

**BONDS : HOW HIGH DOES THE YIELD BOUNCE GO? THE ANSWER ISNT EASY NOR AN EXACT SCIENCE, AS HISTORY PORTRAYS IN THE FOLLOWING CHARTS.**

**WE HAVE BEEN IN THIS SITUATION BEFORE WHERE WE HAVE A NEW YEARLY YIELD LOW YET WEEKLY RSI'S REMAIN EXTENDED. IT FEELS LIKE WE NEED A YIELD BOUNCE FIRST BUT REMEMBER IT HAS TO BE REVERSED BY MONTH END. THE BOUNCE ALSO NEEDS TO BE "QUICK" TO FRONT LOAD THE MONTH AND WRONG FOOT EVERYONE.**

**TODAYS BOND SELL OFF EVOKES THE VIEW THAT MANY LEFT "STOPS" IN THE MARKET AND MENTIONED PREVIOUSLY, REAL MONEY EXITIED SEVERAL WEEKS AGO.**

**FINDING THE "YIELD BOUNCE VOLLEY" WONT BE EASY NOR MIGHT NOT BE THE RIGHT THING IF DON'T HEAD LOWER INTO MONTH END. IT IS THEREFORE TOUGH TO CALL, IT'S A QUESTION OF BEING FLAT NOW AND REMAINING ON HIGH ALERT!**

**ANOTHER POTENTIAL PROBLEM IS SHOULD STOCKS FAIL, THEN SO DO YIELDS.**

**\*\*\* AM HAPPY TO DISCUSS GIVEN THIS ISNT THE USUAL STAUNCH LEVELS AND IT DEFINITELY NEEDS SOME EXPLAINING. \*\*\***

USGG30yr monthly : As per the original call, history continues to repeat. We have a new yield low this month and that print proved fatal previously.



10/07/2019

USGG30yr weekly : This chart helps portray the historical difficulty in picking a range-top for any yield recovery, it can vary so much. The moving average 2.8760 will be the first big test level.



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USGG30yr weekly : It now looks like we will see a yield rally given we FINALLY have movement. The difficulty remains where it fails but charts wise its safe to say we have a week or 2 of recovery. Ideally utilise the various moving averages and retracements.



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USGG30yr yield daily : The daily RSI remains neutral and NO obstacle to movement either way. Again look to utilise the moving averages IF we look like stalling.



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US 10yr yield quarterly : Again another new year yield low which has been terminal before.



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US 10yr yield weekly : We have a low RSI as before and yet again a varied historical performance. A tough call with the 2.3551 moving average being the first test.



