

MULTI ASSET UPDATE : BOND YIELDS GRIND LOWER FROM THE 50 DAY MOVING AVERAGES HIGHLIGHTED LAST WEEK. STOCKS REMAIN MIXED, MR TRUMP SAYS HE COULD IMPOSE MORE TARIFFS ON CHINA IF HE WANTED. THE EURO REMAINS HEAVY GIVEN THE ELECTION RESULT.

BONDS LEVEL HITS :

- 1. US 30YR YIELD DAILY HAS HIT ITS 50 DAY MOVING AVERAGE 2.6701.**
- 2. GERMAN 10YR YIELD DAILY HIT ITS 50 DAY MOVING AVERAGE-PREVIOUS LOW -0.203.**
- 3. GERMAN 46'S A RELIABLE BOND HITS AND HOLDS CHANNEL SUPPORT AT 155.00.**

EQUITIES : MR TRUMP HAS STATED THINGS AINT OVER YET, NEGOTIATION CONTINUES.

US CURVES : THEY CONTINUE TO FRUSTRATE AND AS MENTIONED BEFORE WOULD REMAIN FLAT.

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 AND HAS WORKED OFF ITS over bought state.

FX UPDATE

Topics	PAGES
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USGG30yr monthly : In 2 weeks we have managed to post BOTH new low and high on the previous one.



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USGG30yr weekly : The weekly problem remains i.e. a VERY over sold RSI. The RSI has lost "some" of its venom, we shall see if that has been enough to negate the extreme via the CLOSE Friday.



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USGG30yr yield daily : We have failed the 50 day moving average nicely so KEY close this week. Is the trend lower continuing OR do the weekly RSI's still have some influence.



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



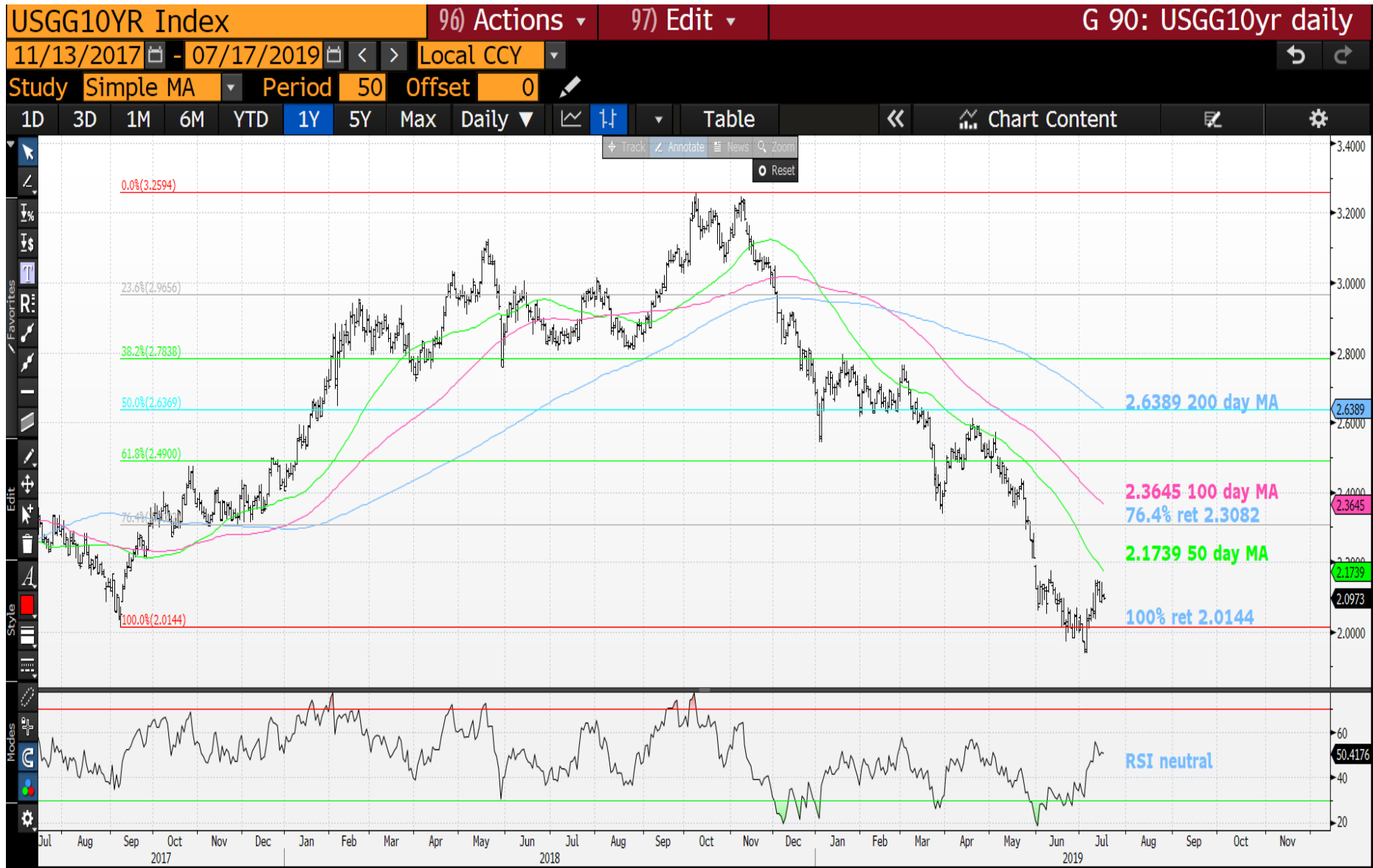
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US 10yr yield weekly : The weekly RSI is off its lows JUST, so key weekly closes to see if the influence REMAINS.



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USGG10yr daily : The RSI has a neutral location whilst we are failing ahead of the 50 day moving average 2.1812. On paper looking hopeful for a revisit of the lows.

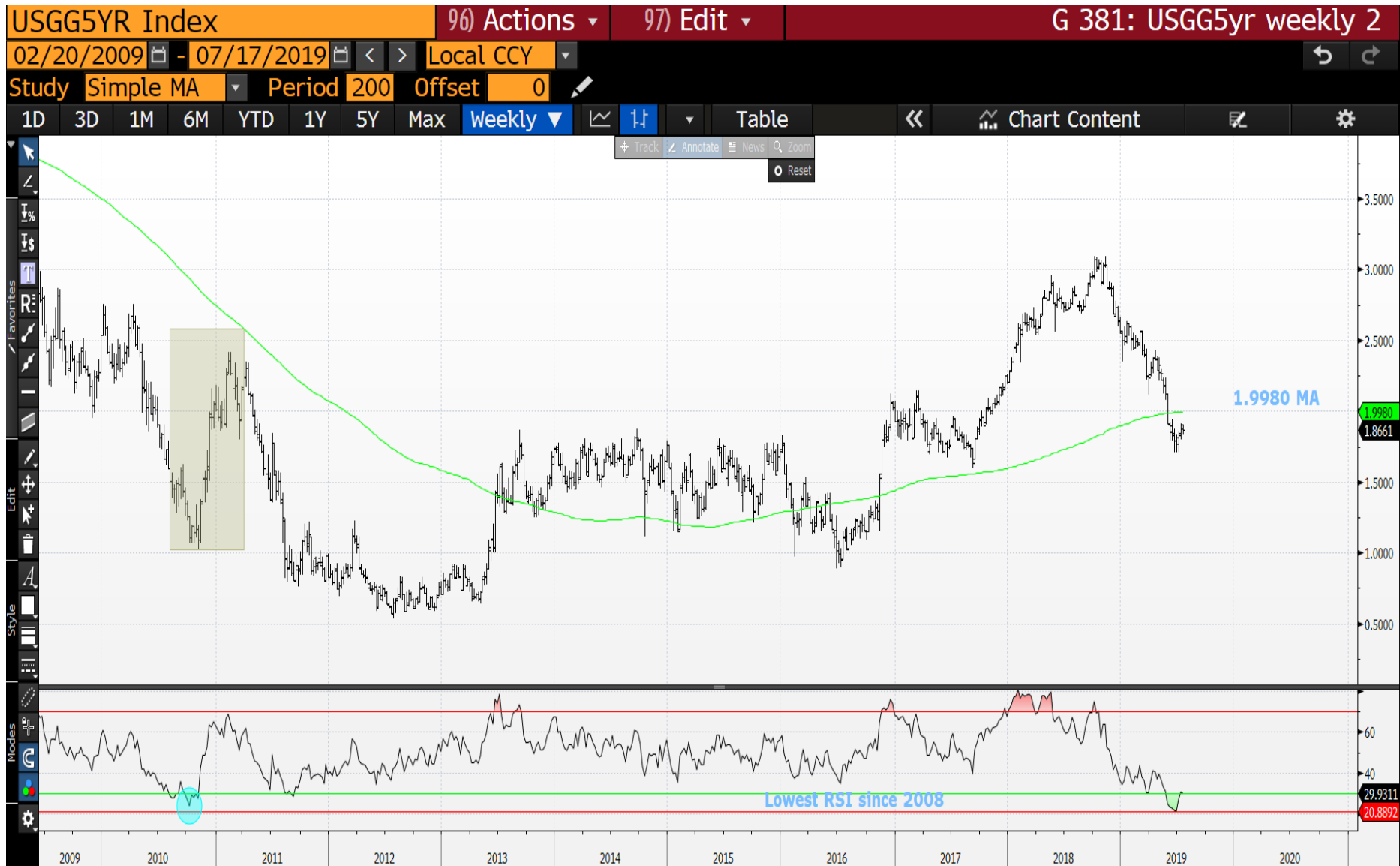


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USGG5yr quarterly : Key element here is we have remained sub the 1.9328 reliable moving average, further failure will continue the overall trend lower.

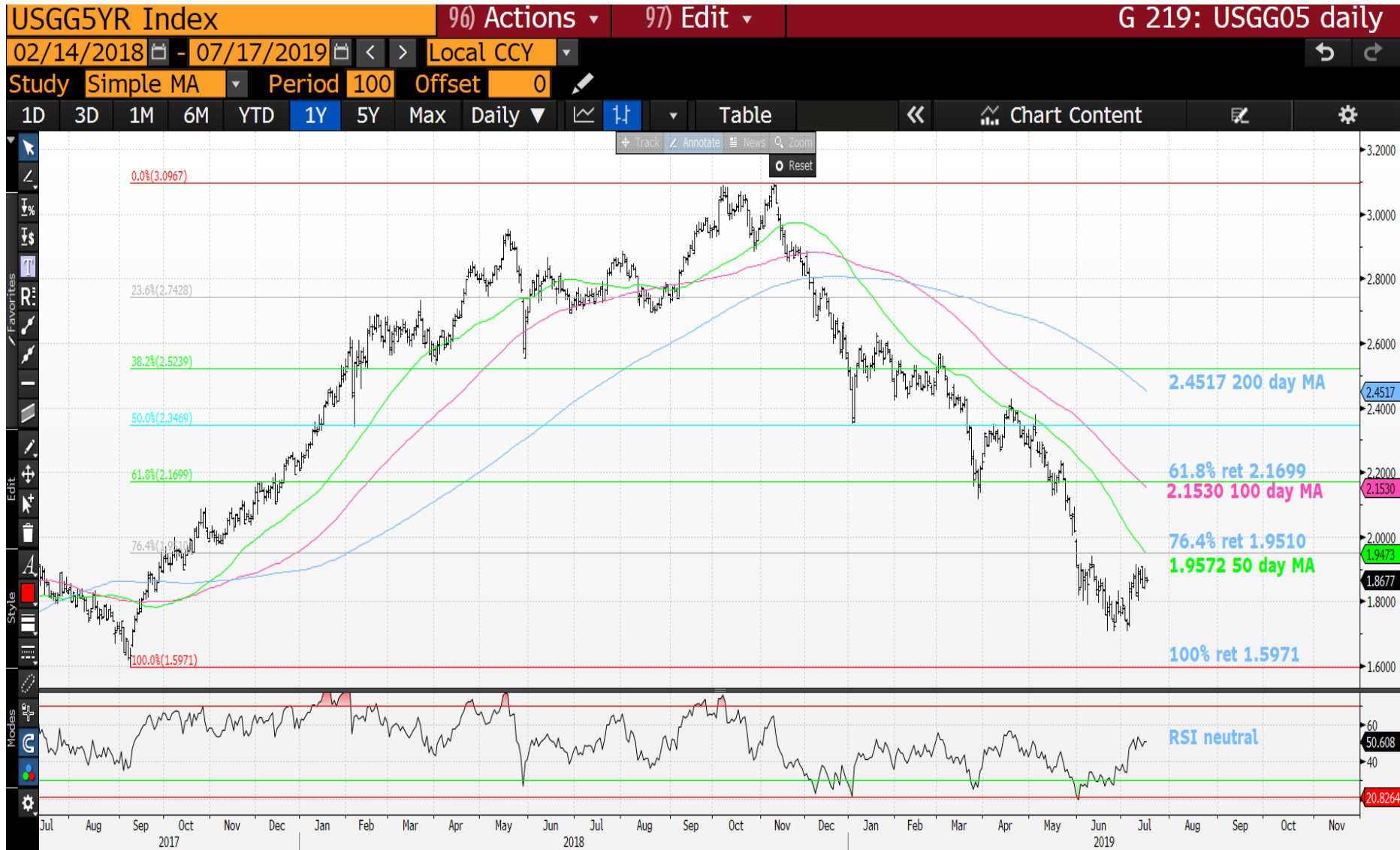


USGG5yr weekly : The RSI has barely moved but we do remain sub the 1.9980 moving average.



