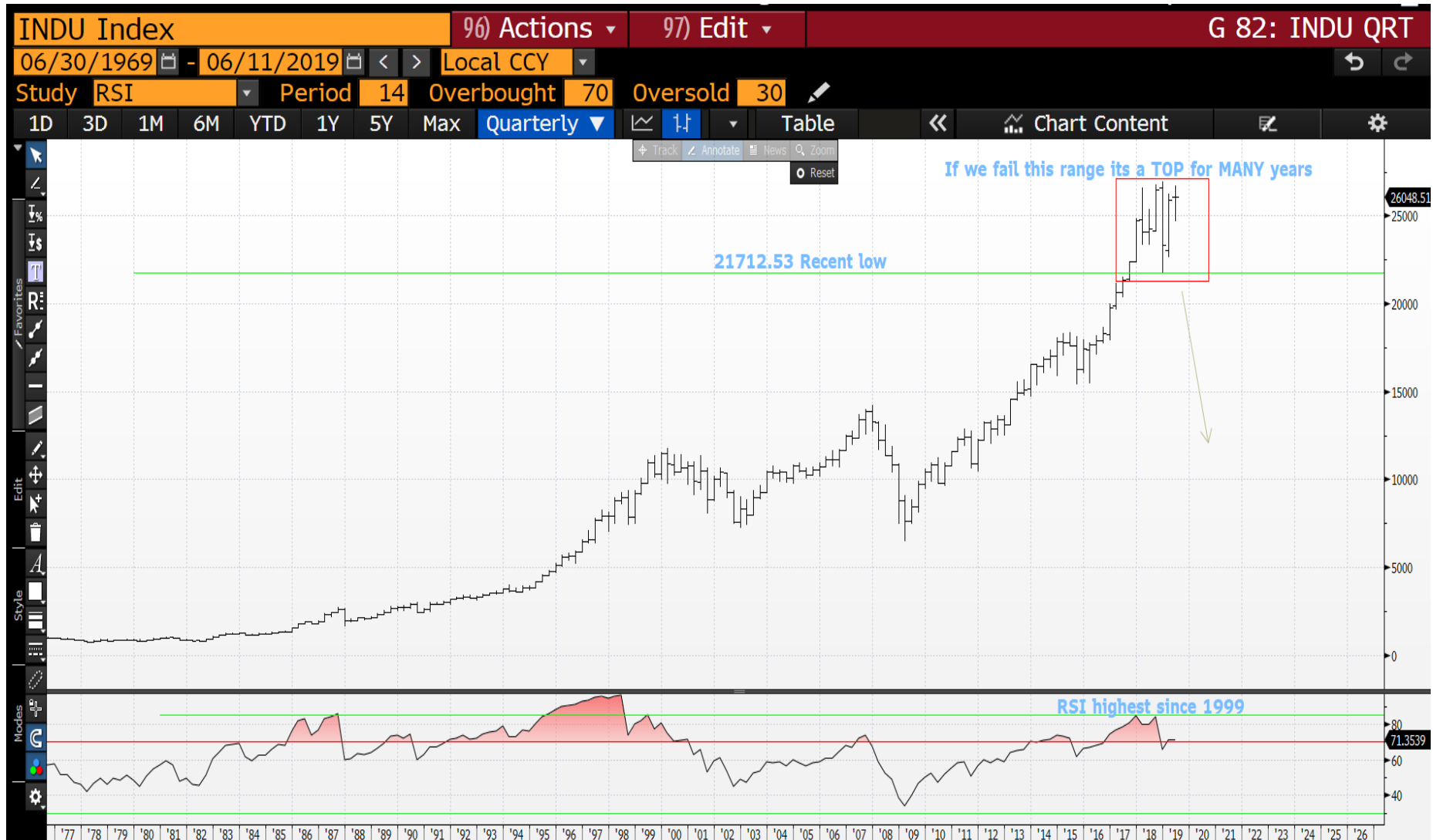
FTSE daily : A nice upside pierce developed yesterday and a breach of the 7341.93 50 day moving will signal a FRESH move lower.



E mini S*P daily : We look to of formed a top-pierce, just need to breach the 2875.67 50 day moving average.



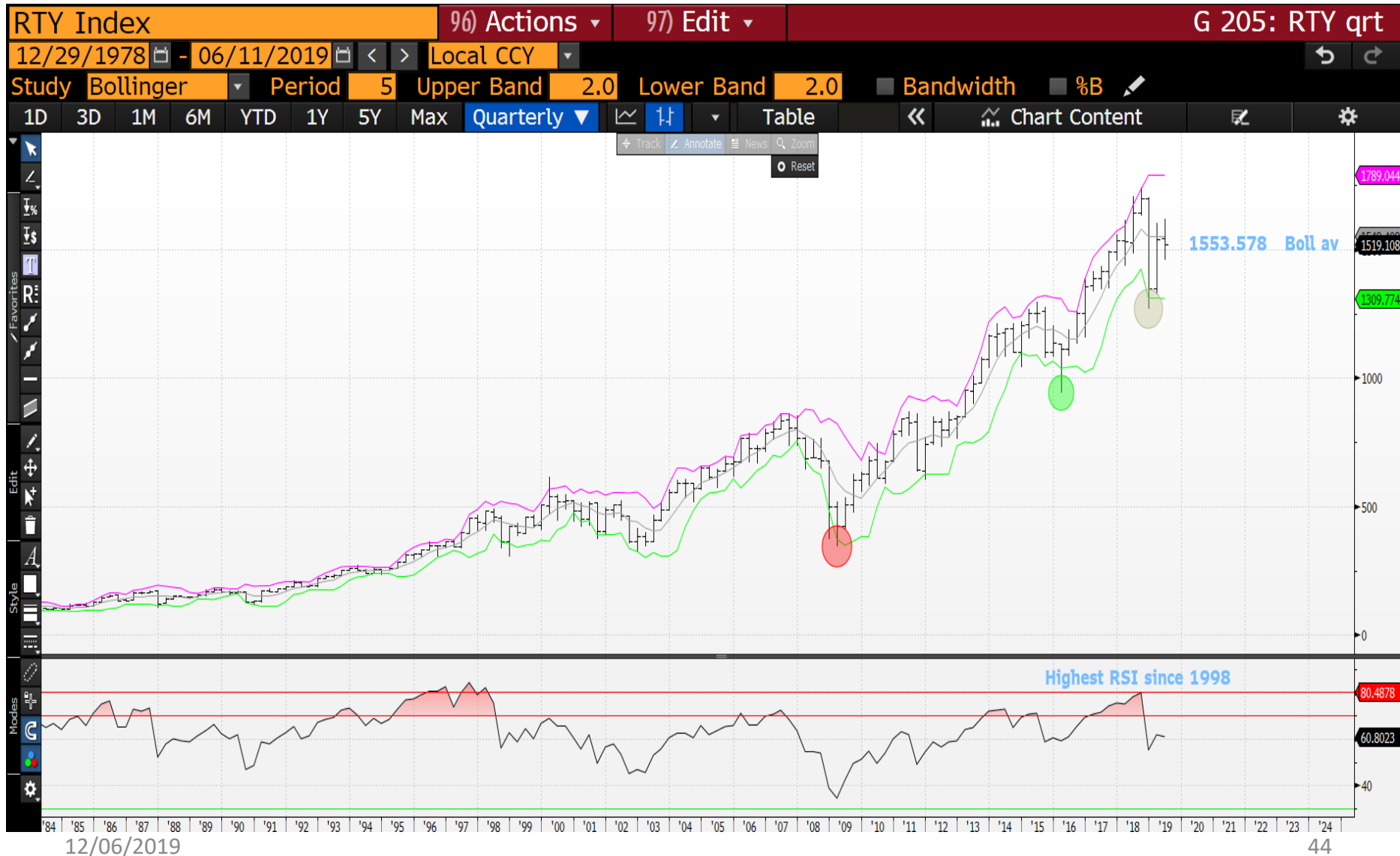
DOW quarterly : If this formulates a multi year top and we subsequently breach 21712.53 then MAJOR stops will ensue.



DOW daily : Another top forming with potential to break the 26006.52 50 day moving average.



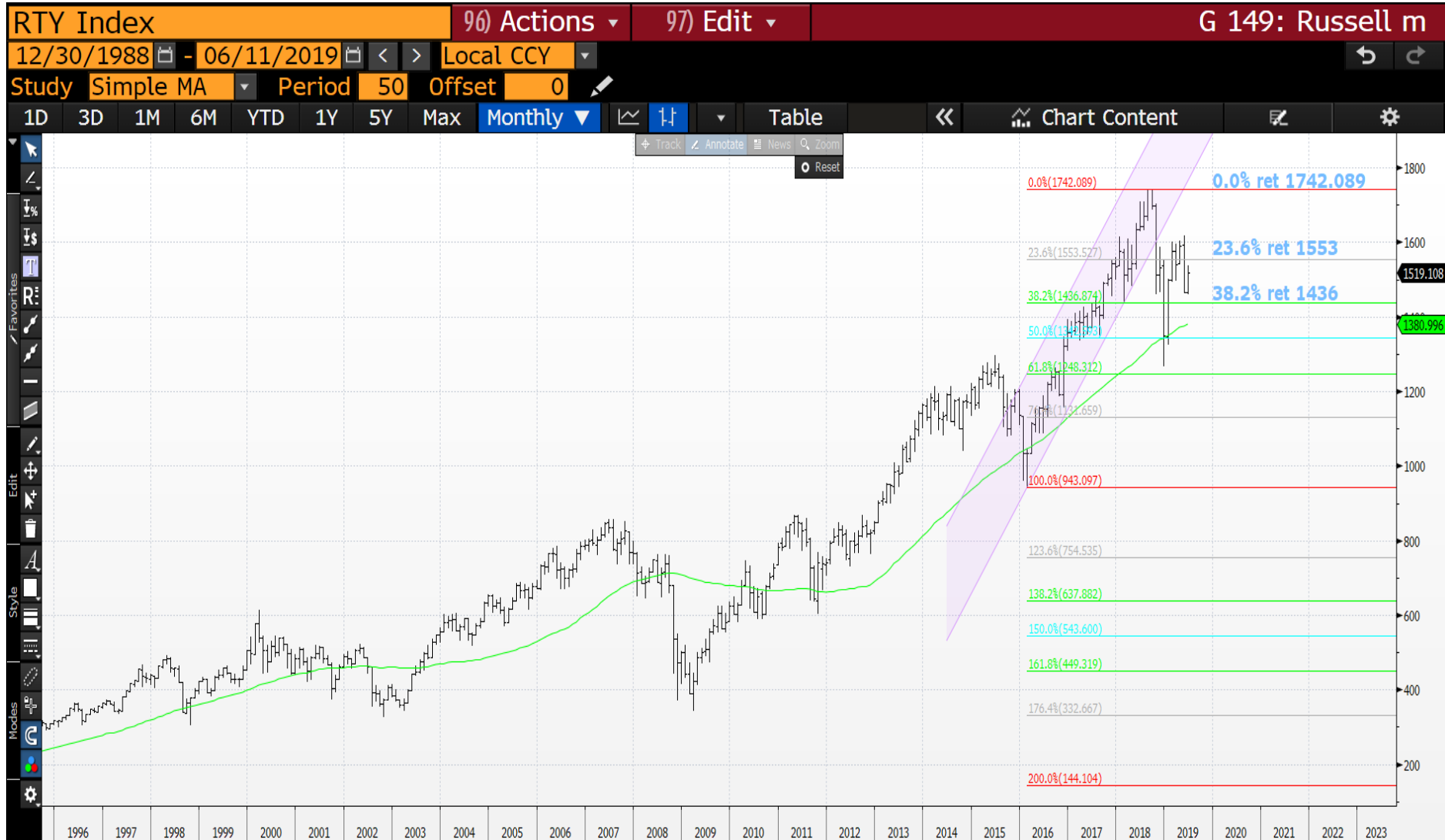
Russell quarterly : We have breached the 1553.578 bollinger average thus look like heading a lot lower.



