

**PRE FED MULTI ASSET UPDATE : A MASSIVE POINT OF TENSION IN A TENSE ENVIRONMENT!  
WE ARE SITTING ON SOME MAJOR LEVELS - RSI EXTENSIONS WORTH NOTING, BEFORE  
TONIGHTS DECISION.**

**Bond yields : We REMAIN at an awkward juncture, on the one hand yields continue to fall  
aided by the quarterly-monthly outlook and the other the WEELY RSI's remain stretched.  
Tonight should formulate the next step.**

**EQUITIES : Despite Mr trump recent assurances about meeting with China again, we have  
been here before and doubtless Trump will be playing hard ball, so I still don't trust the  
latest rally.**

**US CURVES : These have now become EXTREMLY neutral.**

**FX : It still isn't about the USD. The Euro is a focus having hit a 200 day moving average and  
a continued appreciation of EM.**

**OIL and GOLD : Oil is in neutral territory and likely to head lower.**

**Gold continues to be the safe haven trade with a breach of the 1351.34 100 period moving  
average being KEY.**

## FX UPDATE

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



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



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.



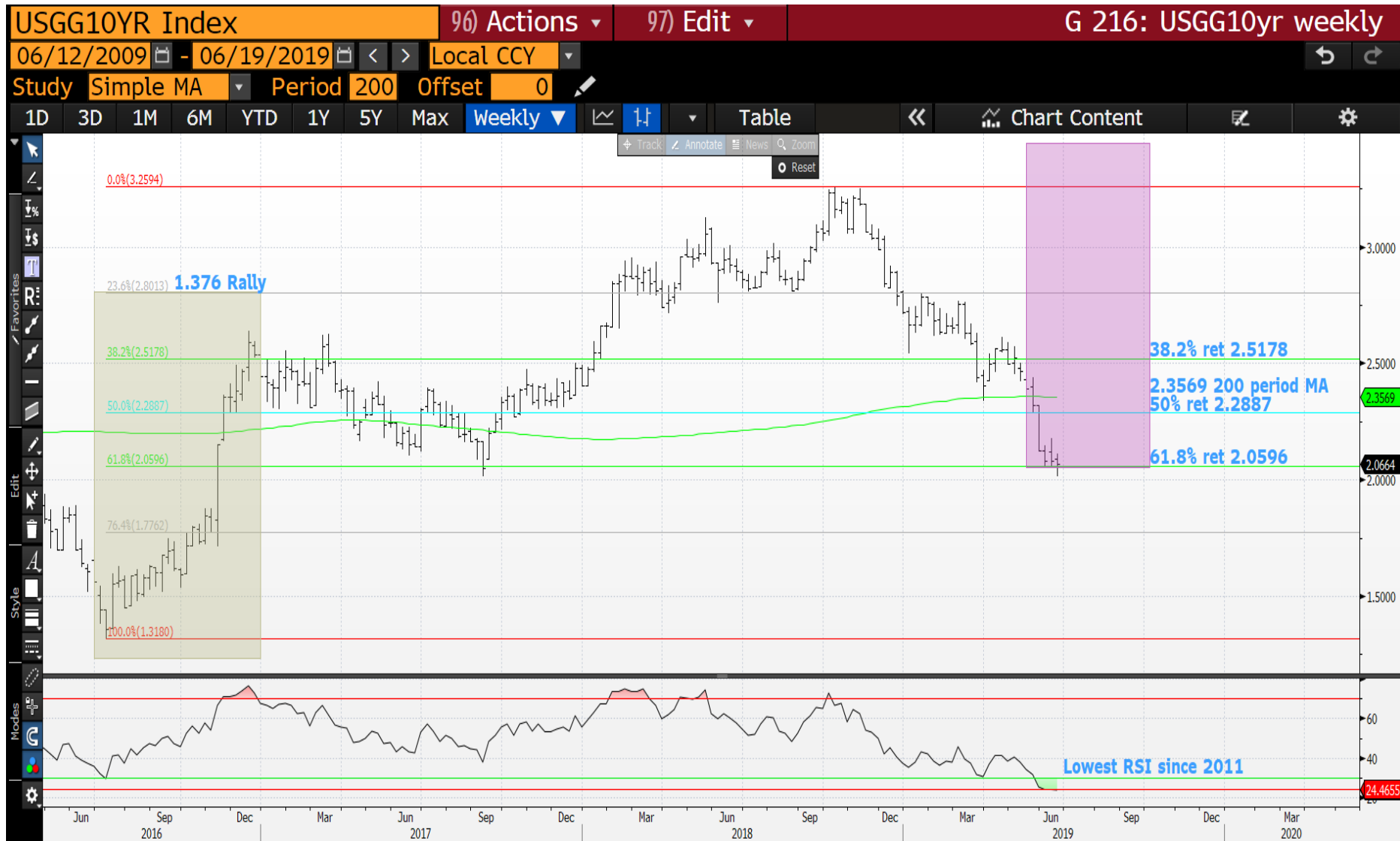
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# US 10yr yield quarterly : One of the best charts to remind ALL about the historical performance back in 2000 and 2007! Lower we go.



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# US 10yr yield weekly : The big frustration, again a wildly low RSI as the market hits the multi year 61.8% ret 2.0596.



USGG10yr daily : The RSI is off its lows just as we hit the 100% ret 2.0144.



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USGG5yr quarterly : History is telling us we have a lot more downside, given expectation was higher than 2000 and 2007 at its peak. We have a New Year low!



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# USGG5yr monthly : We managed to print a new yield low yesterday that despite the problematic 2010 RSI!



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



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.



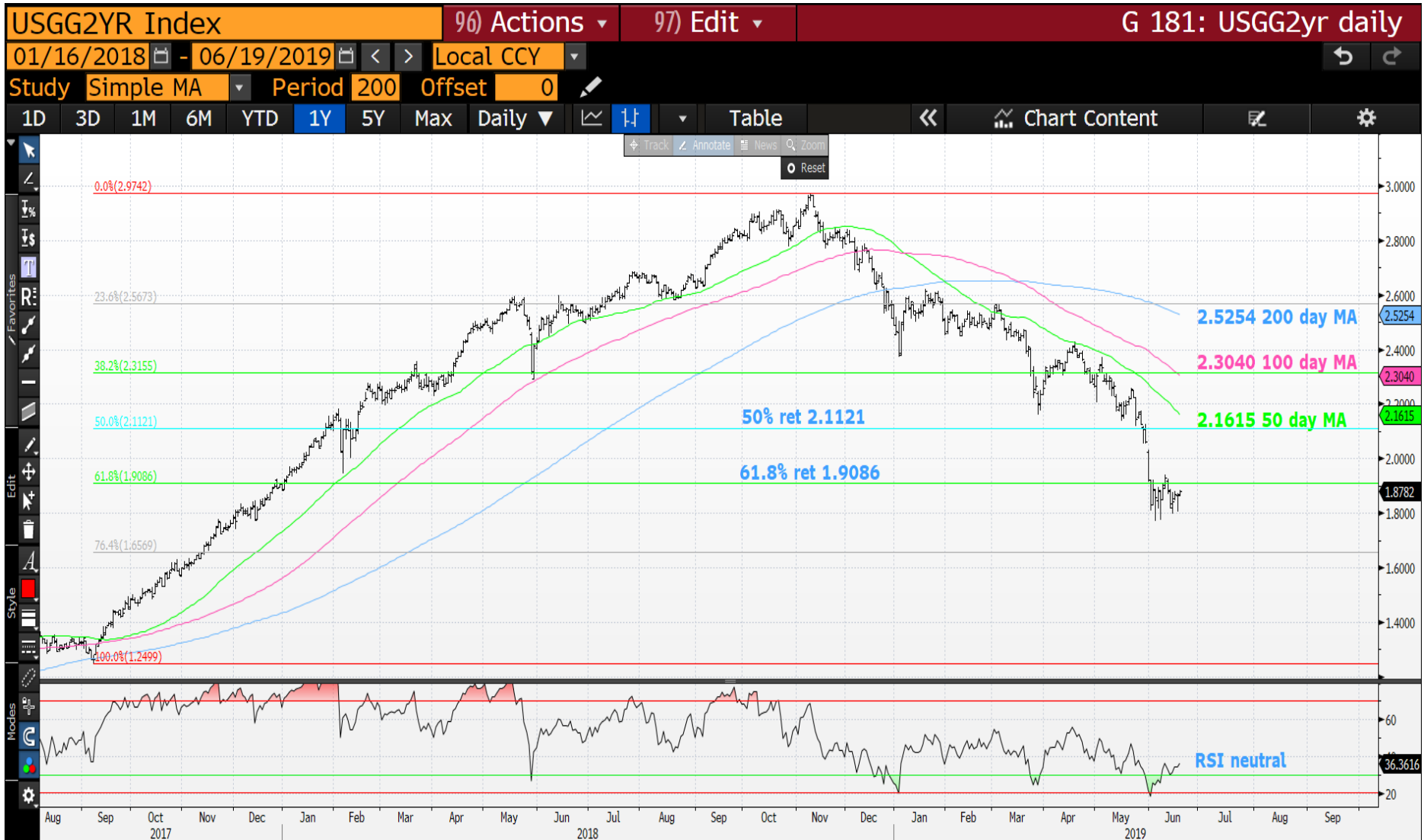
USGG2yr monthly : The big level to breach is the 23.6% ret 1.7448.



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



USGG2yr daily : A perfect failure at the 61.8% ret 1.9086.