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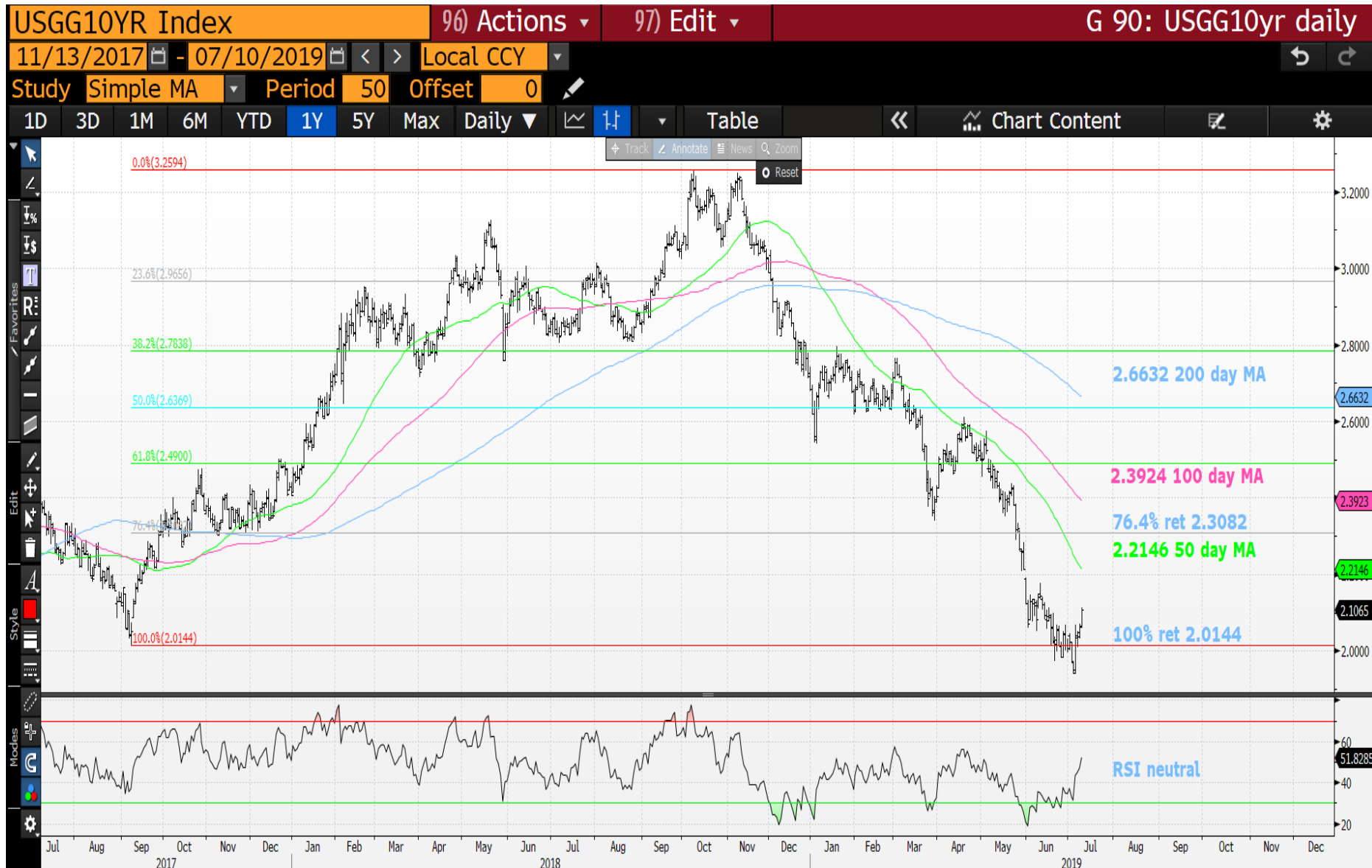
US 10yr yield weekly : We finally look to of based after weeks of side ways performance, minimally we revisit the 2.3551 200 period moving average.



