

MULTI ASSET UPDATE : EUROPEAN MARKETS CONTINUE THE TREND FOR LOWER YIELDS WITH THE US POISED TO FOLLOW SUIT. I STILL MAINTAIN THAT GIVEN THE “YIELD CALL” IS BEEN BASED ON 2000 AND 2007 RSI DISLOCATIONS, THEN WHAT ARE STOCKS DOING HERE?

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). NEW YIELD LOWS ACROSS EUROPEAN BONDS DESPITE THE YIELD LEVELS INVOLVED. CTA’S STILL ADDING AND BUYING BOND FUTURES.

EQUITIES : STILL A PAIN IN MANY INSTANCES BUT MANY SINGLE STOCKS ARE DAMAGED GOODS.

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 AND HAS WORKED OFF ITS over bought state.

FX UPDATE

Topics	PAGES
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2) US CURVES	21-27
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USGG30yr monthly : History continues to repeat. This months opening bar offers nothing new, thus we need more price action.



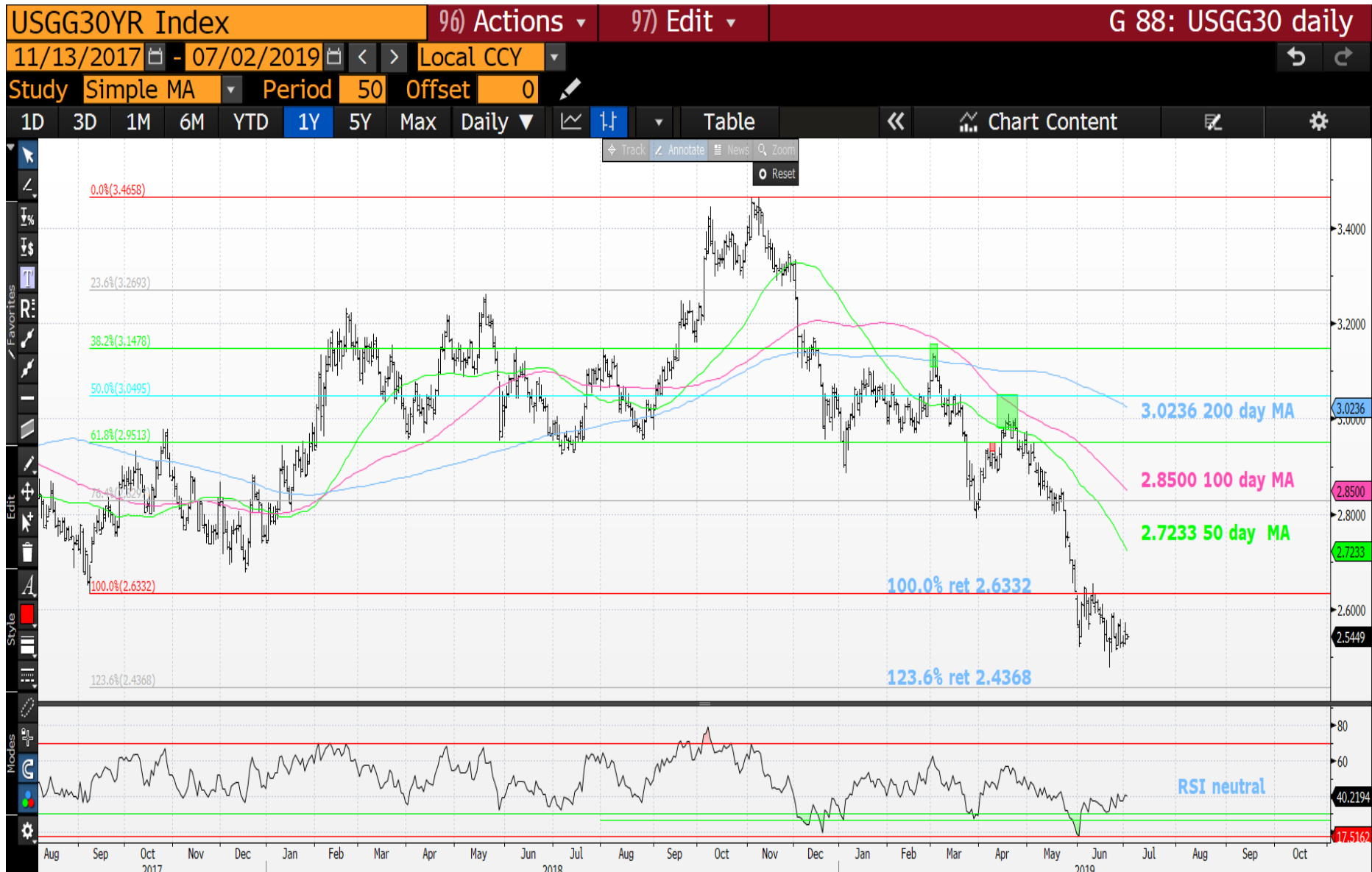
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USGG30yr weekly : THE DILEMA AND PROBLEM CHART! The RSI continues to remain low but AS YET has not influenced the market. The trend seems to remain for lower yields, a breach of the 23.6% ret 2.5334 will help.



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



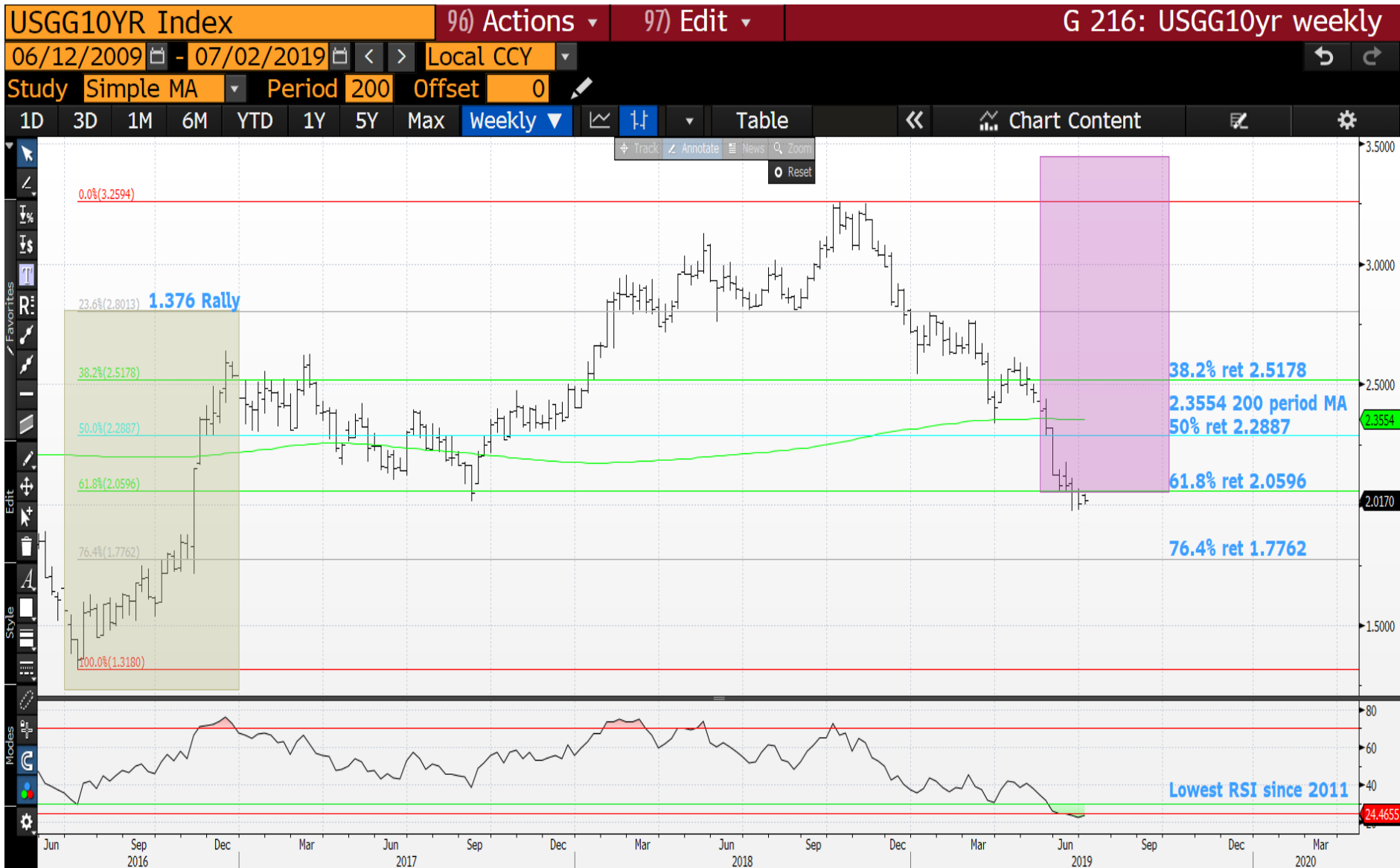
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US 10yr yield quarterly : We have opened close to the last quarters lows and the trend continues to favour lower yields.