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

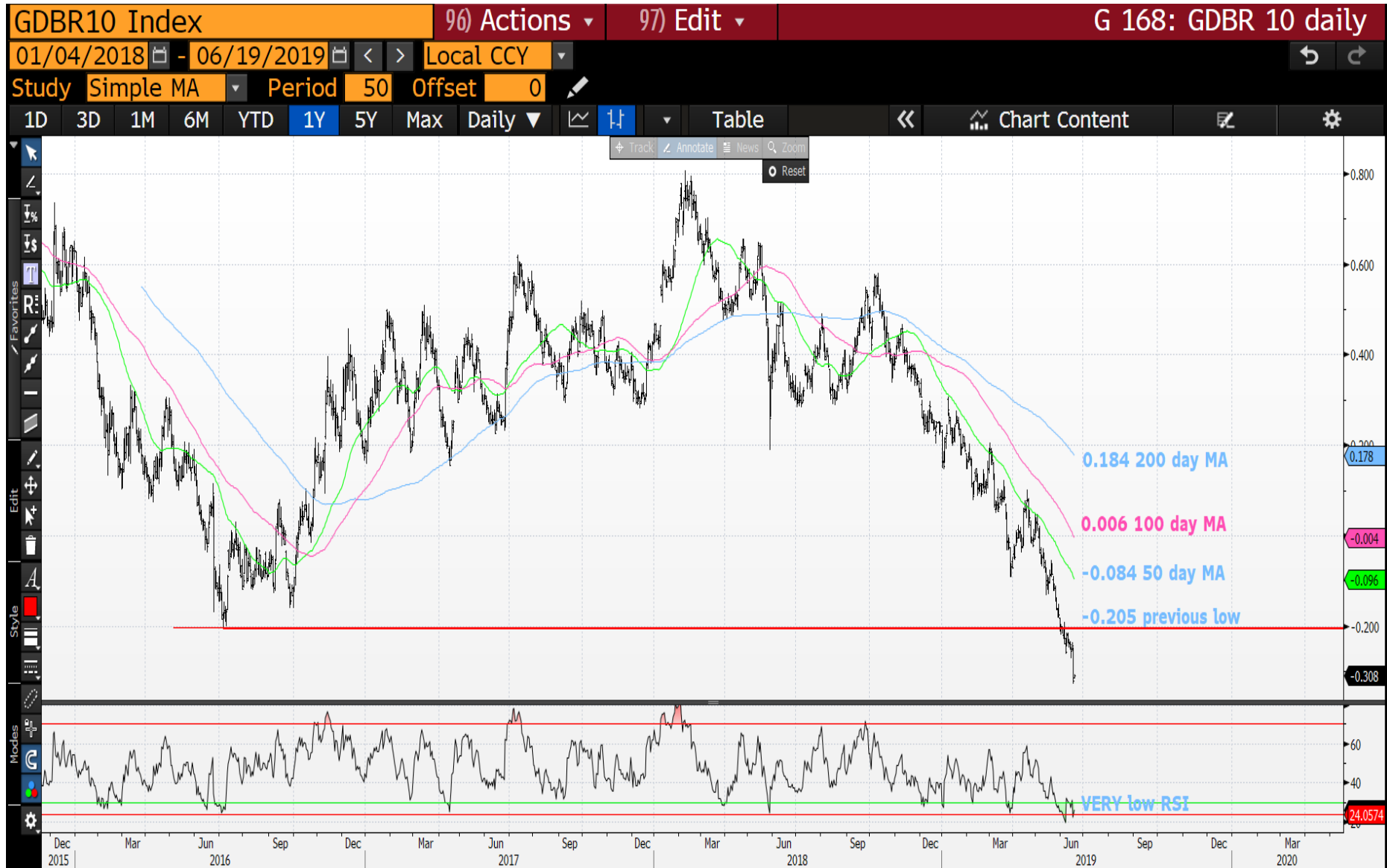


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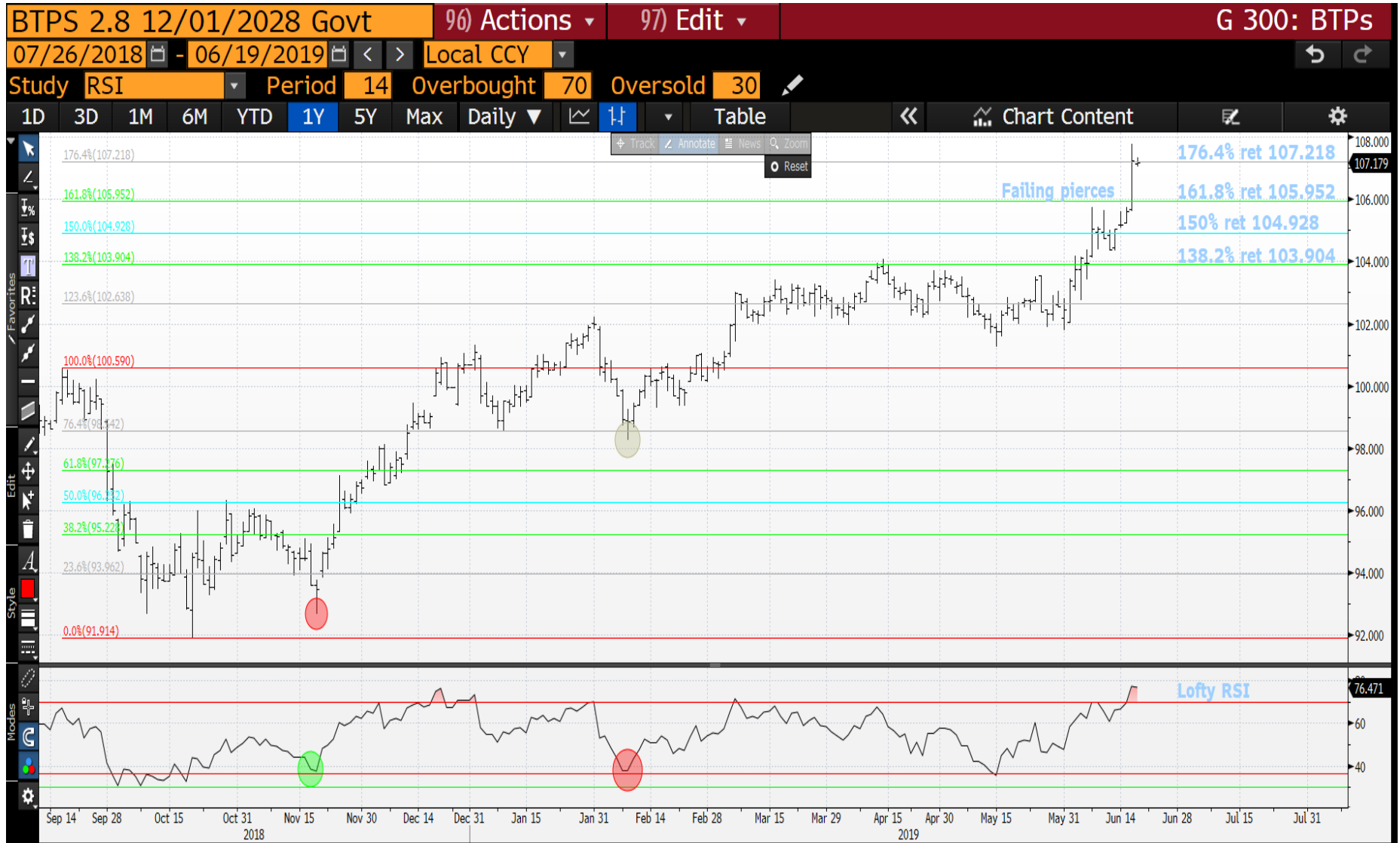
Generic German 10yr daily : Again the daily RSI is over extended however the market continues to edge lower.



DBR 46 daily : Such a resilient bond and poised to CONTINUE higher.



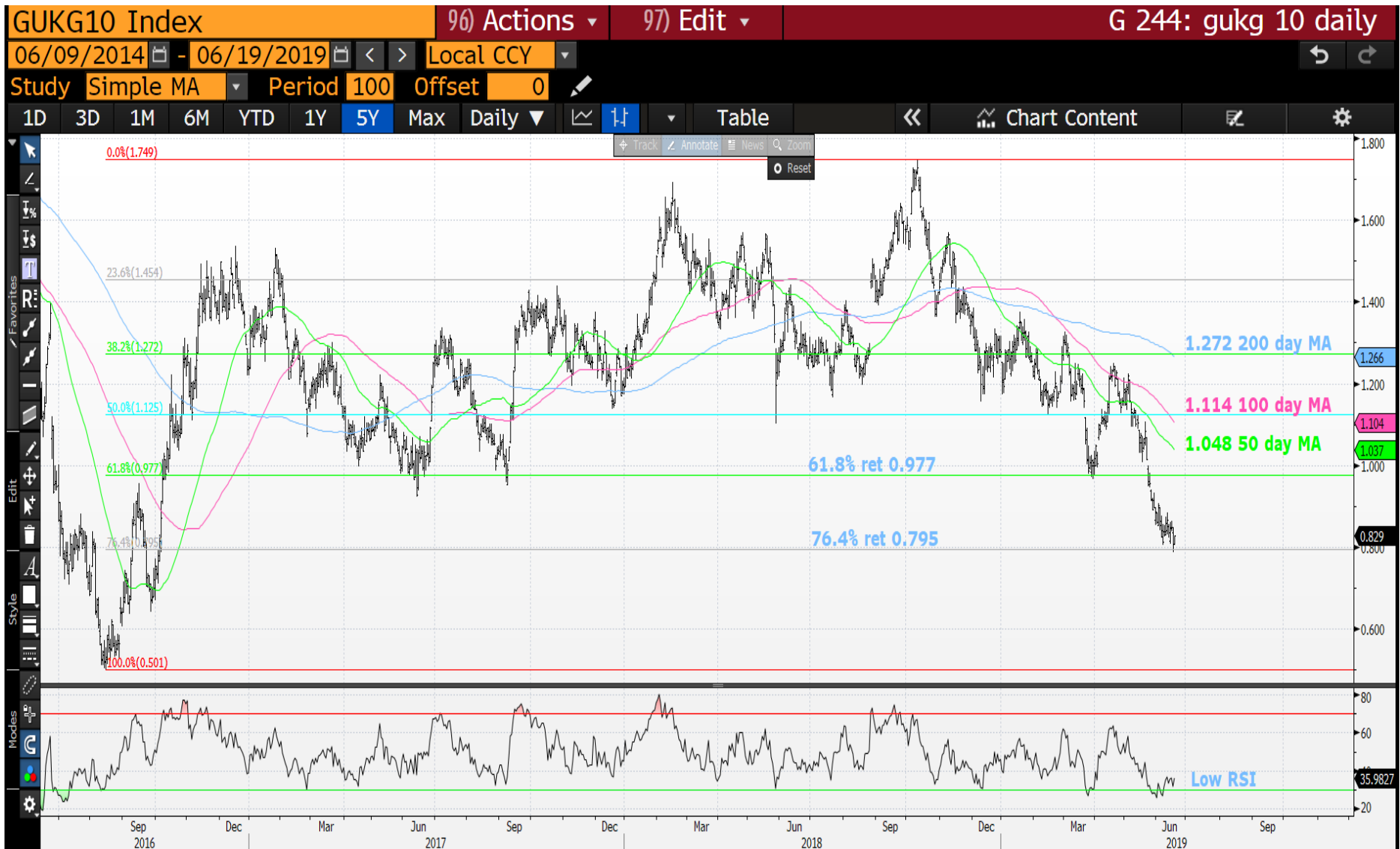
BTP 12/28 daily : This RSI is NOW A WORRY, would tend to liquidate any longs.



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.



GUKG10yr daily : Again the RSI is low just as we hit the 76.4% ret 0.795.



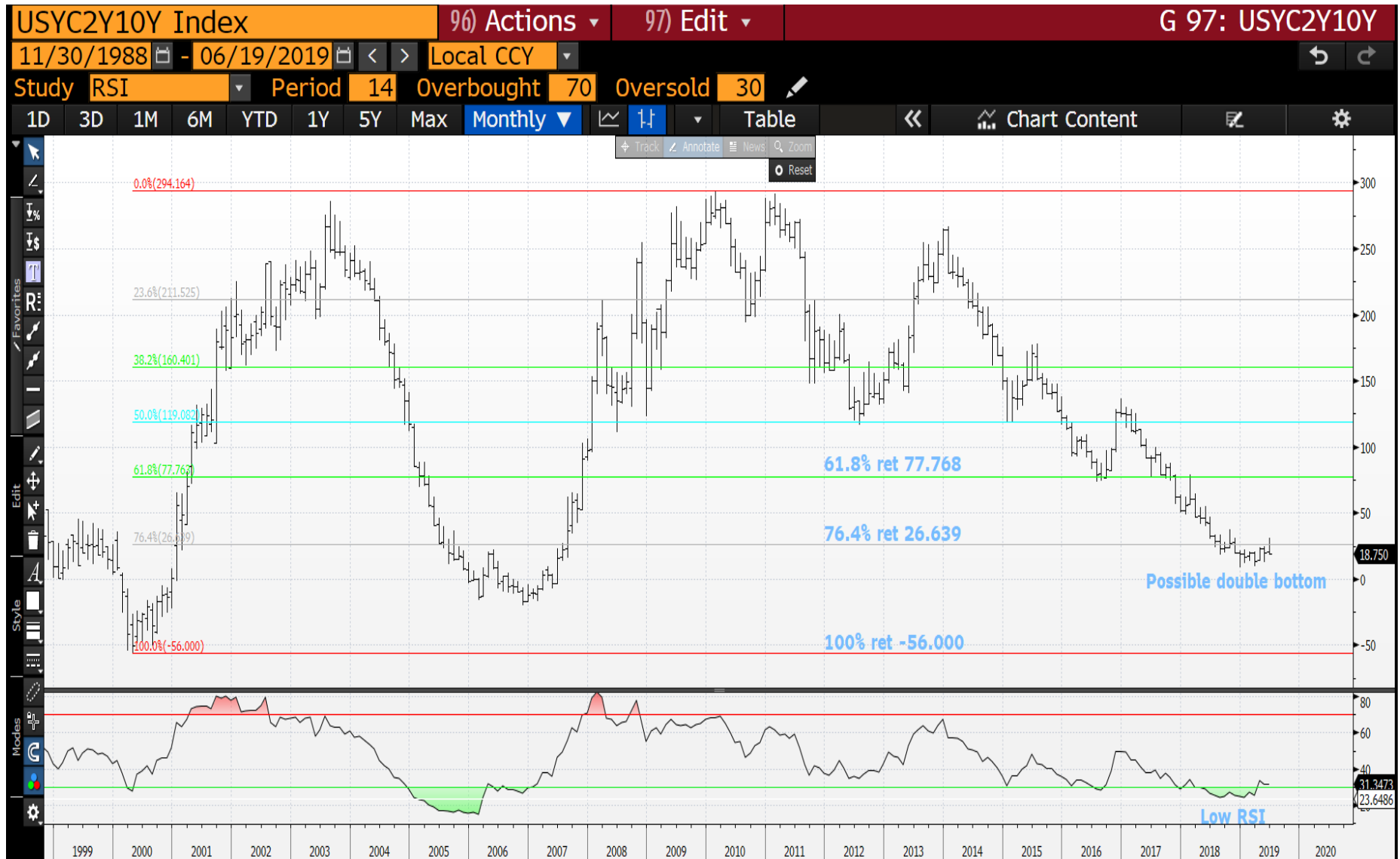
## US curves

- **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 : The break out rally has stalled almost immediately.