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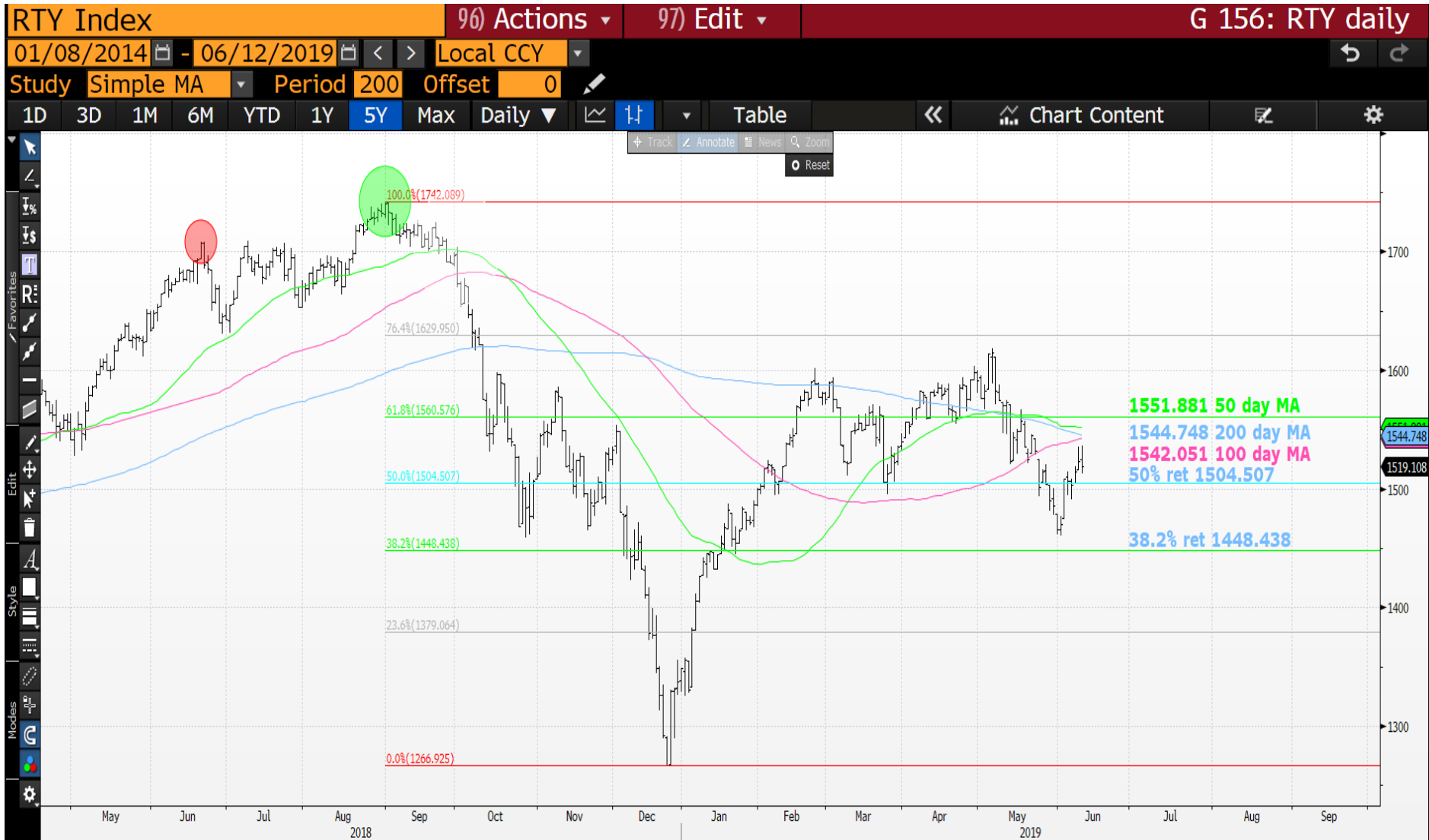
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Russell monthly : We remain sub the 23.6% ret 1553 thus should head lower.

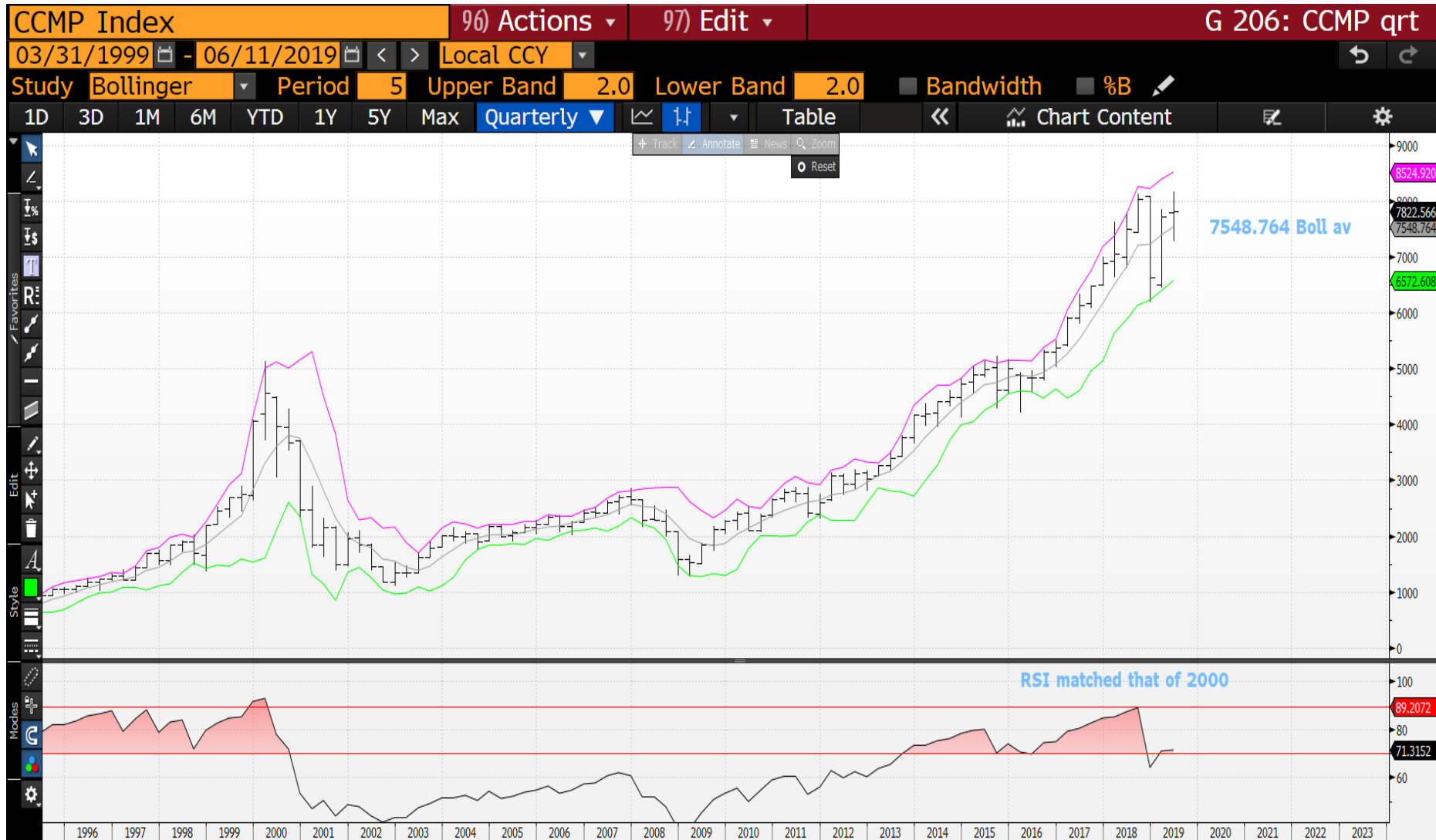


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Russell daily : A GREAT bounce, especially if we REMAIN below ALL 3 moving averages.



CCMP quarterly : A fairly decent reversal on the quarter and now poised to breach the trend friend bollinger average 7493.713.