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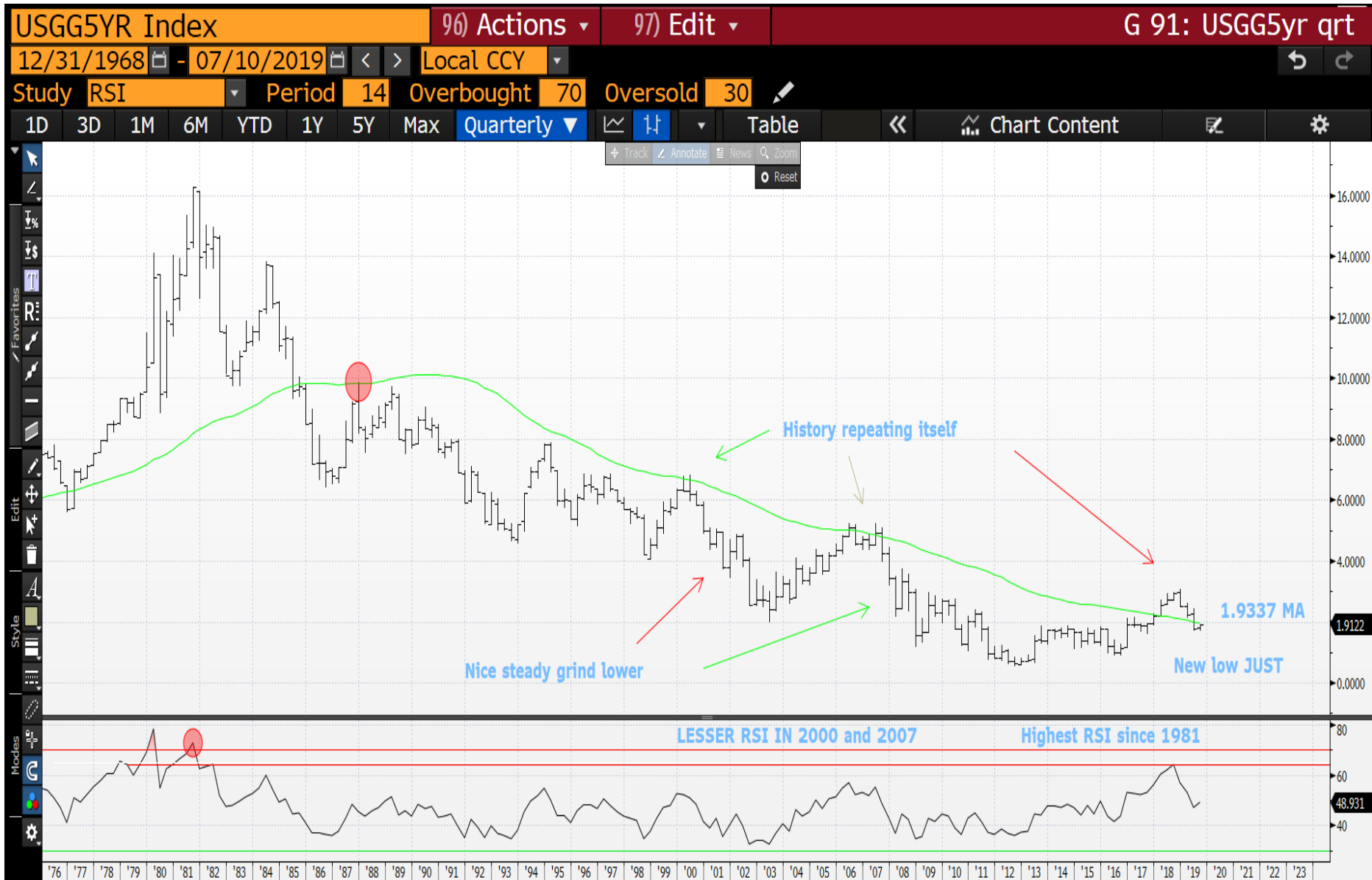


USGG10yr daily : Again the RSI is neutral and NO obstacle. The moving averages should serve well to formulate resistance.



10/07/2019

# USGG5yr quarterly : Yet again we have a new yield low but testing the long standing 1.9337 moving average.



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USGG5yr weekly : The bounces previously have seemed pretty uniform thus the worry here is we could see 3.00! EVREYTHING NEEDS to be closely monitored.