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

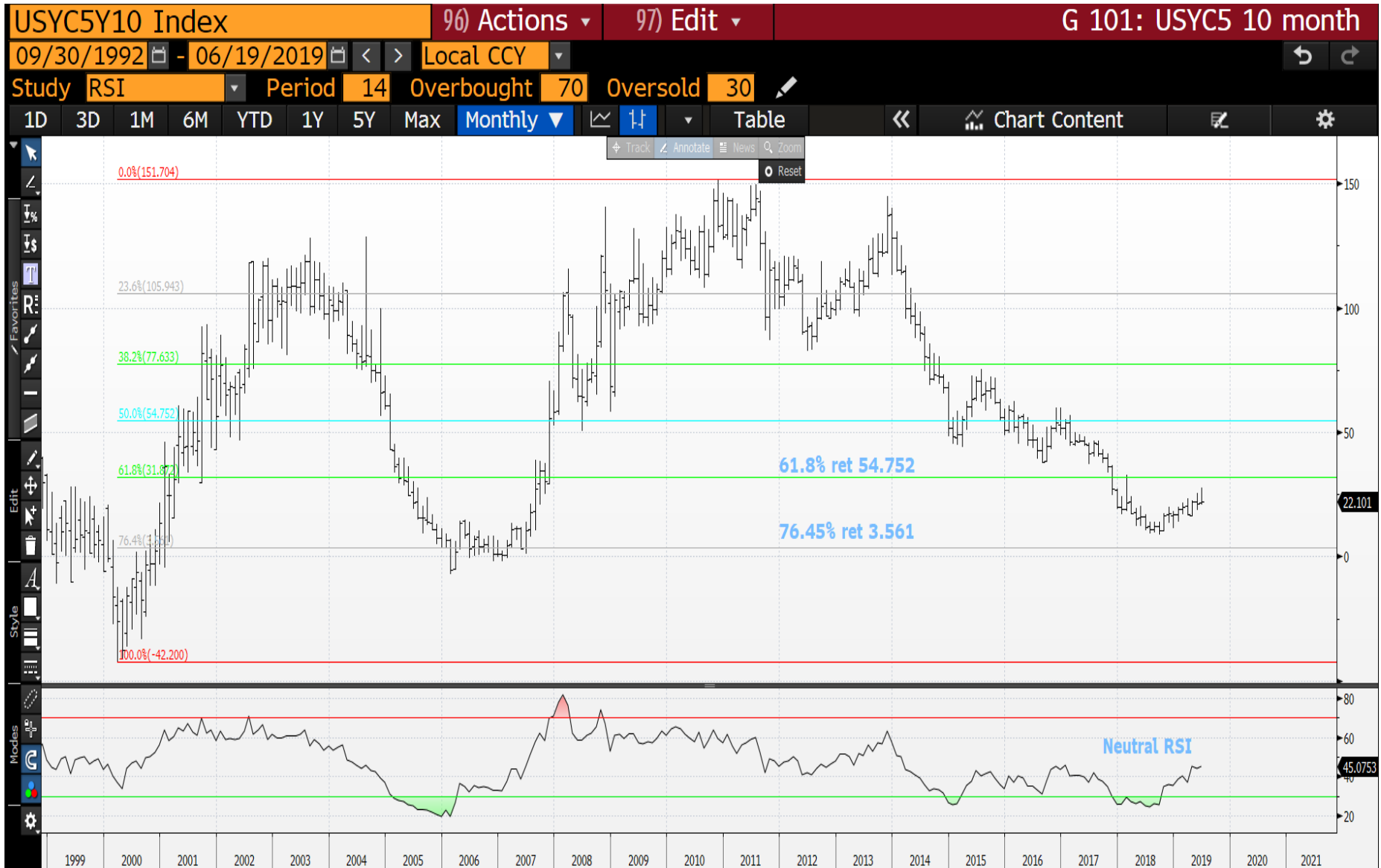




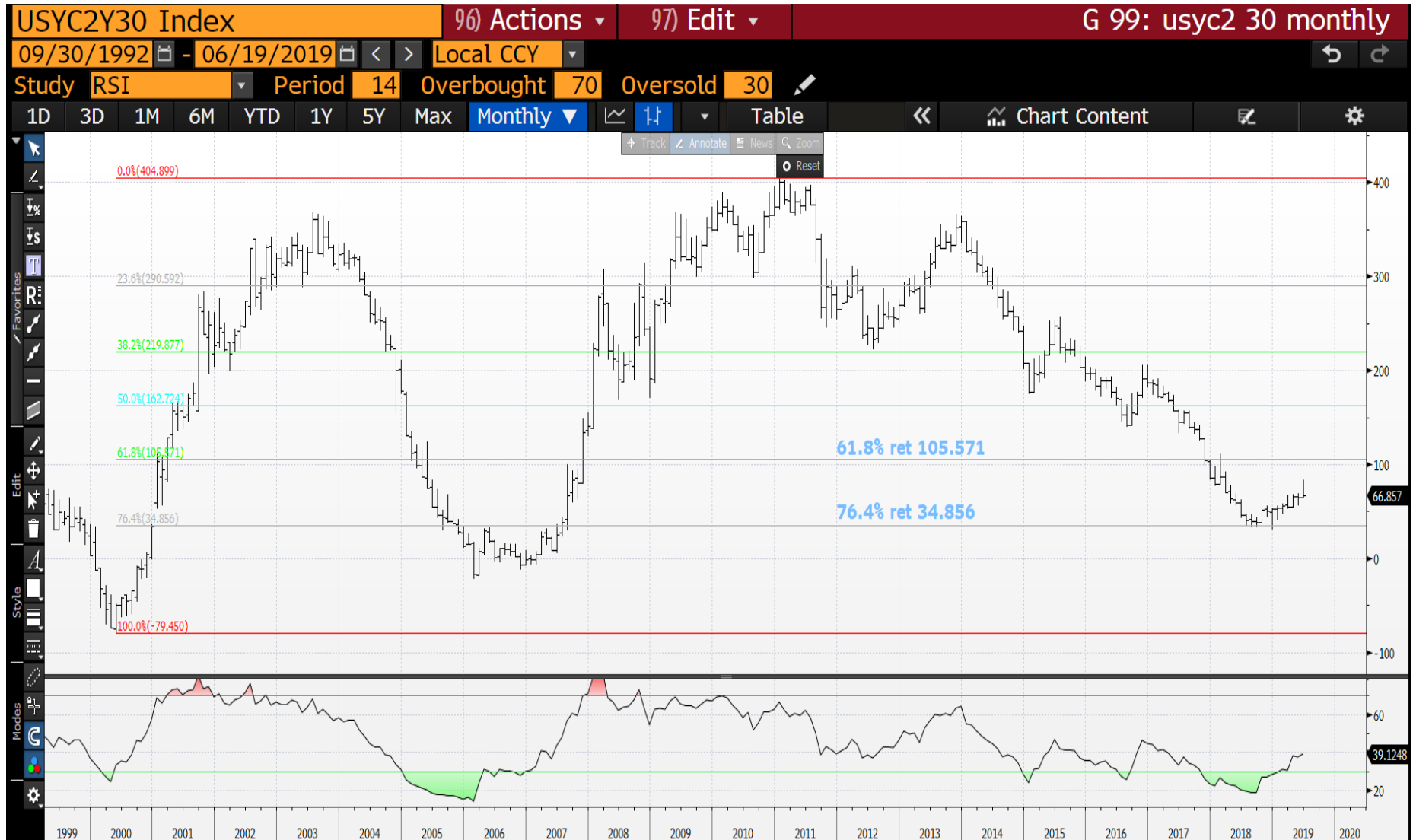
US 5-30 curve monthly : We have a sizeable negative upside pierce.



# 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.



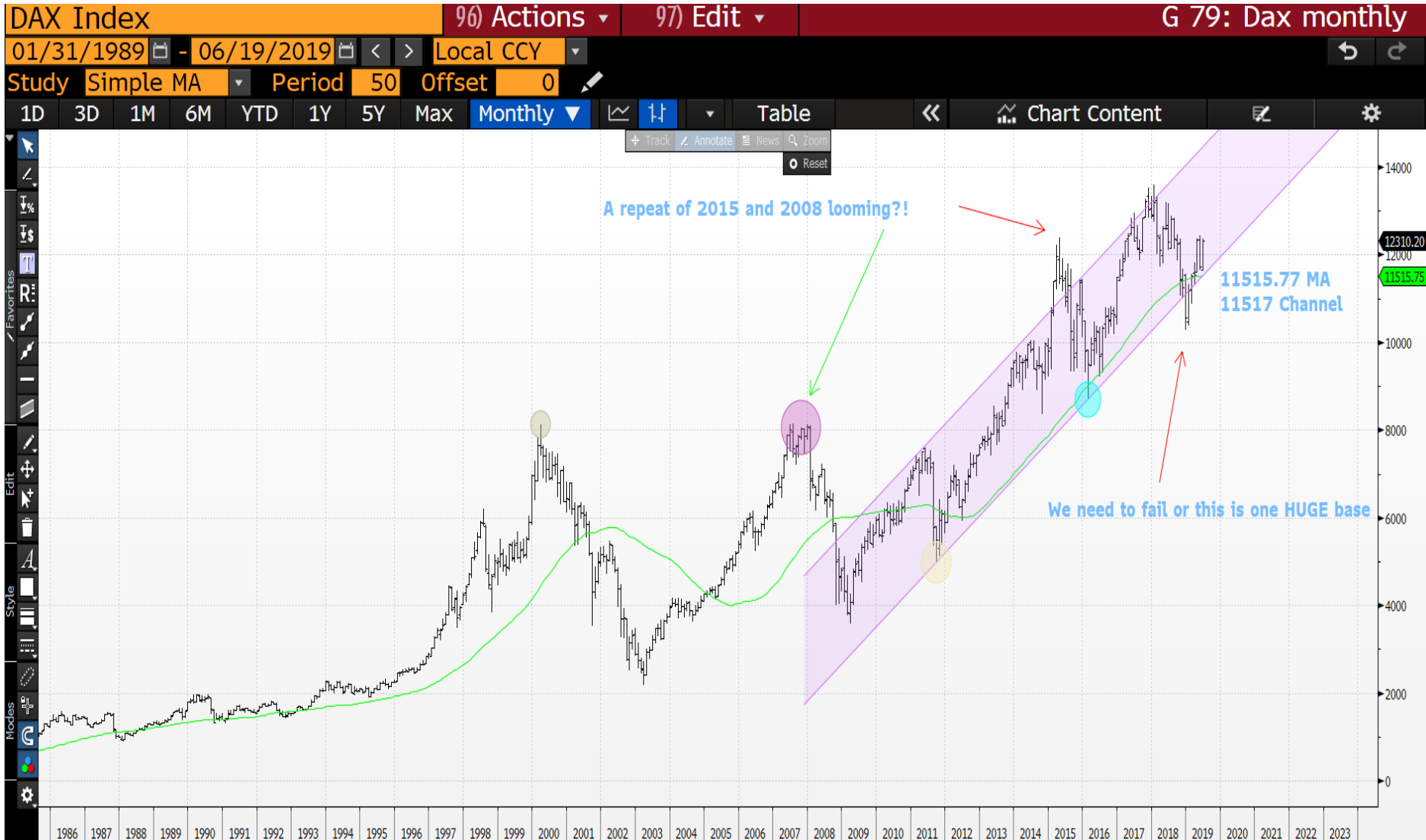
# EQUITIES

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

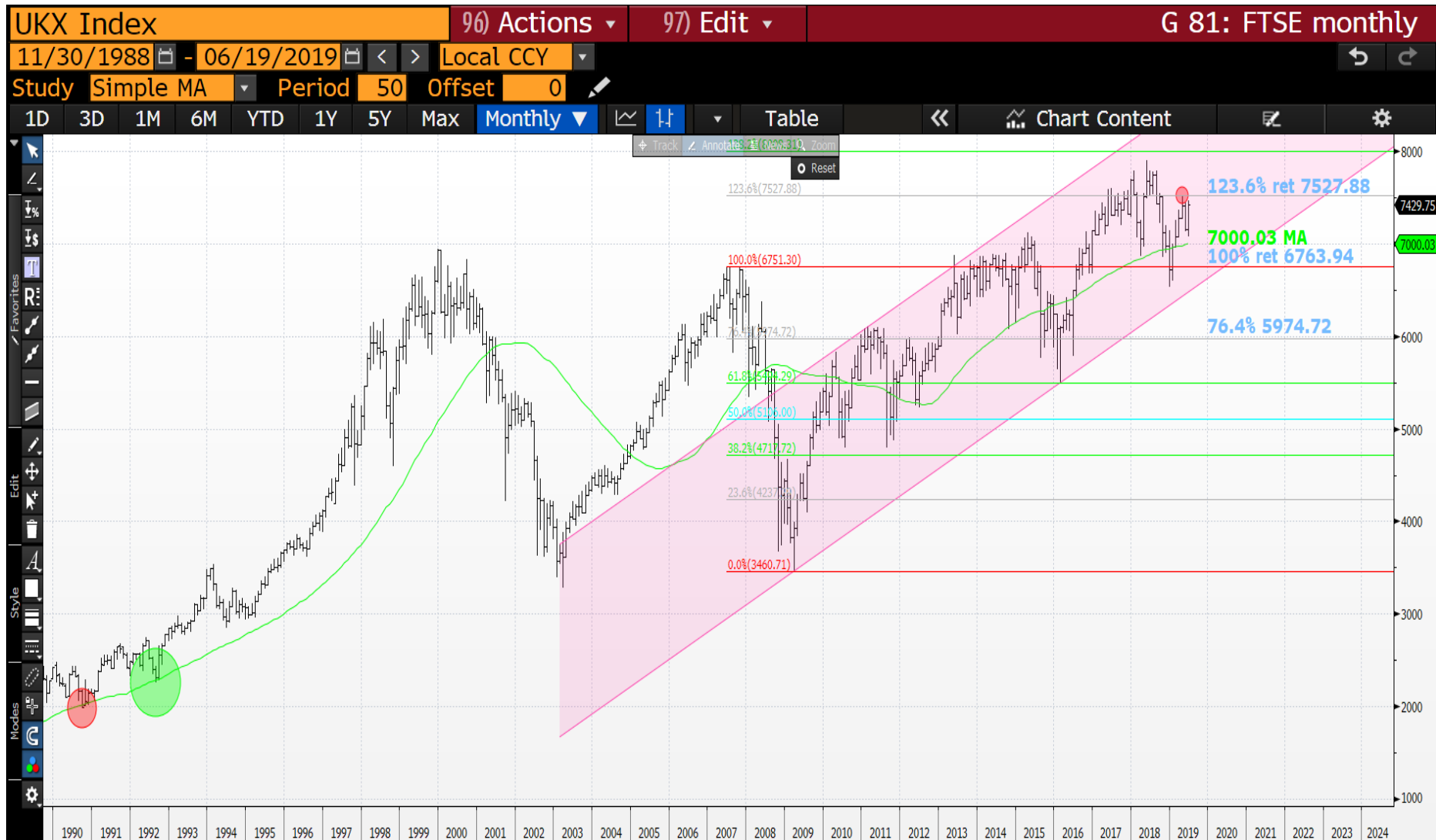
DAX monthly : We have HELD ALL the right levels but KEY ASPECT is DO we breach the recent high?



Dax daily : Yesterday POP took us above ALL moving averages and the last salvation for the BEAR trade is to remain below the recent high of May.

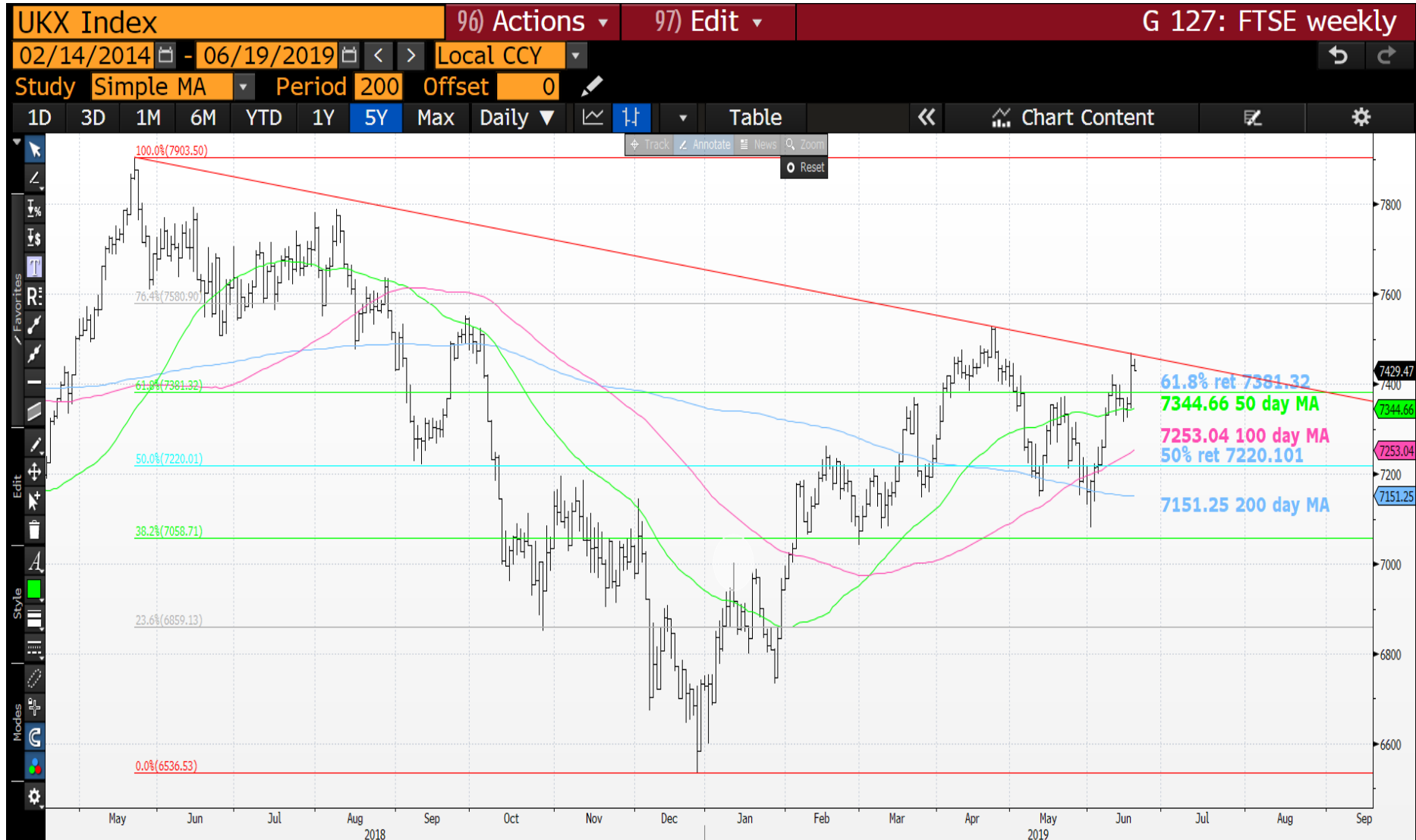


FTSE monthly : We continue to remain below the all important 123.6% ret 7527.88, KEY that this remains the high.