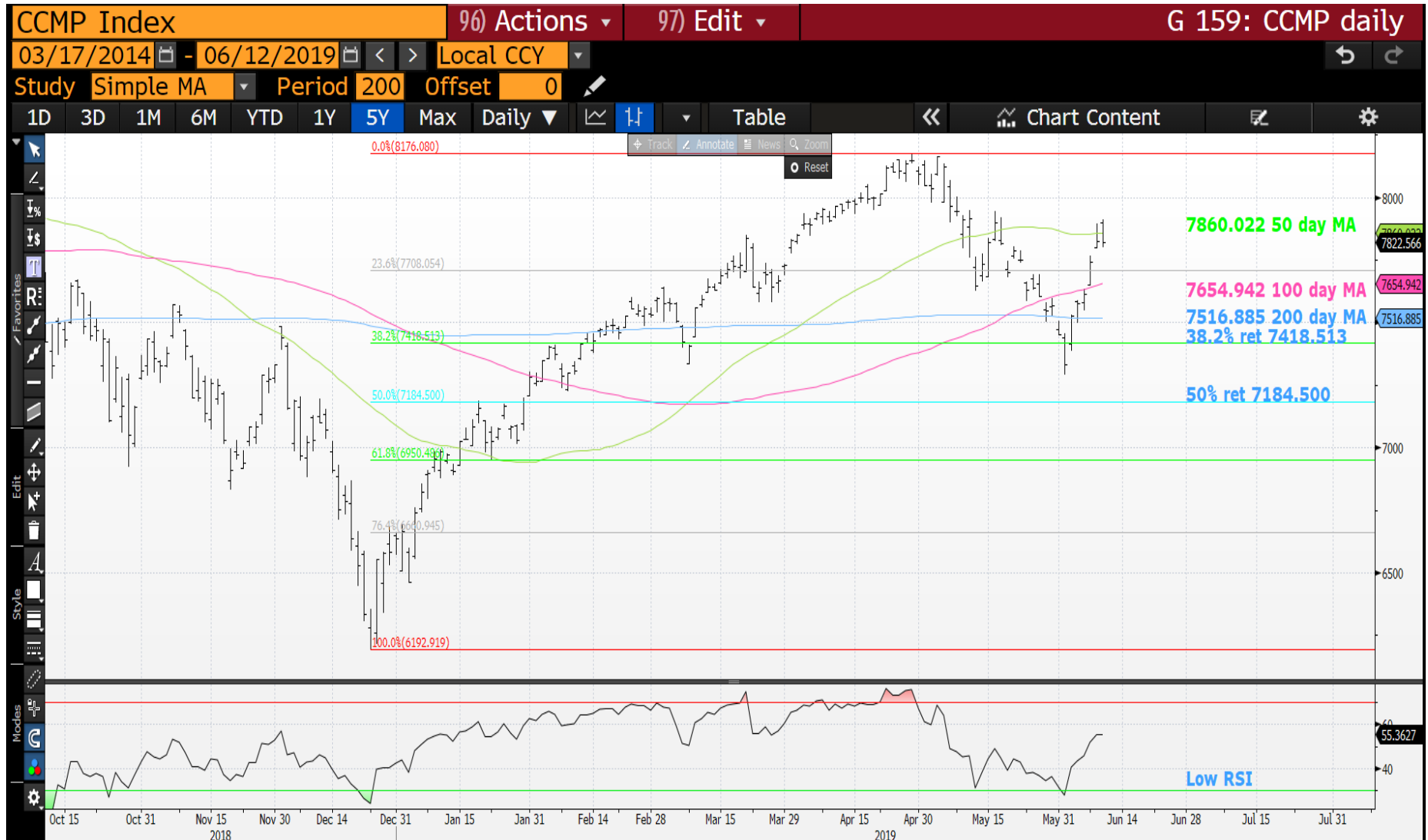


CCMP monthly : Could this be a KEY trend channel failure at 7874.



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CCMP monthly : We seem to be forming a top against the 7860.022 50 day moving average.

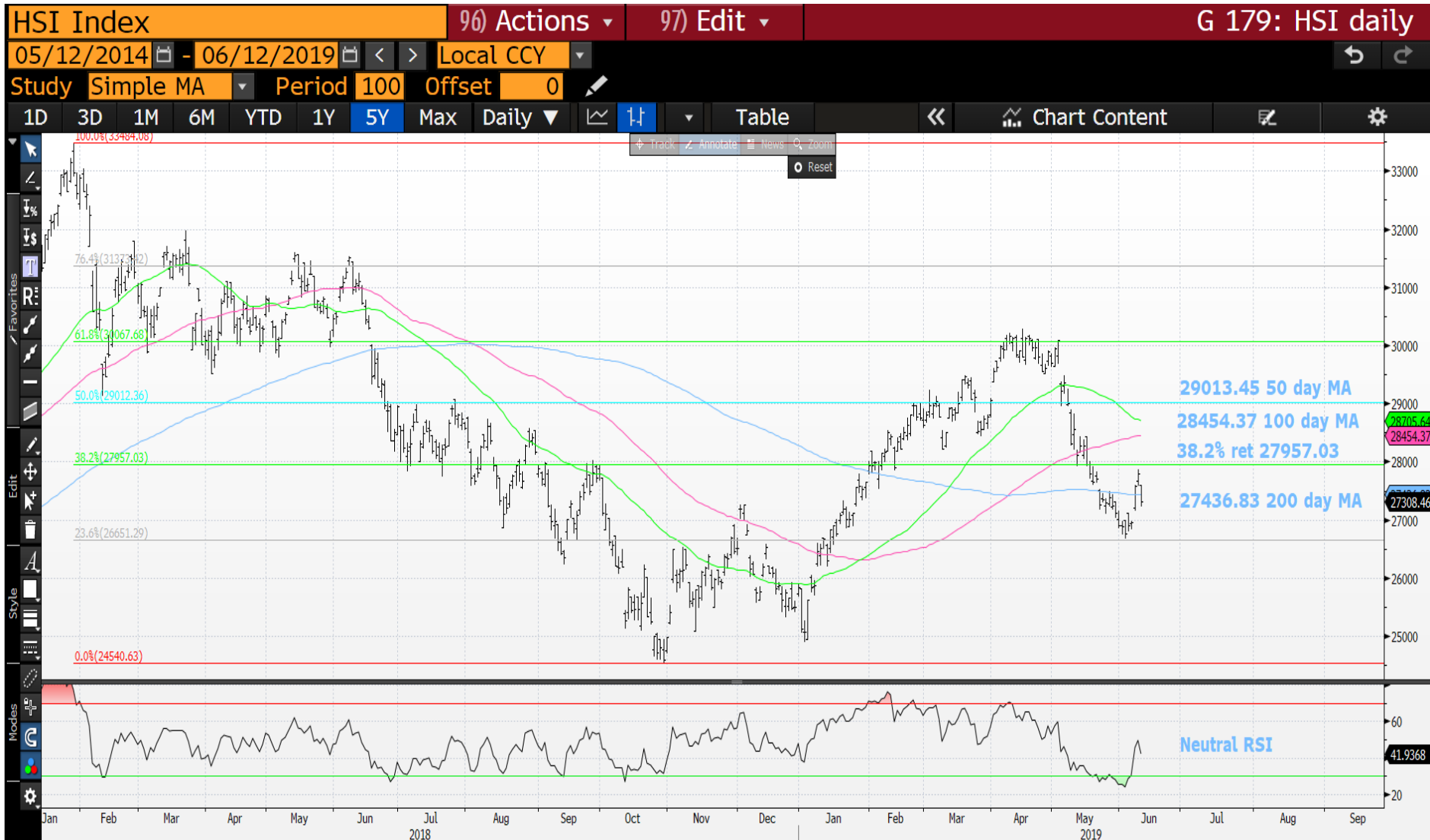


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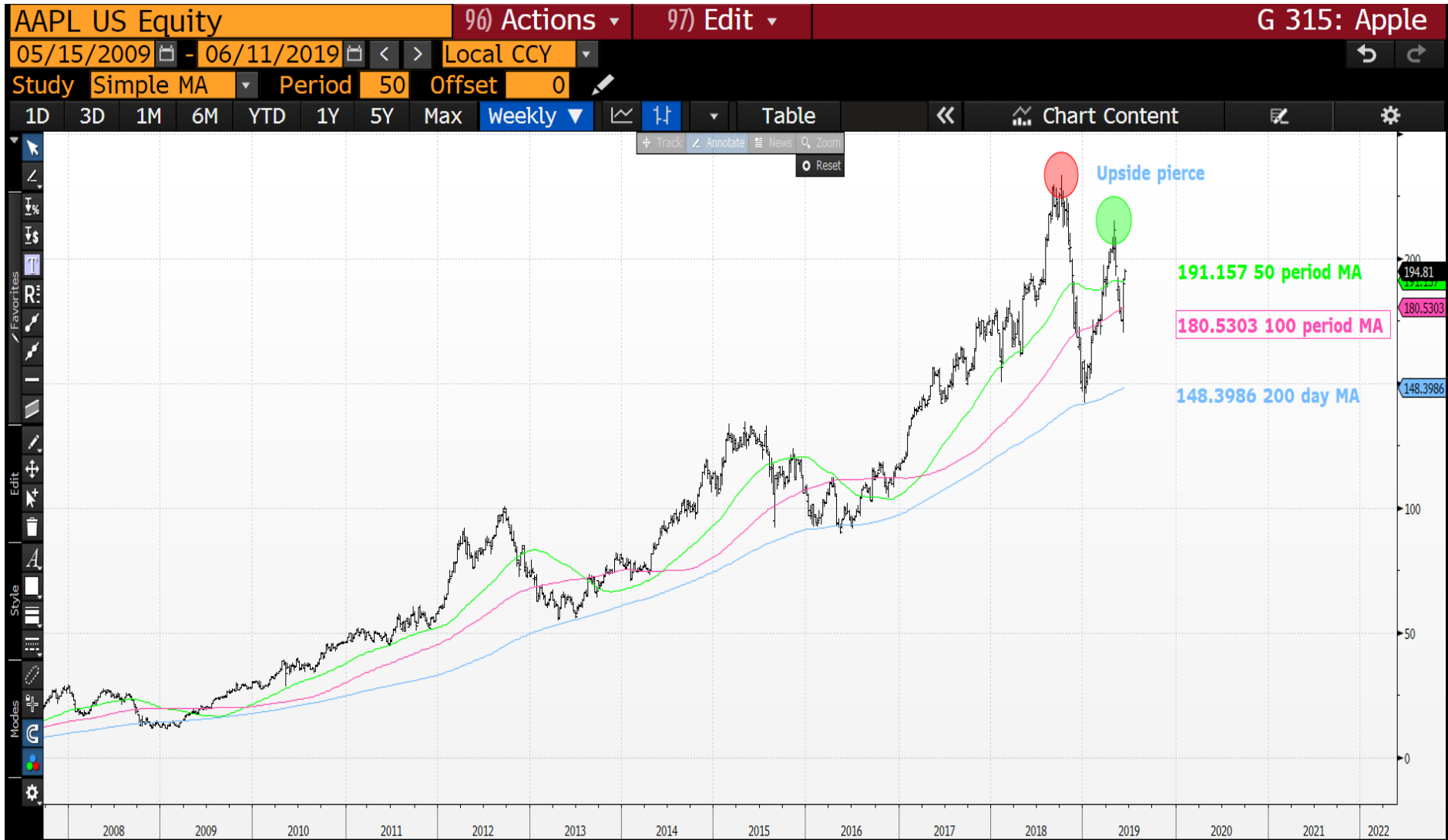
Hang Seng monthly : A VERY SIZEABLE reversal this month, one not seen in a long-time.