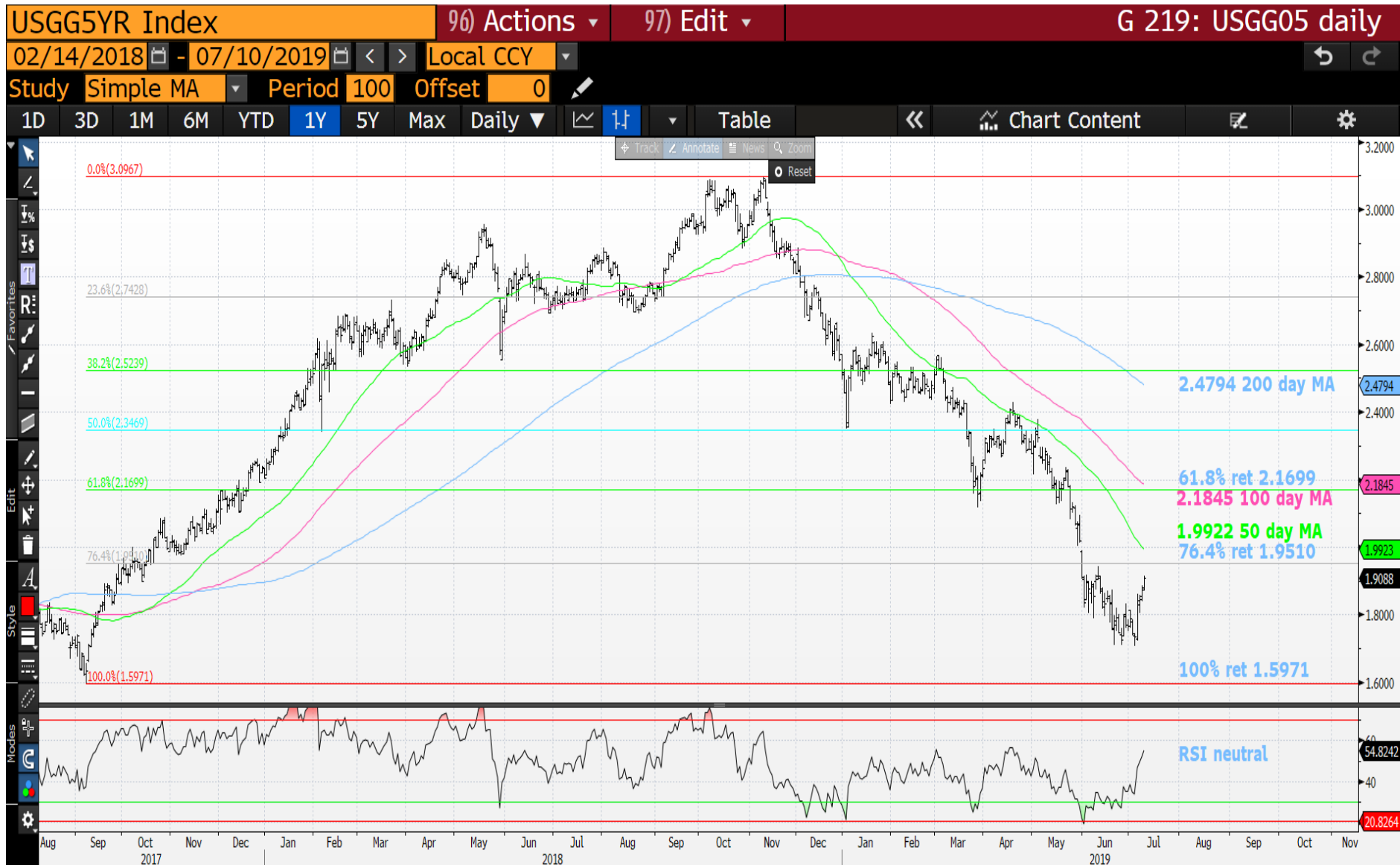


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USGG5yr monthly : We have breached the 50% ret 1.8156 and the latest pierces have formed a decent base. Rough guess could be 2.500 on the bounce as long as it s QUICK!



USGG5yr daily : No RSI issues again but a swathe of moving averages offering resistance.