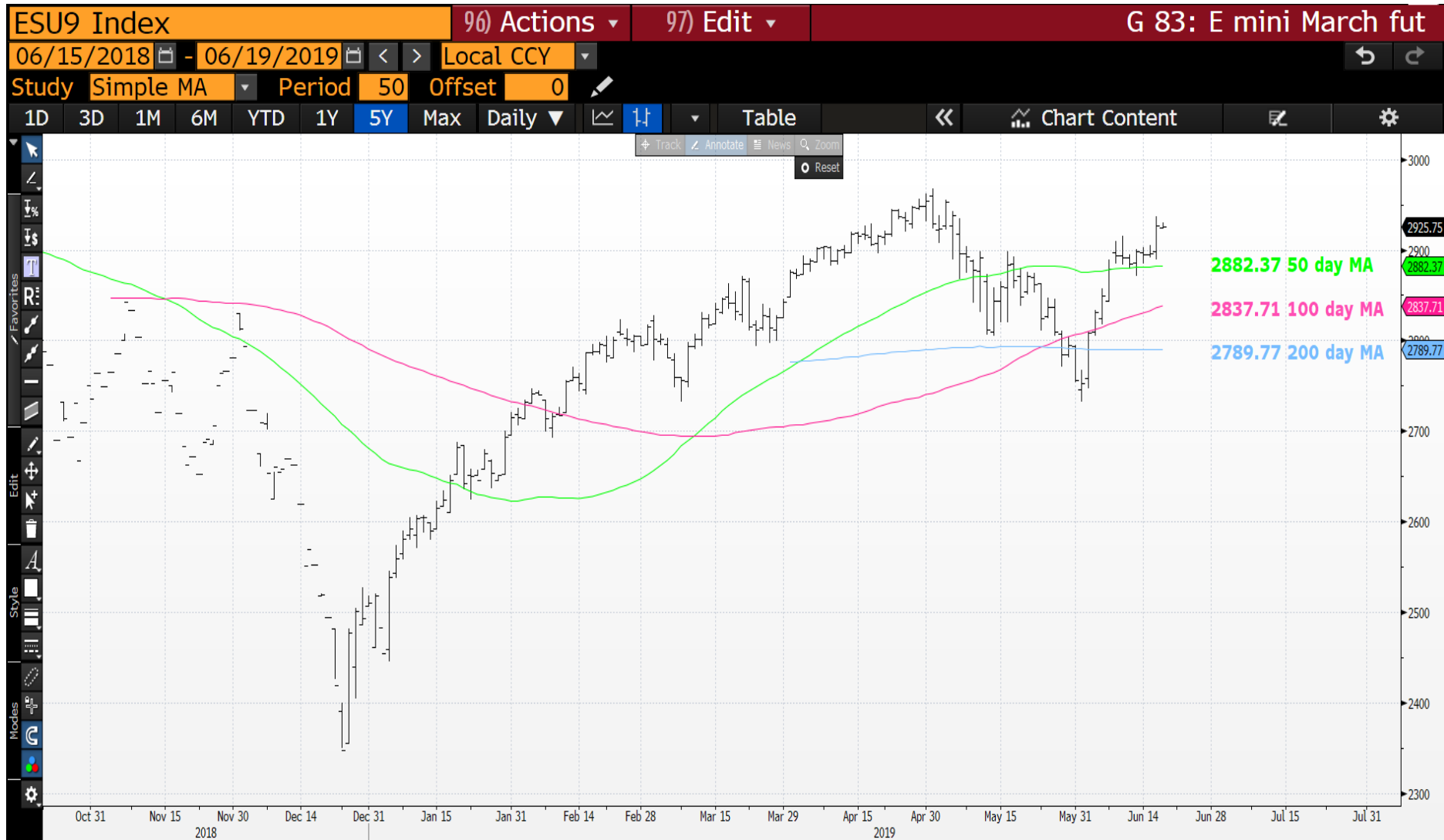




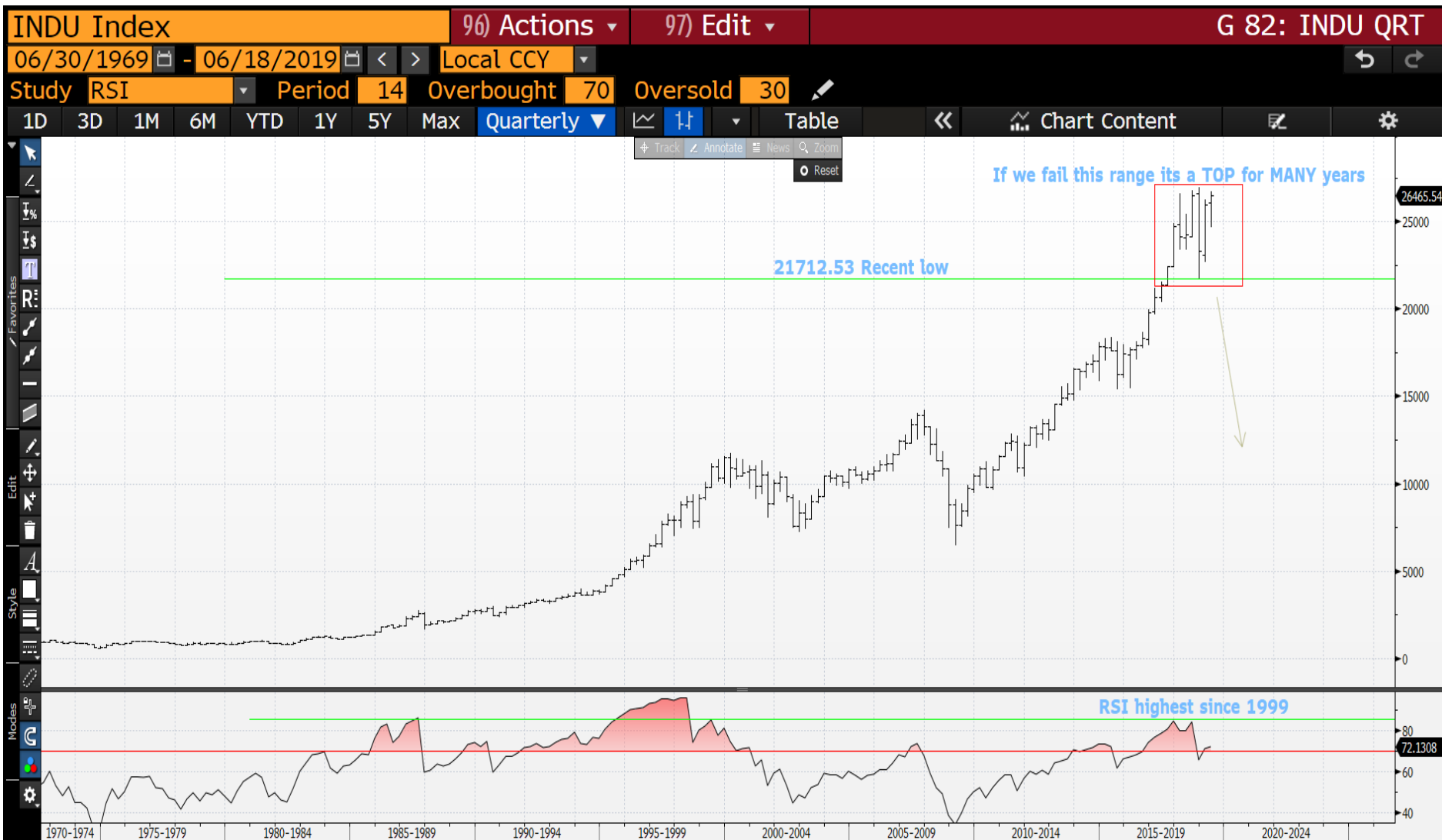
FTSE daily : A nice POP yesterday formulating this decent trend RESISTANCE! We shall see.



E mini S\*P daily : We moved away from the 2882.37 50 day moving average BUT yet to breach the May high.



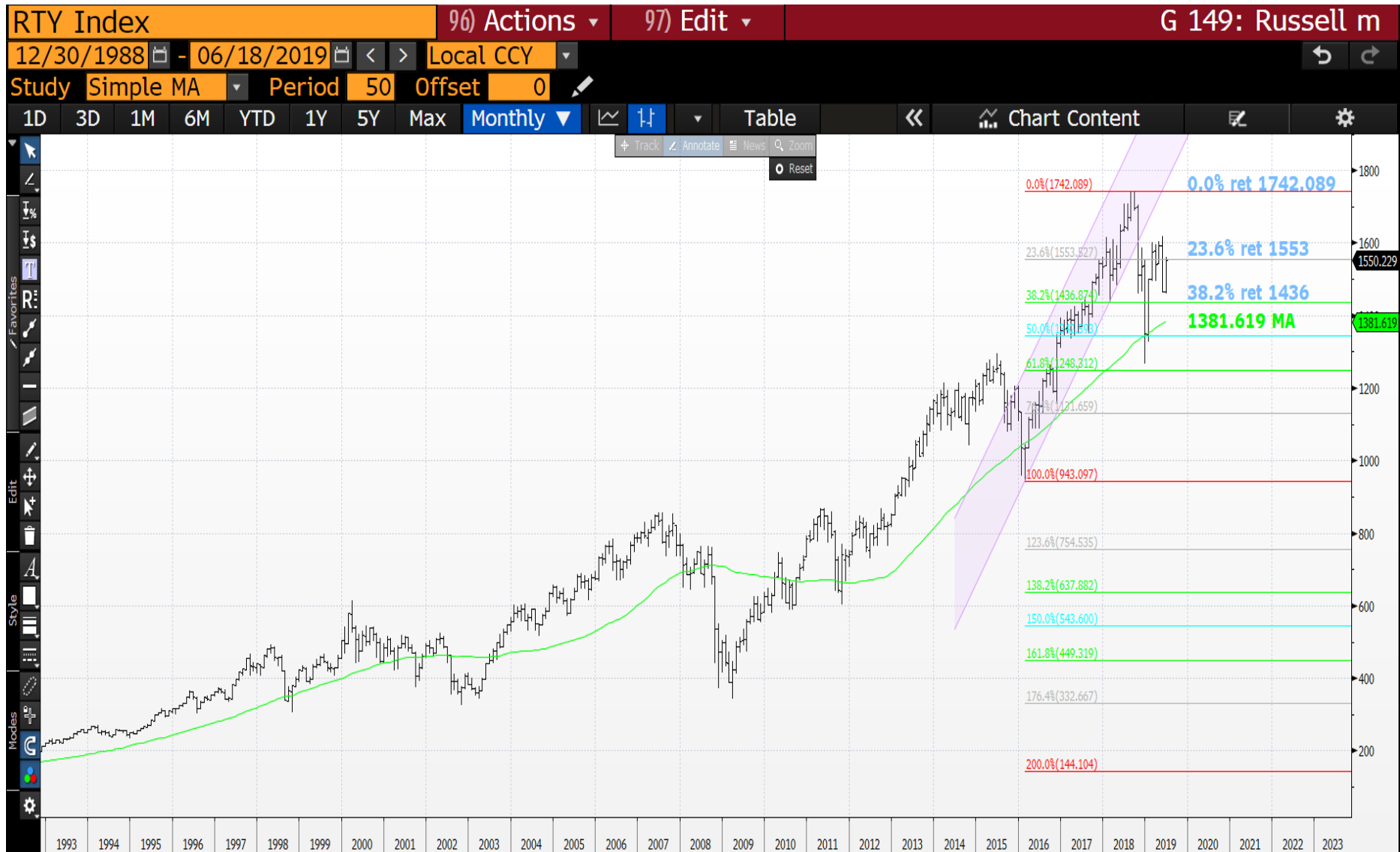
DOW quarterly : If this formulates a multi year top and we subsequently breach 21712.53 then MAJOR stops will ensue.



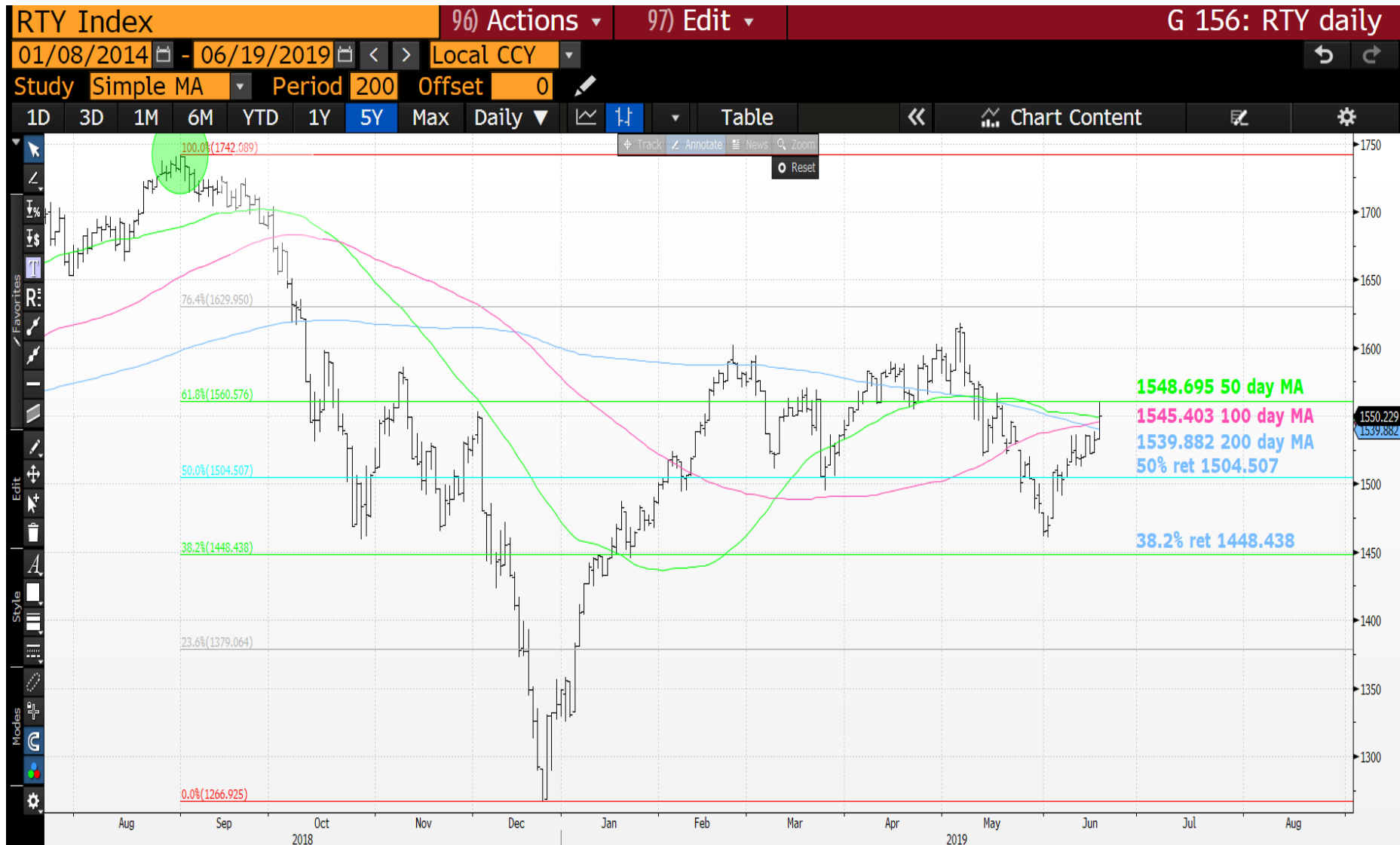
DOW daily : A sizeable break yesterday that needs to be capitalised on.