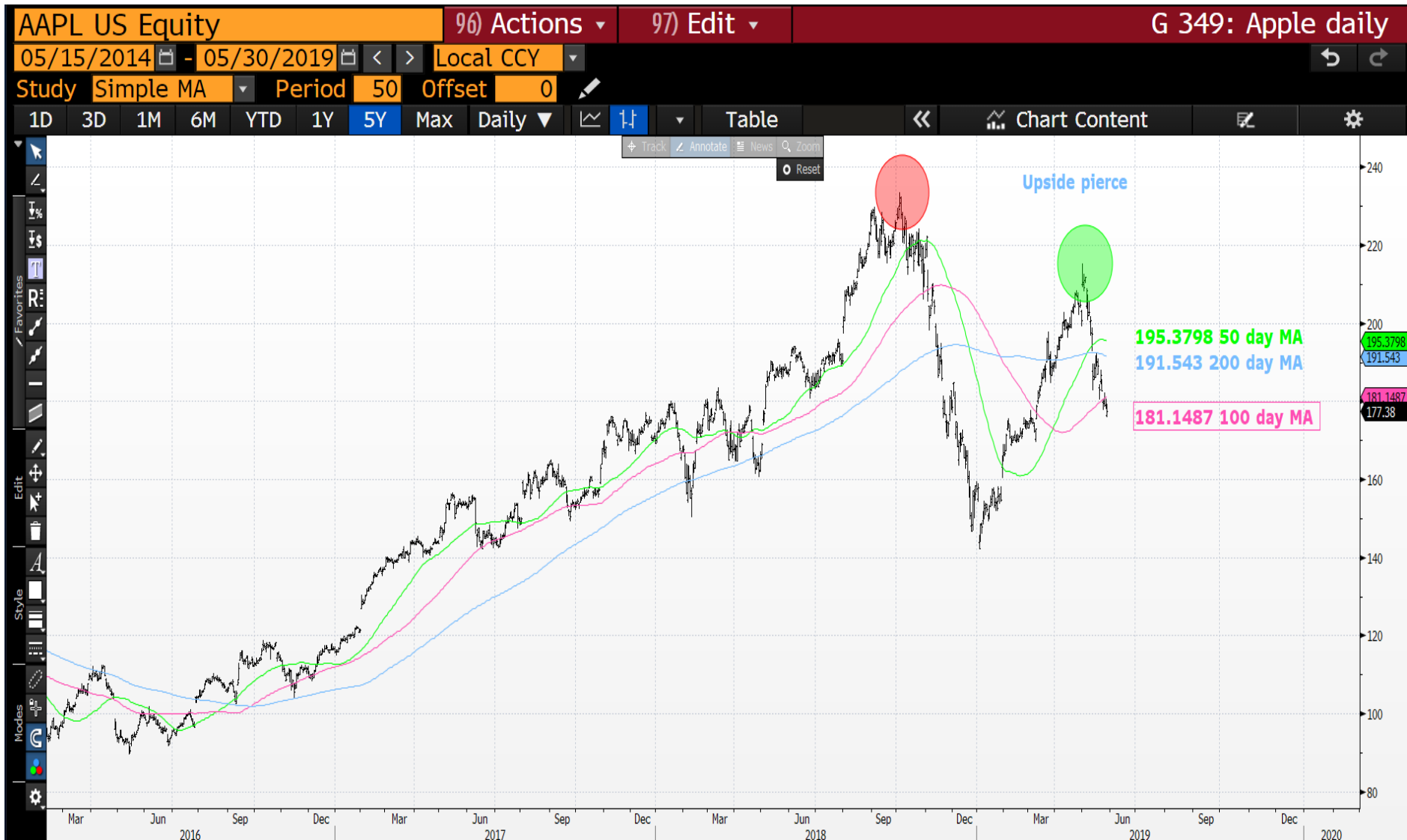
Hang Seng daily : Given the political arena this market is struggling to recover, failing the 38.2% ret 27957.03



APPLE weekly : A decent bounce but needs to HOLD.



APPLE daily : A VERY poor performance given we STILL remain below ALL MOVING AVERAGES.



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INTEL weekly : We are starting to FAIL the 38.2% ret 47.0033, nasty if we head lower from here.



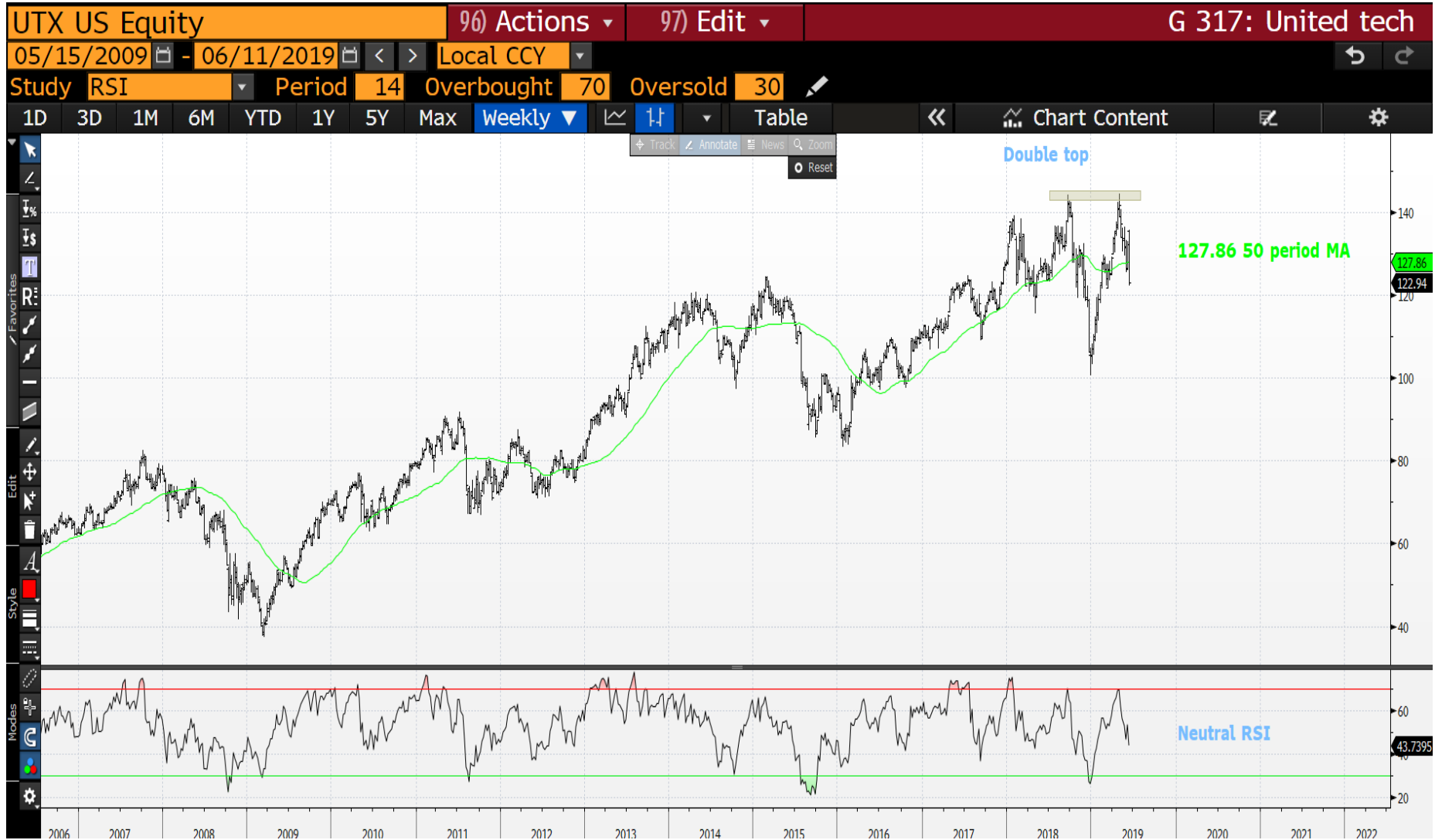
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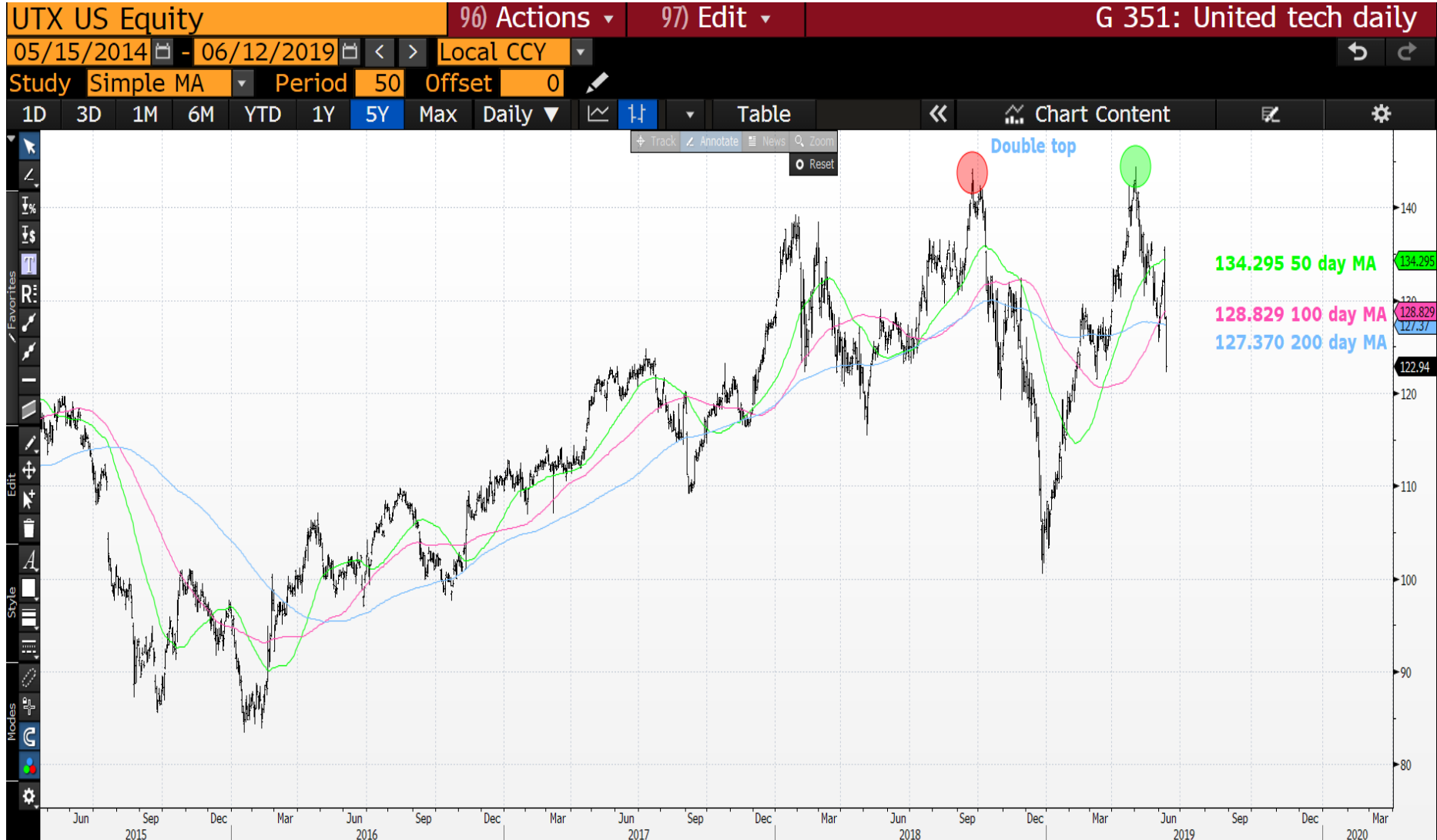
INTEL daily : The market is sub ALL moving averages and the RSI is NOW NEUTRAL. It has no bounce!



UNITED TECHNOLOGIES weekly : A sizeable double top that has been confirmed by a breach of the 127.768 50 period moving average. Lower we go.