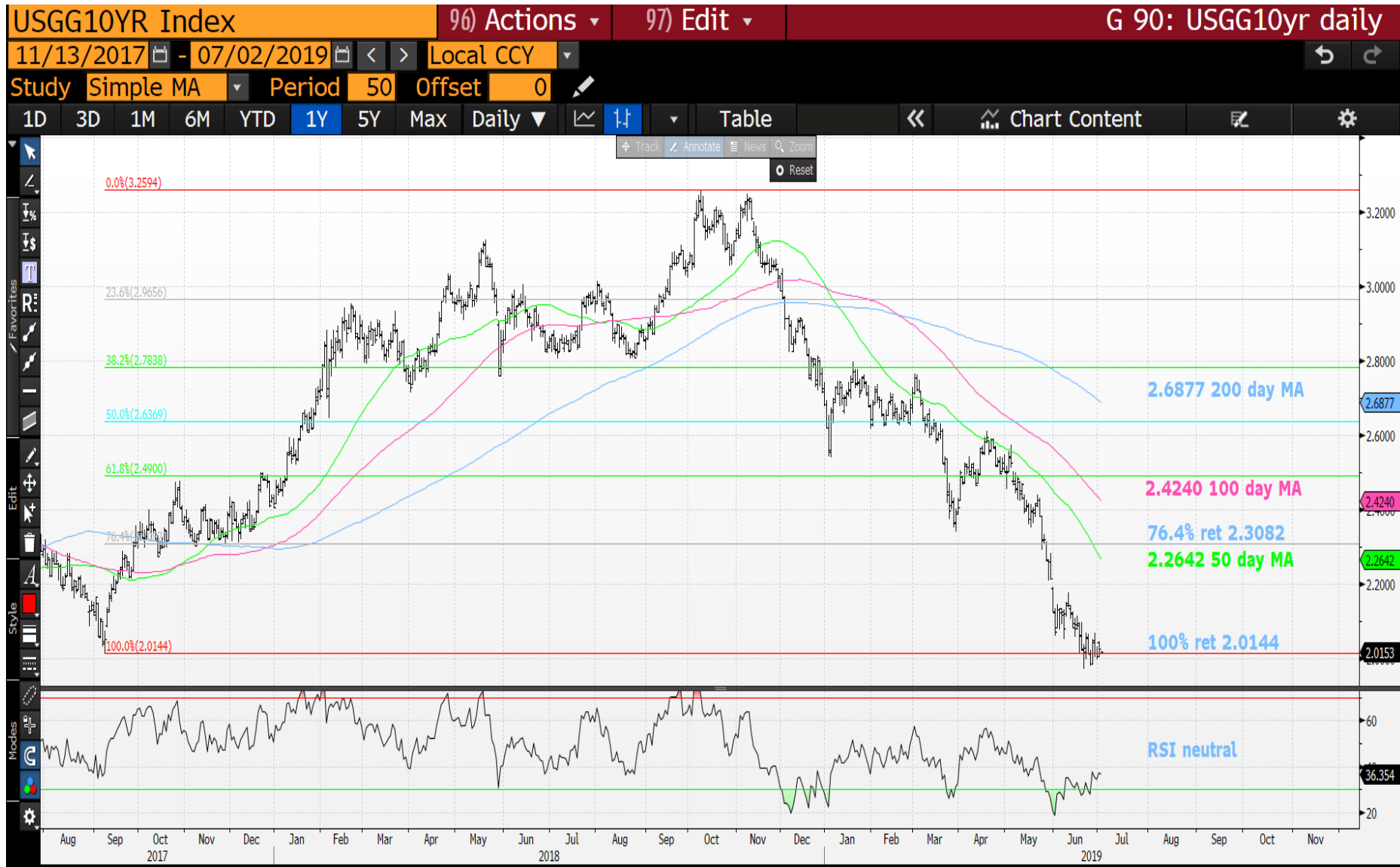
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US 10yr yield weekly : Despite the RSI dislocation we have maintained below the multi year 61.8% ret 2.0596, next target is the 76.4% ret 1.7762.



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USGG10yr daily : The RSI is off its lows so ideally we continue to tease the 100% ret 2.0144.



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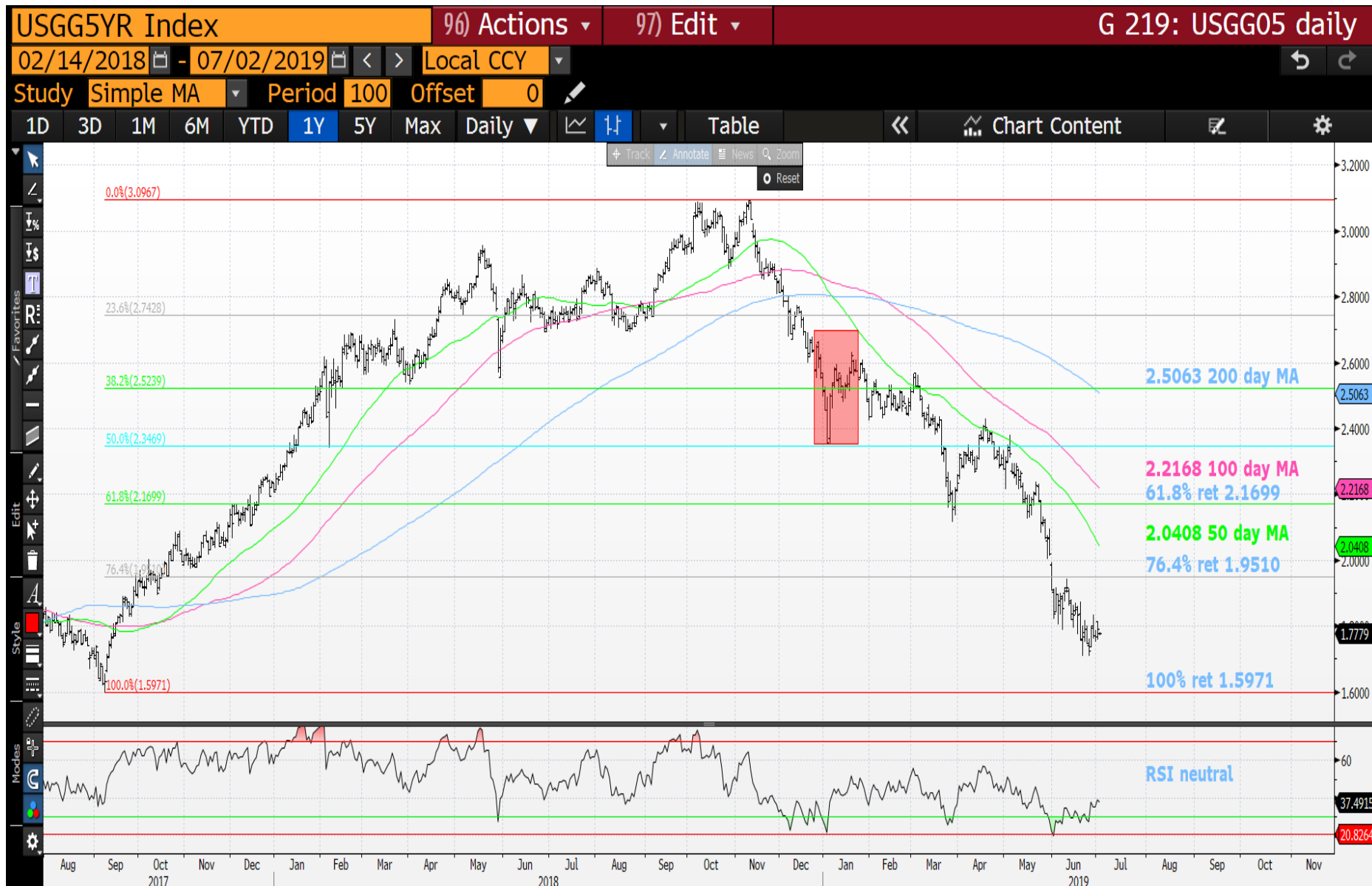
USGG5yr quarterly : We have opened the quarter close to the recent low and the historical trend favours yields lower.



USG5yr monthly : Despite the low RSI we are struggling and continue to remain sub the 50% ret 1.8156.



USGG5yr daily : The RSI is now neutral and the market remains heavy.



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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. Lets see if we can breach it this month.