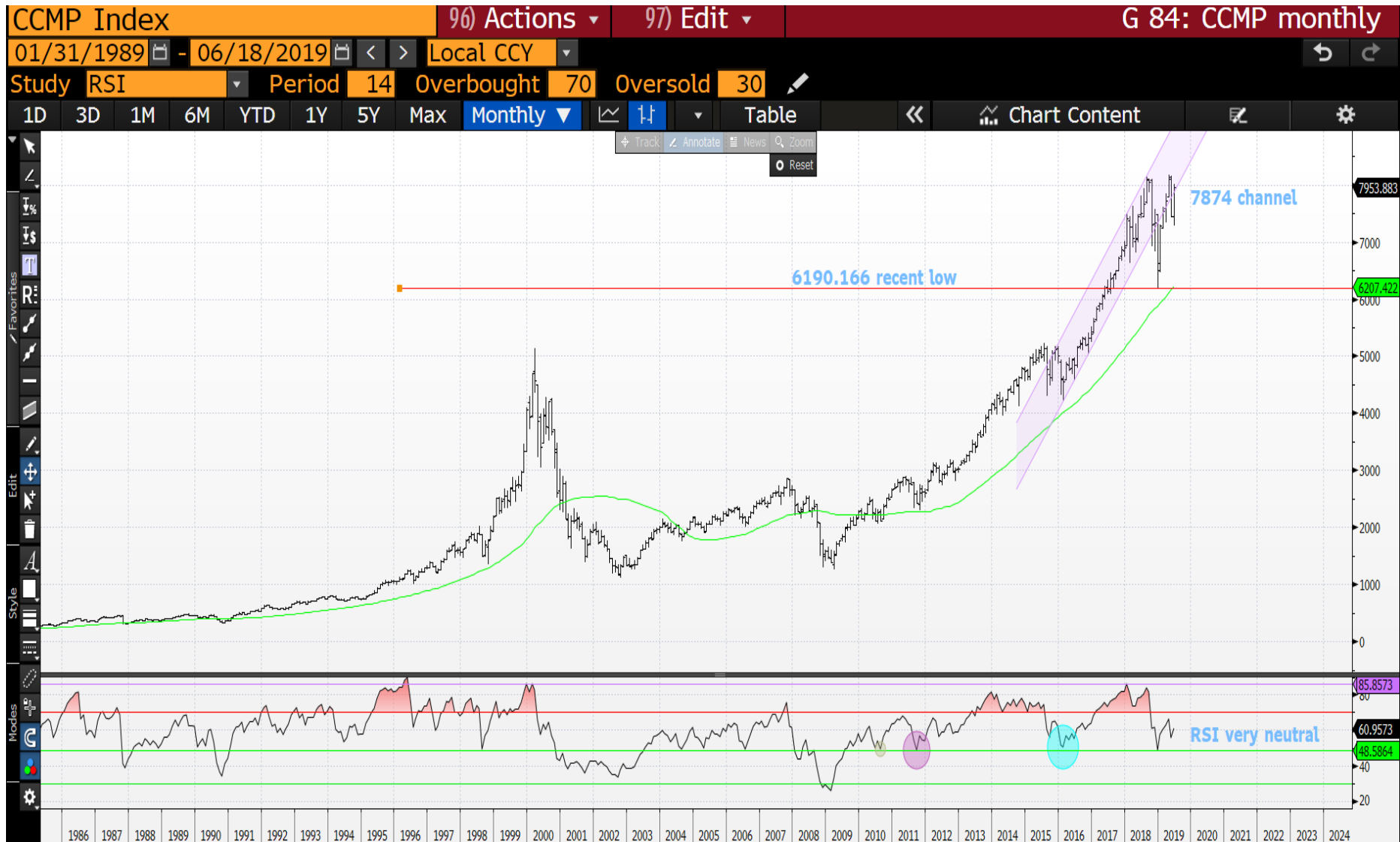
Russell monthly : We remain sub the 23.6% ret 1553 JUST, thus should head lower.



Russell daily : A GREAT bounce yesterday BUT we are failing the 61.8% ret 1560.576, ALL TO PLAY FOR.



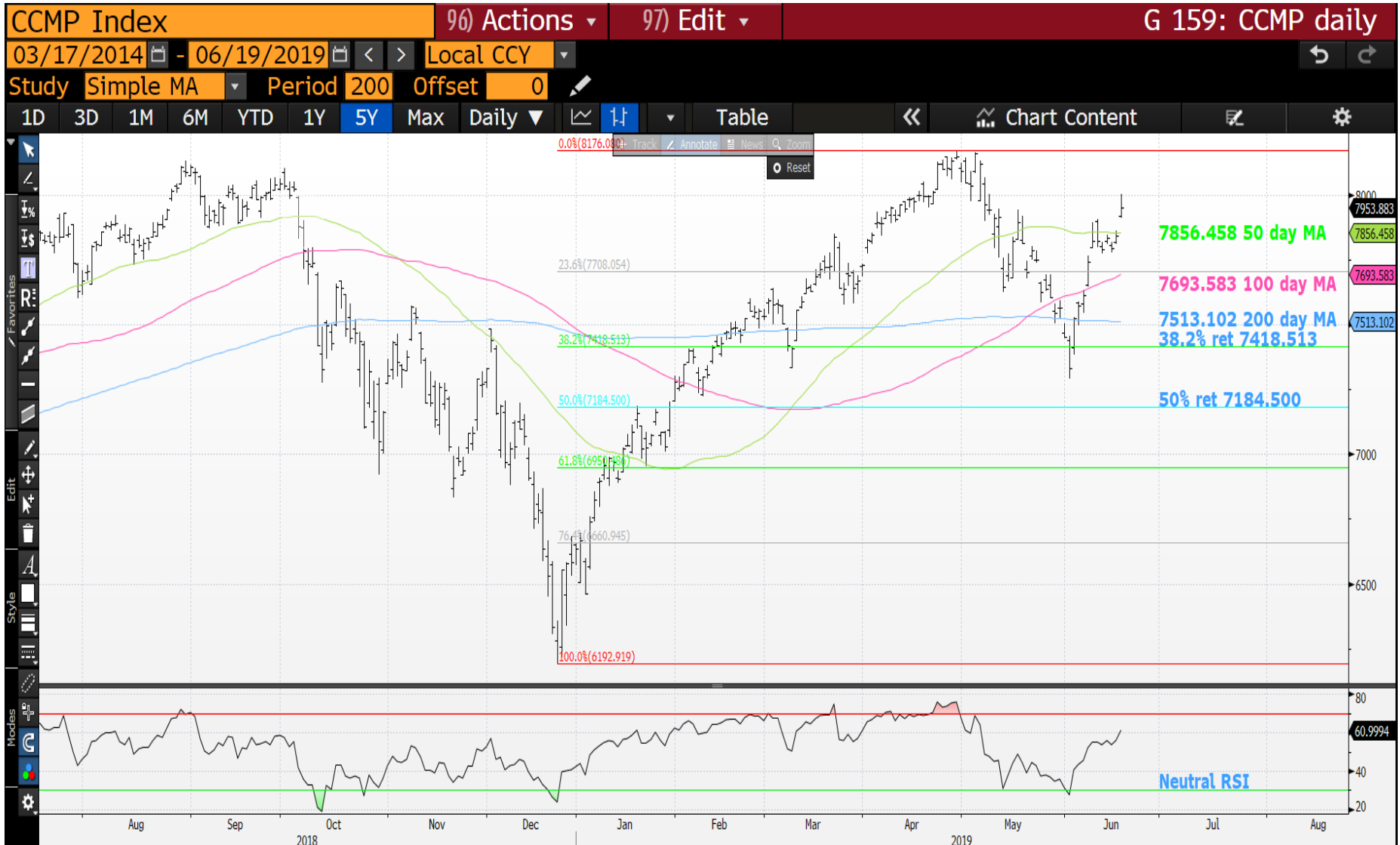
CCMP monthly : The trend channel remains KEY at 7874.



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CCMP monthly : A sizeable breakout yesterday that needs to be confirmed today.



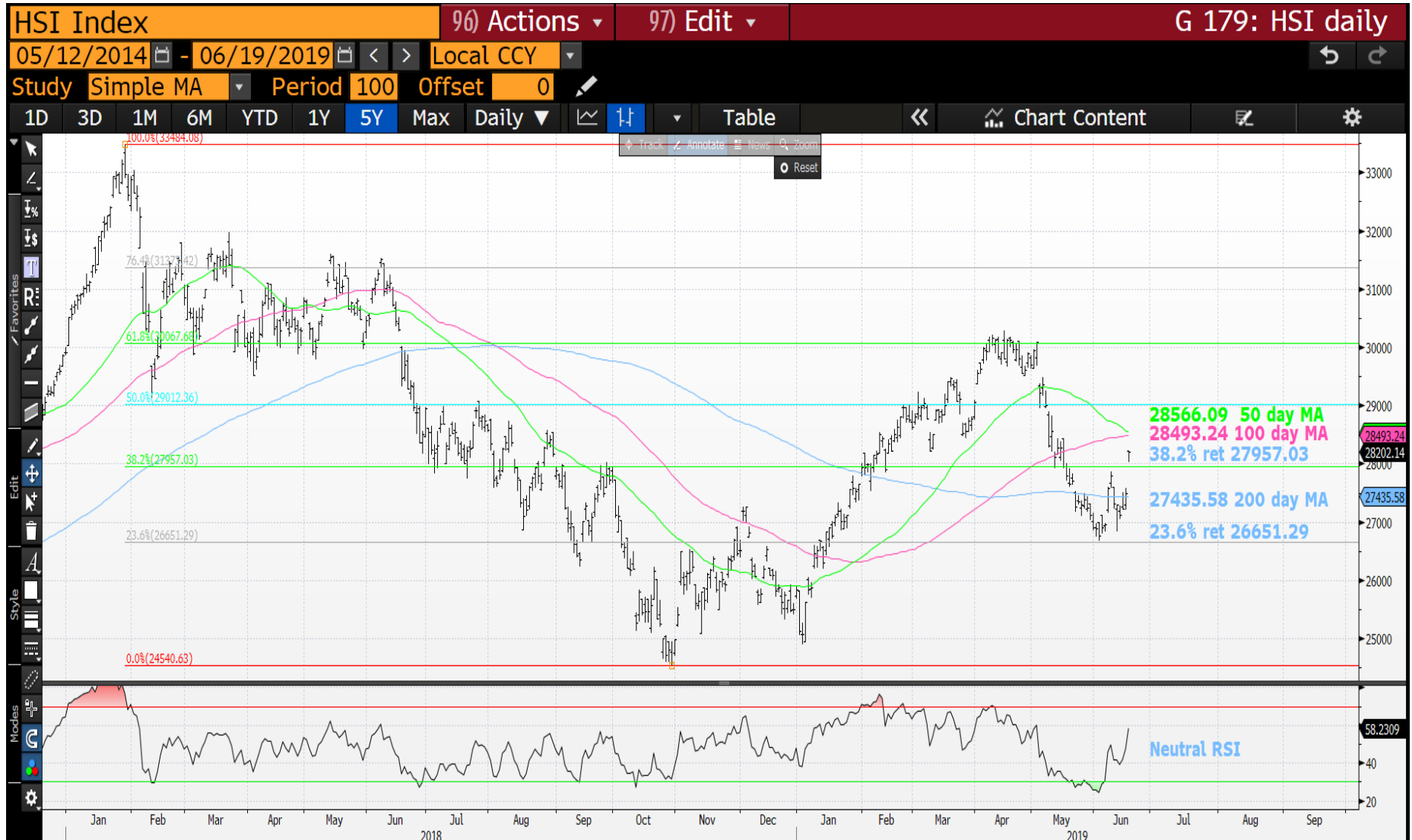


Hang Seng monthly : We have recovered 50% of this months range so could be a good place to FAIL.

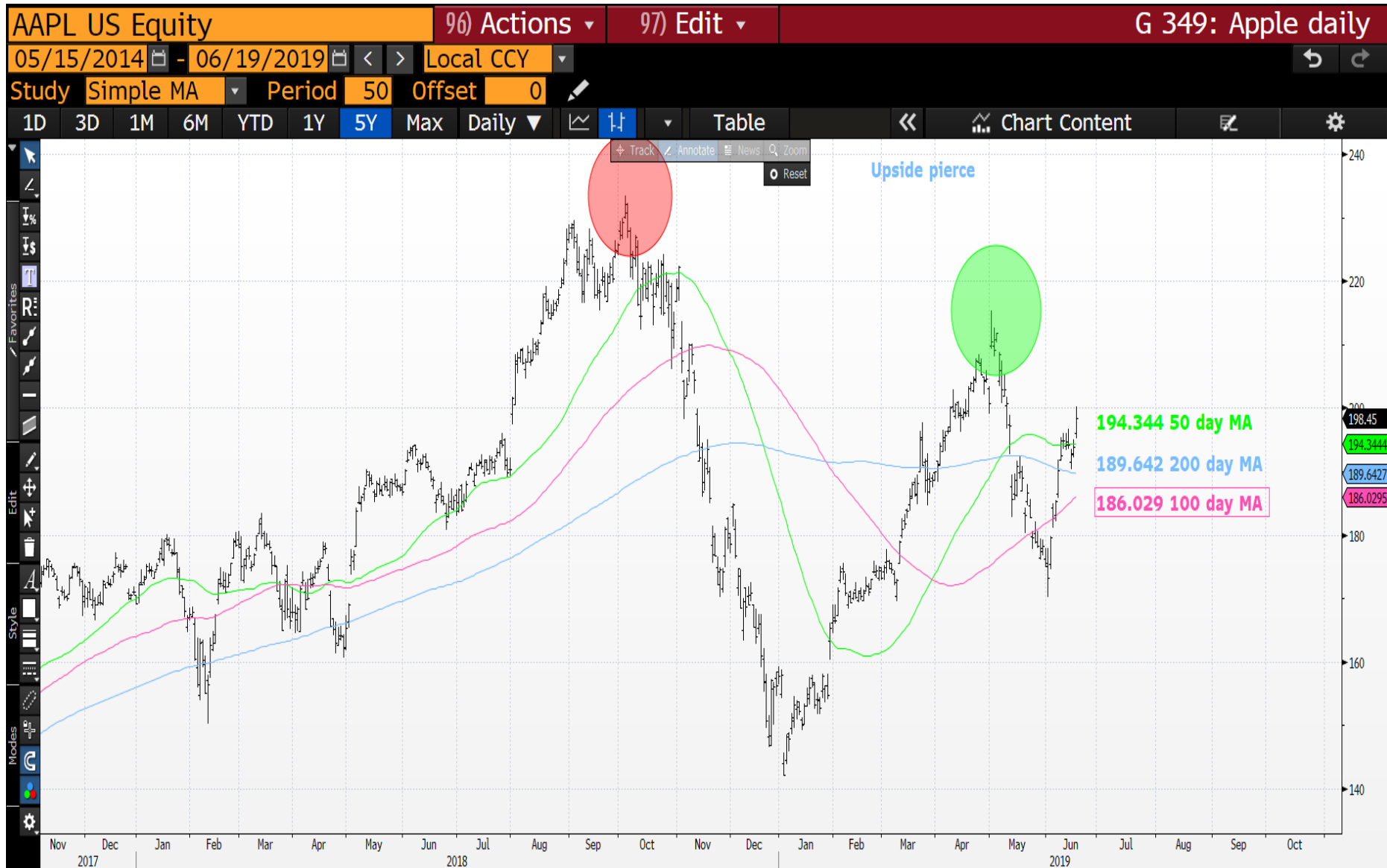


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Hang Seng daily : A nice pop buoyed by Mr Trump but 50-100 day moving average resistance remains.