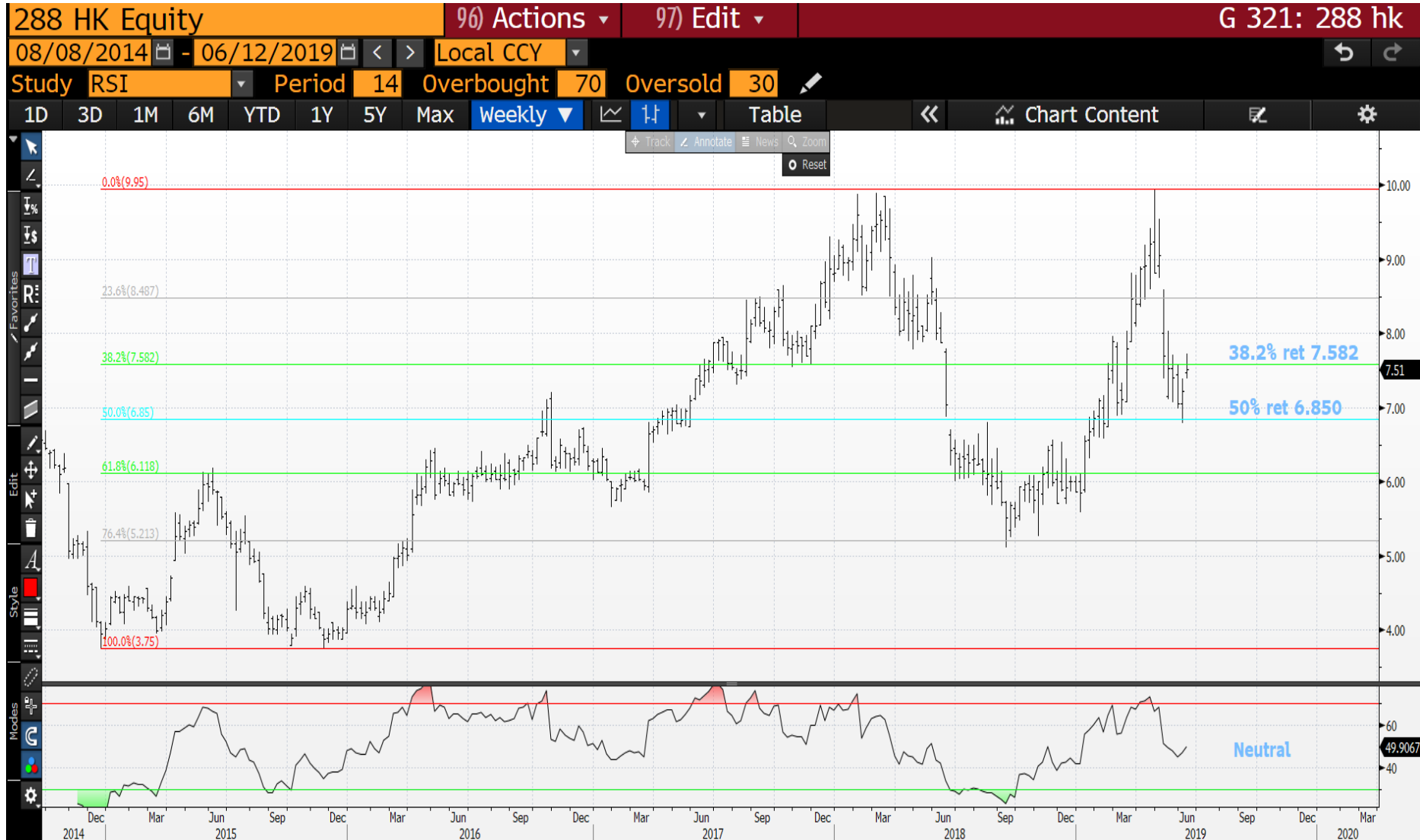
UNITED TECHNOLOGIES daily : This one certainly has no friends!



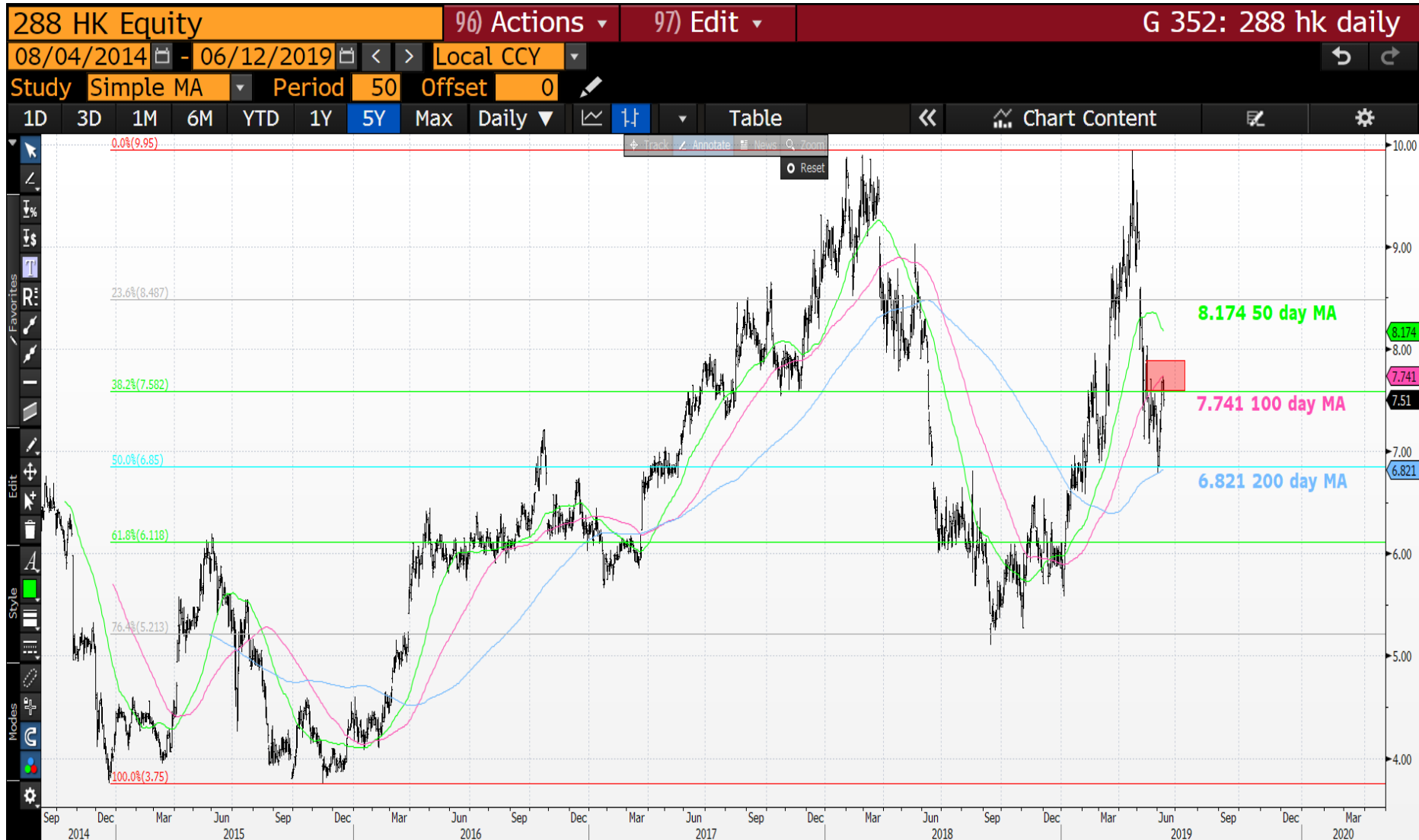
Microsoft weekly : This has been a GREAT PERFORMER but should the latest top signal a reversal then sub 116.0538 we FREE FALL. The HIGH RSI is a great help.



WH GROUP weekly : The minor rally is already stalling at the 38.2% ret 7.582.



WH GROUP daily : This could be a nasty failure at the 100 day moving average 7.741.



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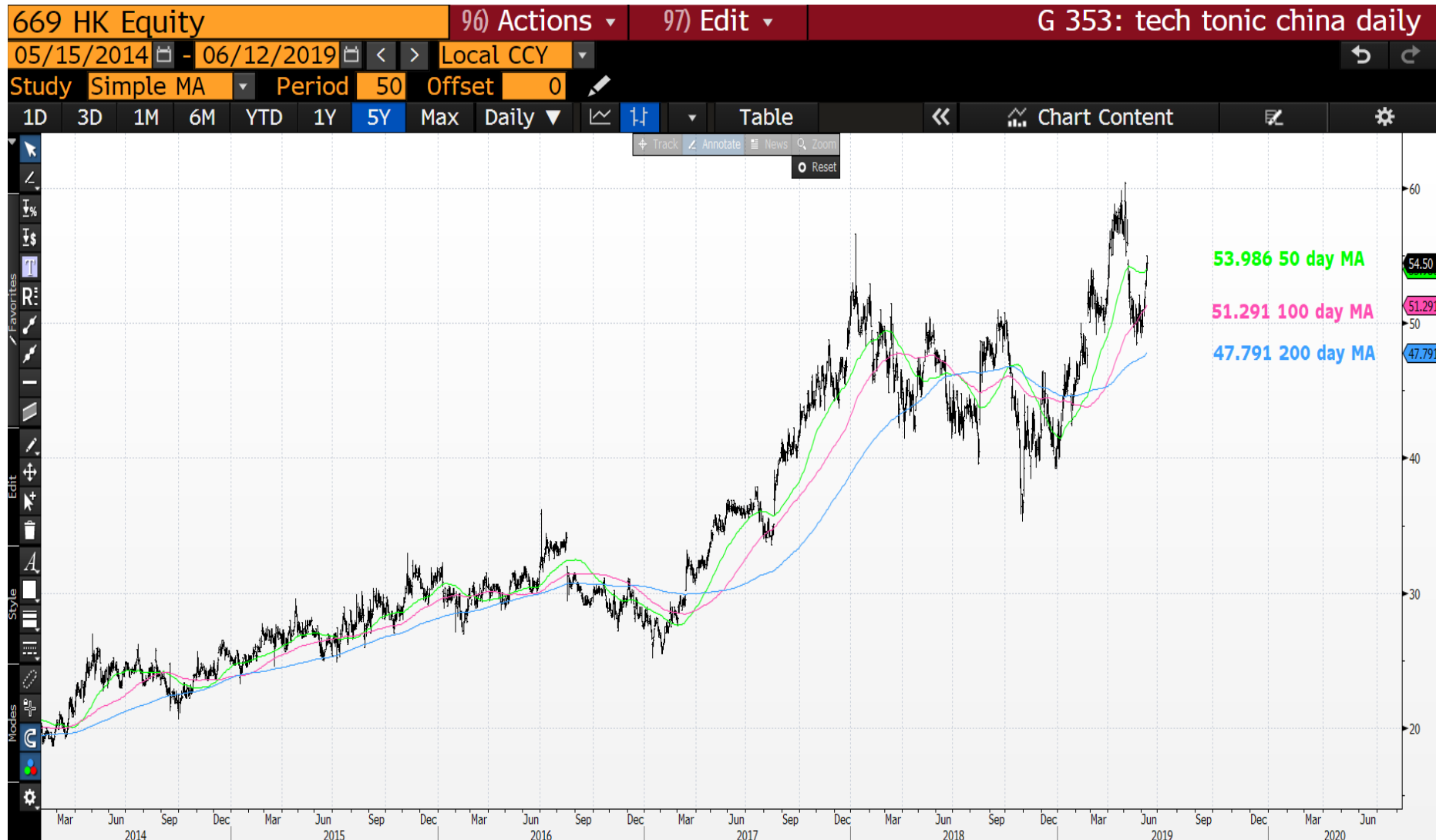
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TECHTRONIC INDUSTRY weekly : A perfect trend line failure with RSI extension assistance, we just need to breach the 47.415 moving average.