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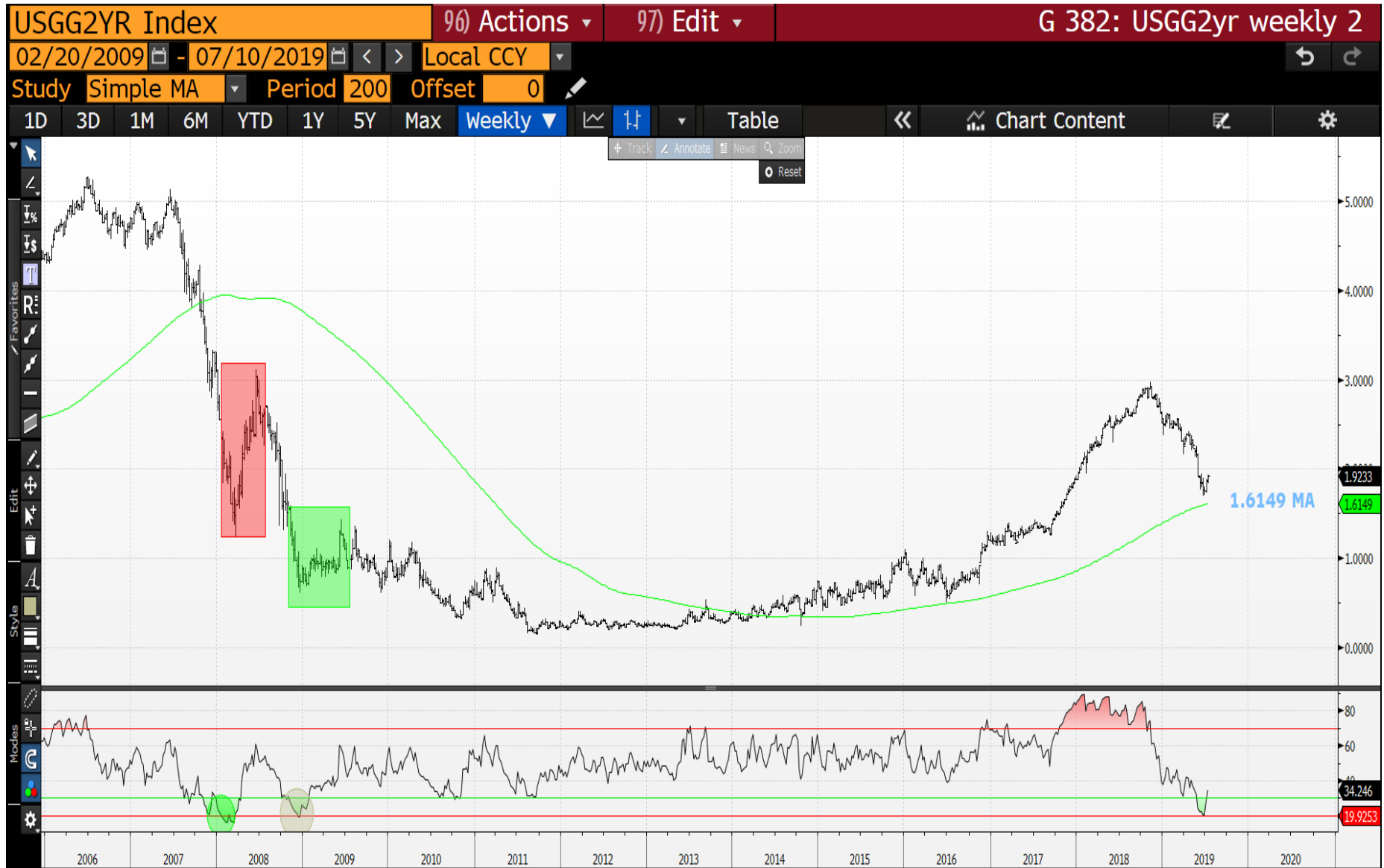
USGG2yr quarterly : This is the only yield chart to NOT make a new quarterly low.



USGG2yr monthly : The 23.6% ret 1.7448 is proving to be a SOLID retracement support thus another WATCH chart.



USGG2yr weekly : Not only has the retracement been of use but so has the 1.6149 moving average.