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USGG5yr daily : A very neutral RSI and further evidence of a WEAK bounce given we haven't even breached the 76.4% ret 1.9510. An important weekly close.



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



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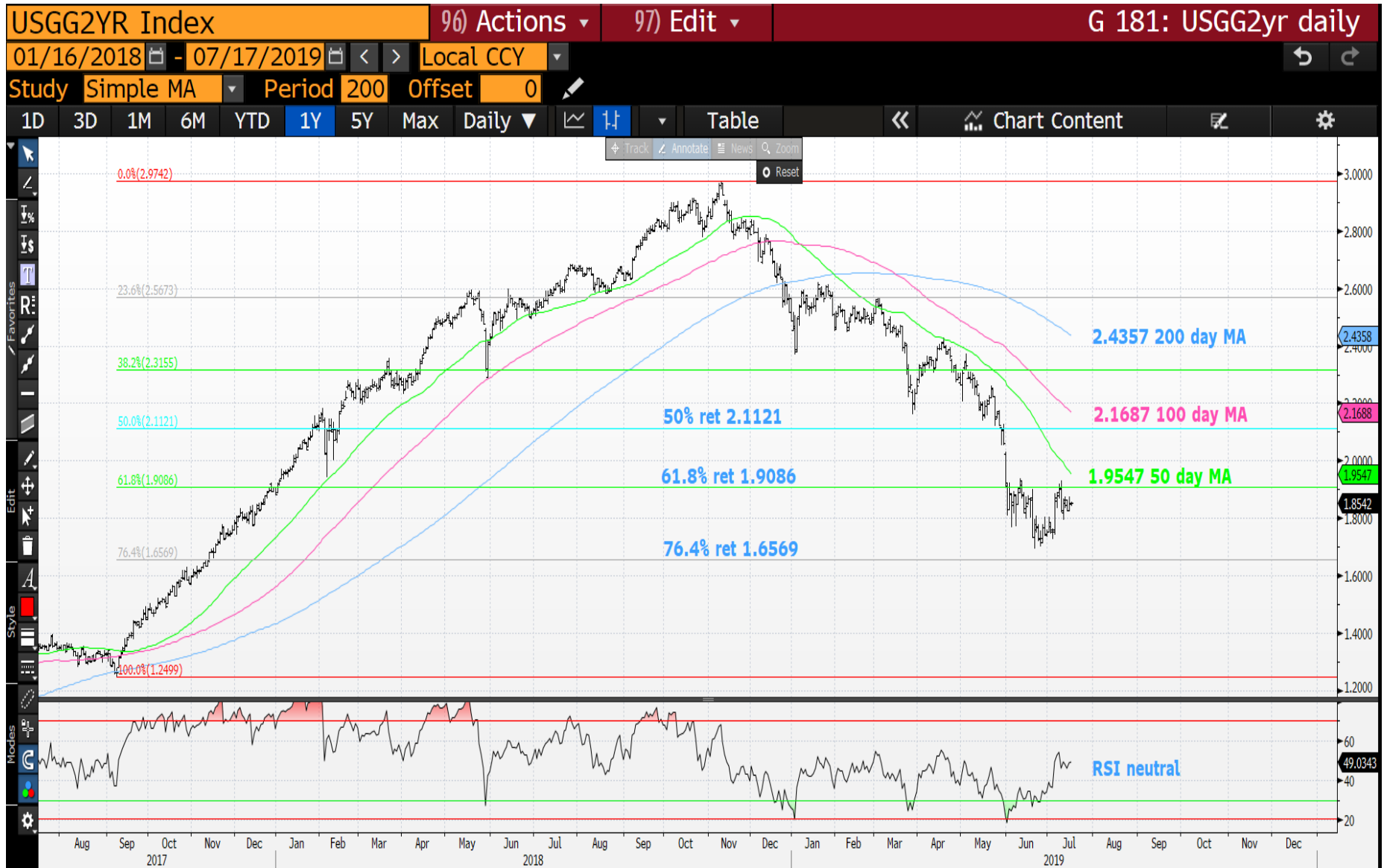
USGG2yr monthly : The 23.6% ret 1.7448 is proving to be a SOLID retracement support thus another WATCH chart.



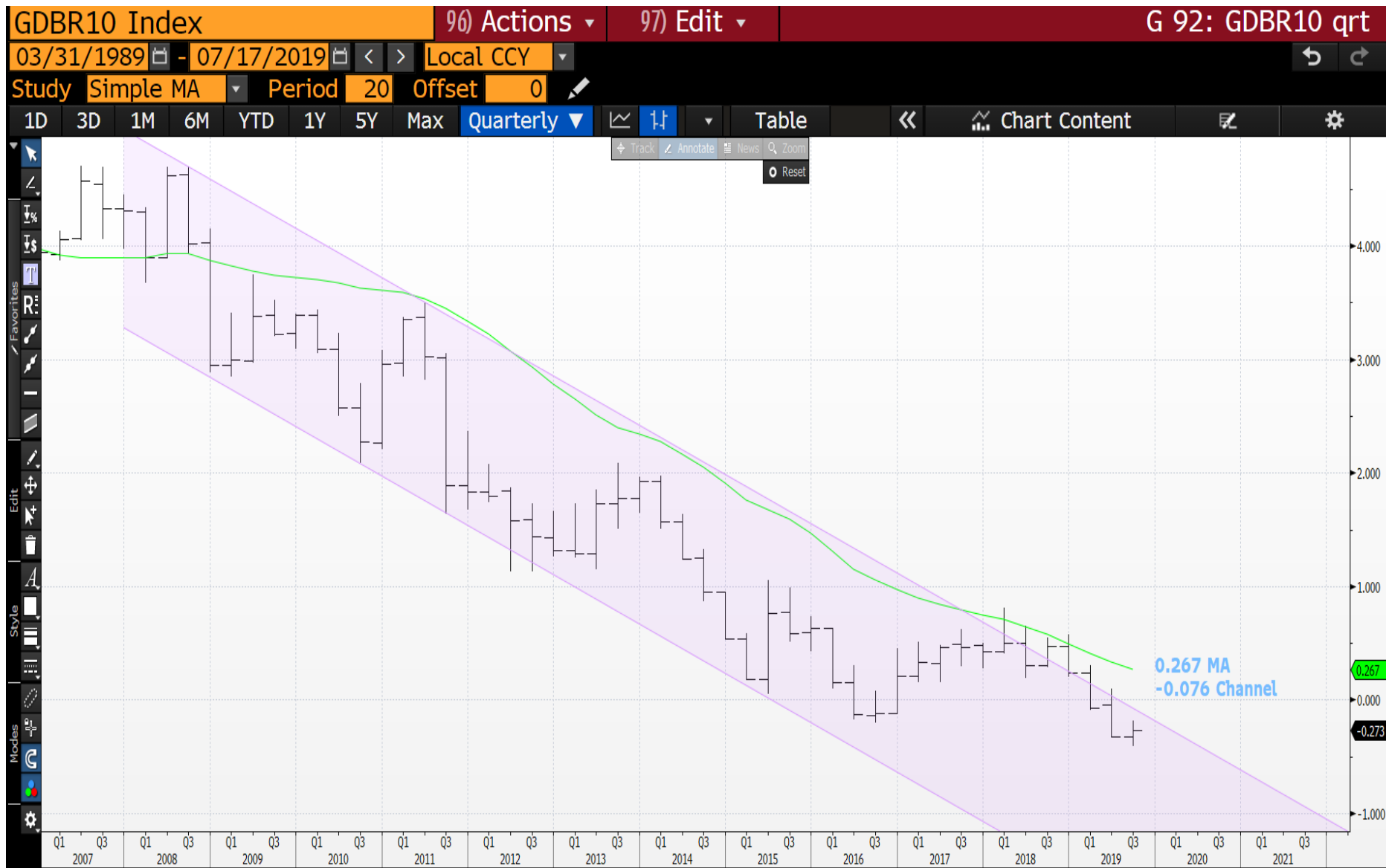
USGG2yr monthly : Another ridiculous RSI extension which could force a bounce and more likely if we remain above the 1.6204 moving average.



USGG2yr daily : Another LAME RSI and bounce! Decision time, do we breach the 61.8% ret 1.9086 OR more importantly the 76.4% ret 1.6569.



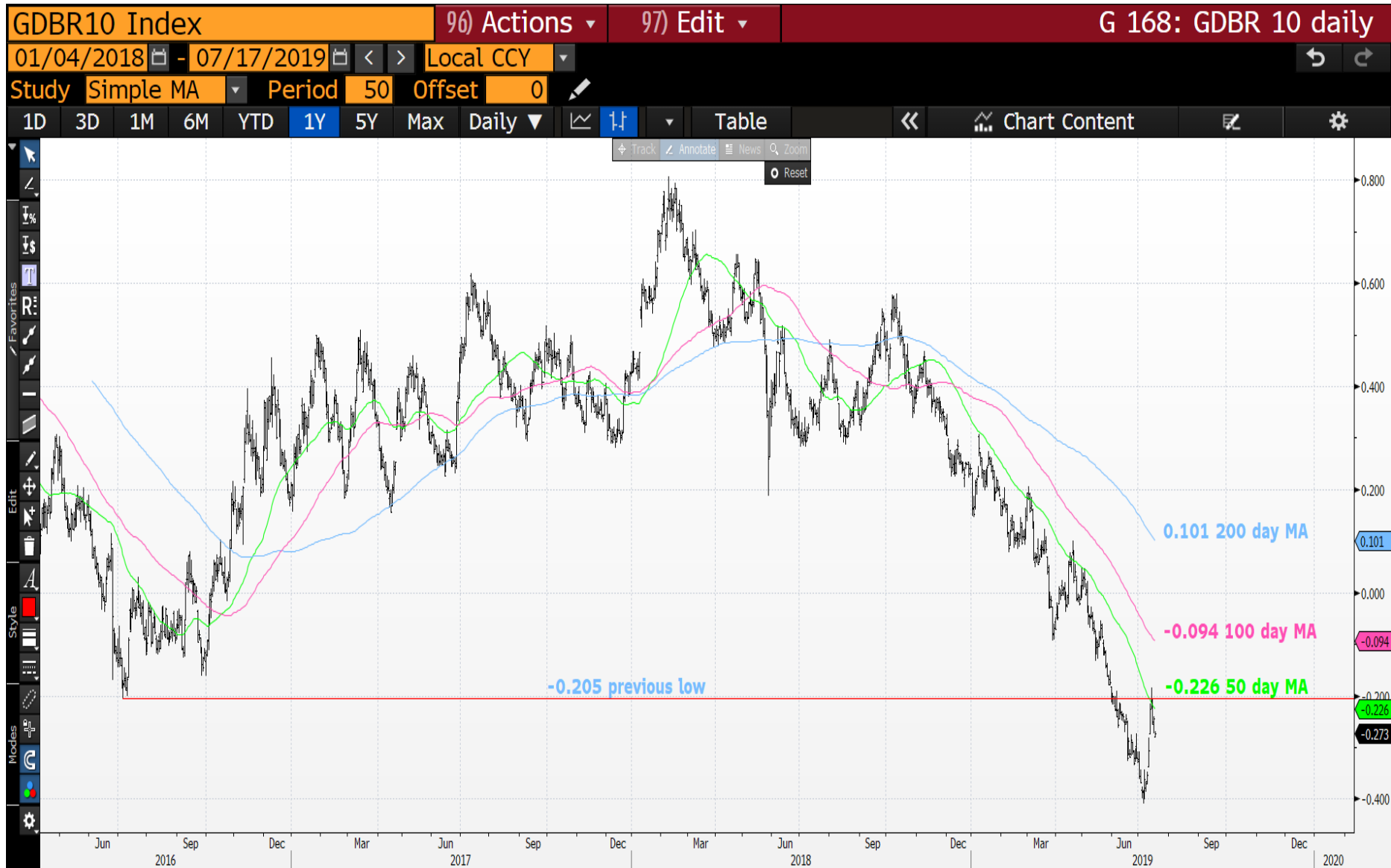
Generic German 10yr quarterly : We have NEW YEAR lows once again and FAILED last quarters close.



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Generic German 10yr daily : Similar to the US 30yr we have hit the -0.226 50 day moving average and currently failing.