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TECHTRONIC INDUSTRY daily : A major fall from grace and close to re breaching the reliable 50 day moving average 3.986.



FX UPDATE

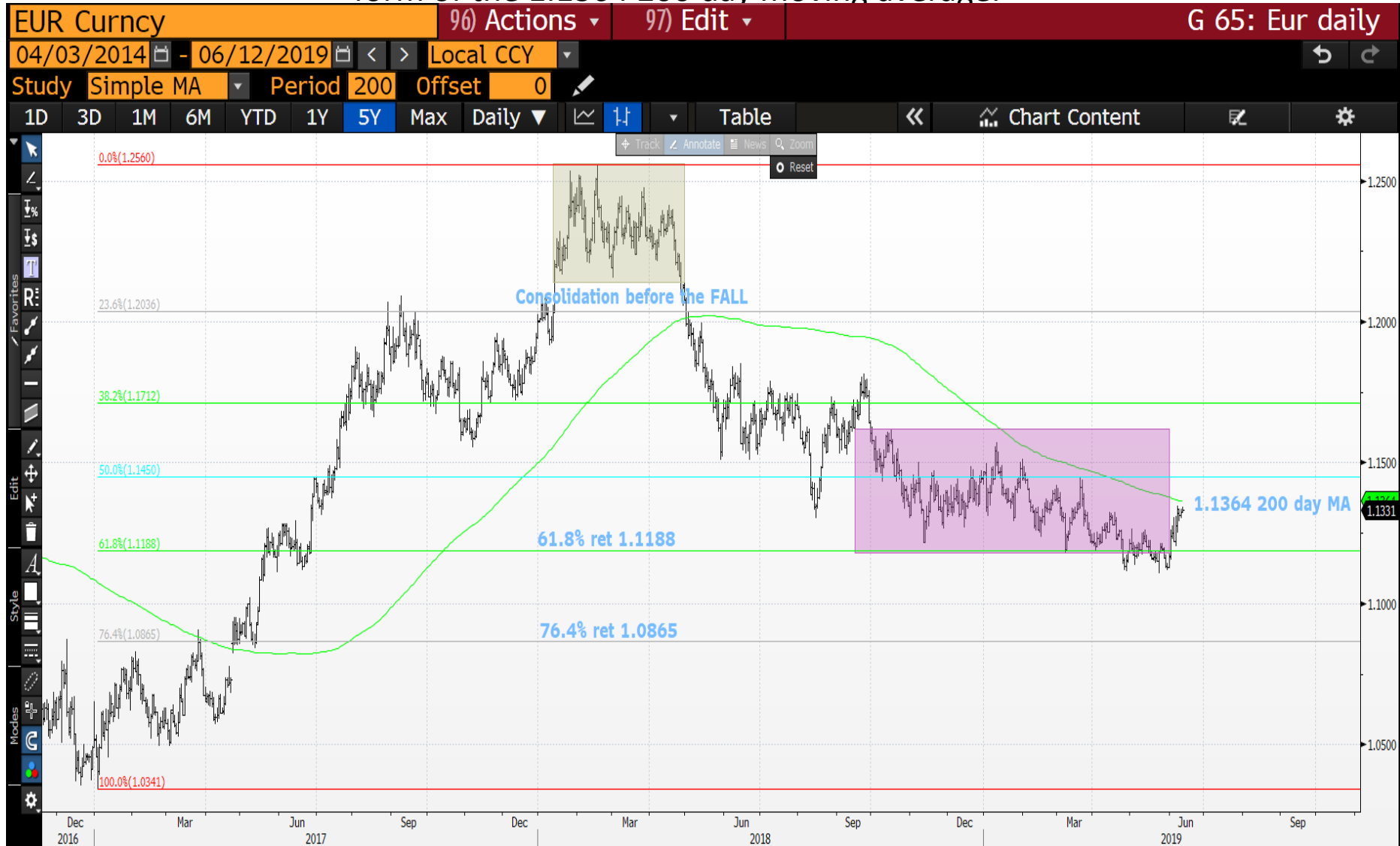
- **FX UPDATE :**
- **Overall CORE FX markets remain in a stagnant state with little movement in the USD.**
- **The EURO is testing a key 1.1364 200 day moving average.**
The DXY index has breached the recent highs but real question is how far does it rally?
- **EM is a firm favourite with REAL MONEY 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.



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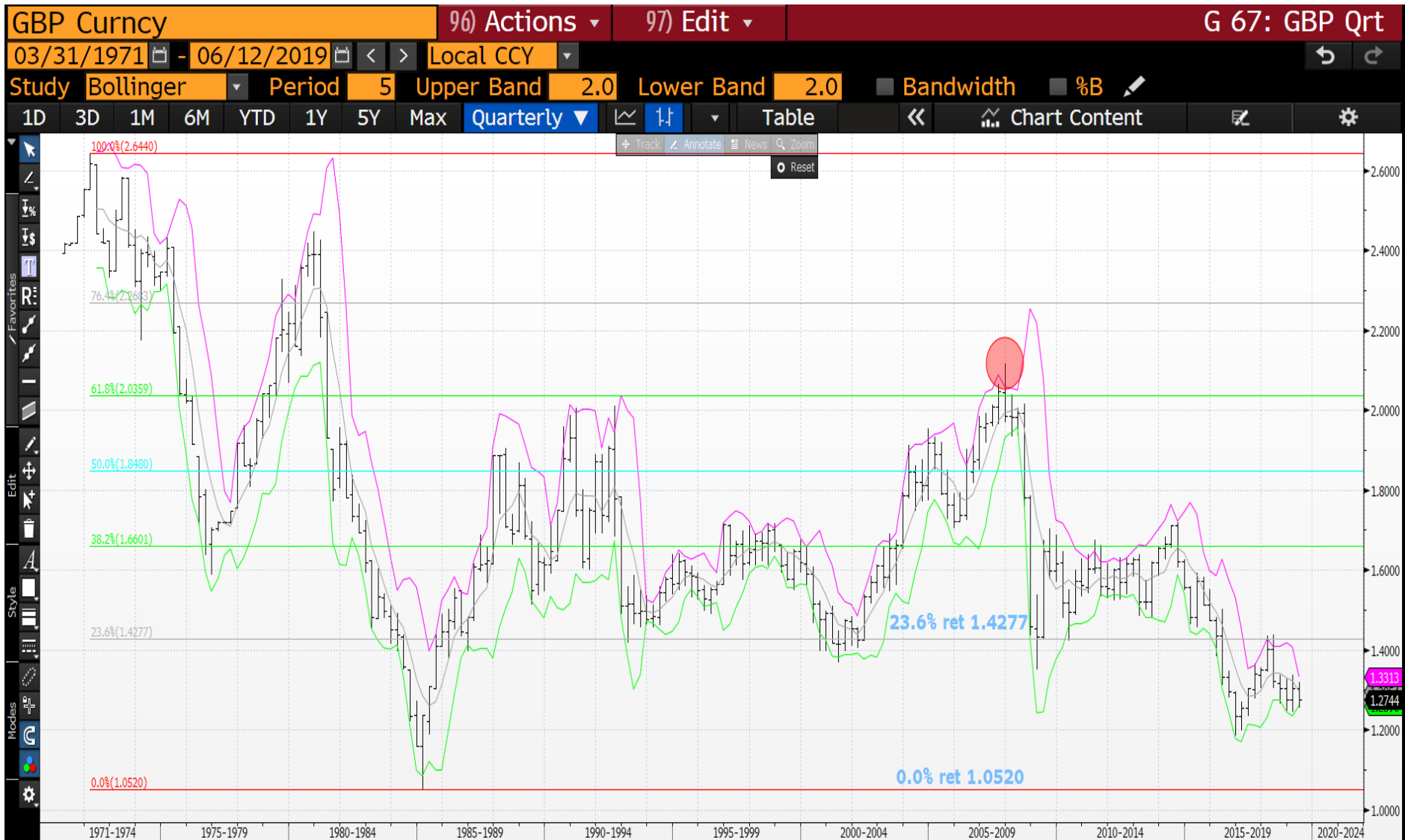
EUR USD daily : We have held the 61.8% ret 1.1188 but SOLID resistance looms in the form of the 1.1364 200 day moving average.



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.



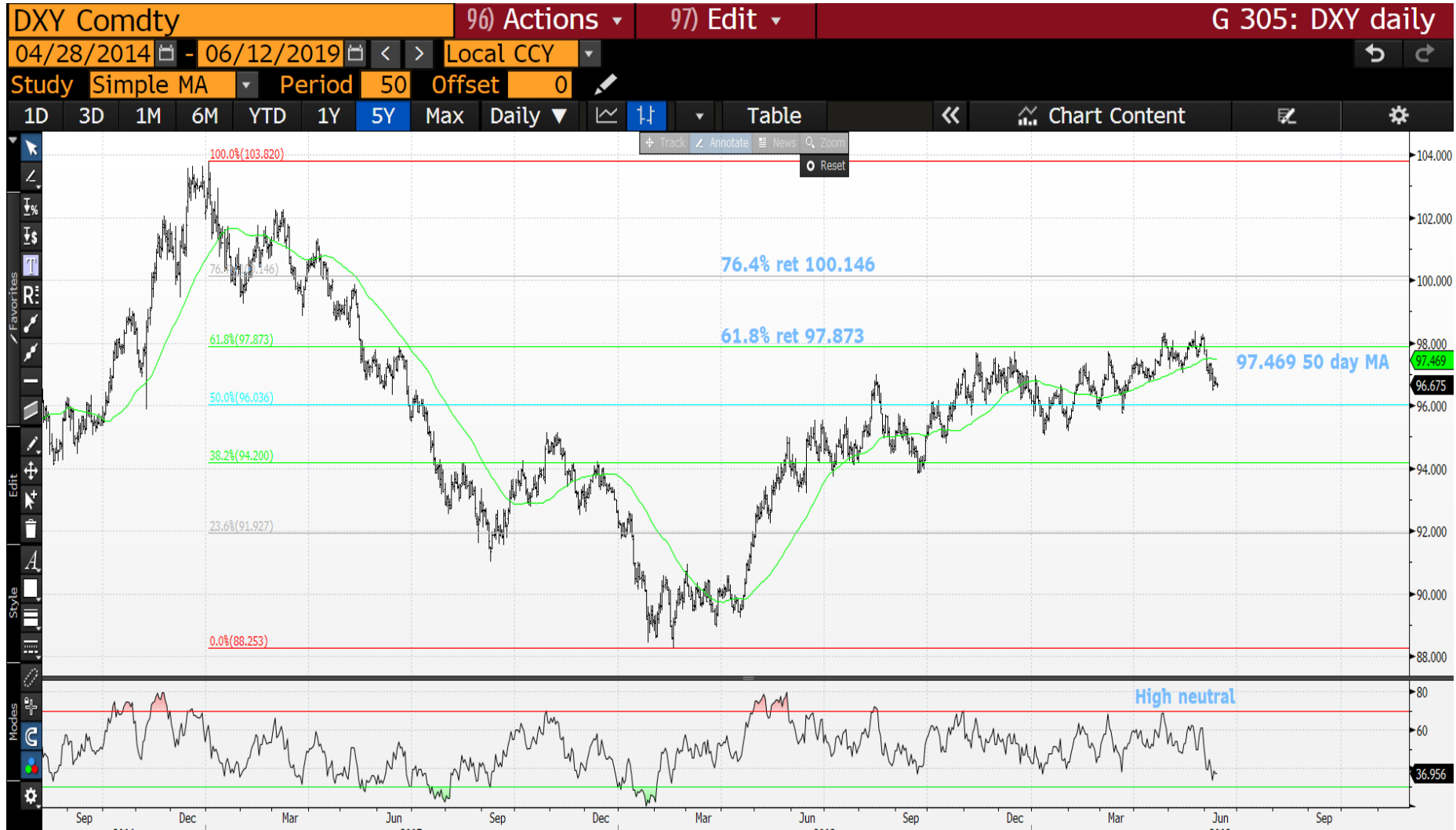
DXY monthly : We appear to be TOPPING already and any breach of the 50% ret 95.859 will
WRONG FOOT many.