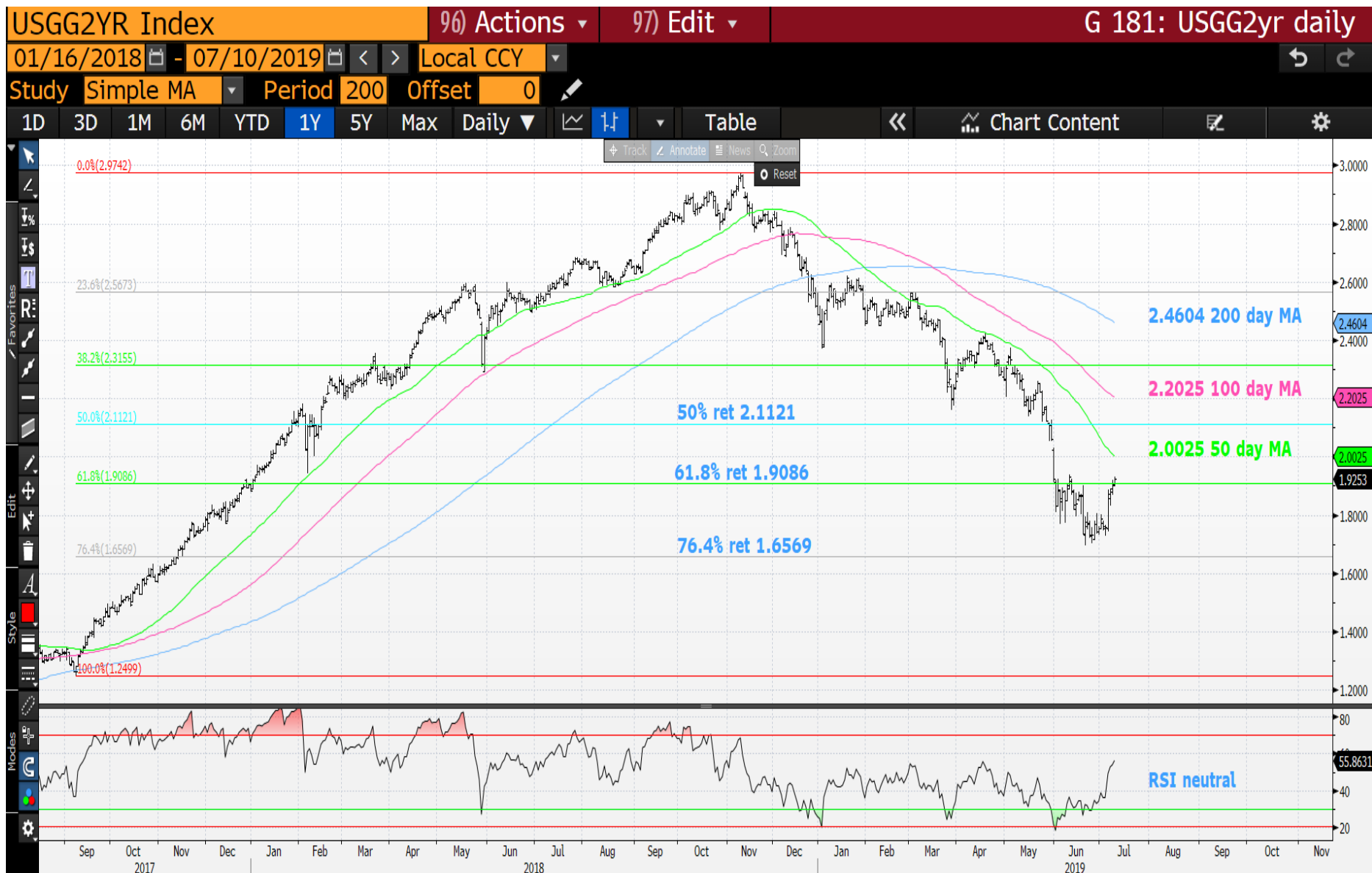


USGG2yr monthly : Another ridiculous RSI extension so we could find ourselves heading toward the 23.6% ret-moving average 2.3033.



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USGG2yr daily : A very neutral RSI but should be the first one to prompt an over bought scenario. One to watch.