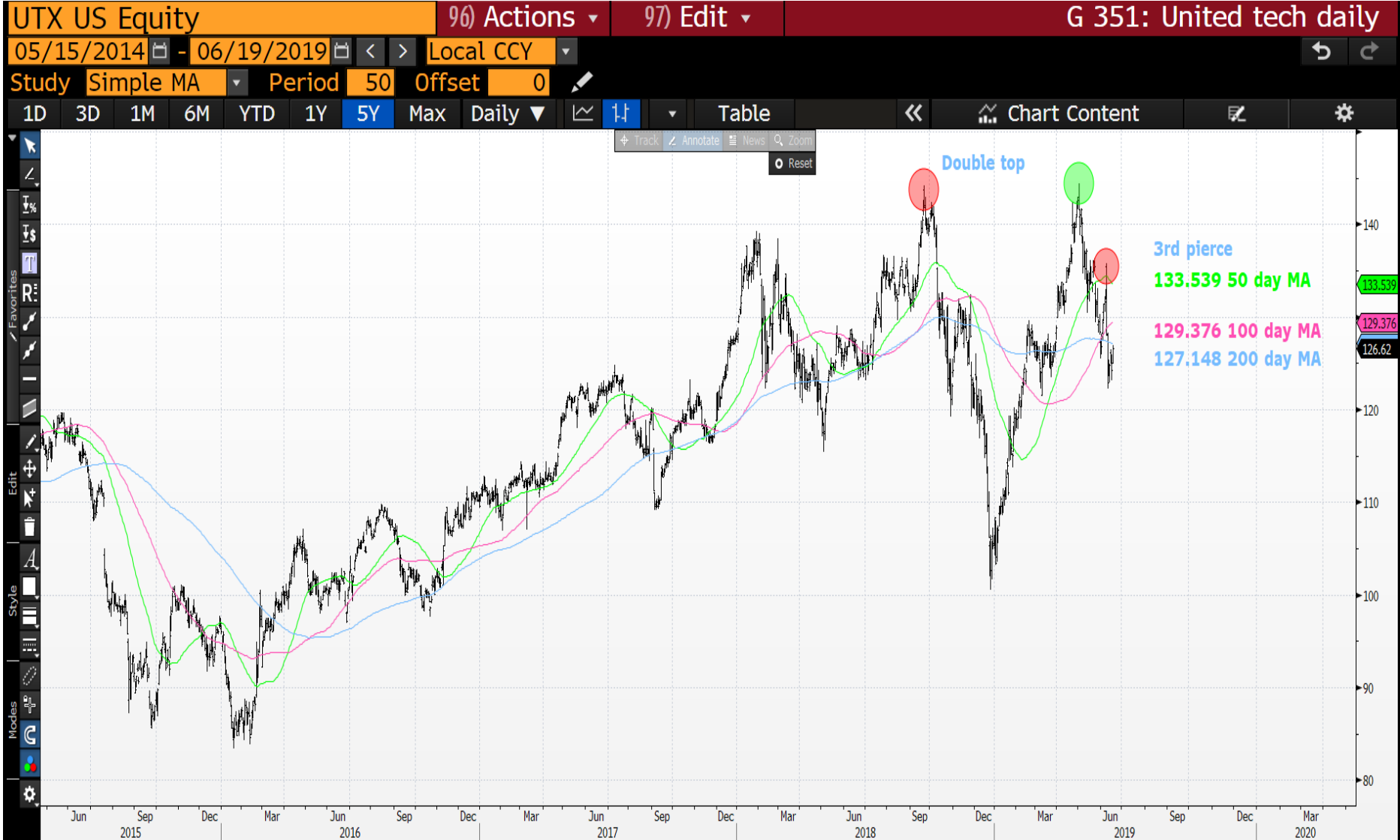
APPLE daily : We are above all moving averages but NEED to make use of the “chance”.



INTEL daily : Still a very WOUNDED ANIMAL sub all moving averages.

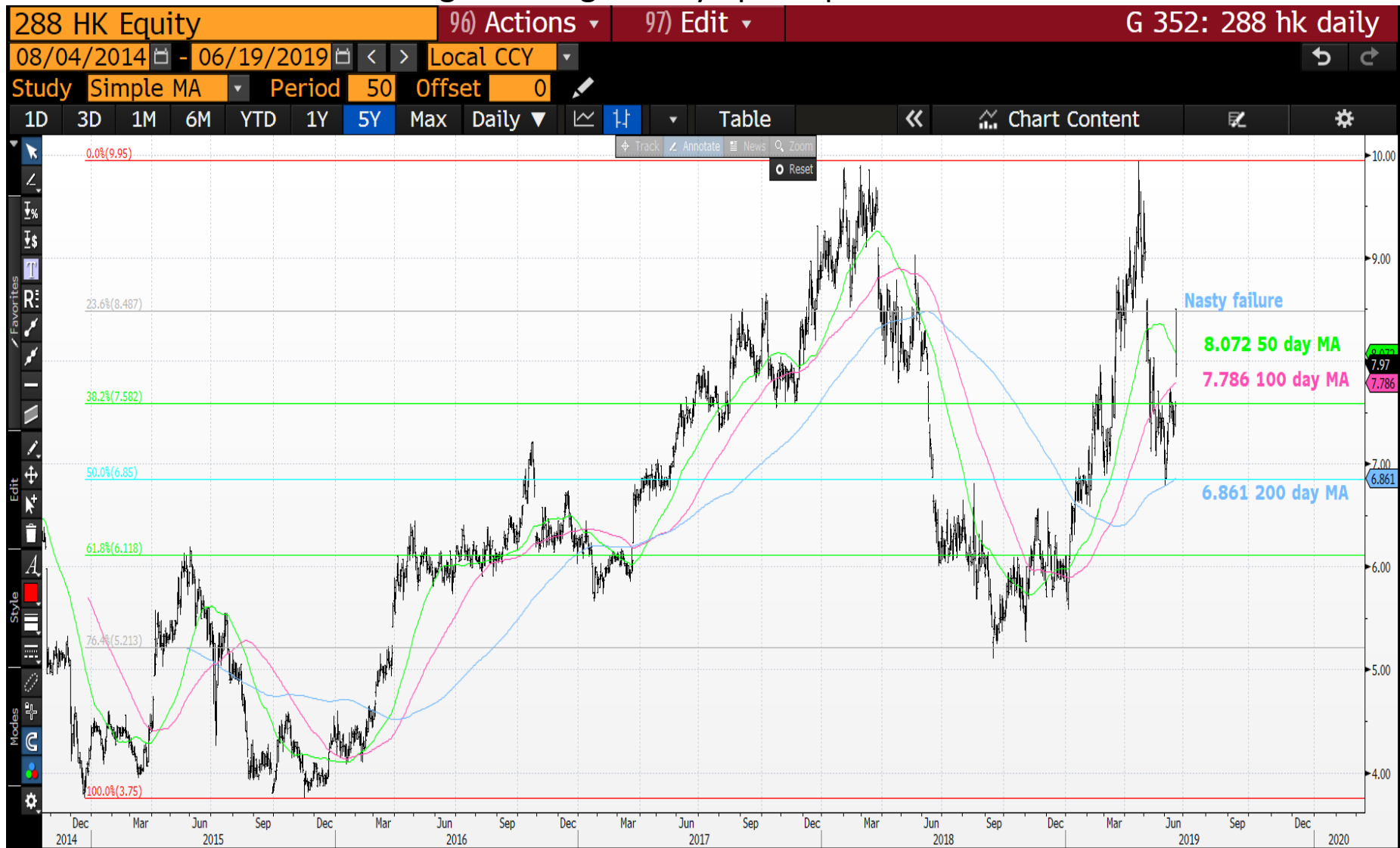


UNITED TECHNOLOGIES daily : This one certainly has no friends, yesterday failing the 200 day moving average 127.148!

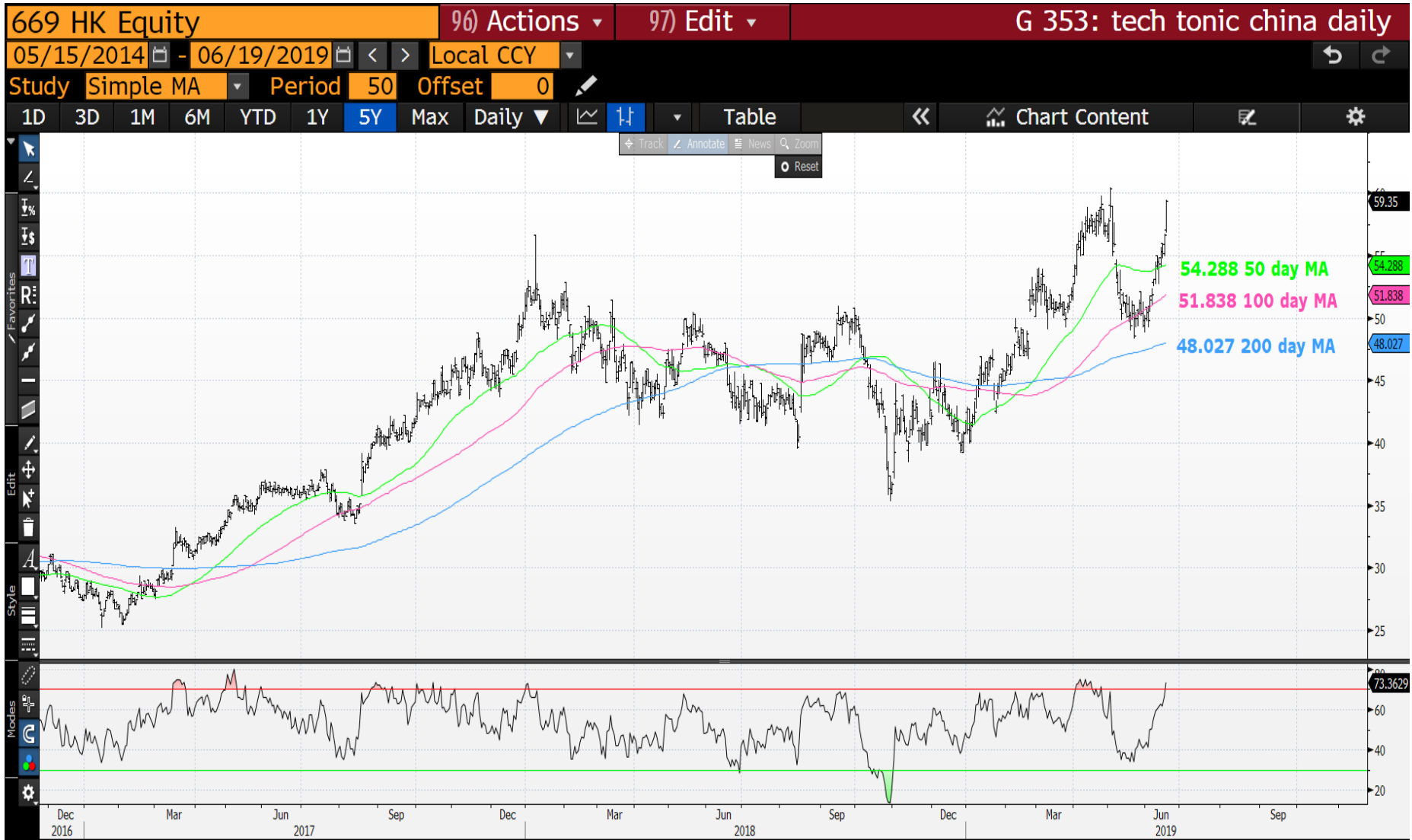


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WH GROUP daily : Overnight this stock failed the 23.6% ret 8.487 closing lower thus generating a nasty upside pierce.