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

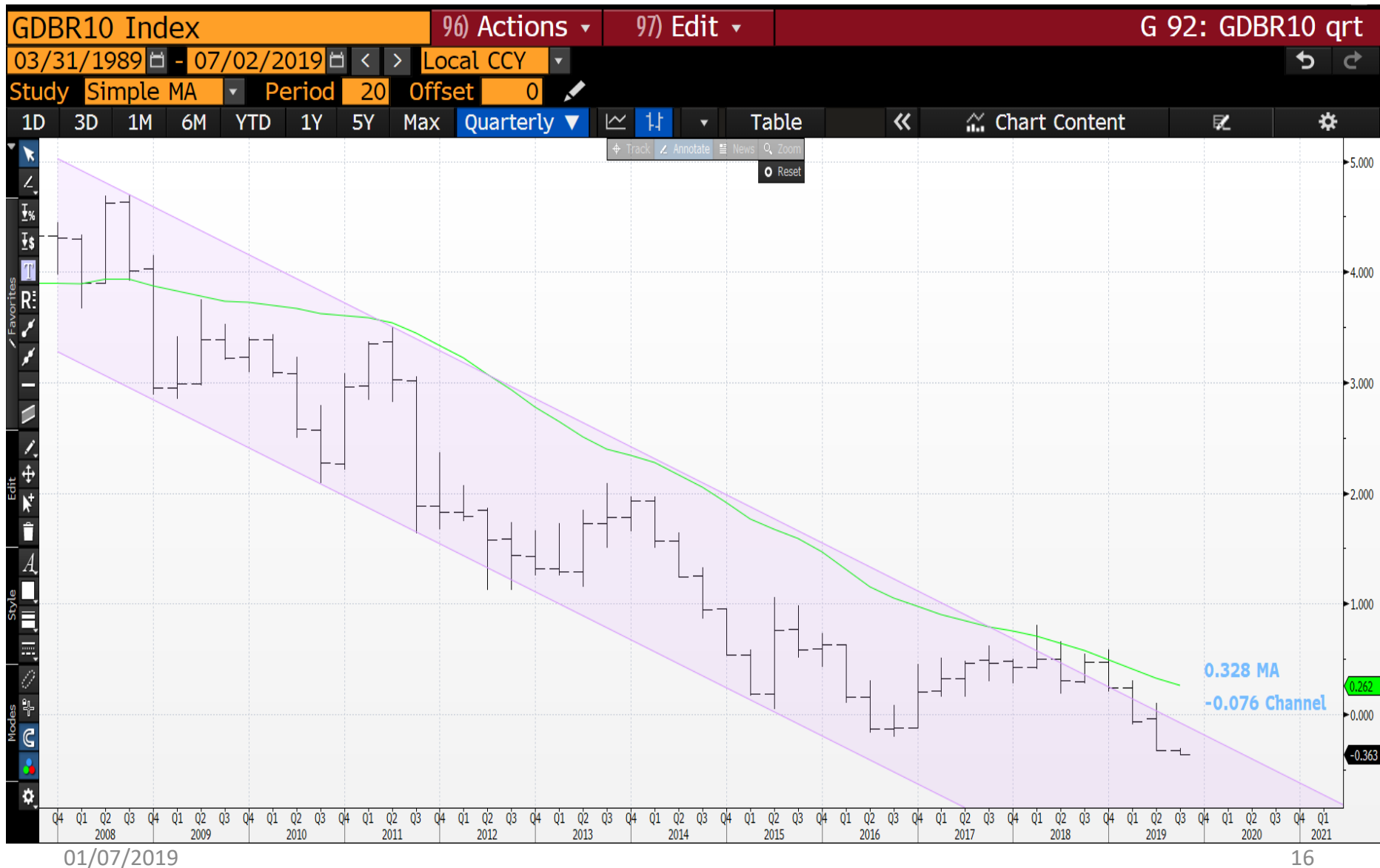


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USGG2yr daily : A perfect failure at the 61.8% ret 1.9086 and now targeting the 76.4% ret 1.6569.



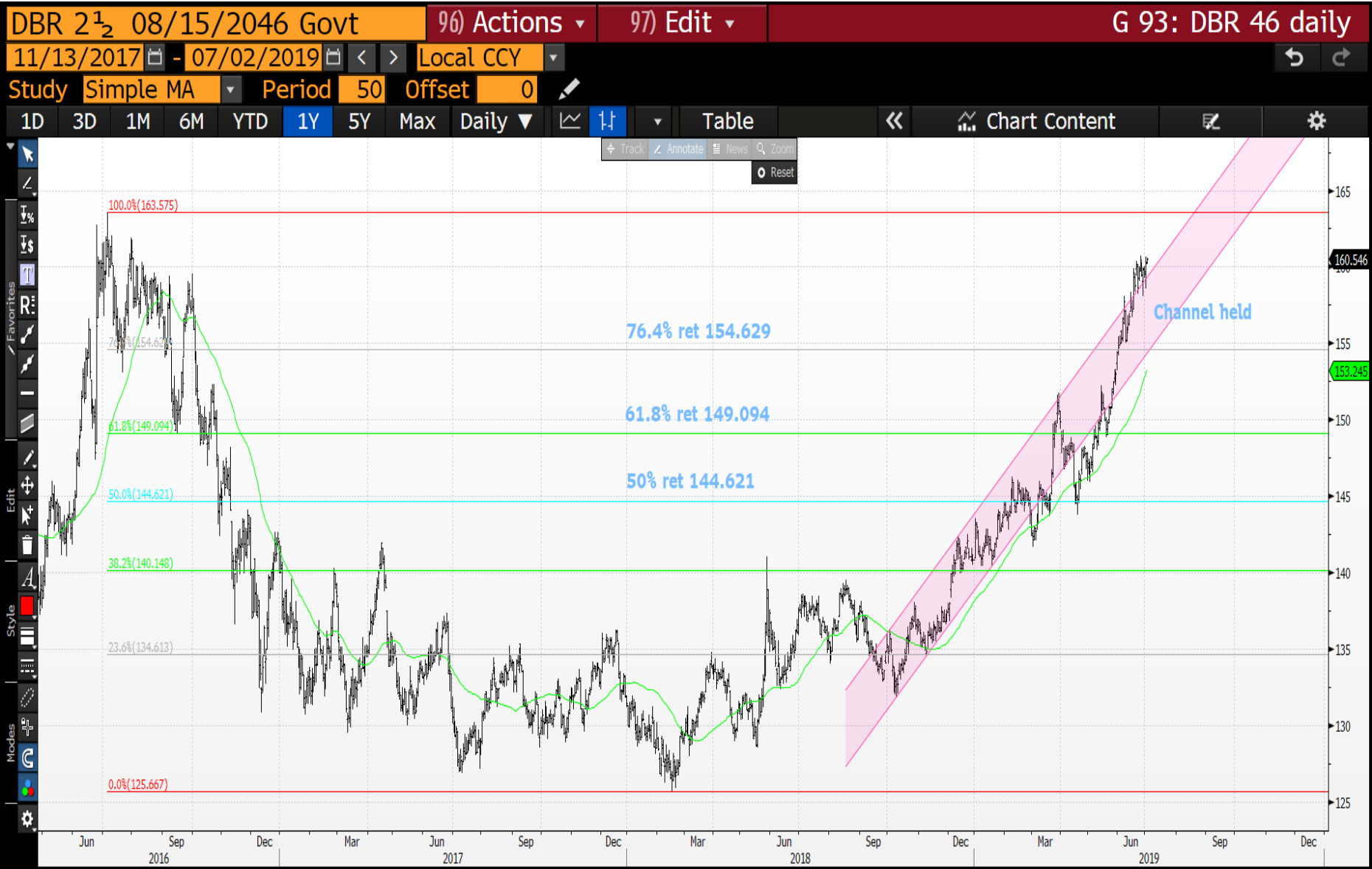
Generic German 10yr quarterly : We have NEW YEAR lows once again and expect to extend the bar similar to last quarter.



Generic German 10yr daily : The RSI is off the lows and trend remains lower.



DBR 46 daily : We continue to grind higher post holding the channel.



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



GUKG10 monthly : Similar to Germany, plenty more downside.



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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.