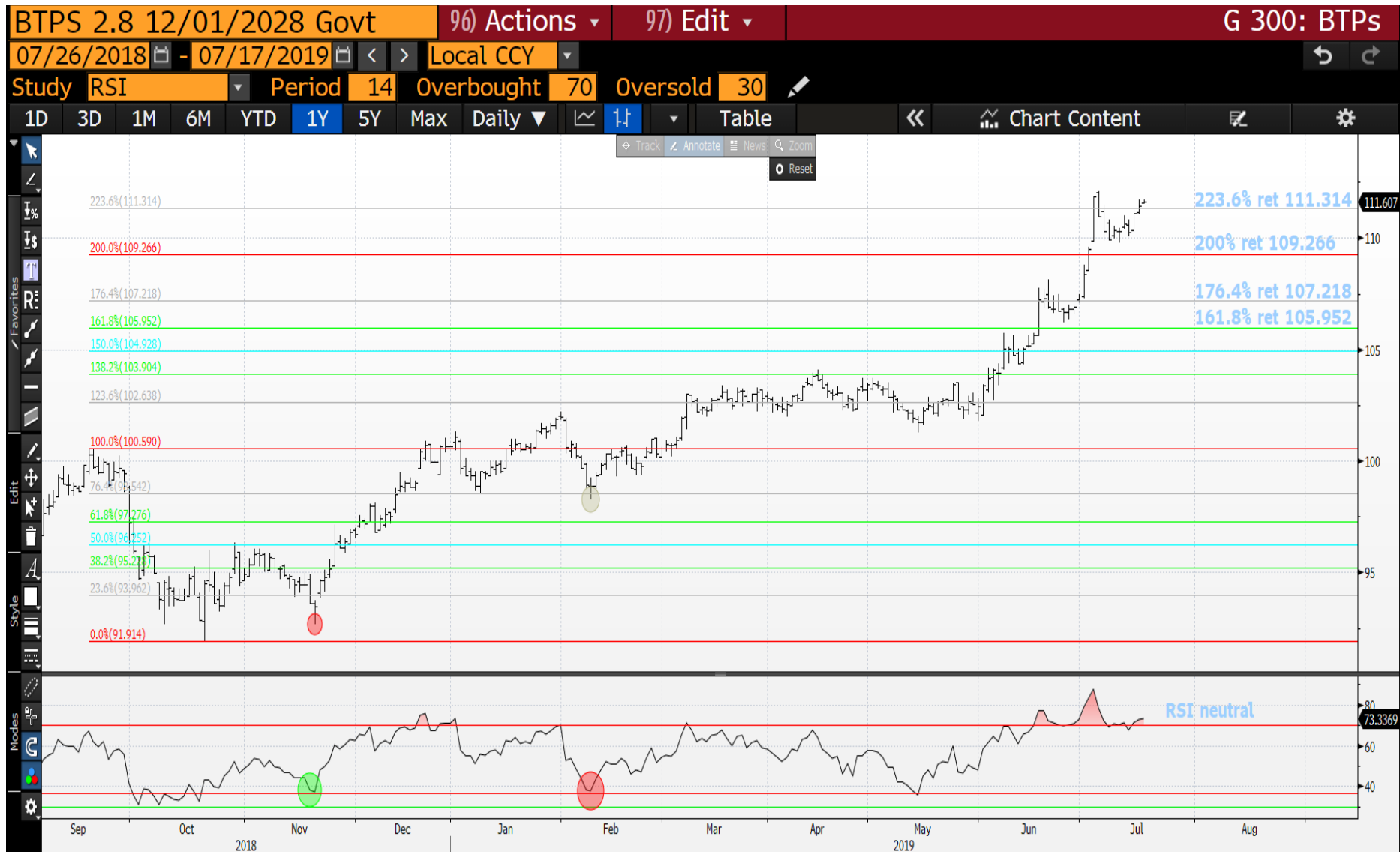
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DBR 46 daily : This bond has always been incredibly reliable and this is no exception. We have hit and held the channel-76.4% ret 154.29, again all about how strong the close is.



BTP 12/28 daily : This RSI is neutral and the market is looking for FRESH impetus.



GUKG10 monthly : Currently a NASTY reversal on the month but the month is not over yet.



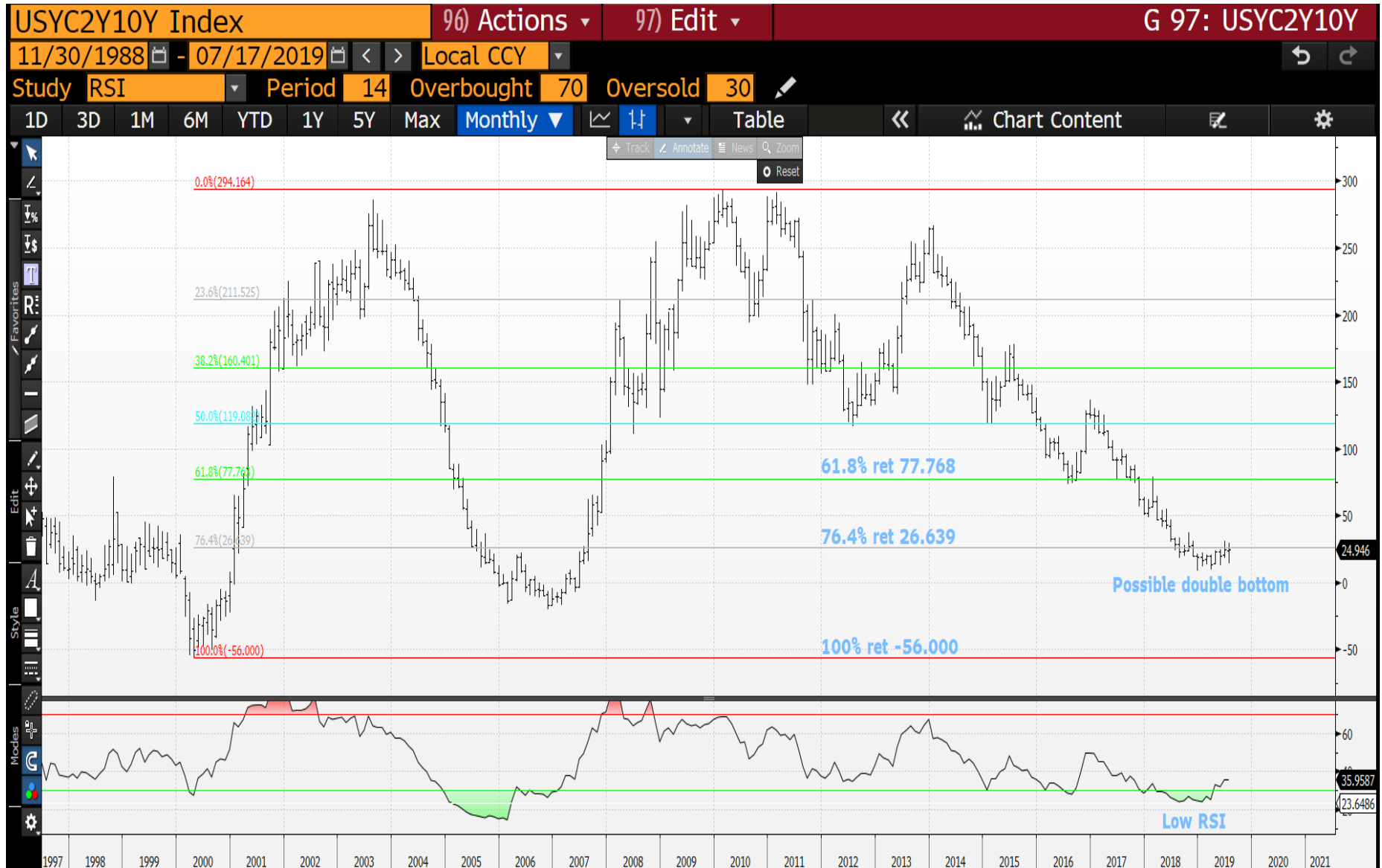
US curves

- **These are far too messy to trade and no real reflection of an outright bias.**
- **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 : Despite the RSI's involved the recent price action has been too erratic to consider a long-term position, that with the outright directionality lost.