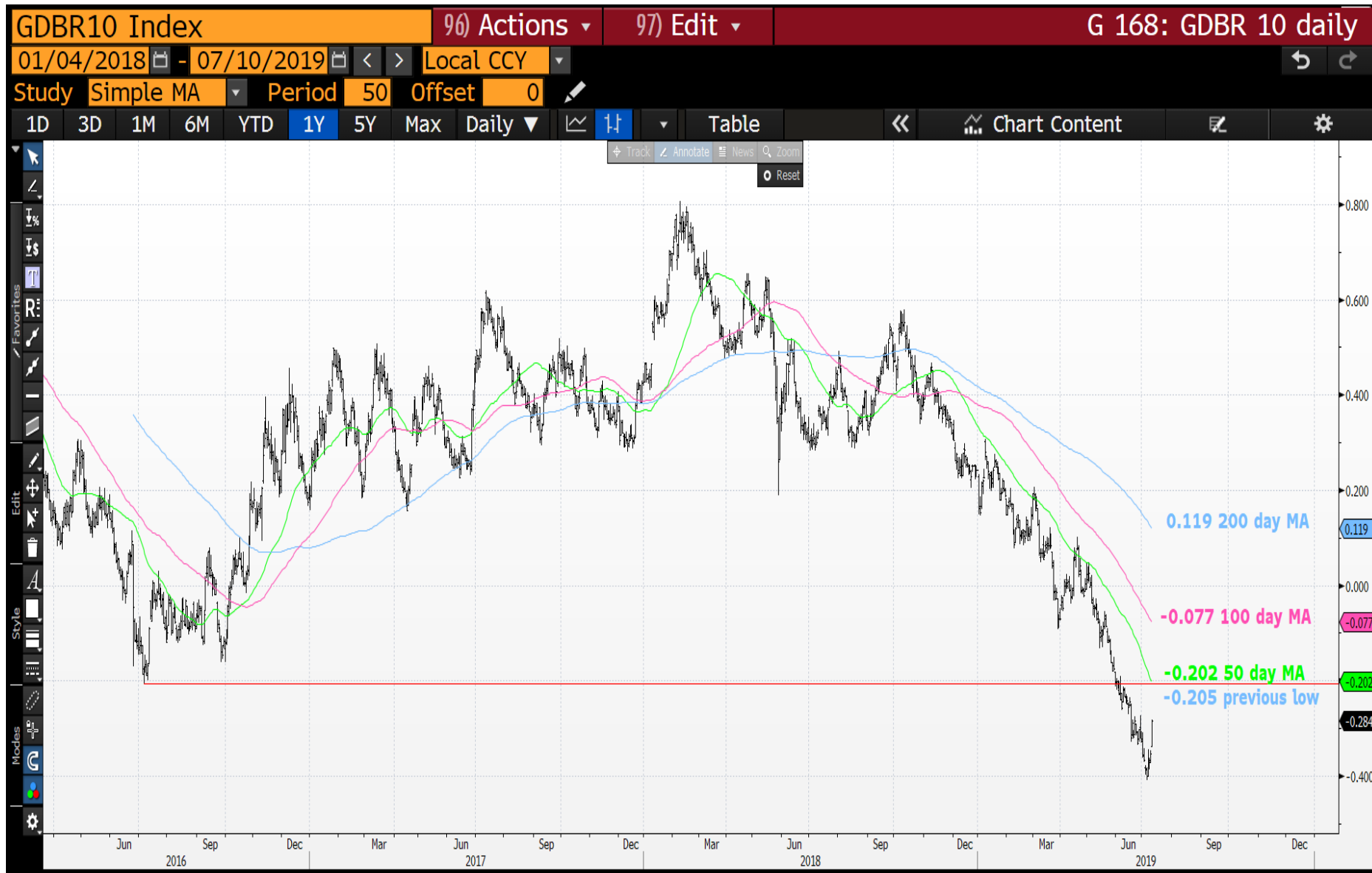


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Generic German 10yr quarterly : We have NEW YEAR yield lows once again.