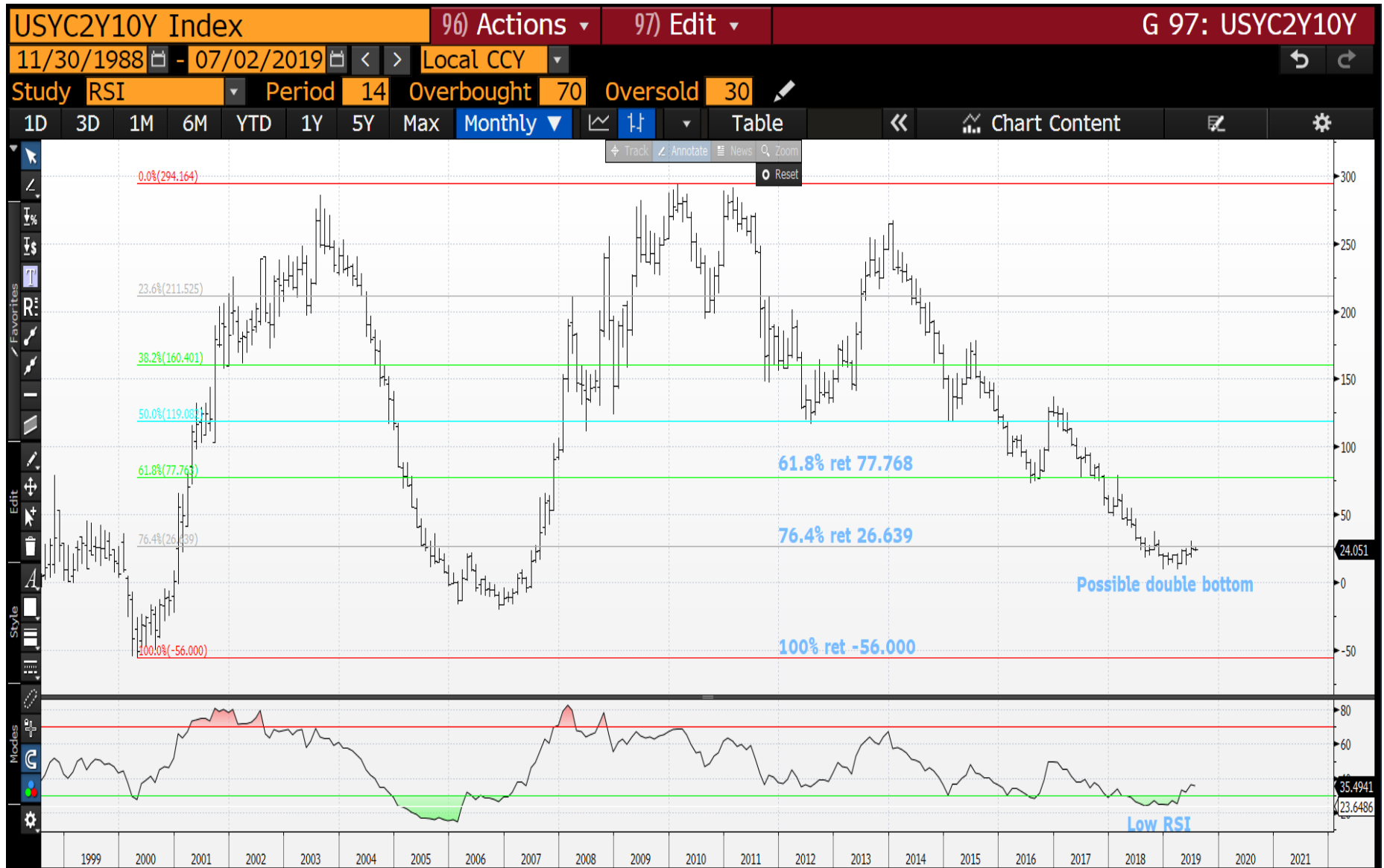
US 2-5 curve monthly : A multi year base and LOW RSI to match. We do need to breach the 4.533 trend channel.



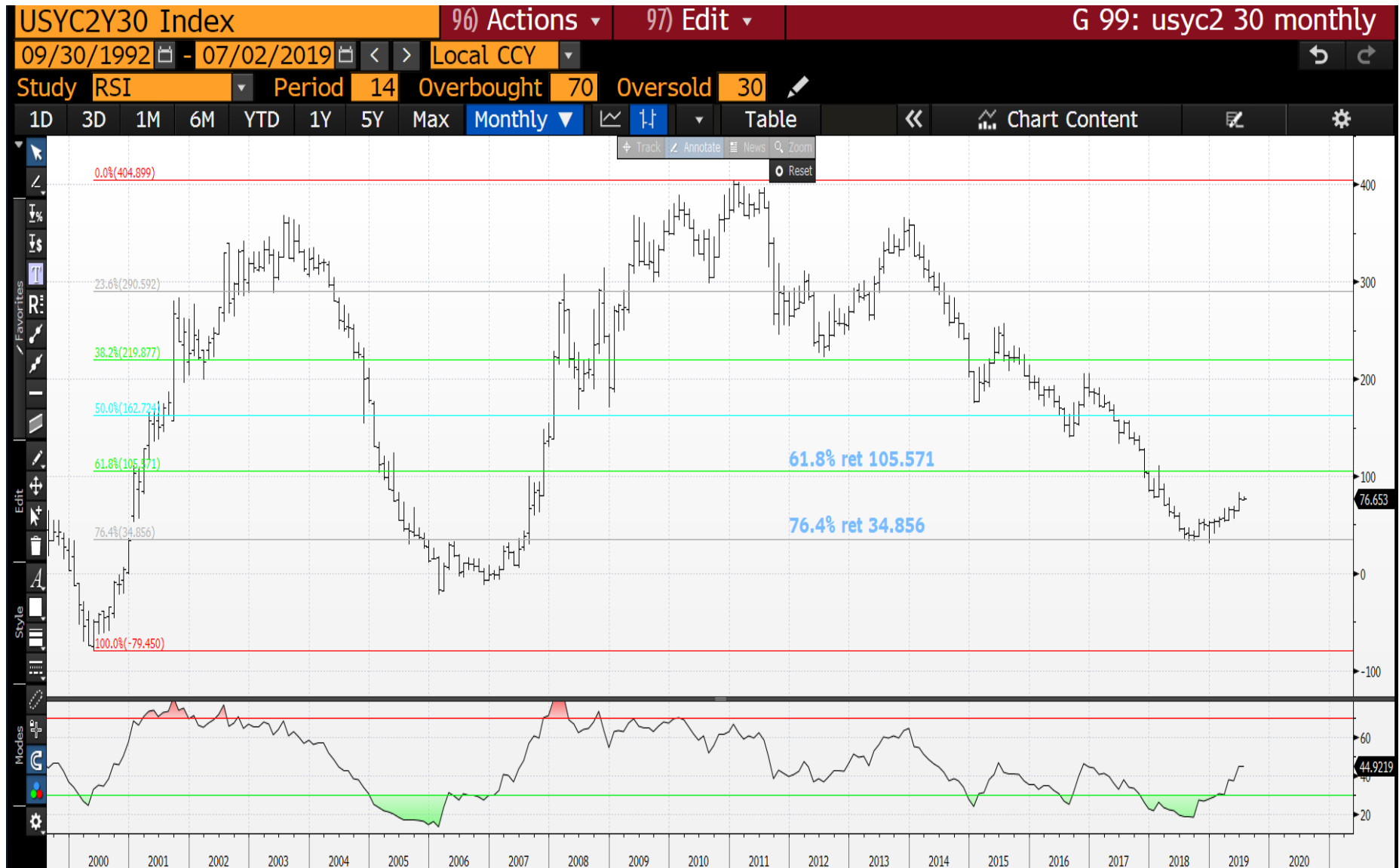
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US 2-10 curve monthly : Another near perfect base and breach of the ALL important 76.4% ret 26.639.



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

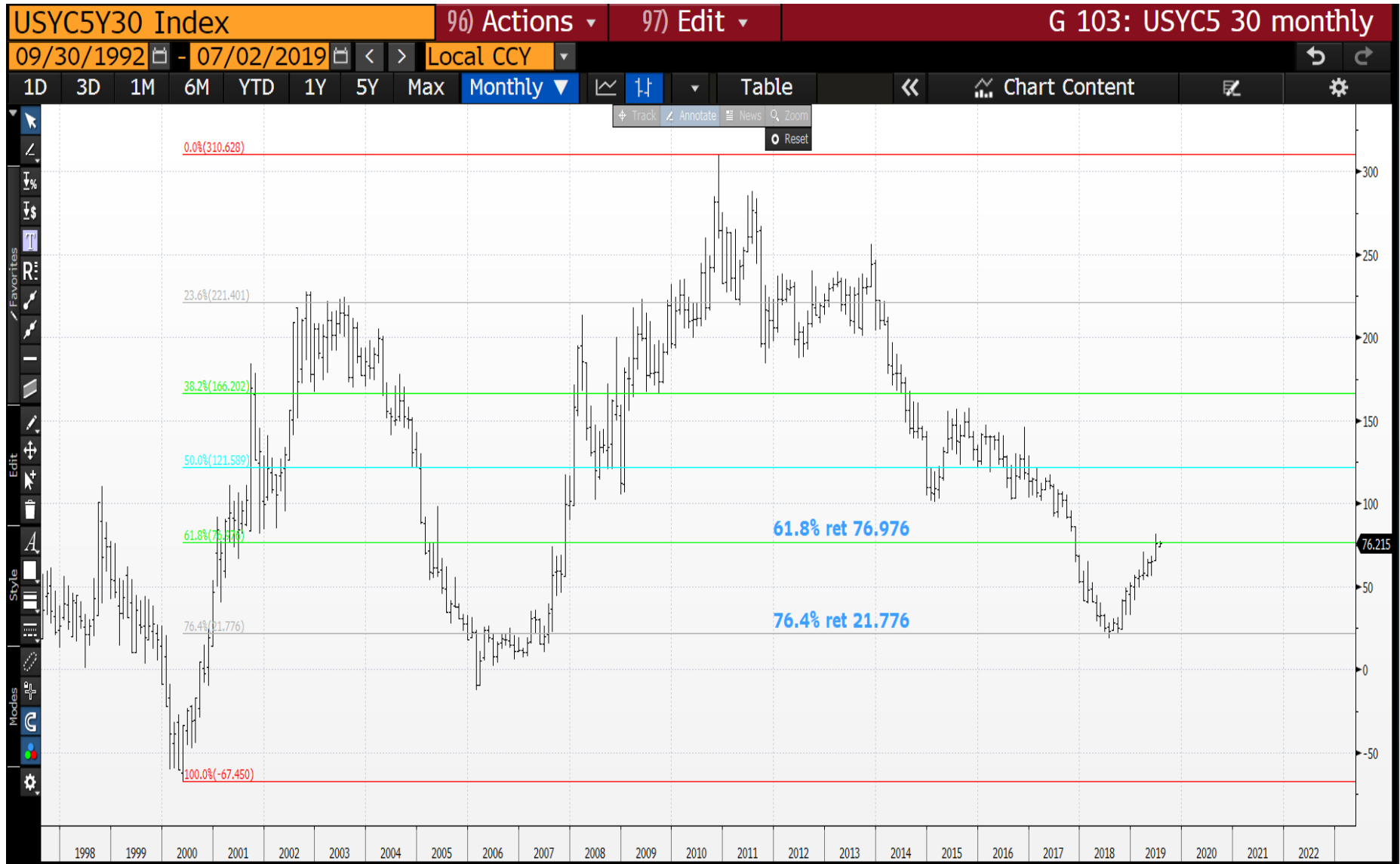


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US 5-10 curve monthly : Another sharp reversal on the week to a steepening bias, next break level is the 61.8% ret 54.752.