# TECHTRONIC INDUSTRY daily : The RSI is now lofty.



## FX UPDATE

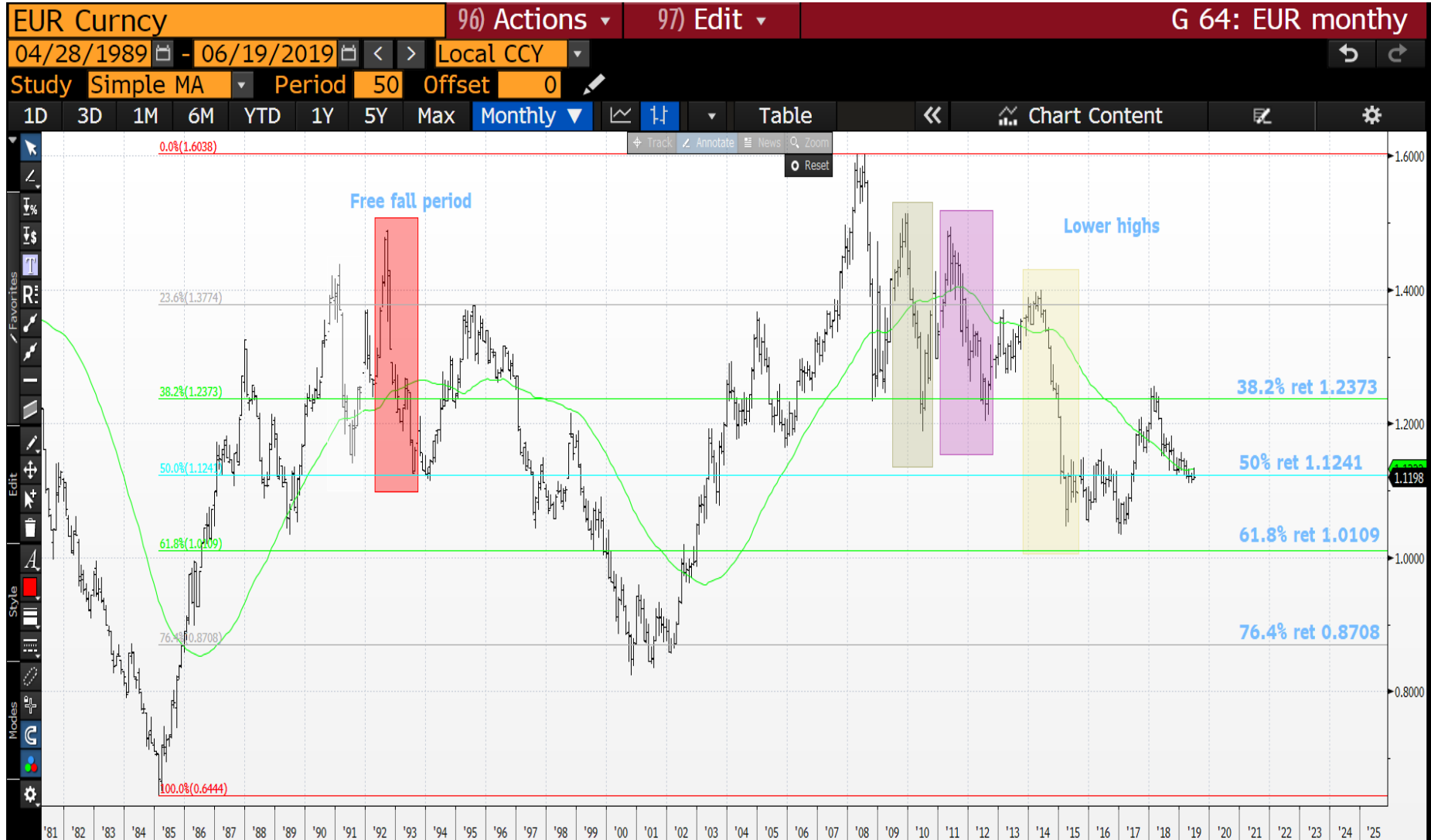
- **FX UPDATE :**
- **Overall CORE FX markets remain in a stagnant state with little movement in the USD.**
- **The EURO is testing a key 1.1354 200 day moving average.**

**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, for the moment.



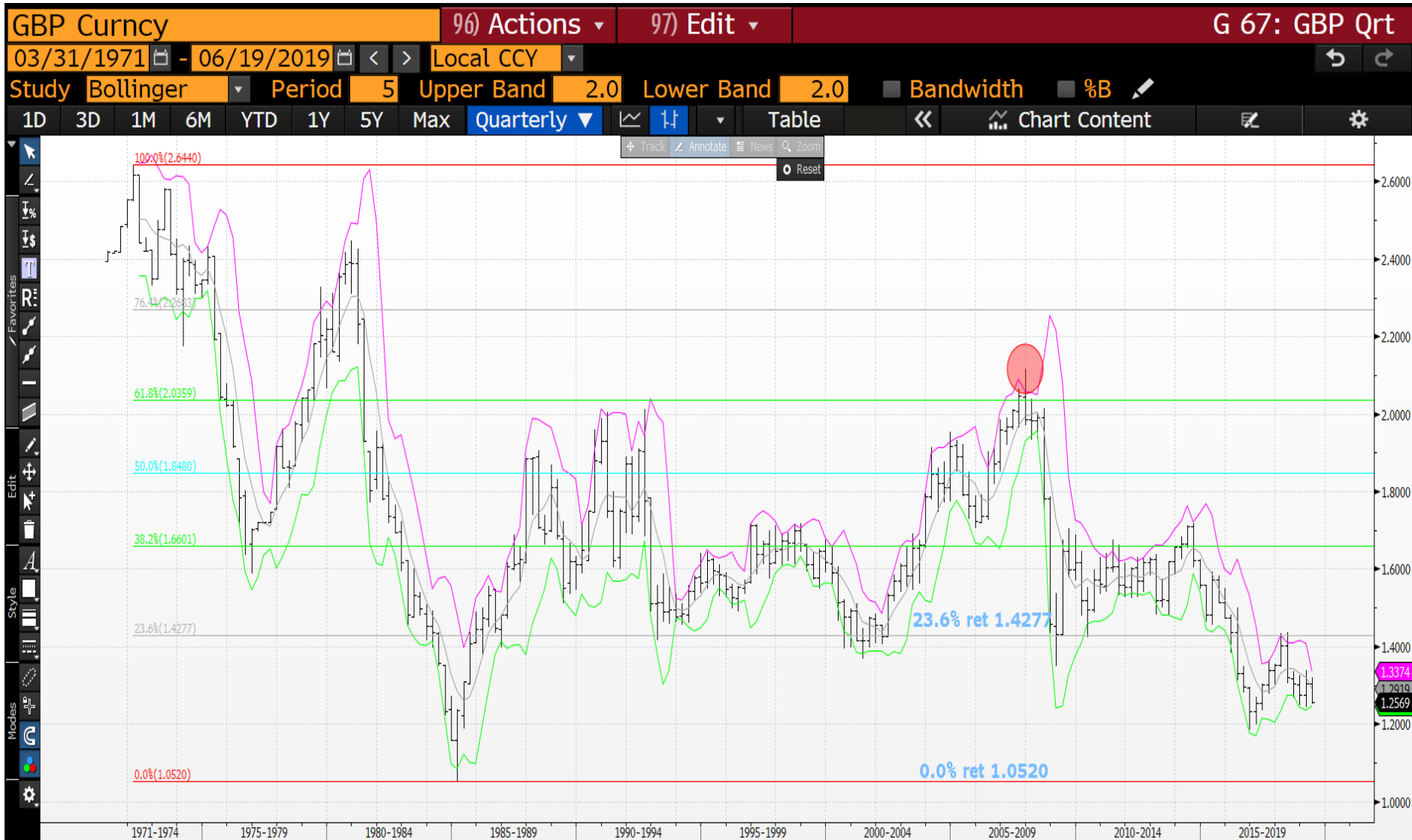
EUR USD daily : This could be a key failure at the 1.1354 200 day moving average, a breach of the 61.8% ret 1.1188 should trigger stops.



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.



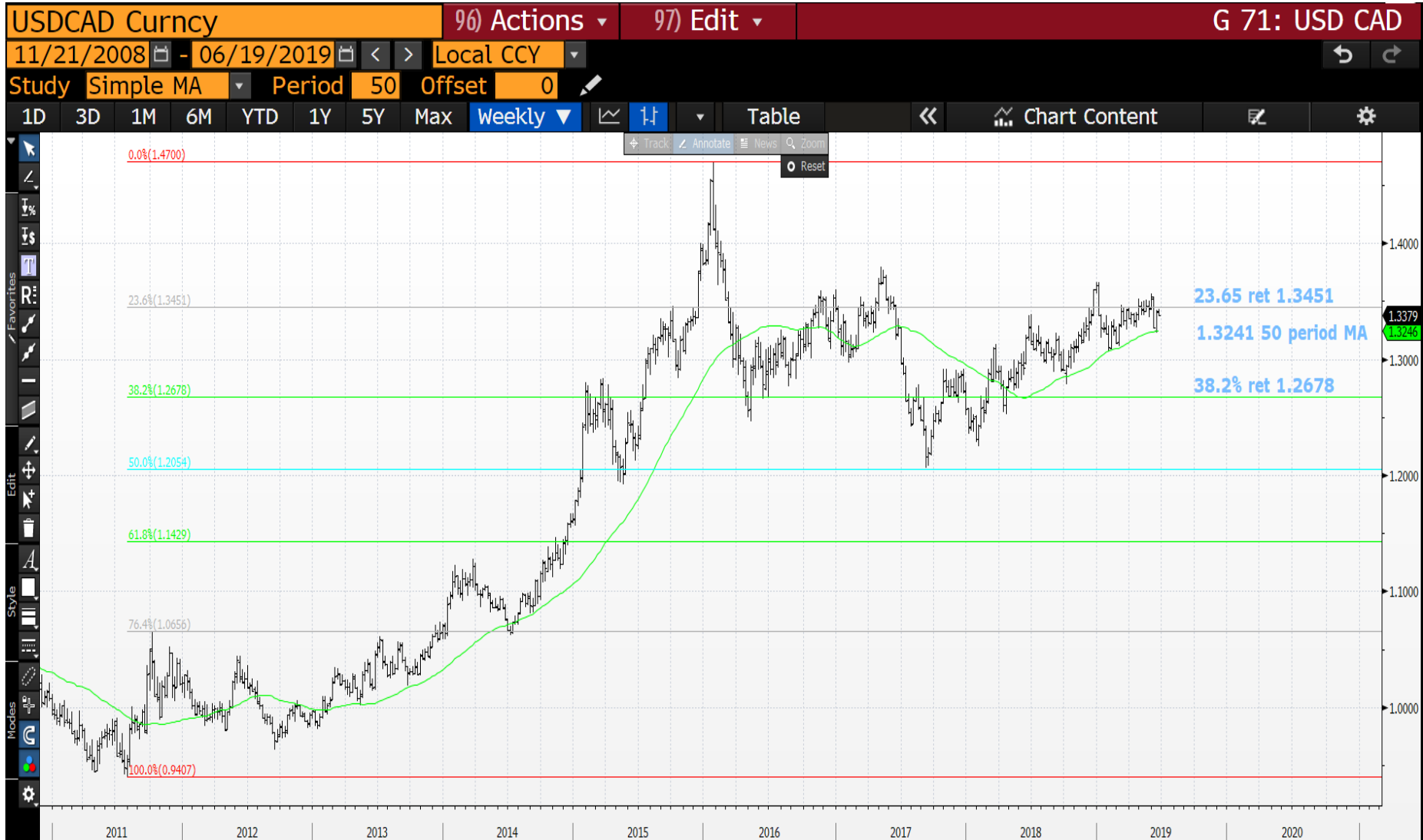
DXY monthly : We appear to be TOPPING already and any breach of the 50% ret 95.859 will WRONG FOOT many. THIS STILL REMIANS A LONGTERM NEUTRAL CHART BY THE NATURE OF BEING AT A MULTI YEAR 50% RET. OT ABOUT THE USD!



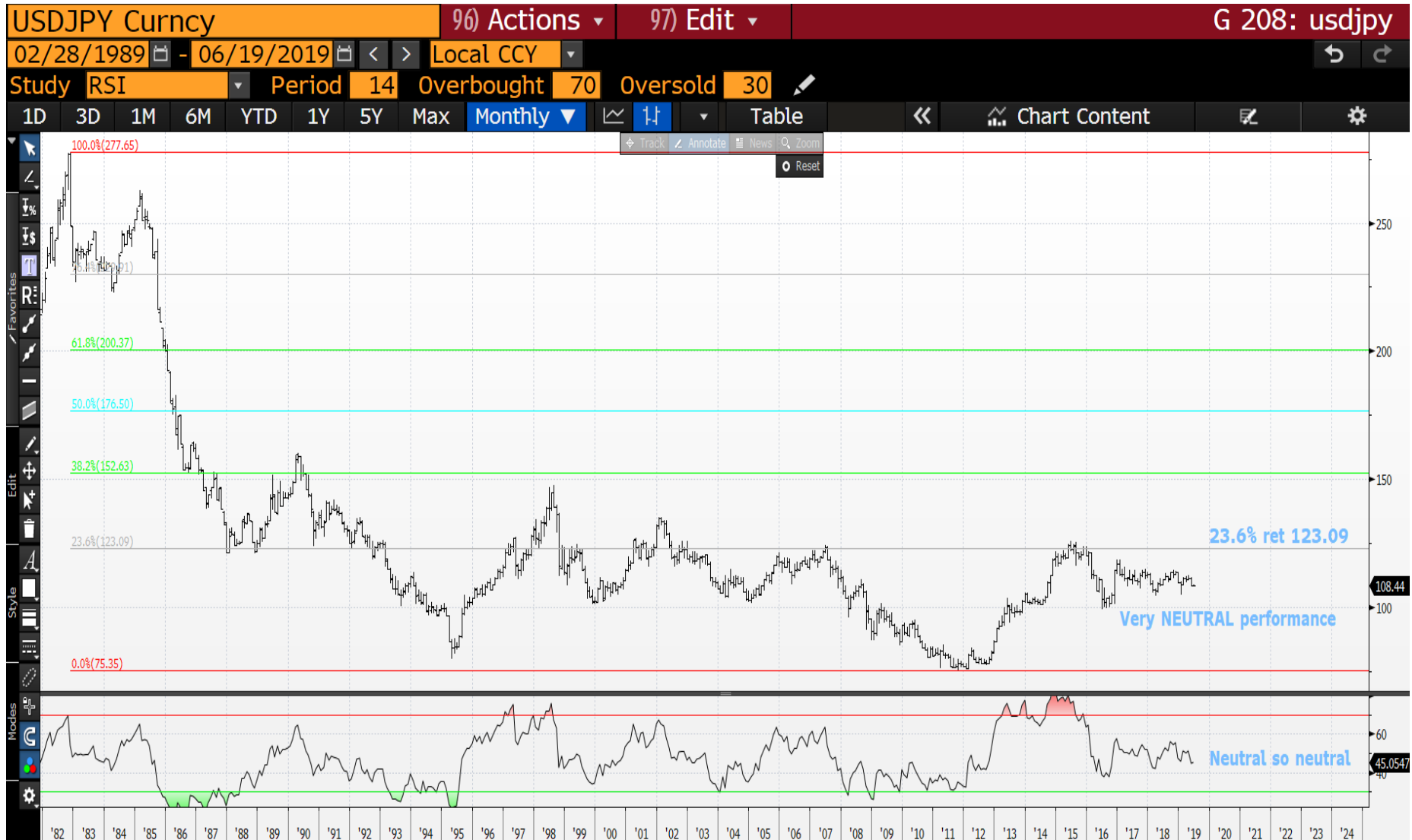
AUD USD monthly : The pierce of 5 months ago continues to call for a higher AUD.