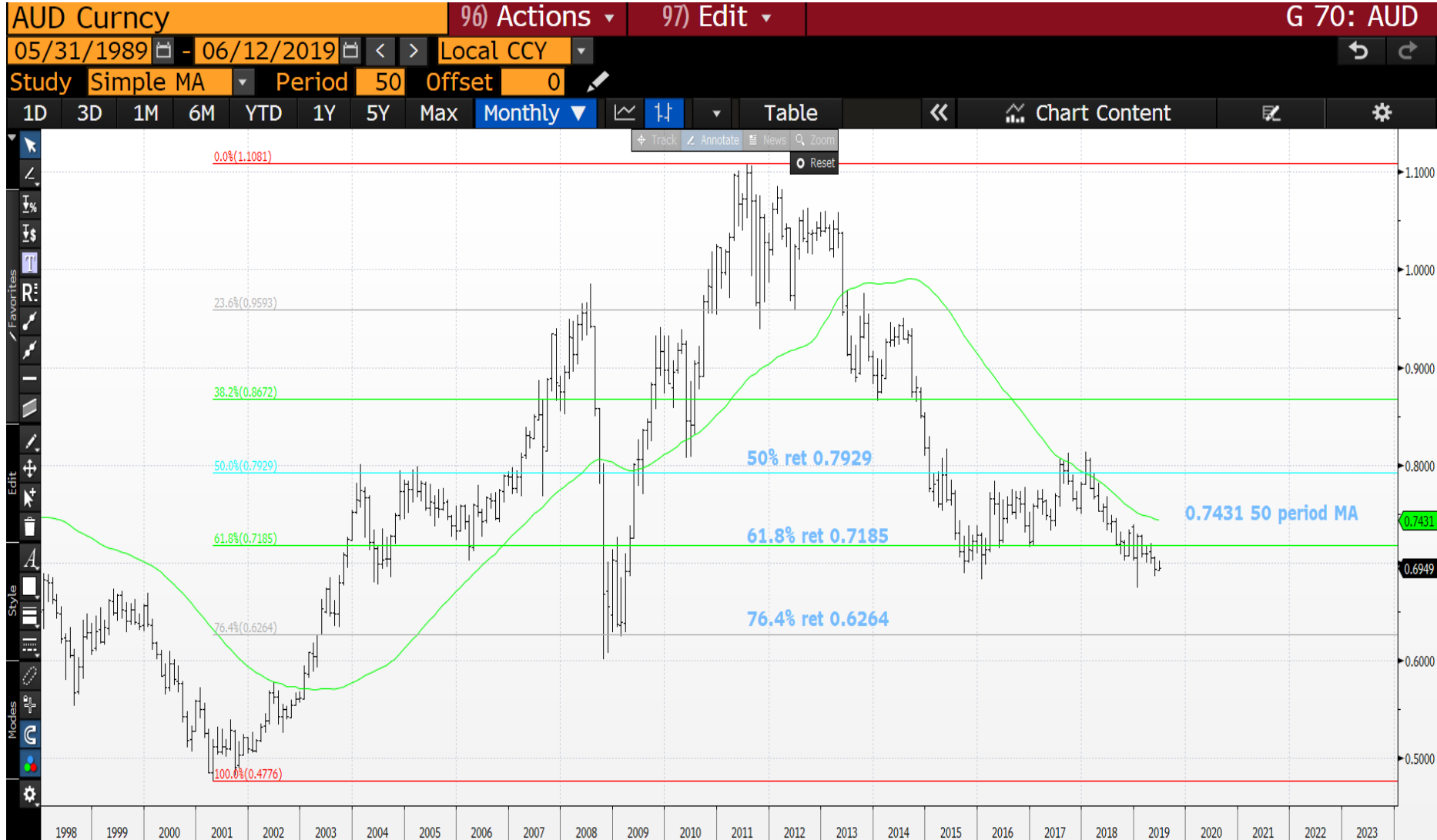
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DXY daily : We have failed the 61.8% ret 97.873 and sub the 50 day moving average 97.469.

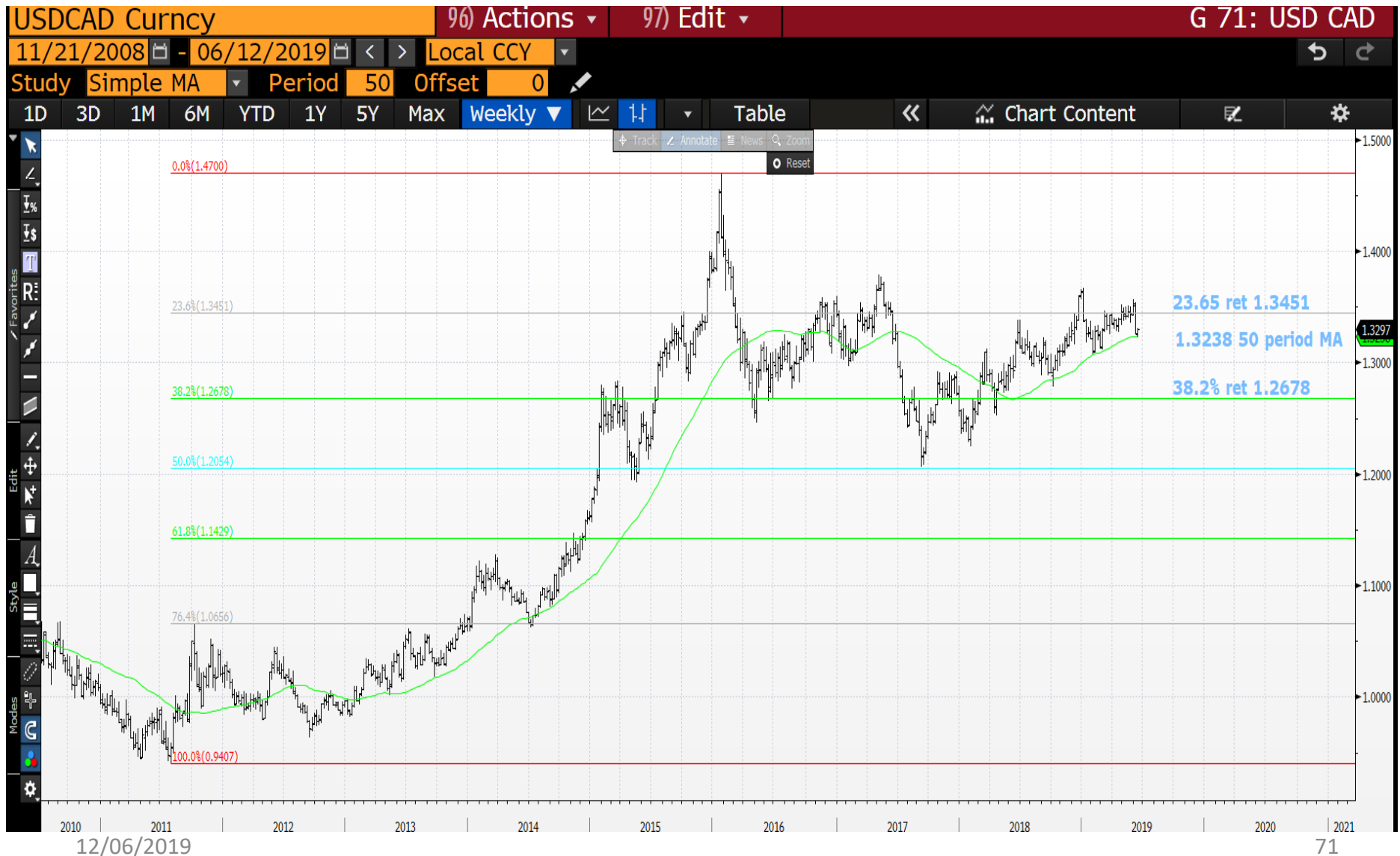


AUD USD monthly : The pierce of 5 months ago continues to call for a higher AUD.