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



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



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EQUITIES

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

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.

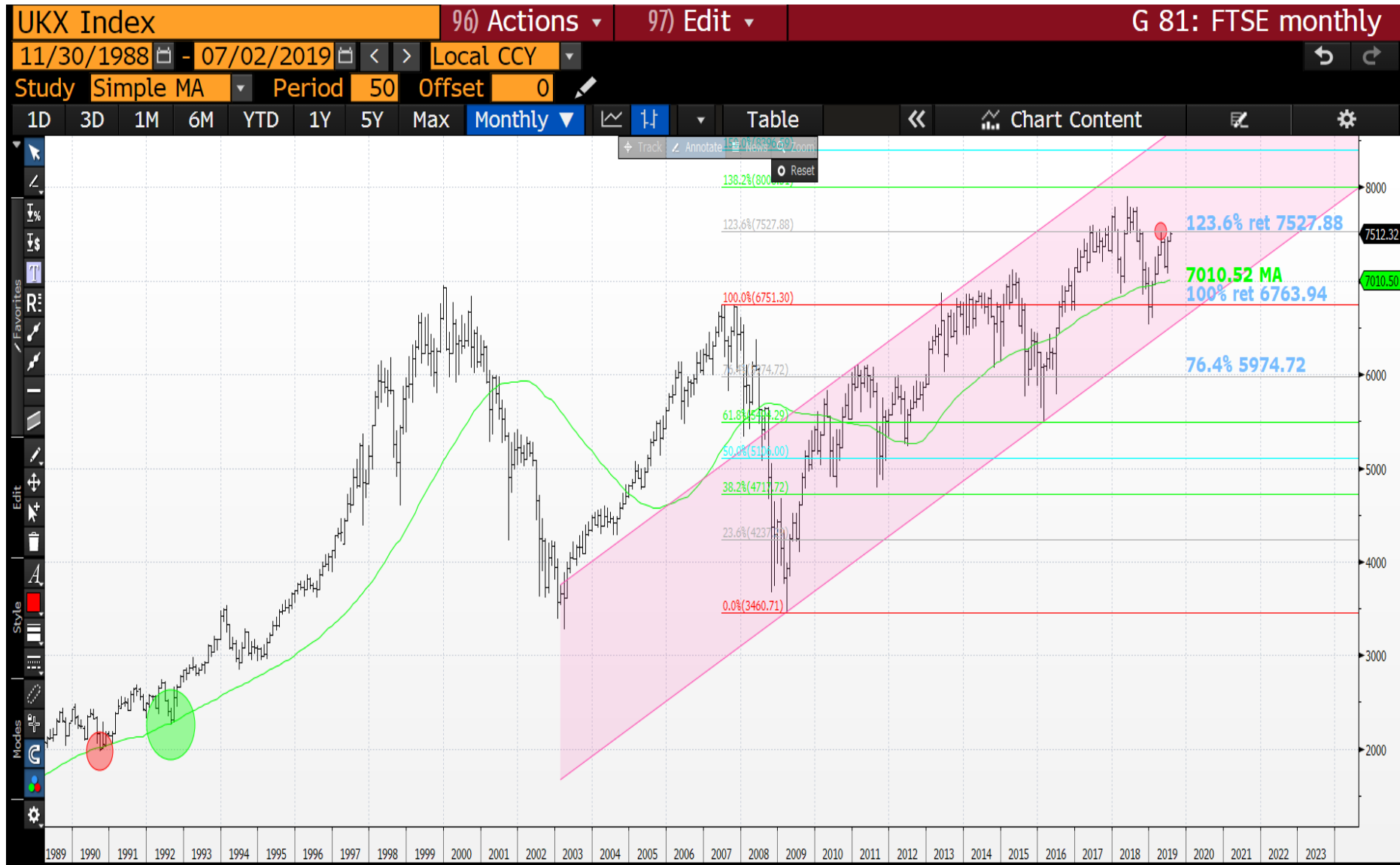
DAX monthly : We have a GAP OPENING which we need to make the most of OR else.



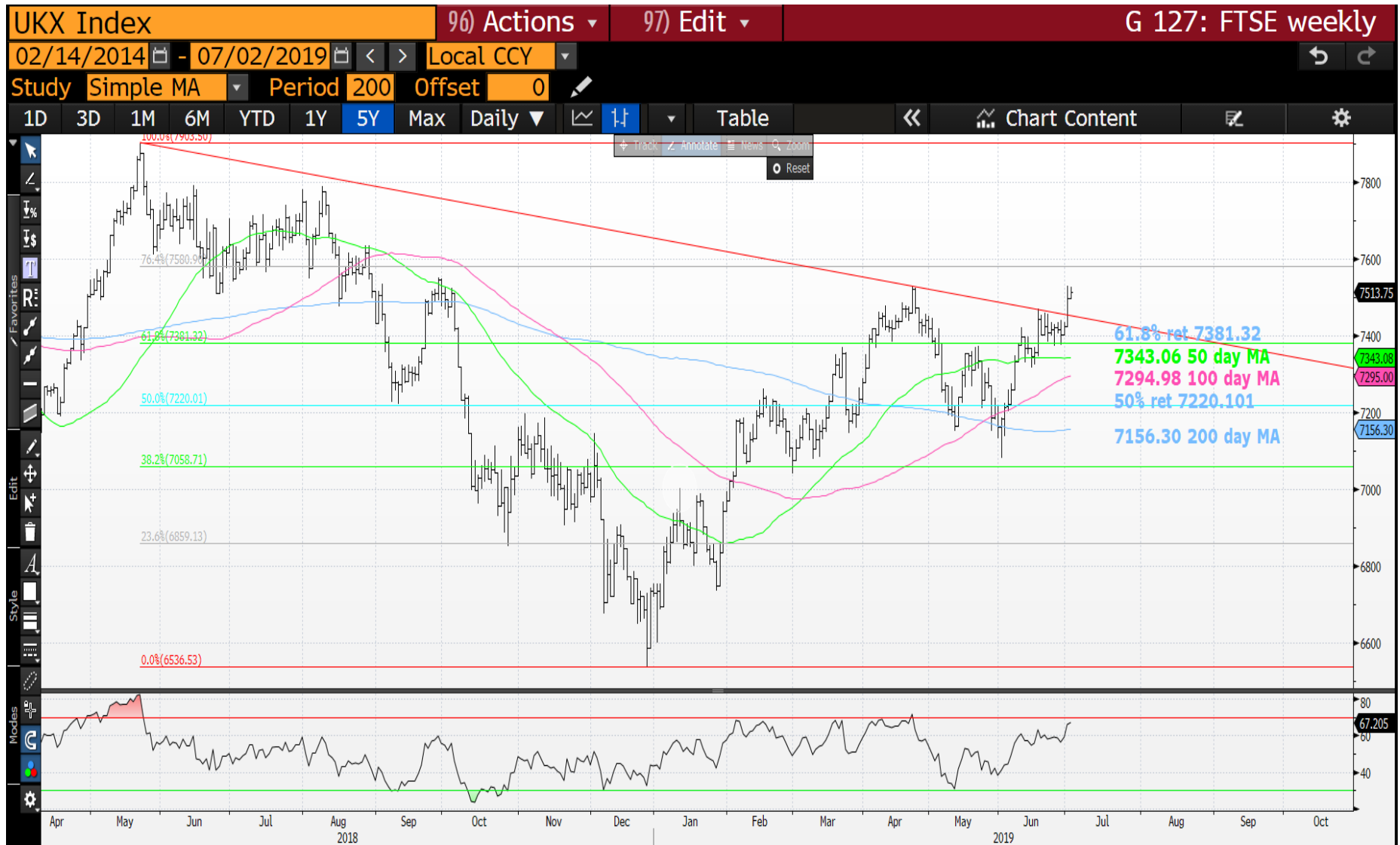
Dax daily : The RSI is a little lame to argue a top but lets see how we fair around the 76.4% ret 12512.98.