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

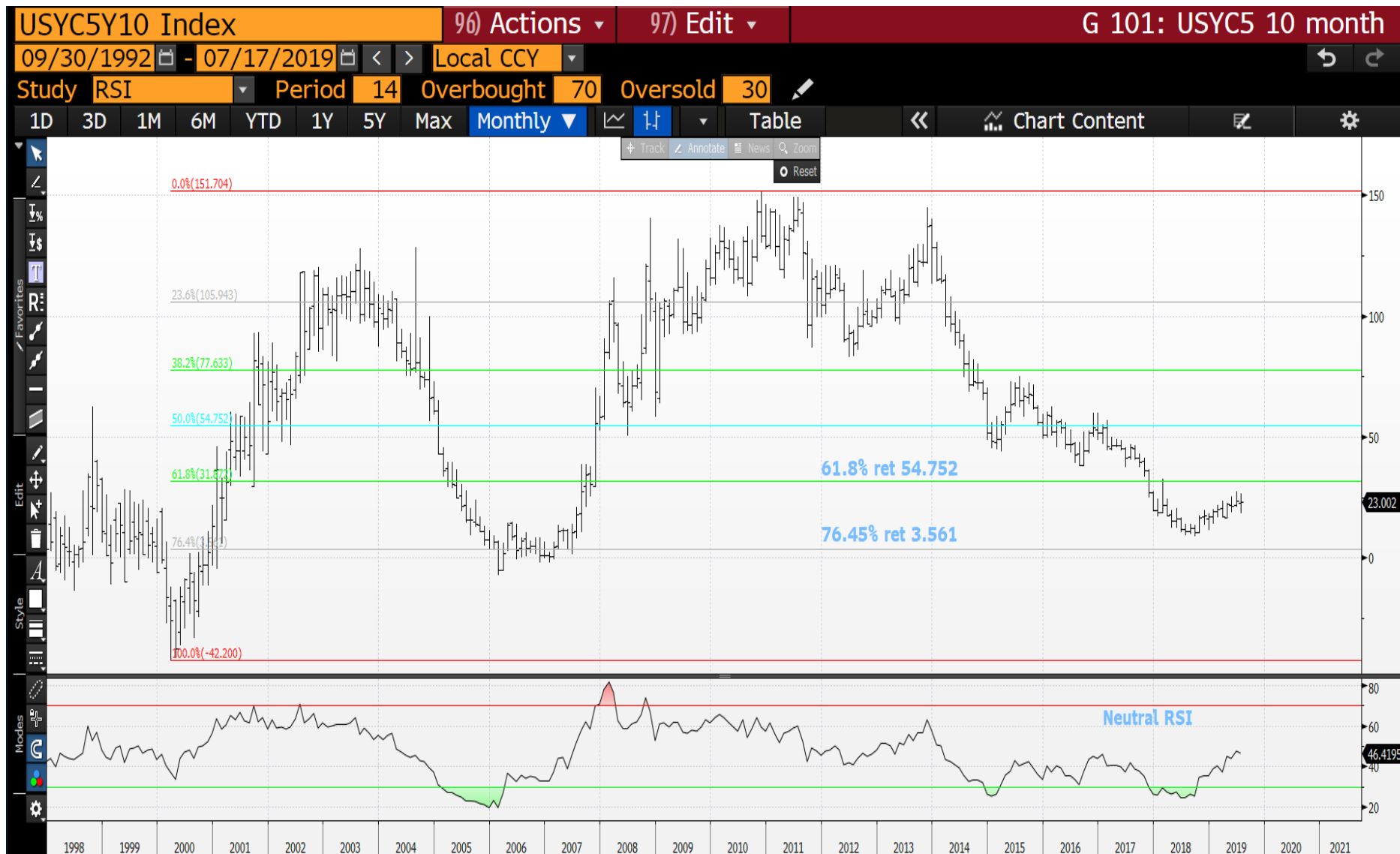


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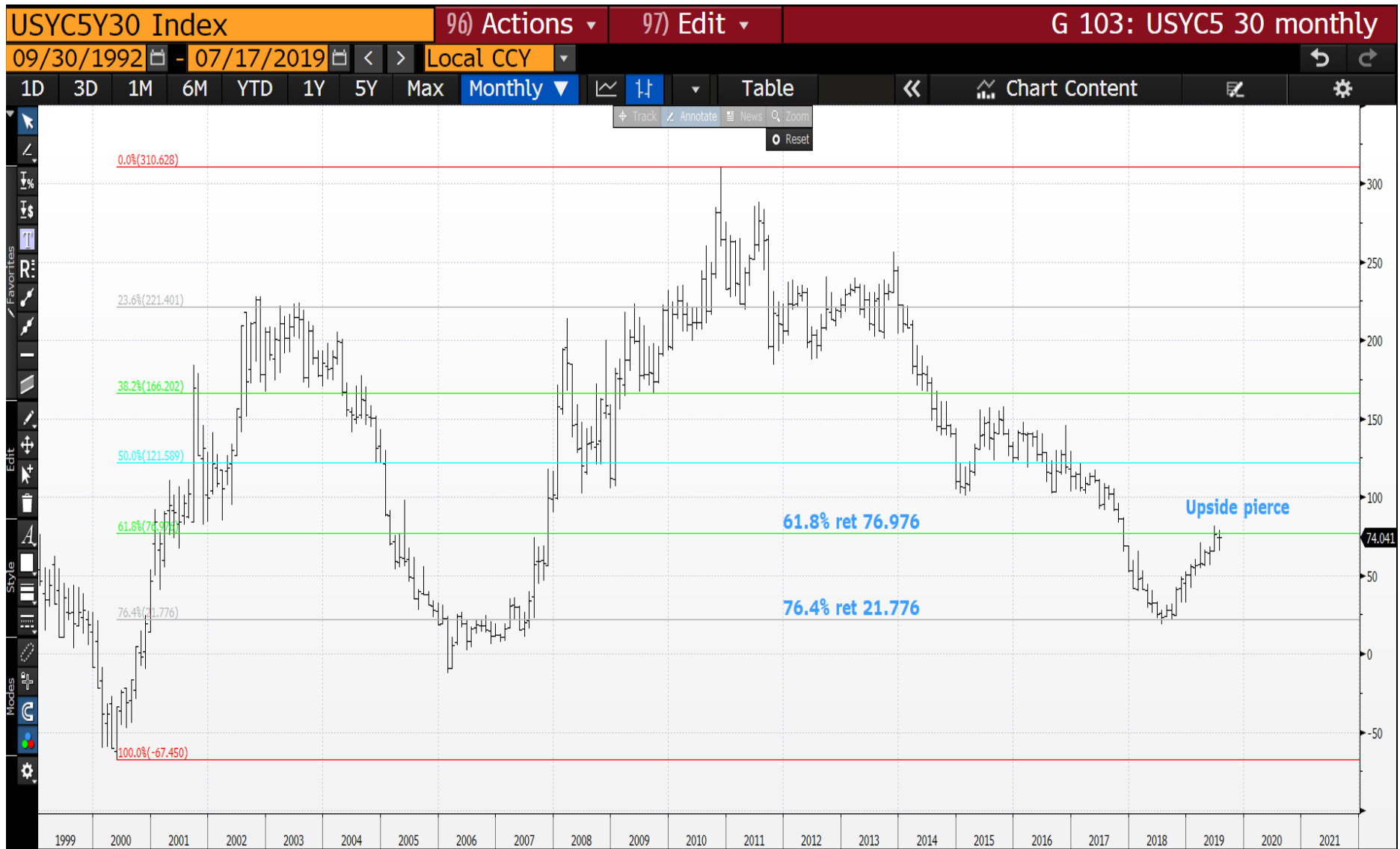
US 5-30 curve monthly : Another struggle given we have already failed to breach last months high.



US 5-10 curve monthly : Another sharp reversal last month as we approached the 61.8% ret 54.752. Another reason to remain flat curve exposure.



US 5-30 curve monthly : Although we persist in failing the 61.8% ret 76.976 holding any position remains difficult.



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US 10-30 curve monthly : We have one of the highest RSI's in a while but no LEVEL HIT like the 5-30 chart.



EQUITIES

EQUITIES : It still seems a struggle to discuss 2000-2007 yield charts lower with **STOCKS** here, something is wrong.

European stocks remain heavy whilst the US is strong, bring on Mr Trump.

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.

Single stocks remain **WOUNDED** in many situations.

DAX monthly : We have filled the early month GAP and held the series of recent highs.



Dax daily : The RSI is very lame and we are now above ALL moving averages. Only issue for longs is the lack of upside progress compared to the US.

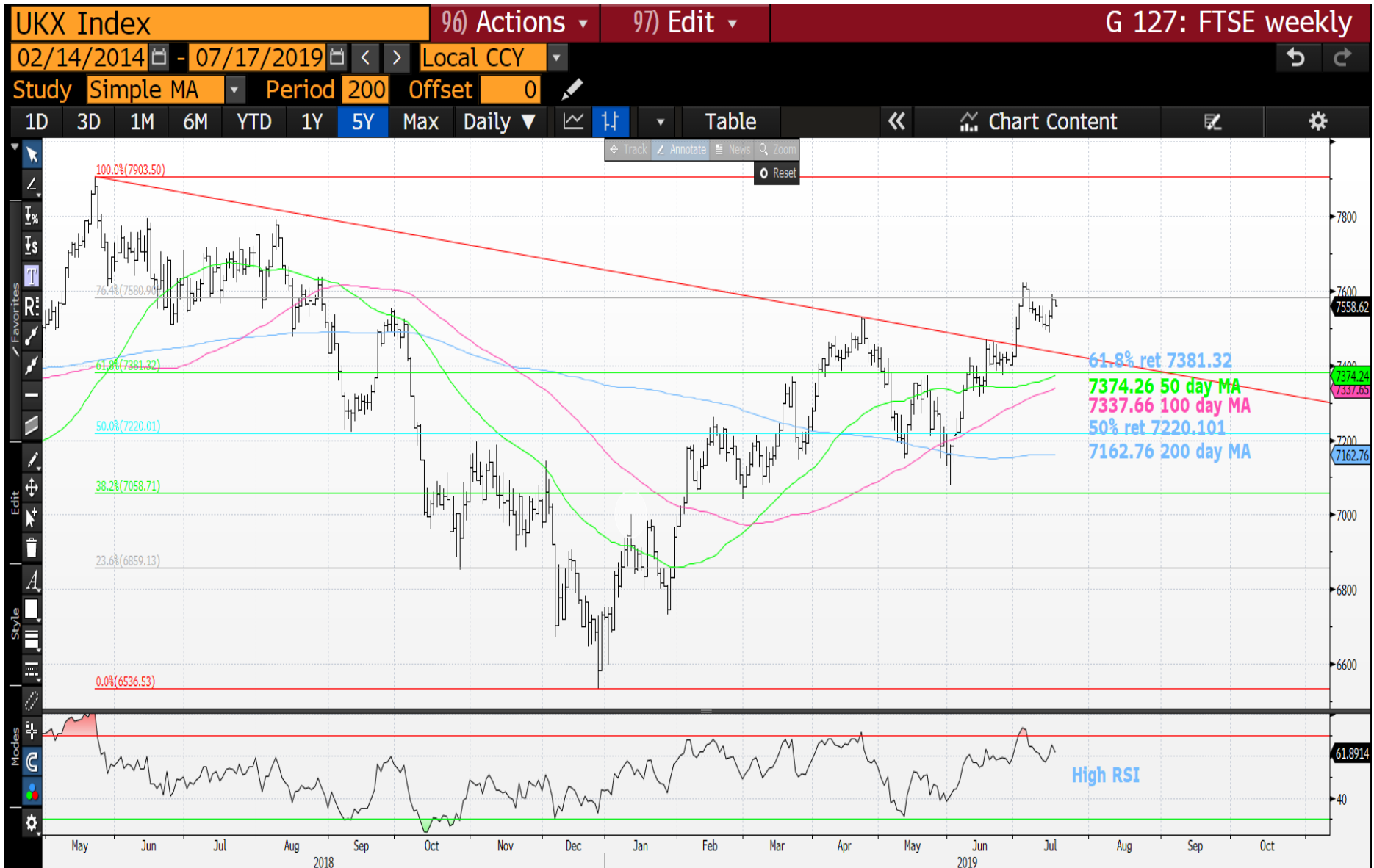


FTSE monthly : We have breached the 123.6% ret 7527.88 so need to see if the market can capitalise on that!



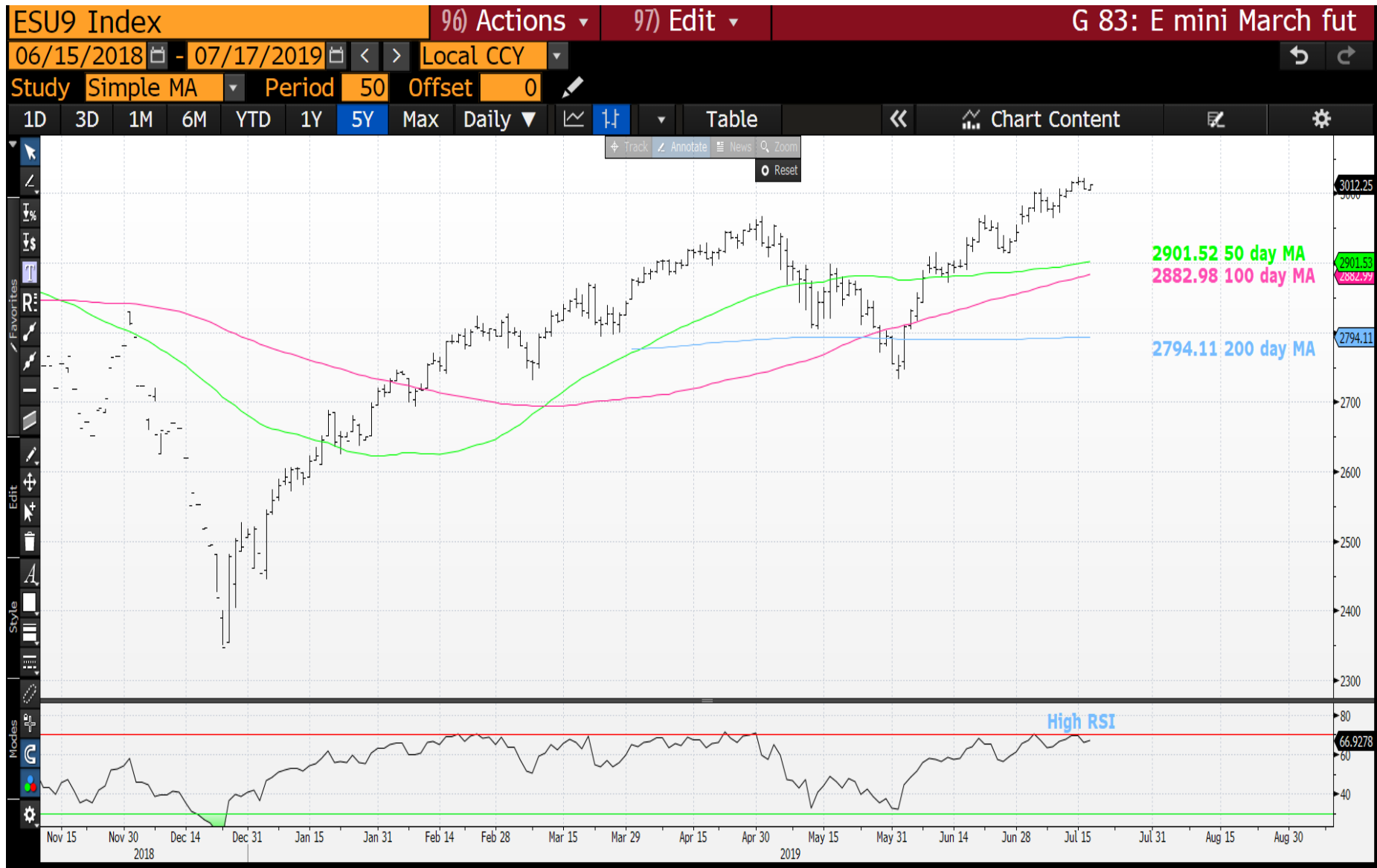
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FTSE daily : The RSI is very mixed and we remain ABOVE all moving averages.

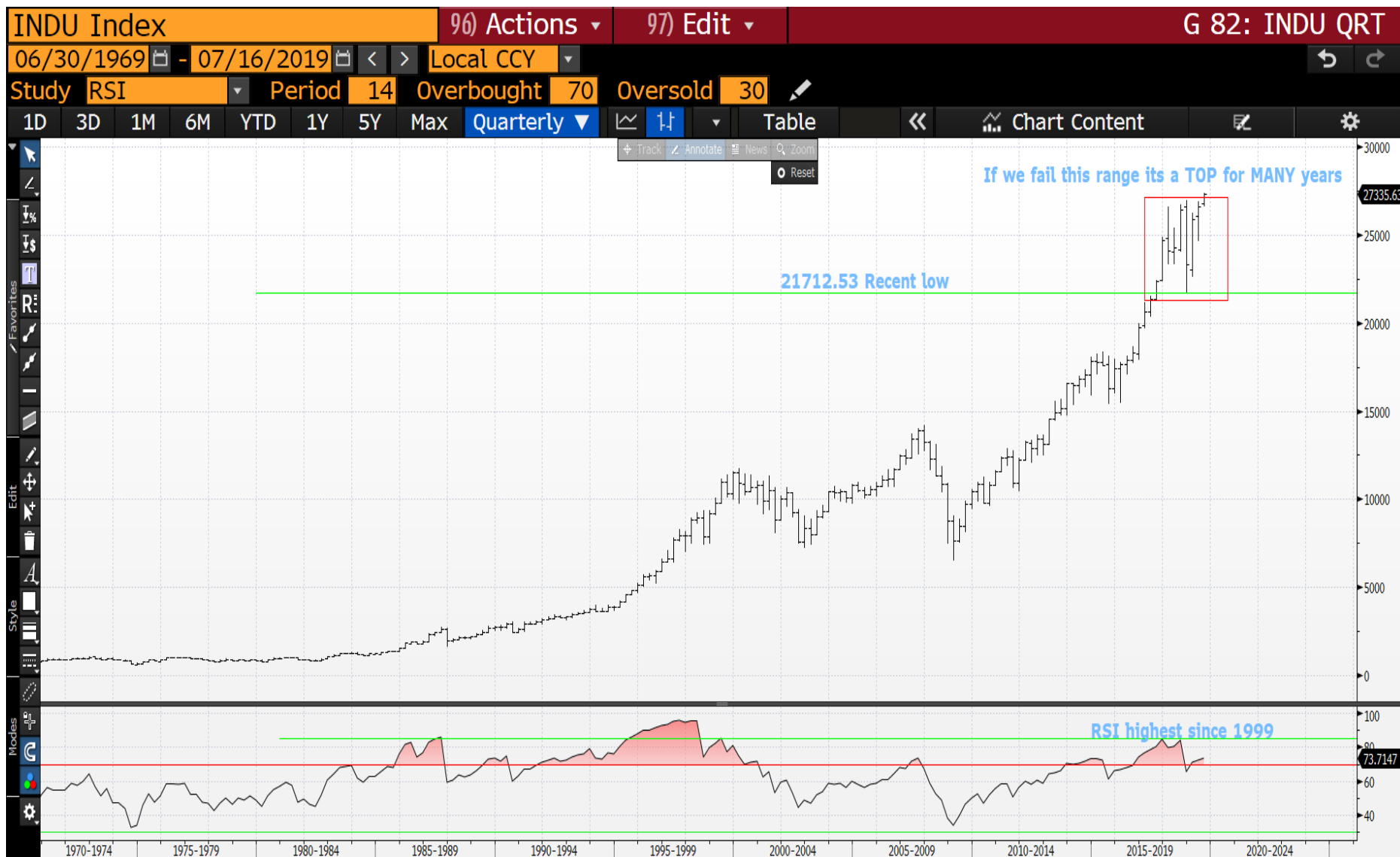


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E mini S*P daily : The RSI remains high BUT we do need to start breaching the moving averages.