# USD CAD weekly : Am nice test and current HOLD of the RELIABLE 50 period moving average 1.3241.



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



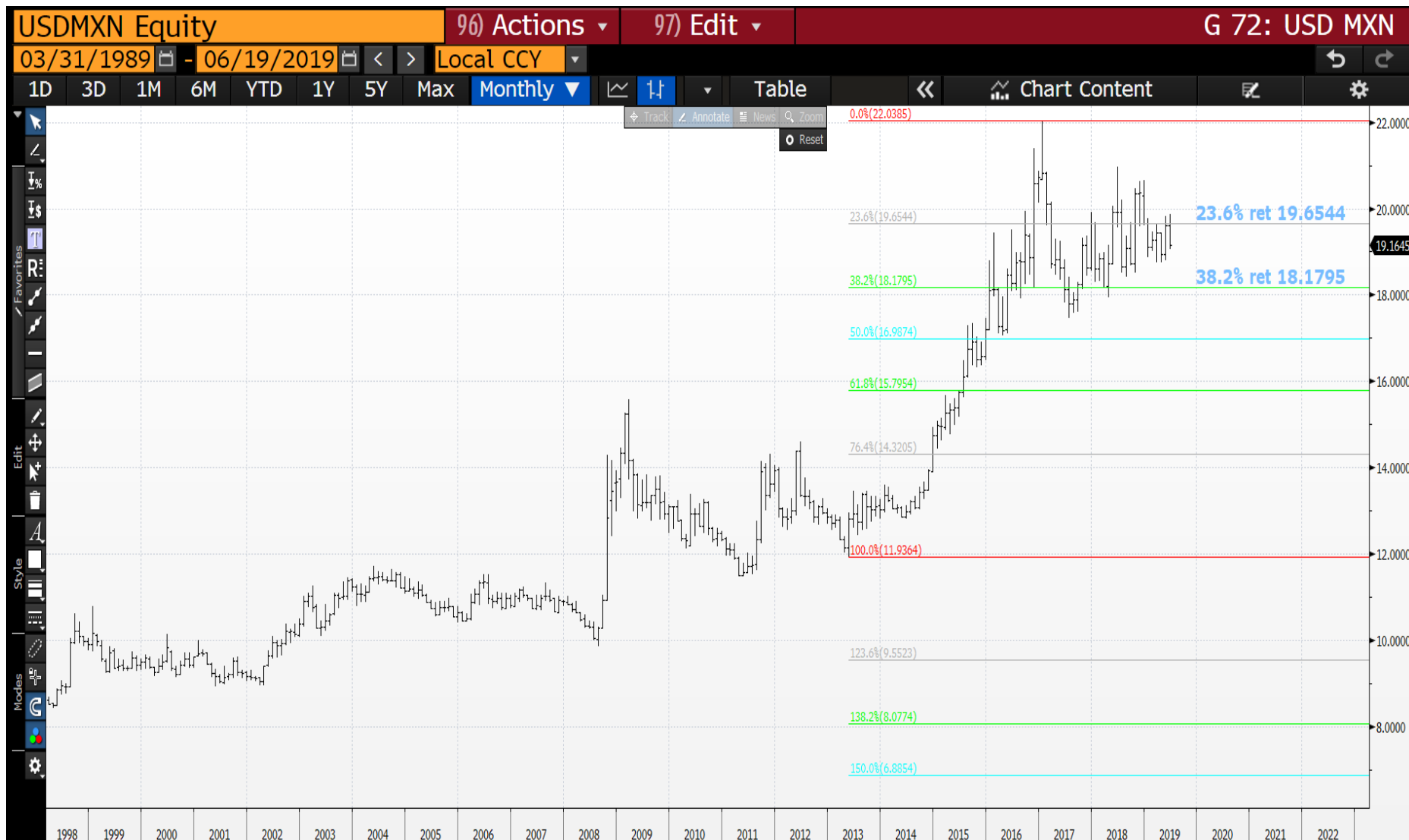
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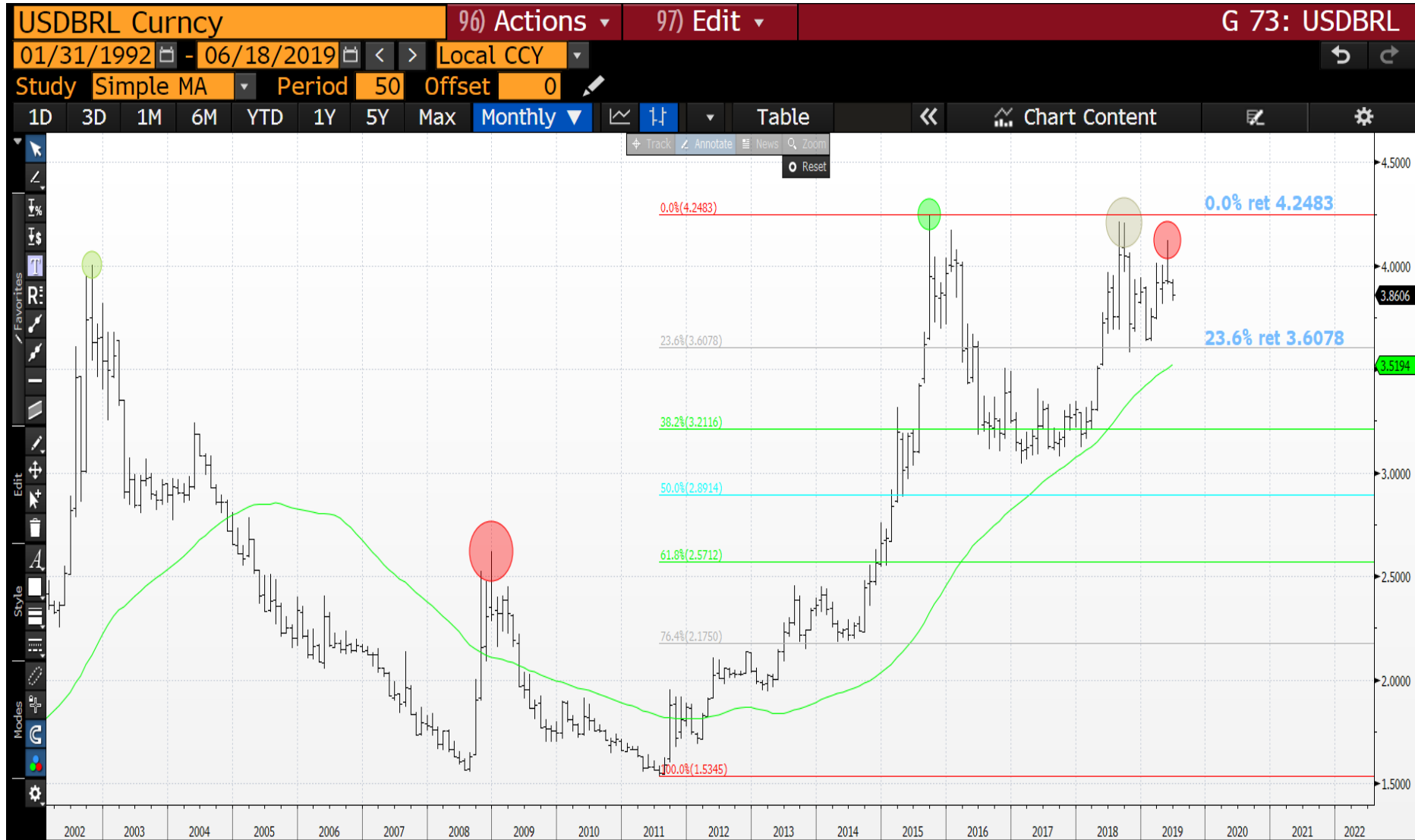
# EM UPDATE

- **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!**
- **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.



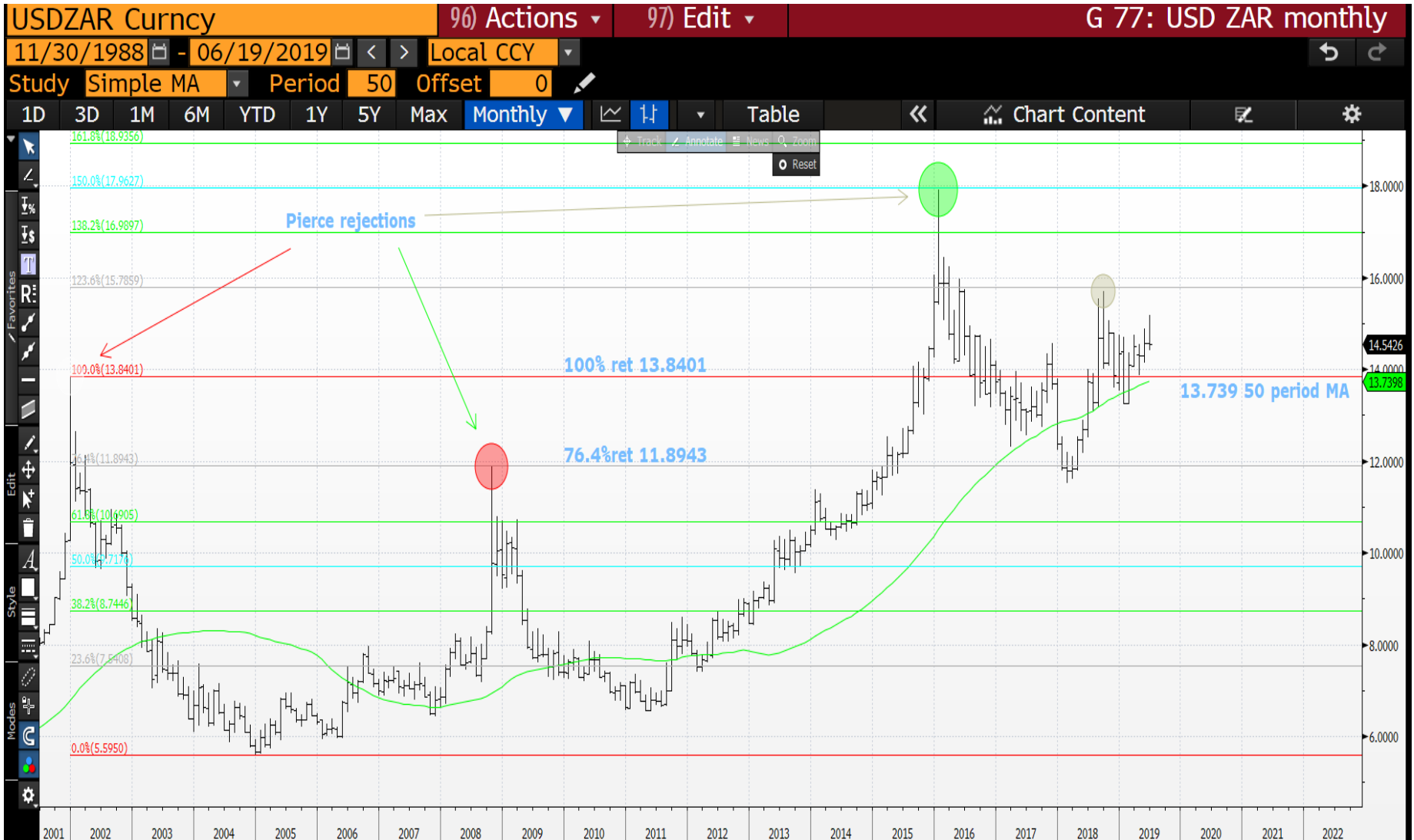
USD BRL monthly : We have developed a VERY NASTY upside pierce and continues to endorse this cross is heading a lot lower.



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 70.0412 100 day moving average.





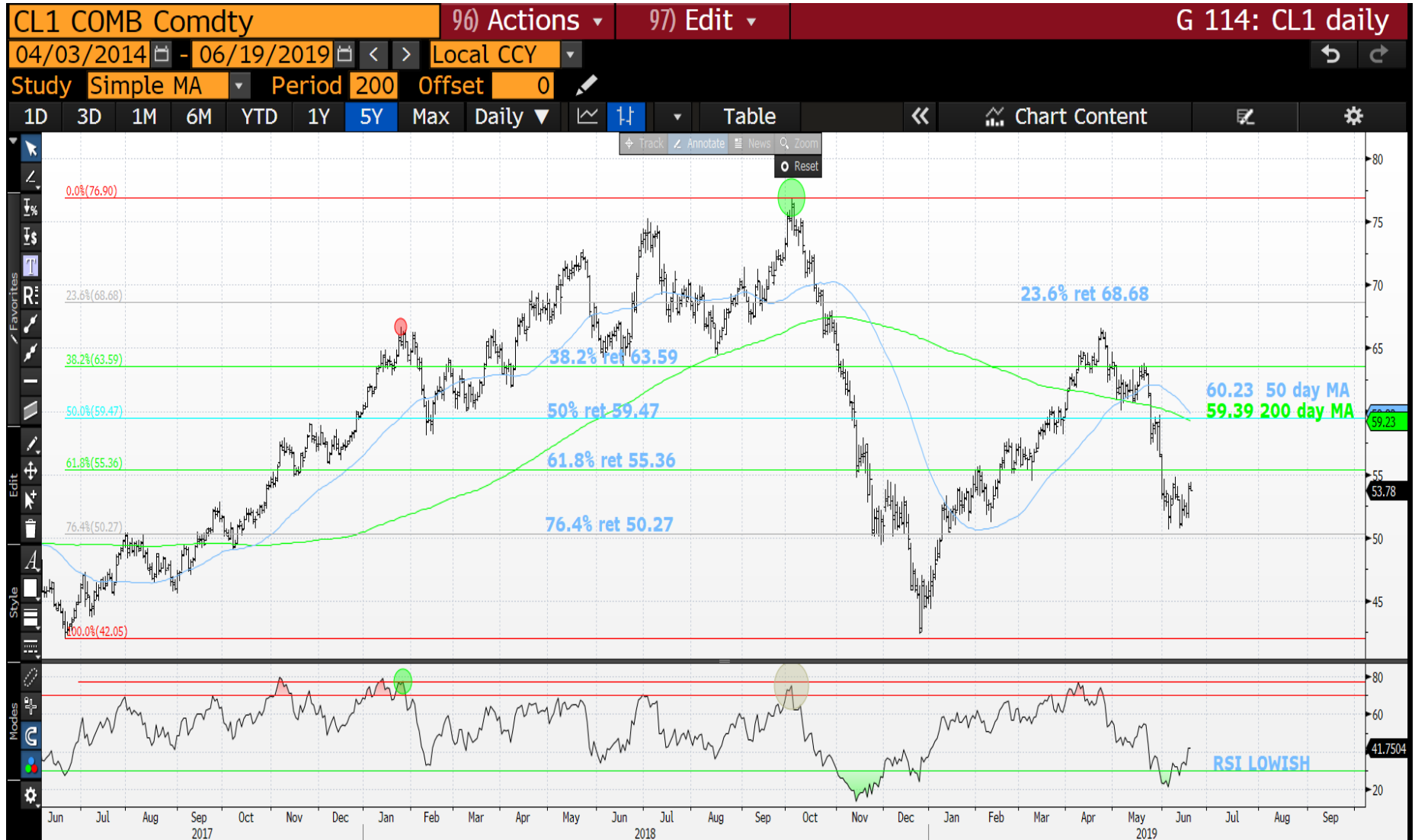
CL1 monthly : Oil remains HEAVY and continues to push new lows.



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CL1 daily : A VERY POOR bounce AND continues to remain below the 61.8% ret 55.36.



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 1351.34 100 period moving average we FLY.



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