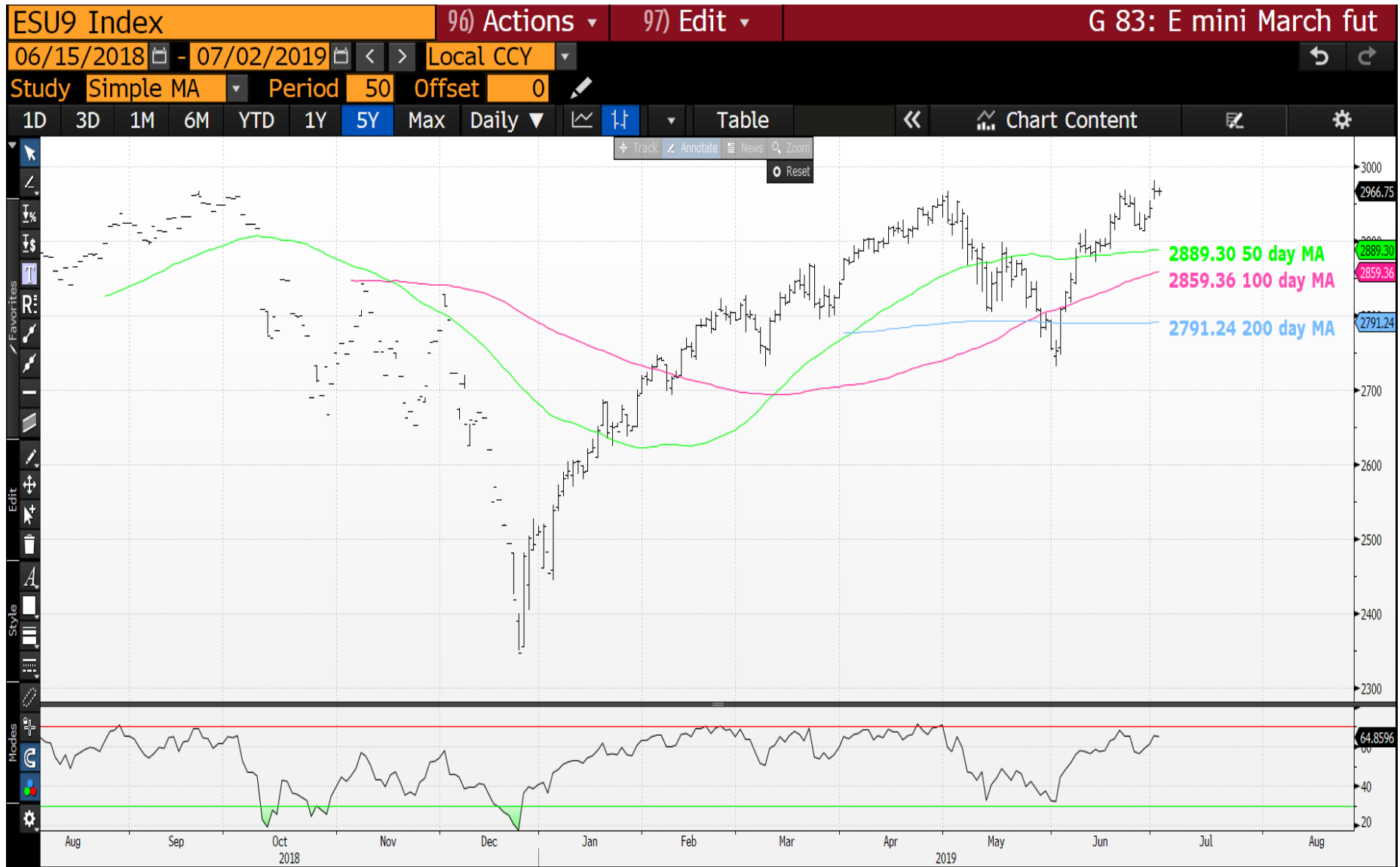
FTSE monthly : We persist in failing the all important 123.6% ret 7527.88, KEY now that we head lower!



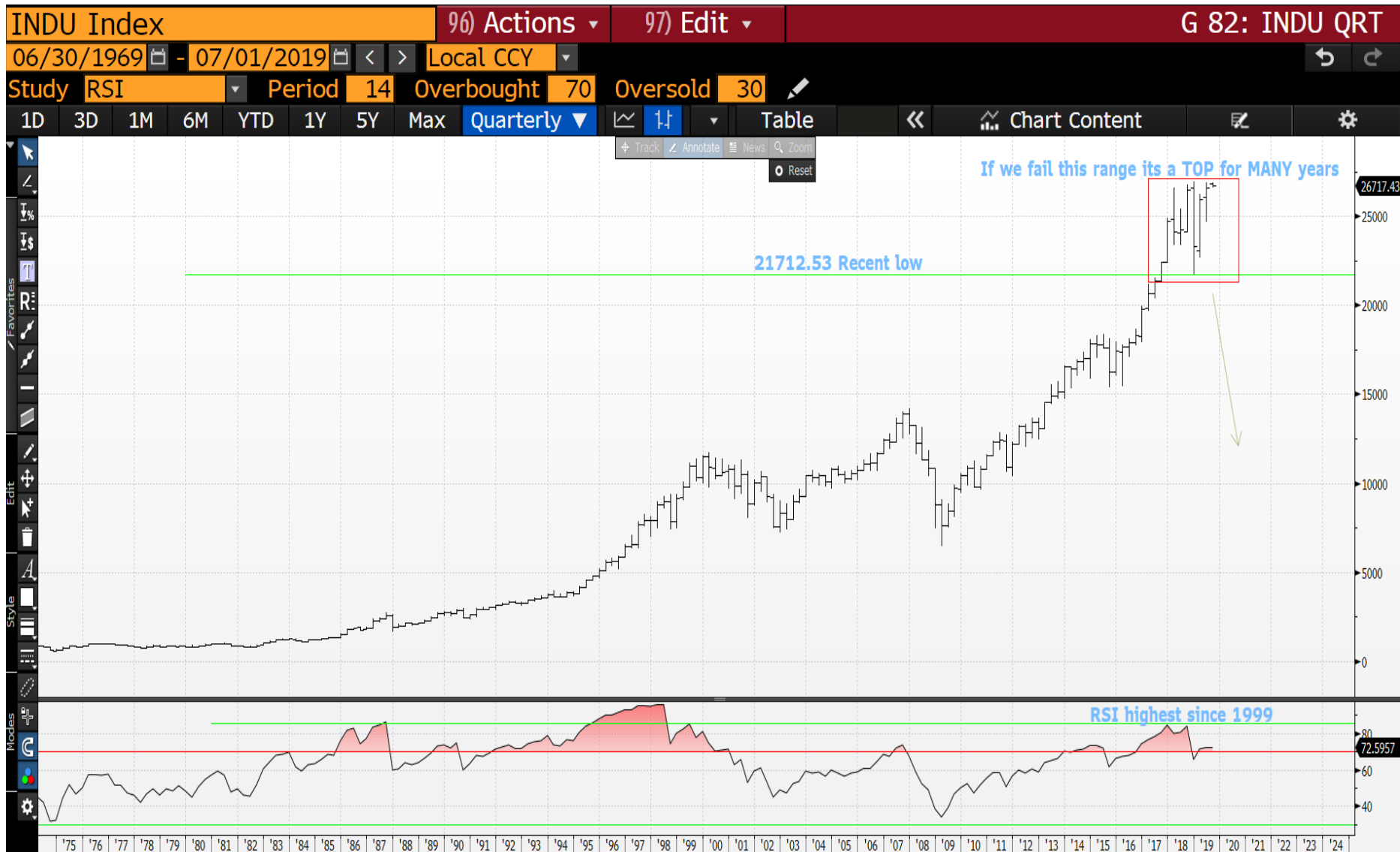
FTSE daily : Paramount we remain sub the bigger picture level 7527.88.