DOW quarterly : We now have a new high so hoping MR TRUMP makes negotiations difficult.



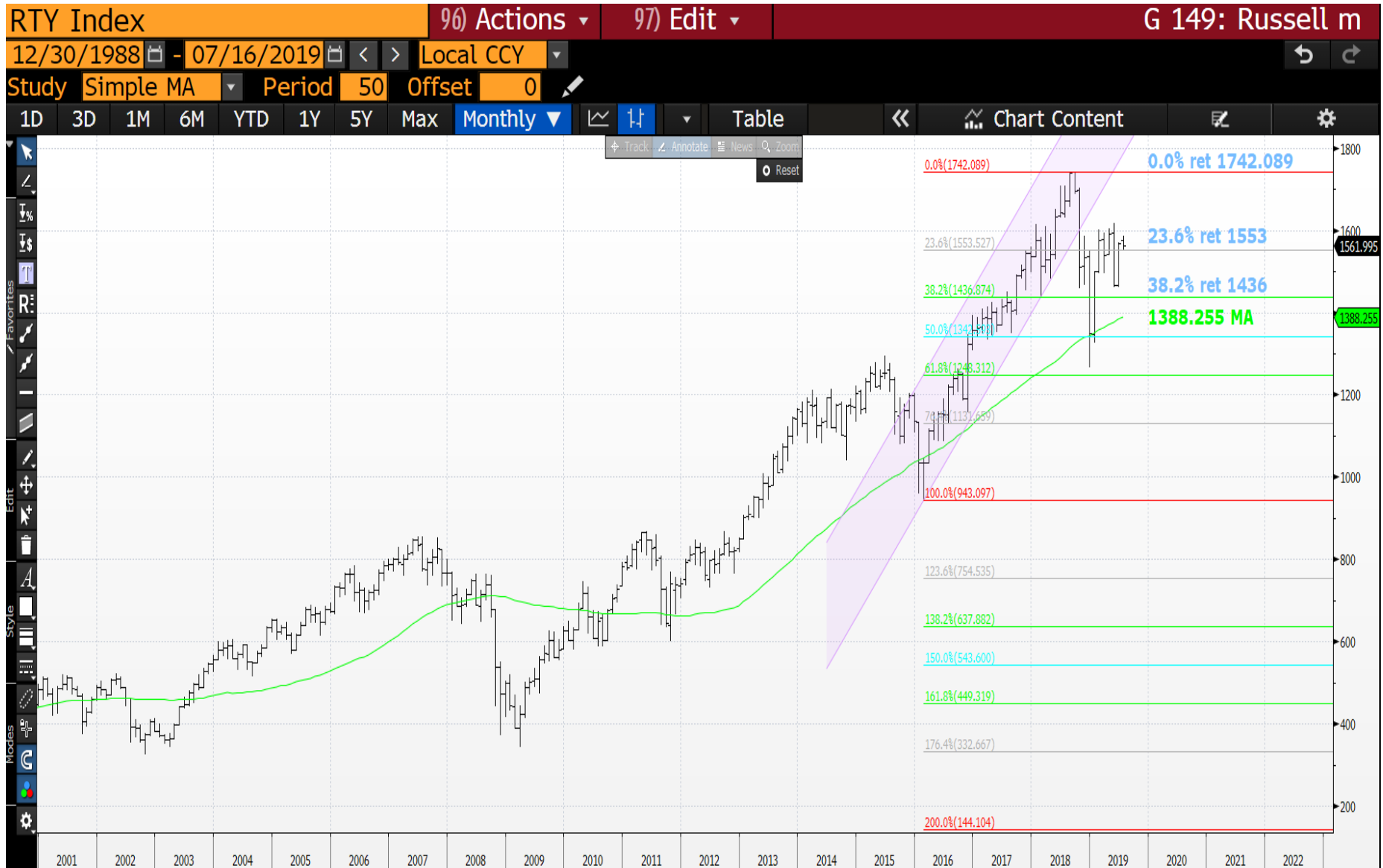
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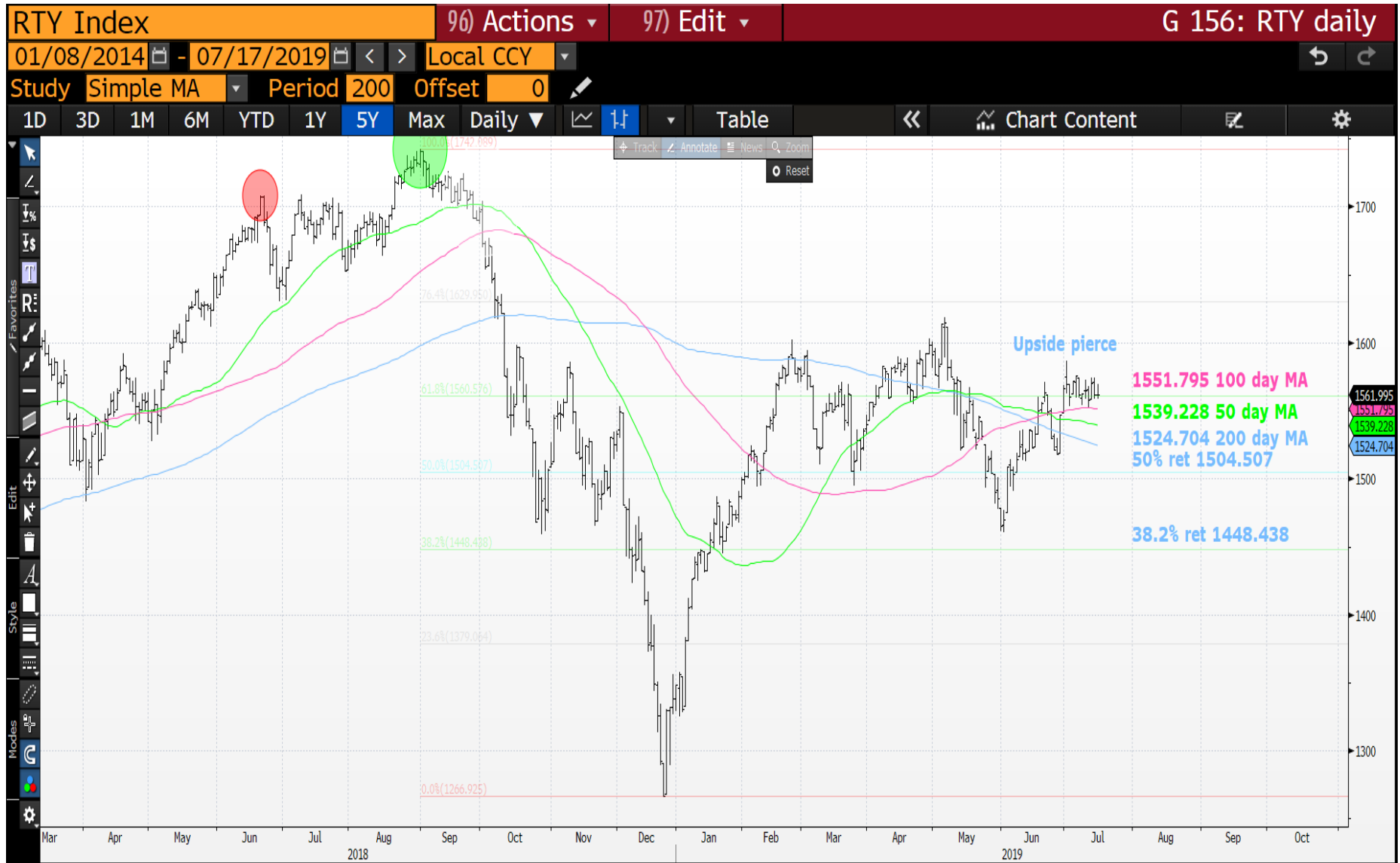
DOW daily : The RSI is HIGH however we have not breached any major downside levels
YET!



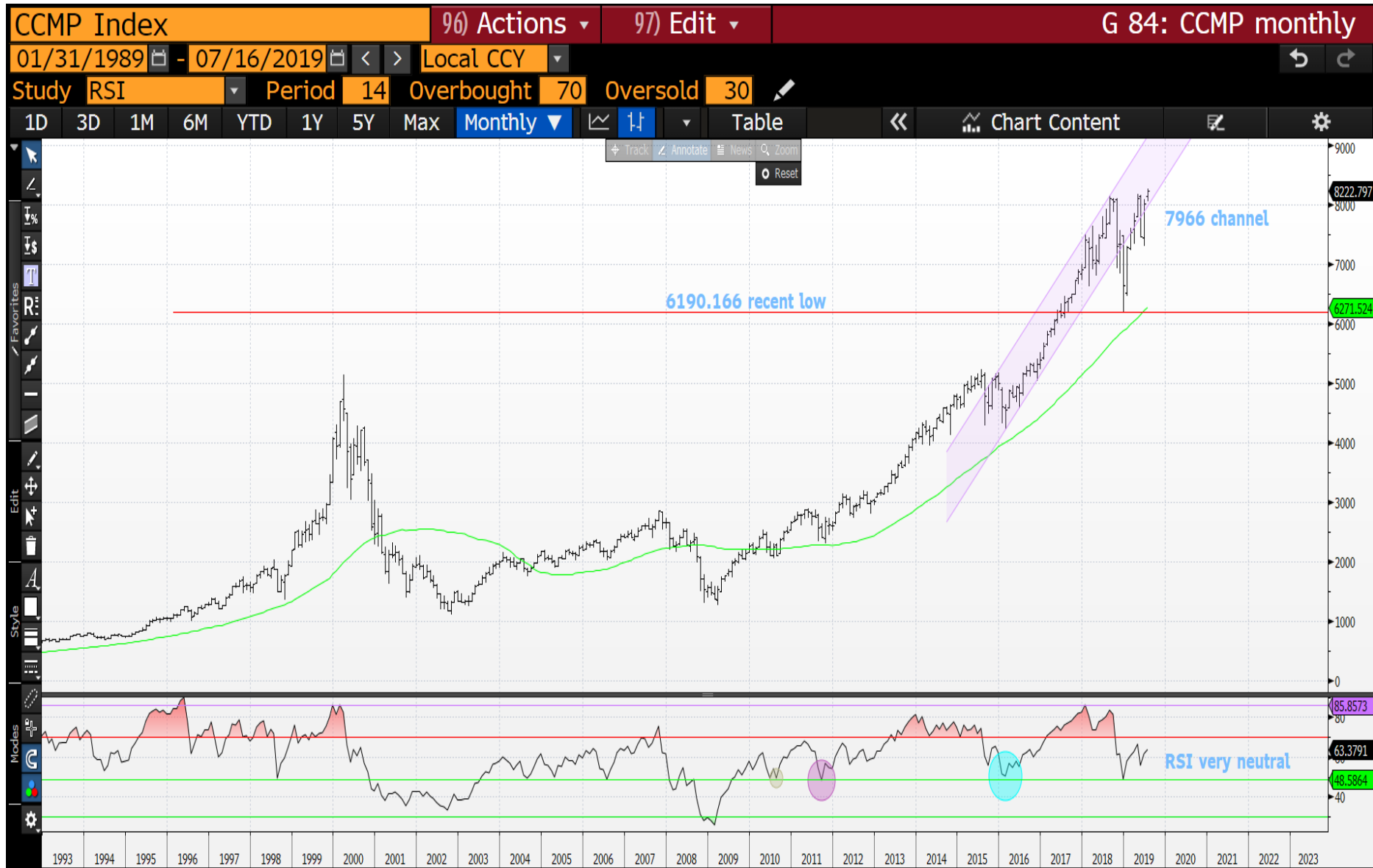
Russell monthly : We continue to TEASE the 23.6% ret 1553.