# Generic German 10yr daily : Many levels to chose from on any yield bounce.

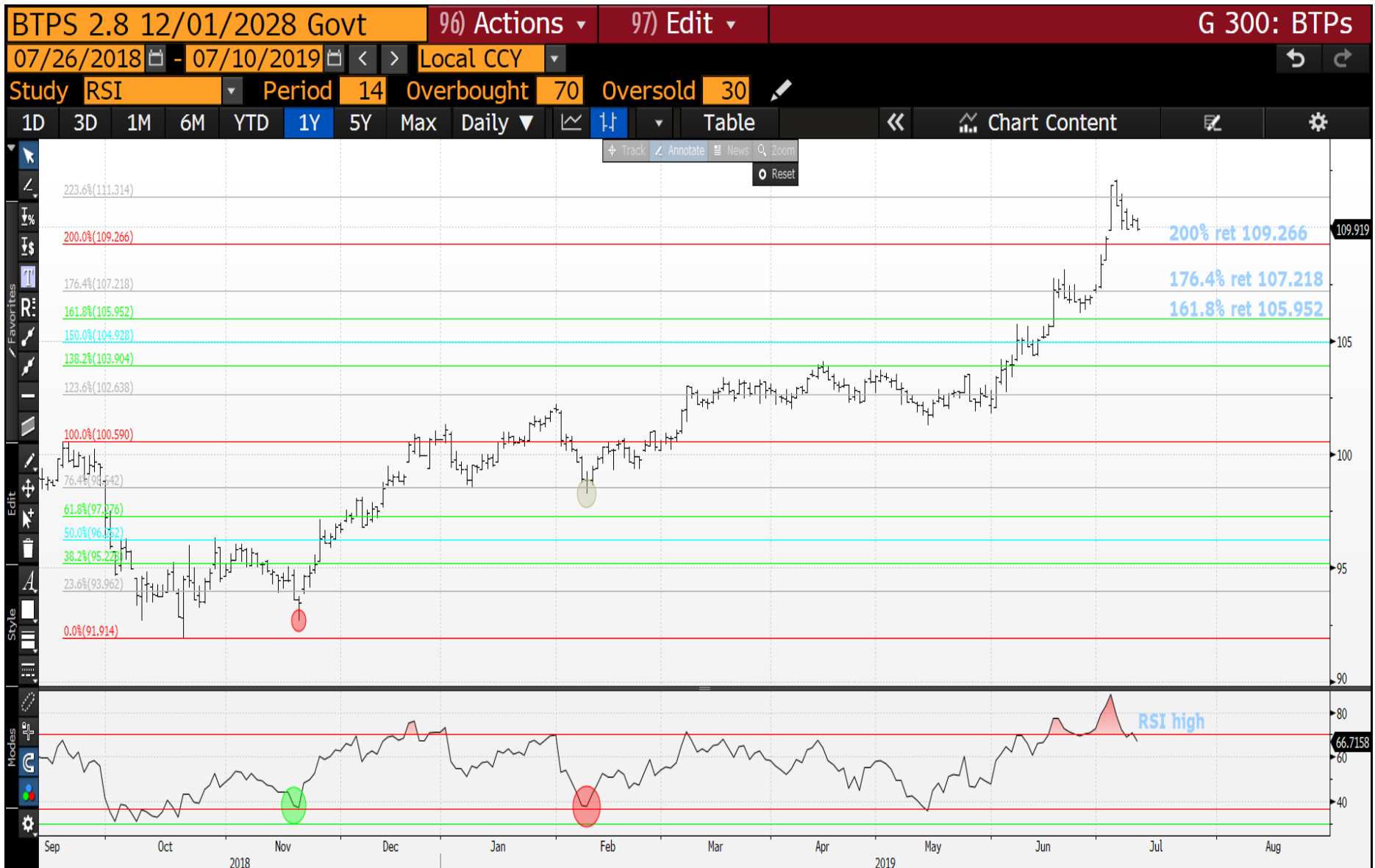


DBR 46 daily : The channel proved a painful breach and the 76.4% ret 154.629 the likely target.



10/07/2019

BTP 12/28 daily : This RSI is back in over bought territory once again.



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GUKG10 monthly : A nasty new low BUT sizeable reversal already.



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GUKG10 daily : We are off the lows and again many moving average levels to chose from.



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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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