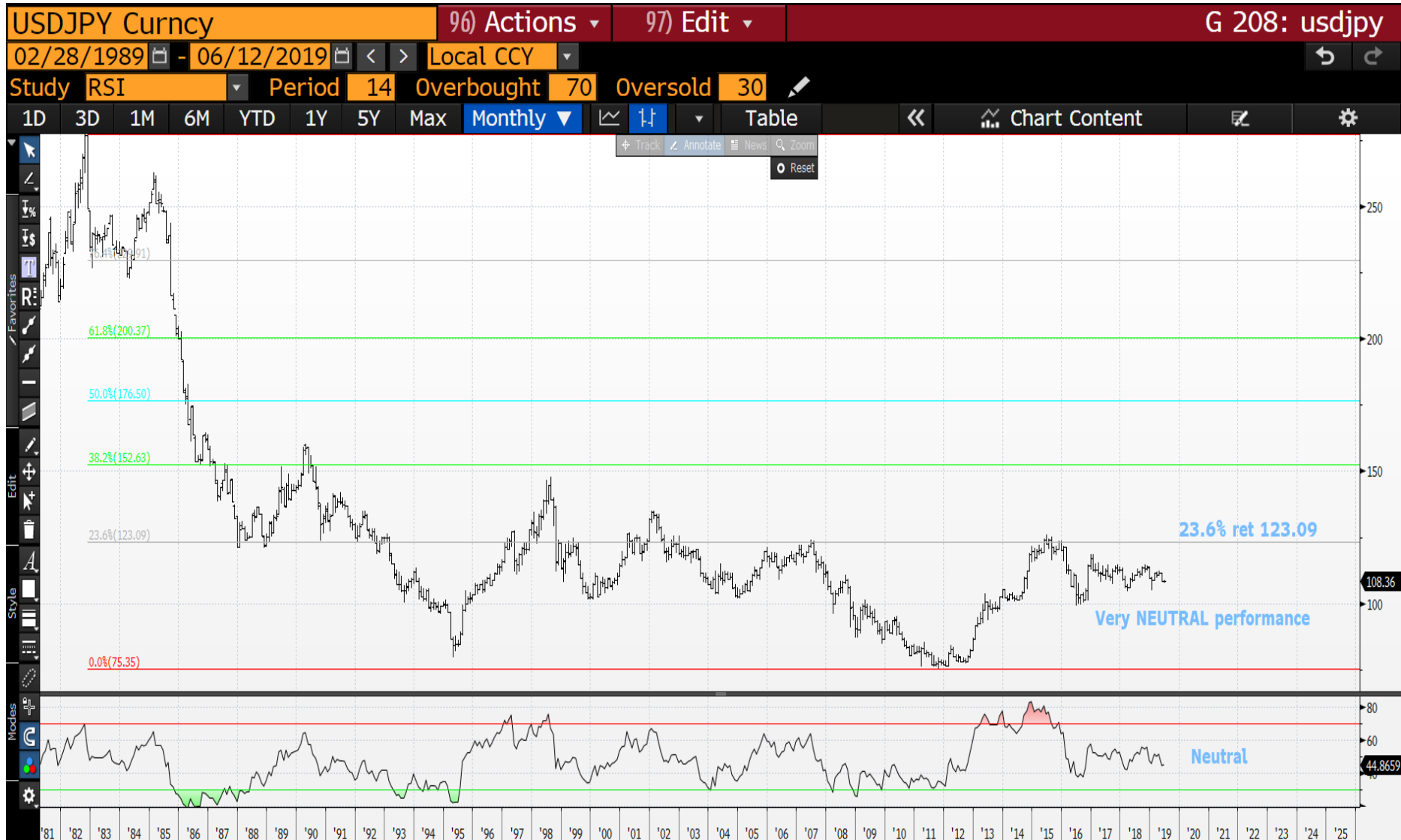


12/06/2019

USD CAD weekly : Am nice test and current HOLD of the RELIABLE 50 period moving average 1.3238.



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



EM UPDATE

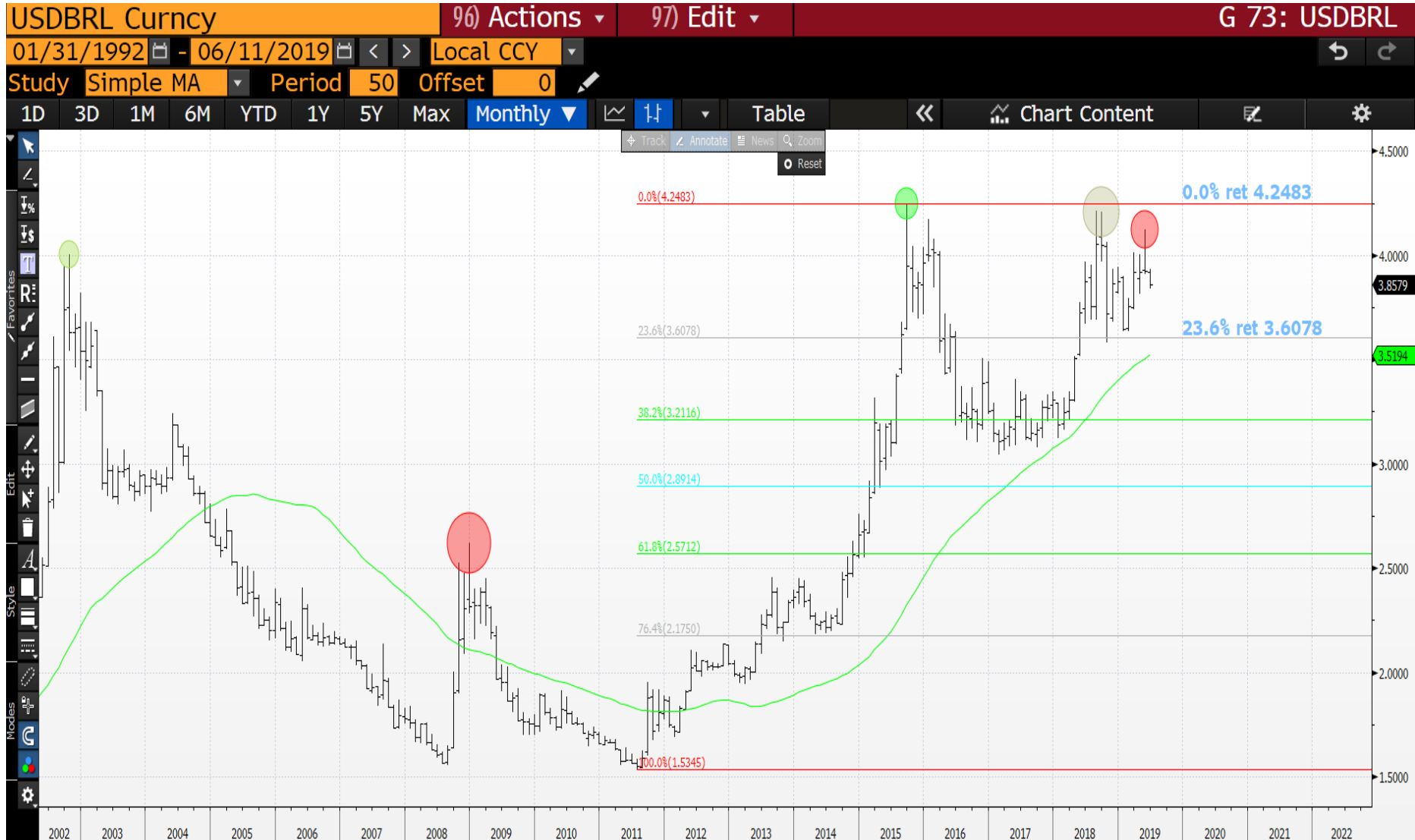
- **EM : With the DXY rolling over then the following crosses should benefit nicely.**
- **MANY USD-EM crosses now have SIZEABLE long-term tops formed. I think it is a combination of EM relief that the Turkey-Argentina situation is improving and the DXY losing momentum, more bias on the former for influence.**
- **USD MXN continues to reject decent trend resistance at 20.6155 AND poised to break 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.



12/06/2019

USD BRL monthly : We have developed a VERY NASTY upside pierce and continues to endorse this cross is heading a lot lower.



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 continue to attain lower highs and the chance of a breach of the 38.2% ret 61.9293 looks likely.



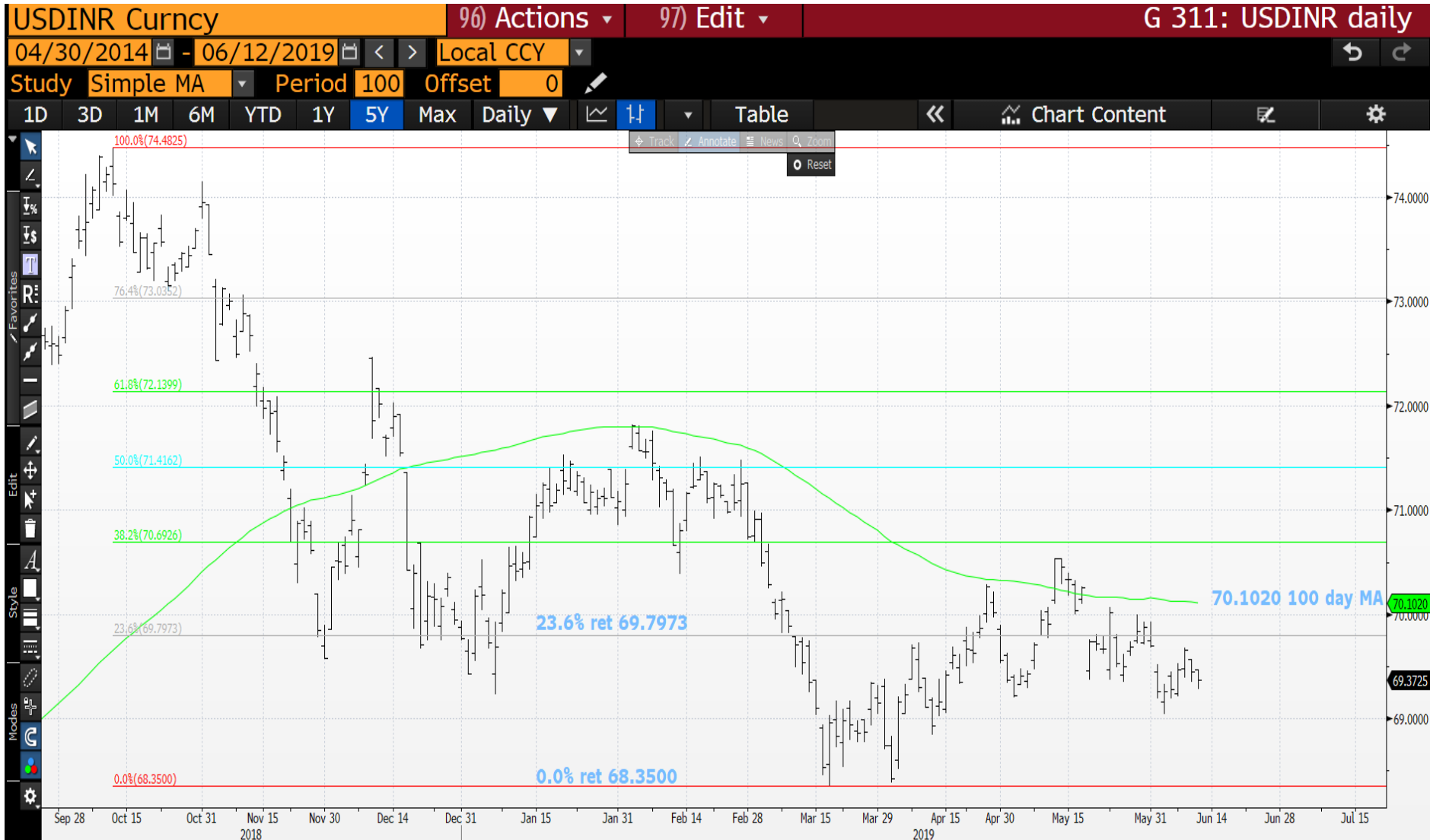
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USD INR monthly : A BIG ONE for 2019 as PLENTY of downside possibility. We have witnessed narrow ranges of late but progress is continuing lower.



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USD INR daily : Despite the latest bounce we remain sub the 70.1020 100 day moving average.



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CL1 monthly : Oil remains HEAVY and continues to push new lows.



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CL1 daily : A VERY POOR bounce despite the recent RSI dislocation.



12/06/2019

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. Above the 1351.26 100 period moving average we FLY.



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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