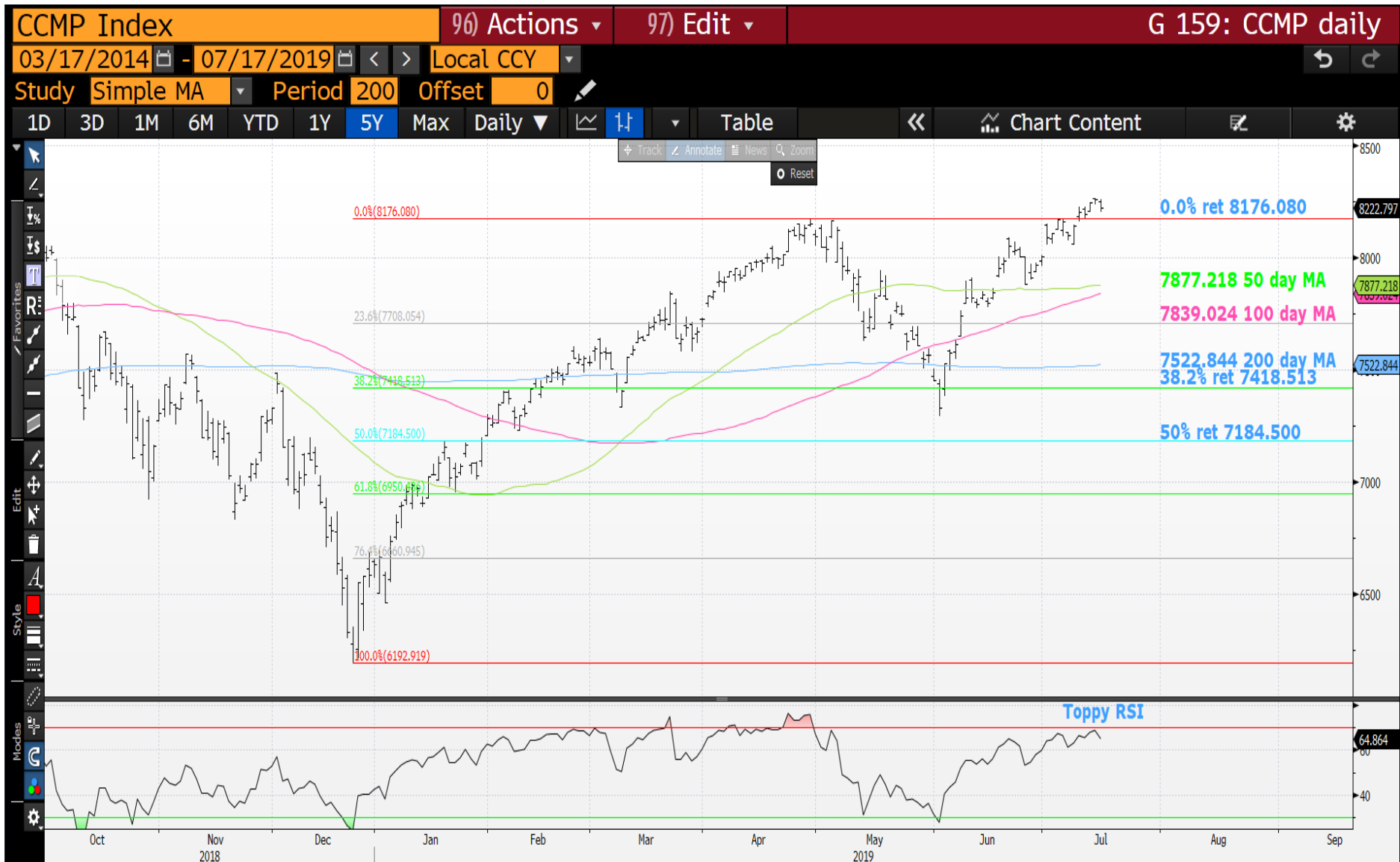
Russell daily : This remains one of the HEAVIER markets and once again confirmation of failure wont be far away given the moving average locations.



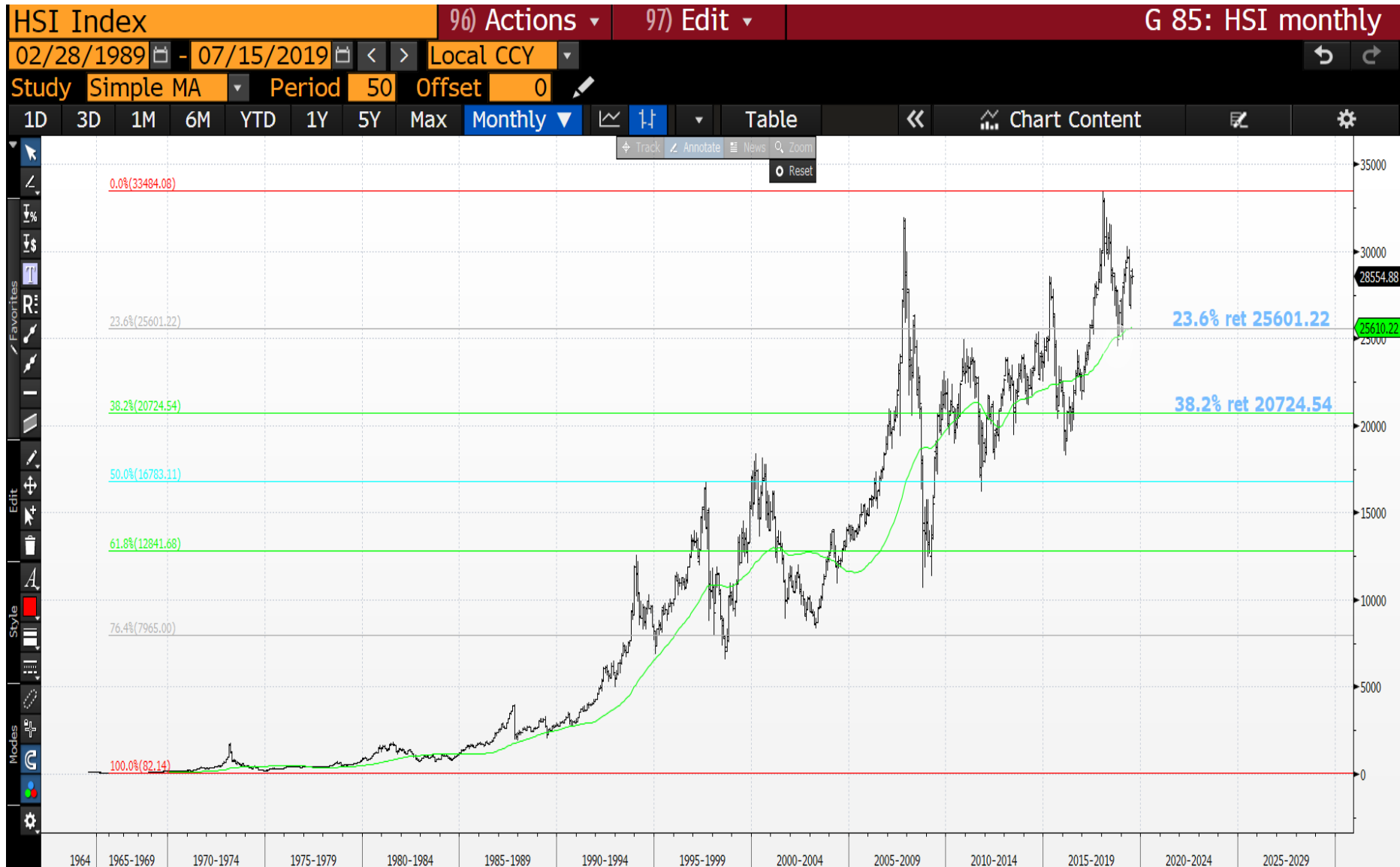
CCMP monthly : We have a new high and have popped back inside the channel.



CCMP monthly : The RSI remains high but no signs of weakness yet.

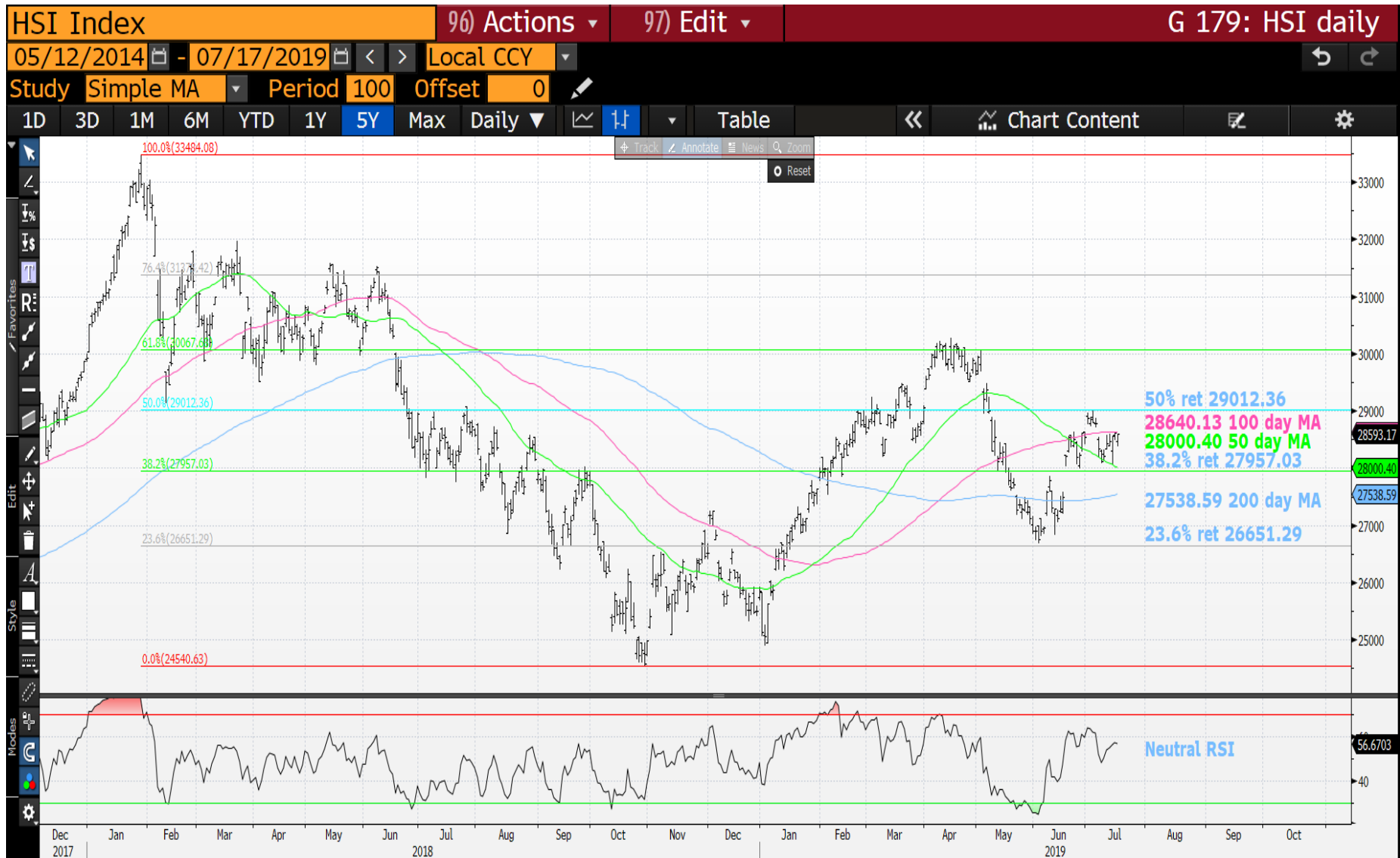


Hang Seng monthly : We have filled in the GAP opening from earlier in the month.



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Hang Seng daily : Another HEAVY market given we remain sub the 28640.13 100 day moving average.



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APPLE daily : The market is struggling to do much here.