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

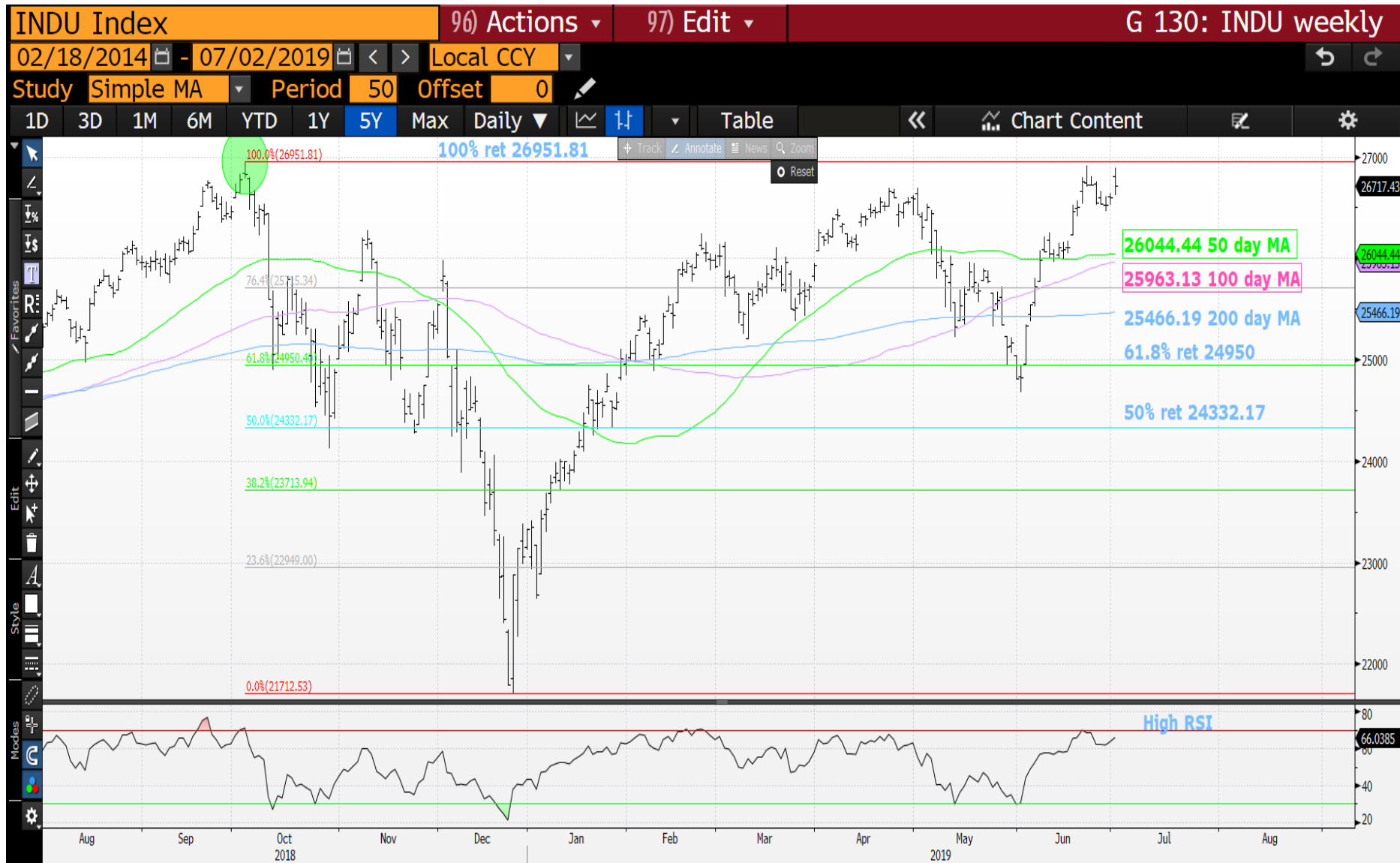


DOW quarterly : We remain close to the recent highs BUT these need to hold.

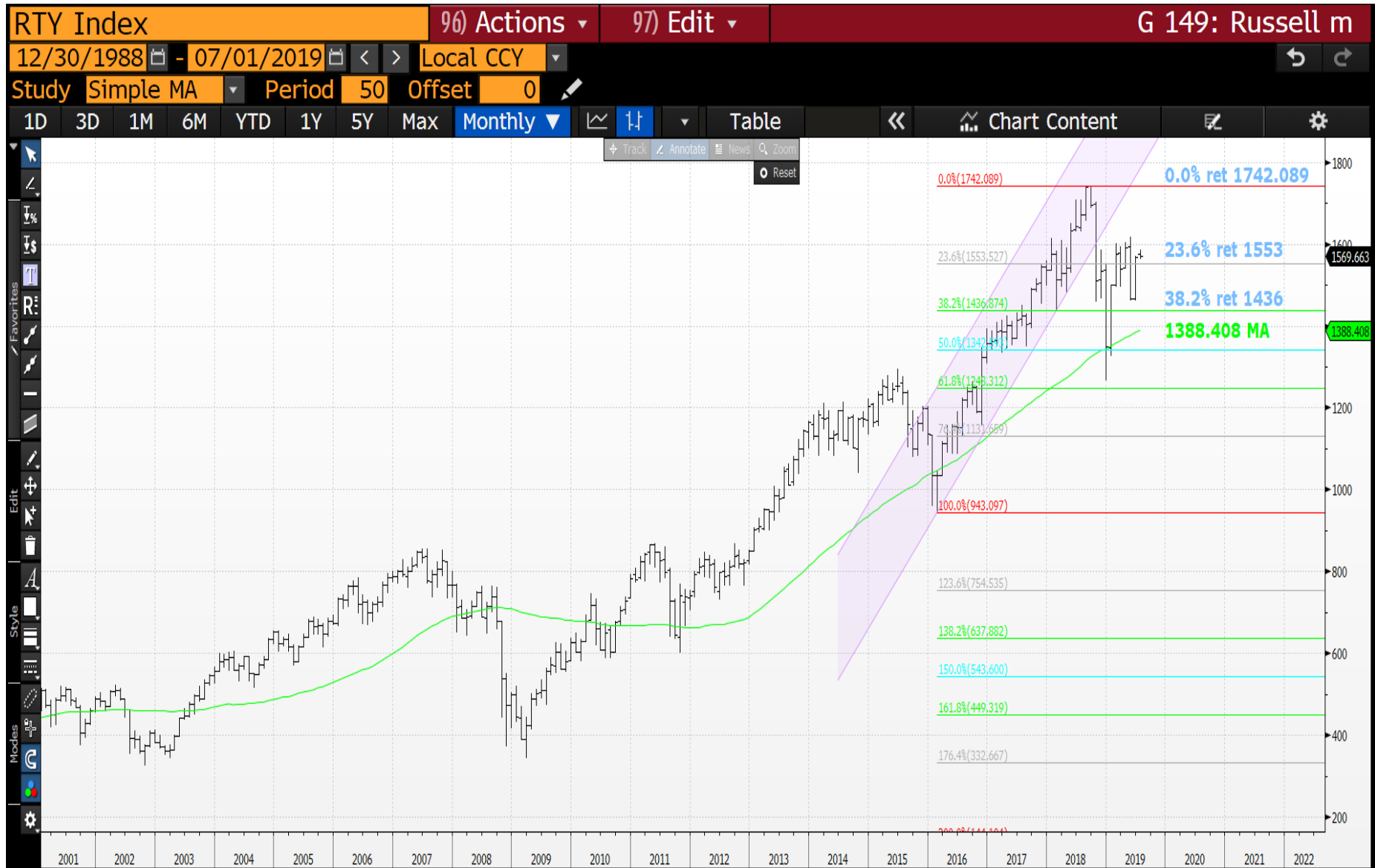


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DOW daily : A VERY big tease, if the highs hold then failure wont be far away given the close proximity of the moving averages.

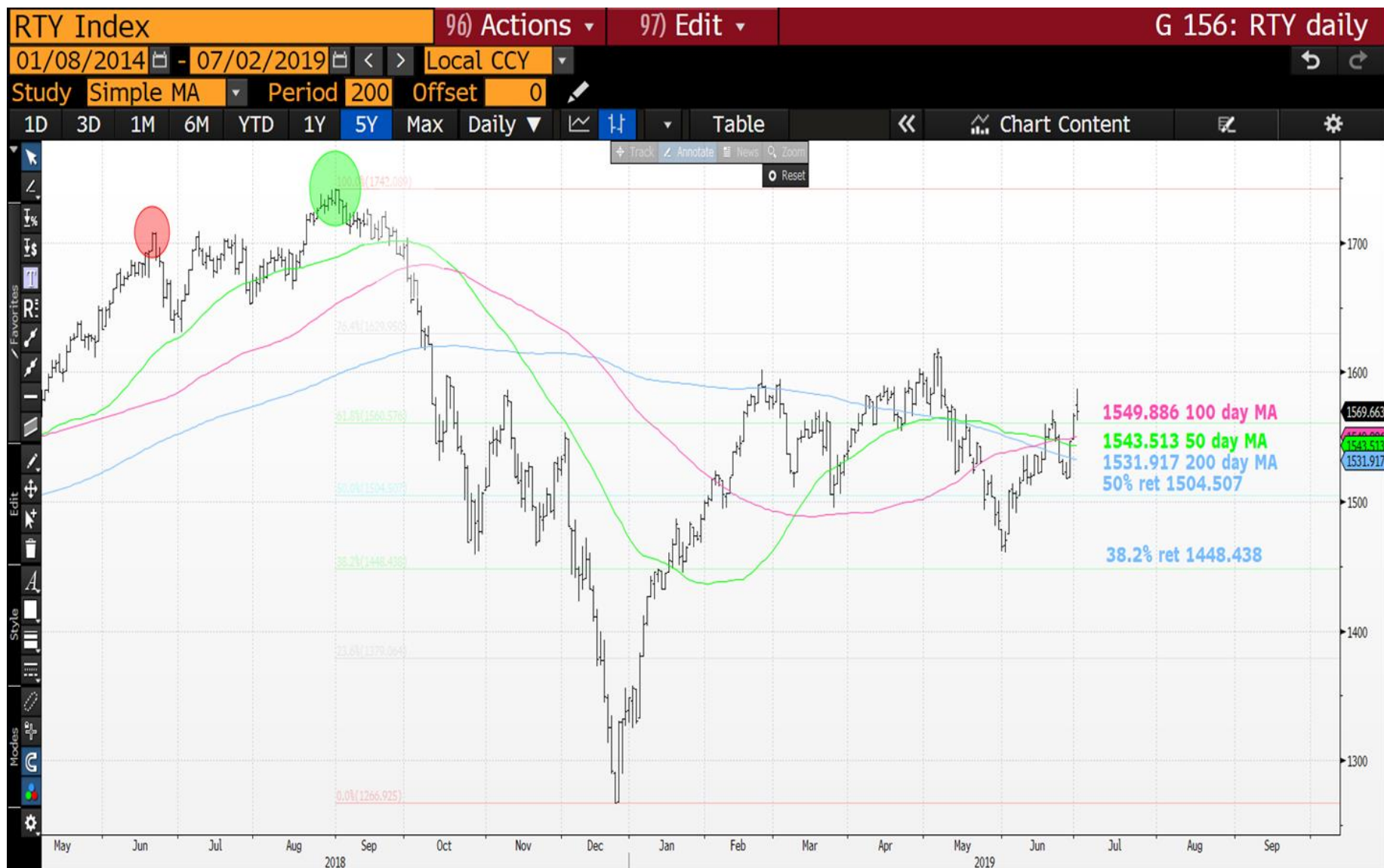


Russell monthly : We continue to TEASE the 23.6% ret 1553.