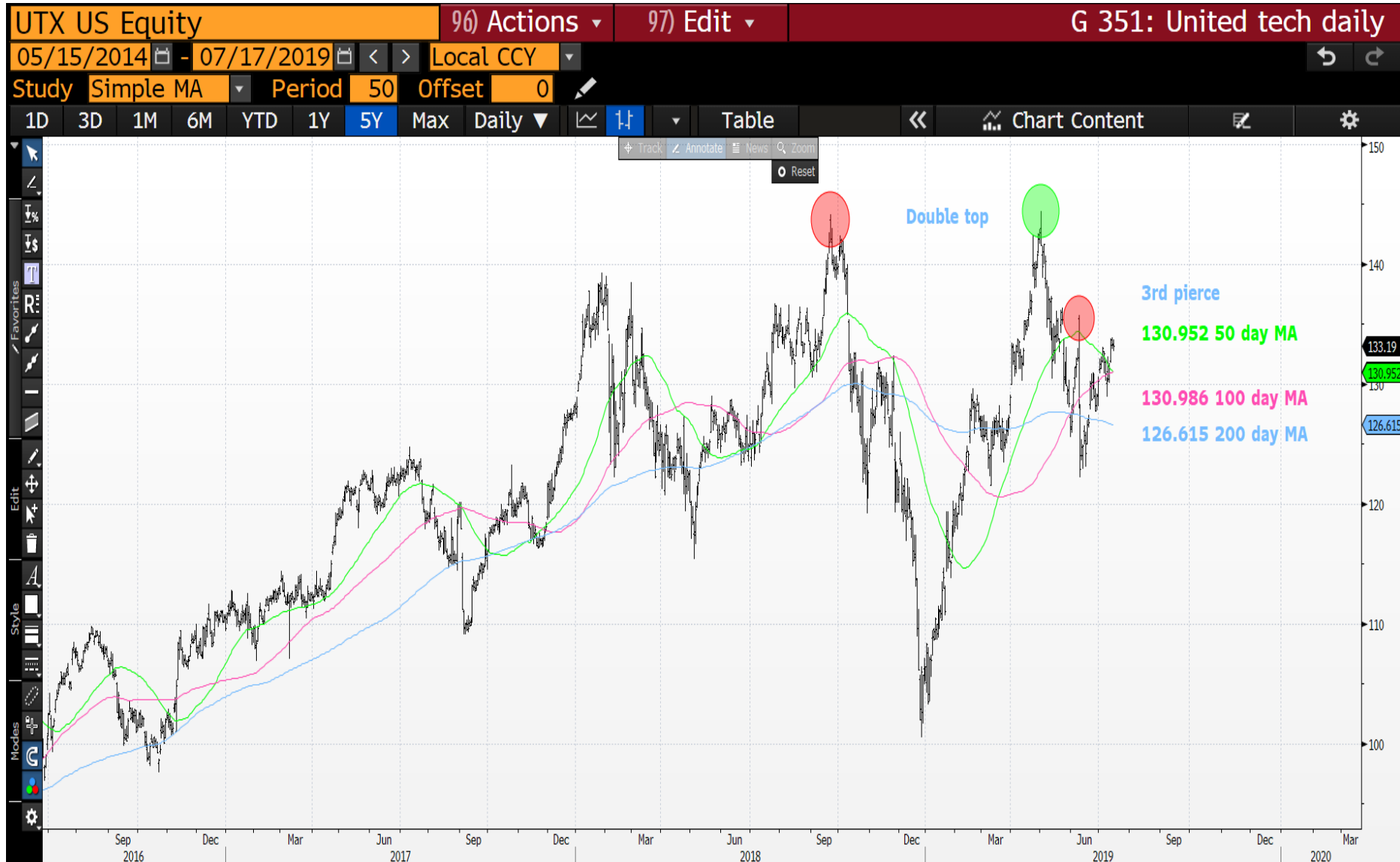
INTEL daily : This remains a relatively WEAK market, failing the 100 day moving average still.



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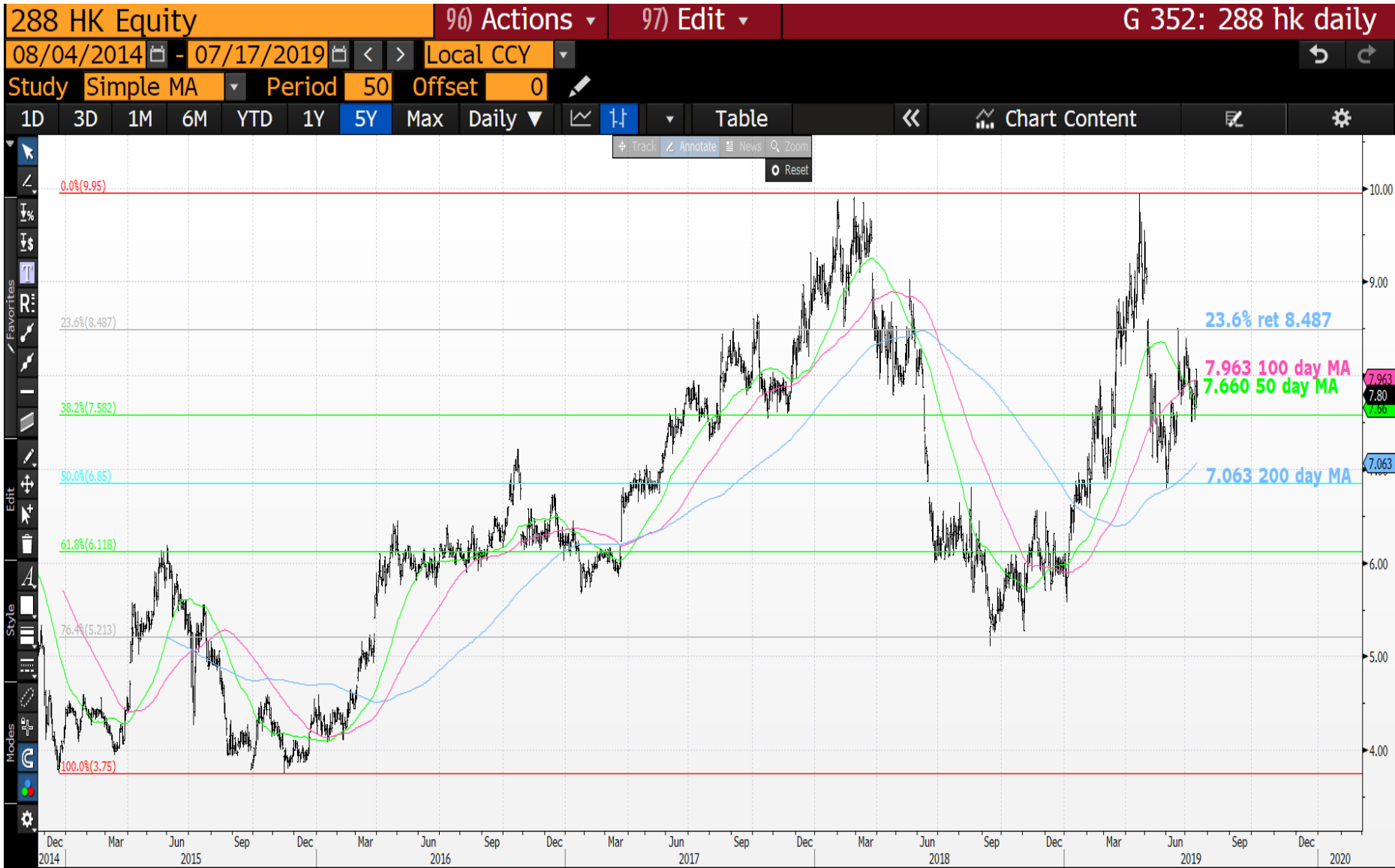
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UNITED TECHNOLOGIES daily : We have had a bounce but still remain below many major HIGHS.



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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 now neutral so lets see.



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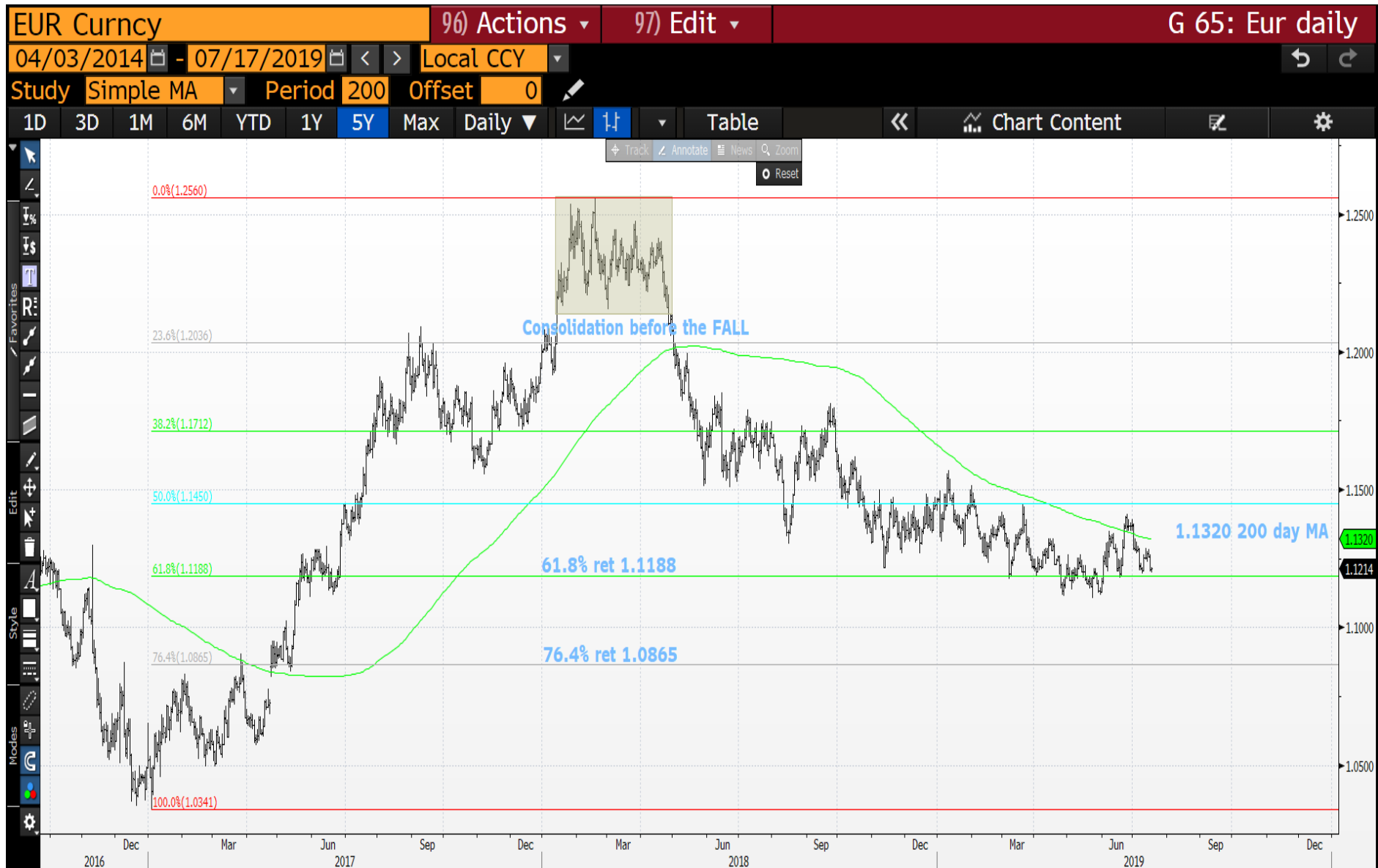
FX UPDATE

- **FX UPDATE :**
- **Given the DXY is now stalling 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 : Post the recent elections the market remains heavy and poised to breach the 50% ret 1.1241.



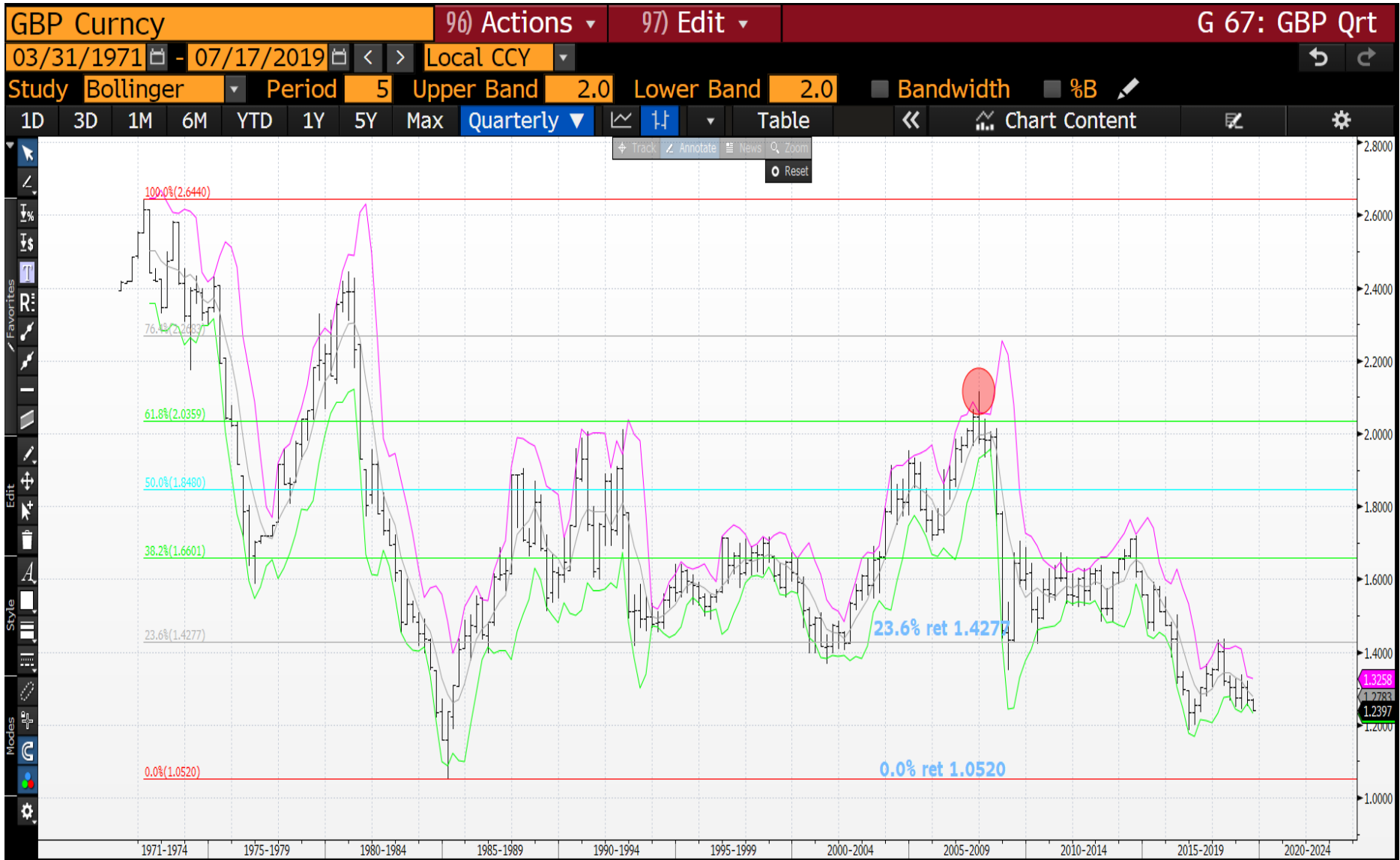
EUR USD daily : We failed nicely at the moving average, just need to print a new LOW.



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, especially in the USD EM space.



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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.



USD CAD weekly : Another chart advocating USD weakness given we have breached the RELIABLE 50 period moving average 1.3242. 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.



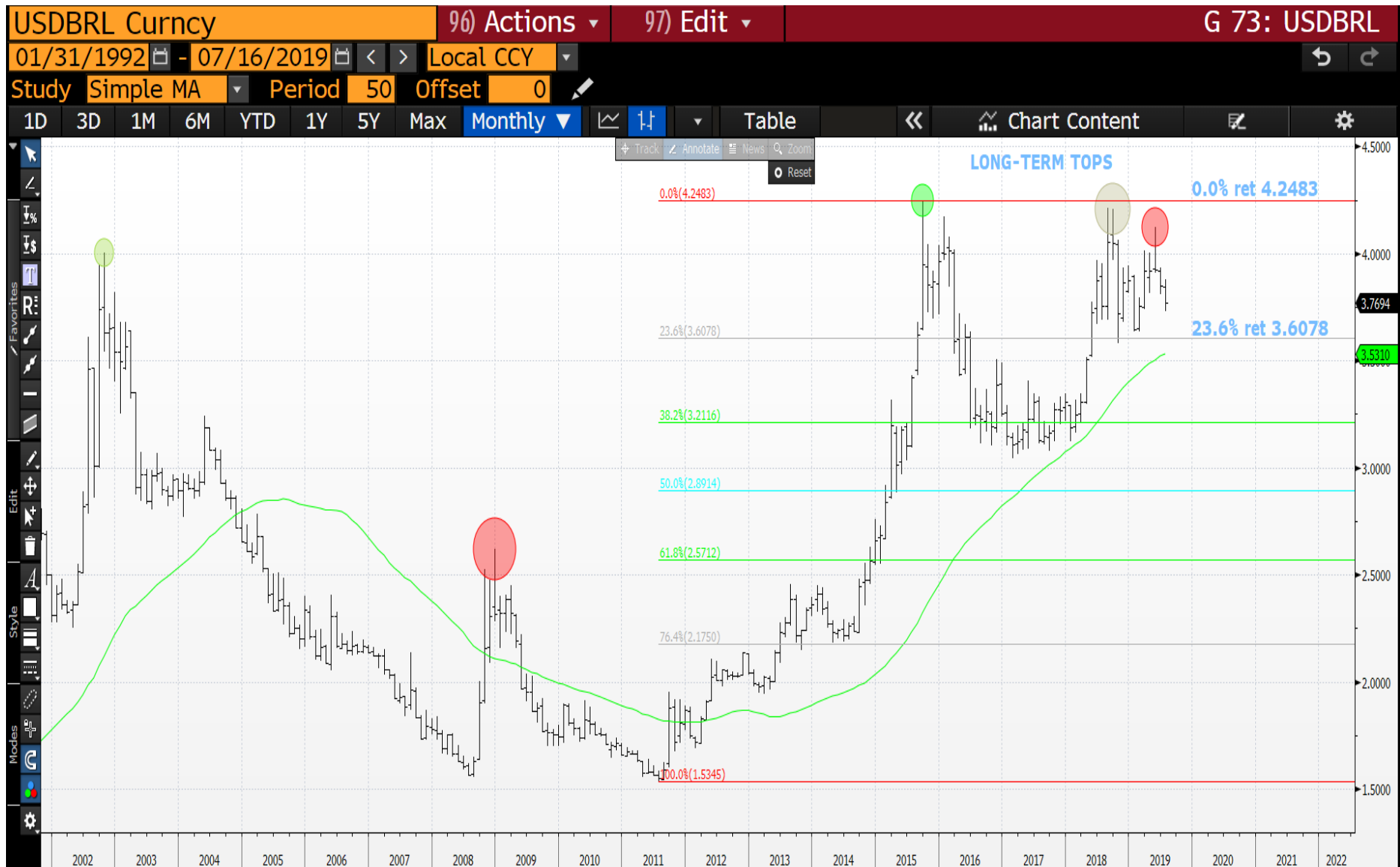
EM UPDATE

- **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.**

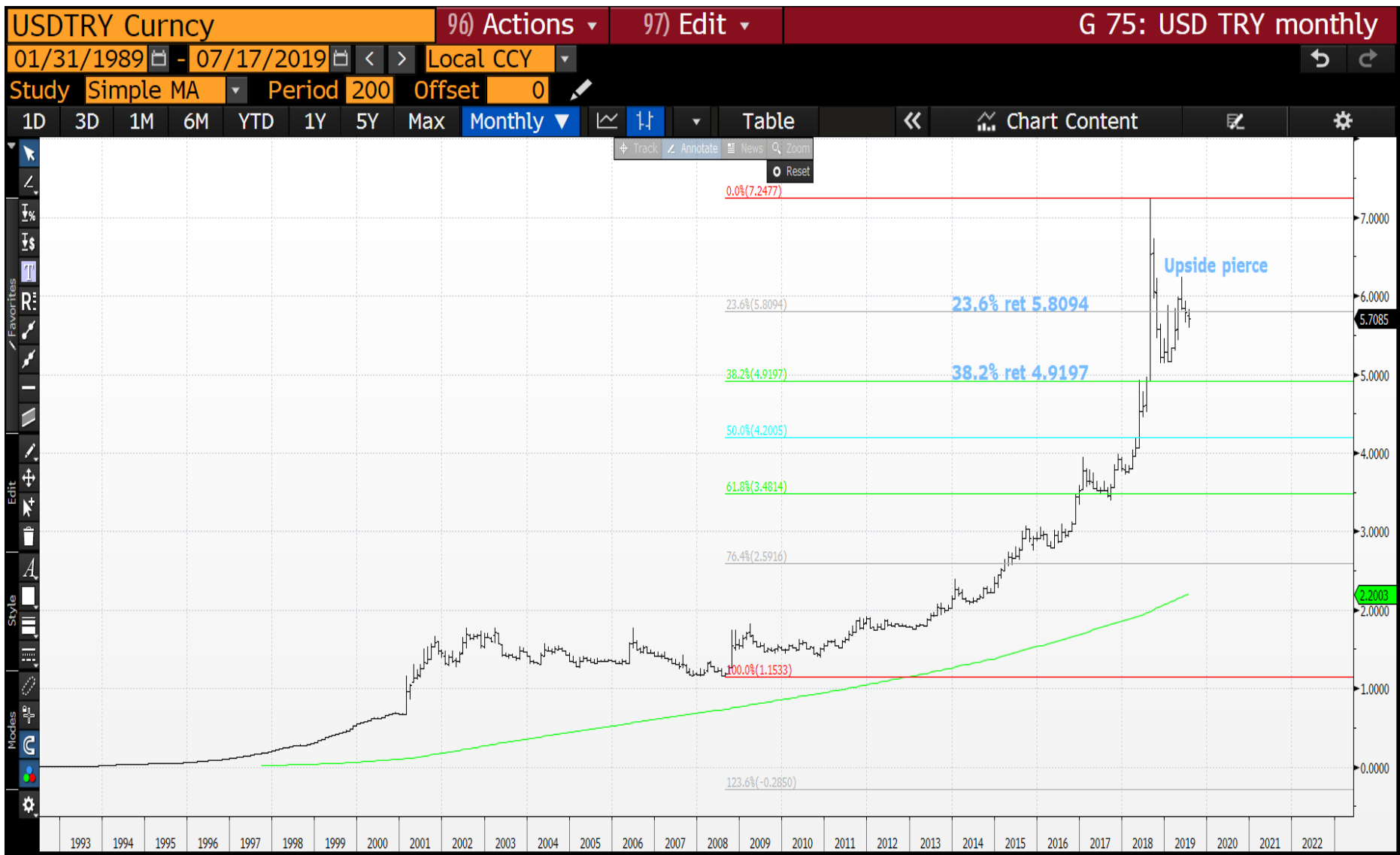
USD MXN monthly : The market continues to remain sub the 23.6% ret 19.6544 thus maintaining a bearish tone for the USD and a positive one for the MXN, we should pick up momentum now.



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 now 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 13.8401 soon.



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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.



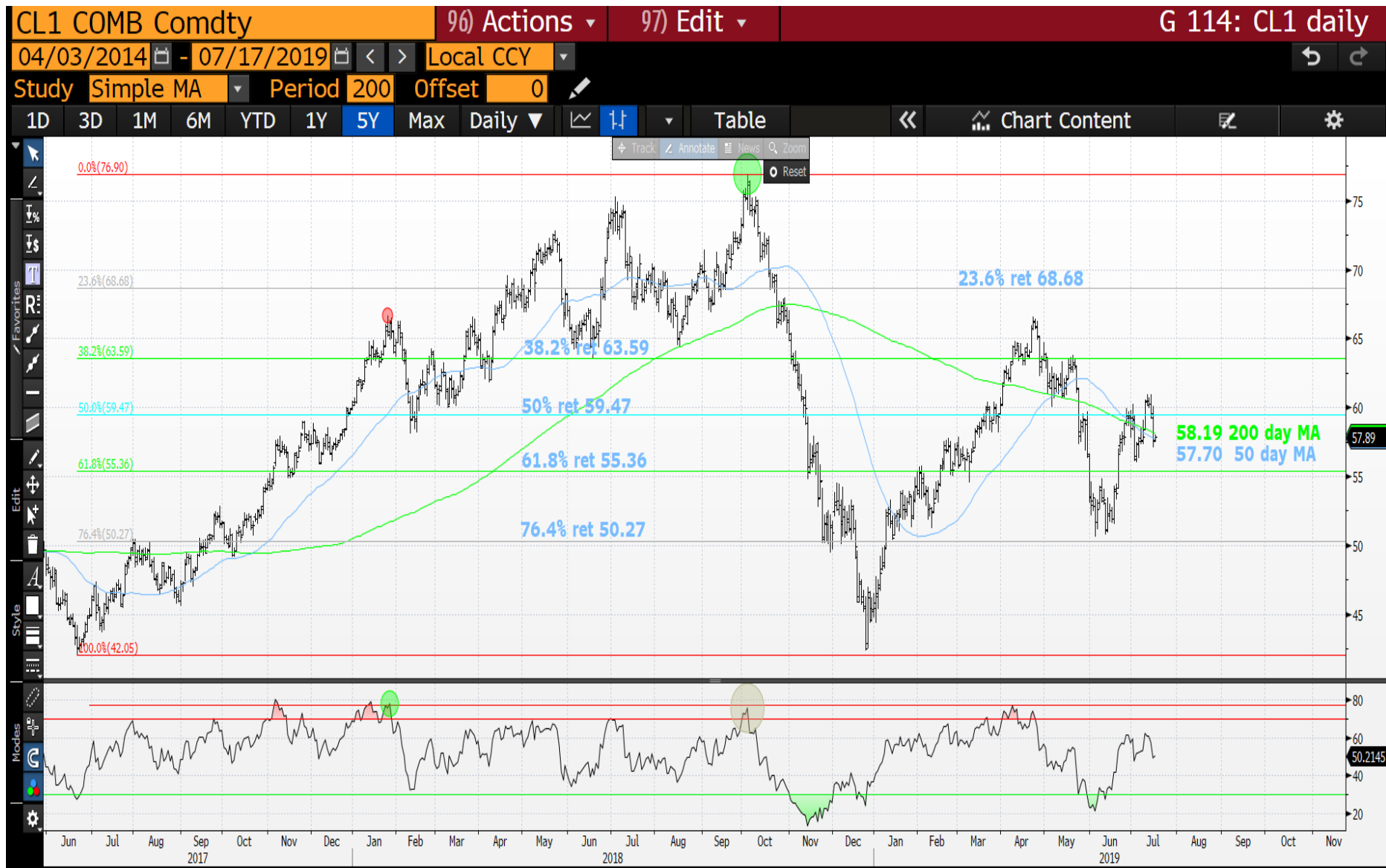
USD INR daily : The moving average has been particularly useful, it forms persistent resistance. We have reacted to the LOW RSI but that is now LAME.



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



CL1 daily : VERY MUCH DECISION TIME. The latest bounce has stalled 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 1351.70 100 period moving average.



GOLD daily : We have held the 38.2% ret 1380.59 on the latest DIP whilst the RSI has lost its venom, hopefully this is enough of a dip.



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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