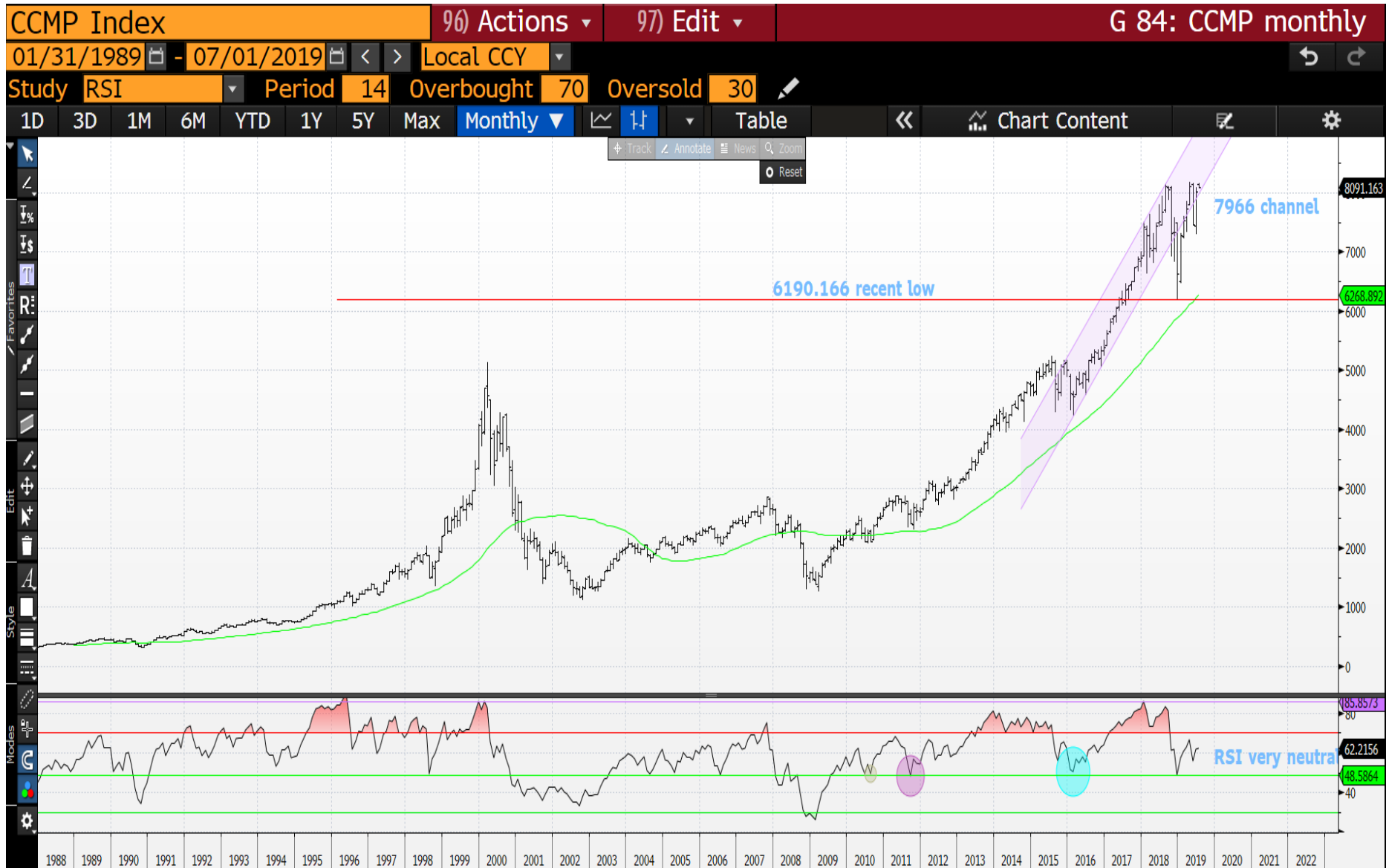
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Russell daily : This remains one of the HEAVIER markets and once again confirmation of failure wont be far away given the moving average locations.



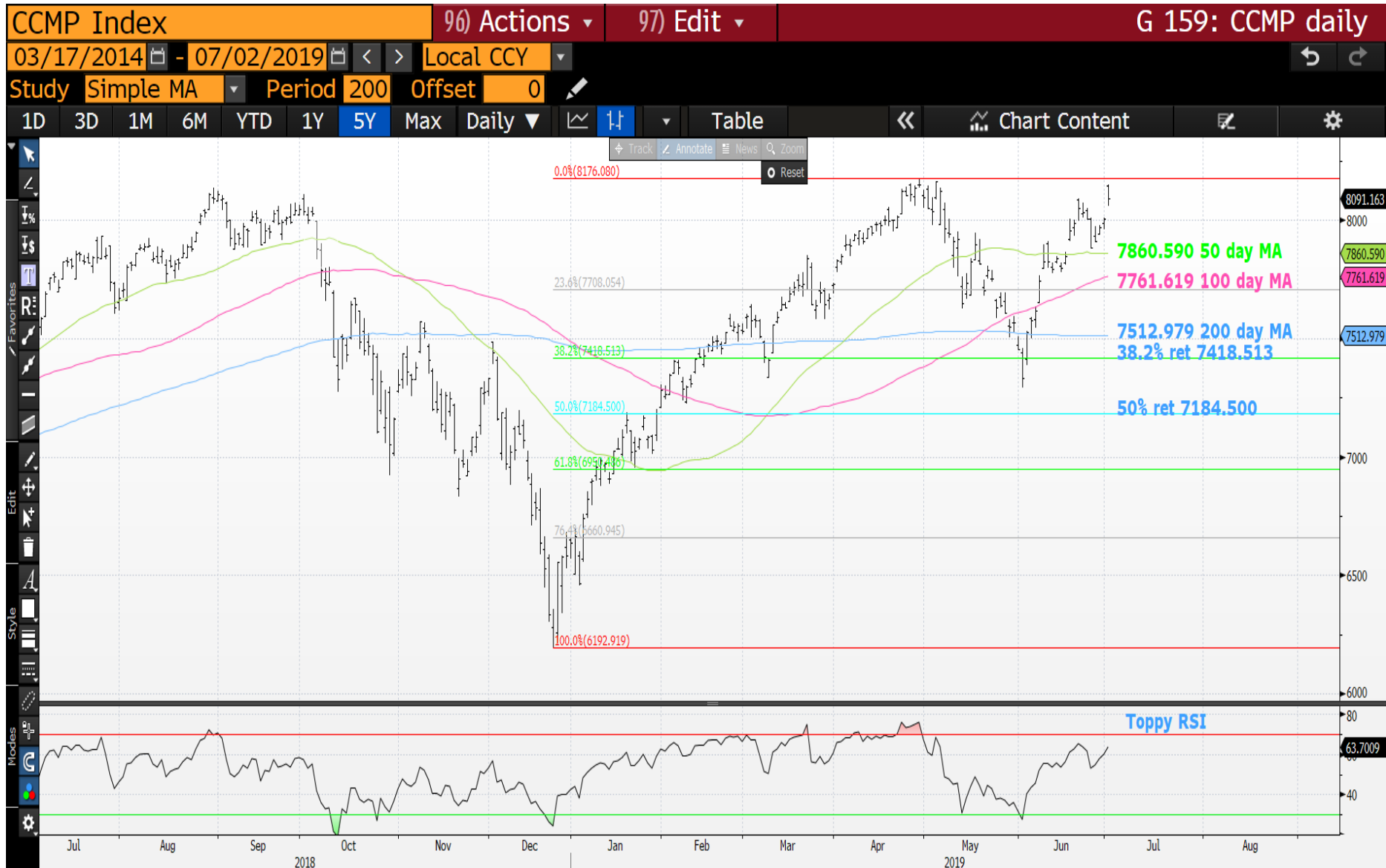
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CCMP monthly : The trend channel remains KEY at 7966, and for me we need to breach it.



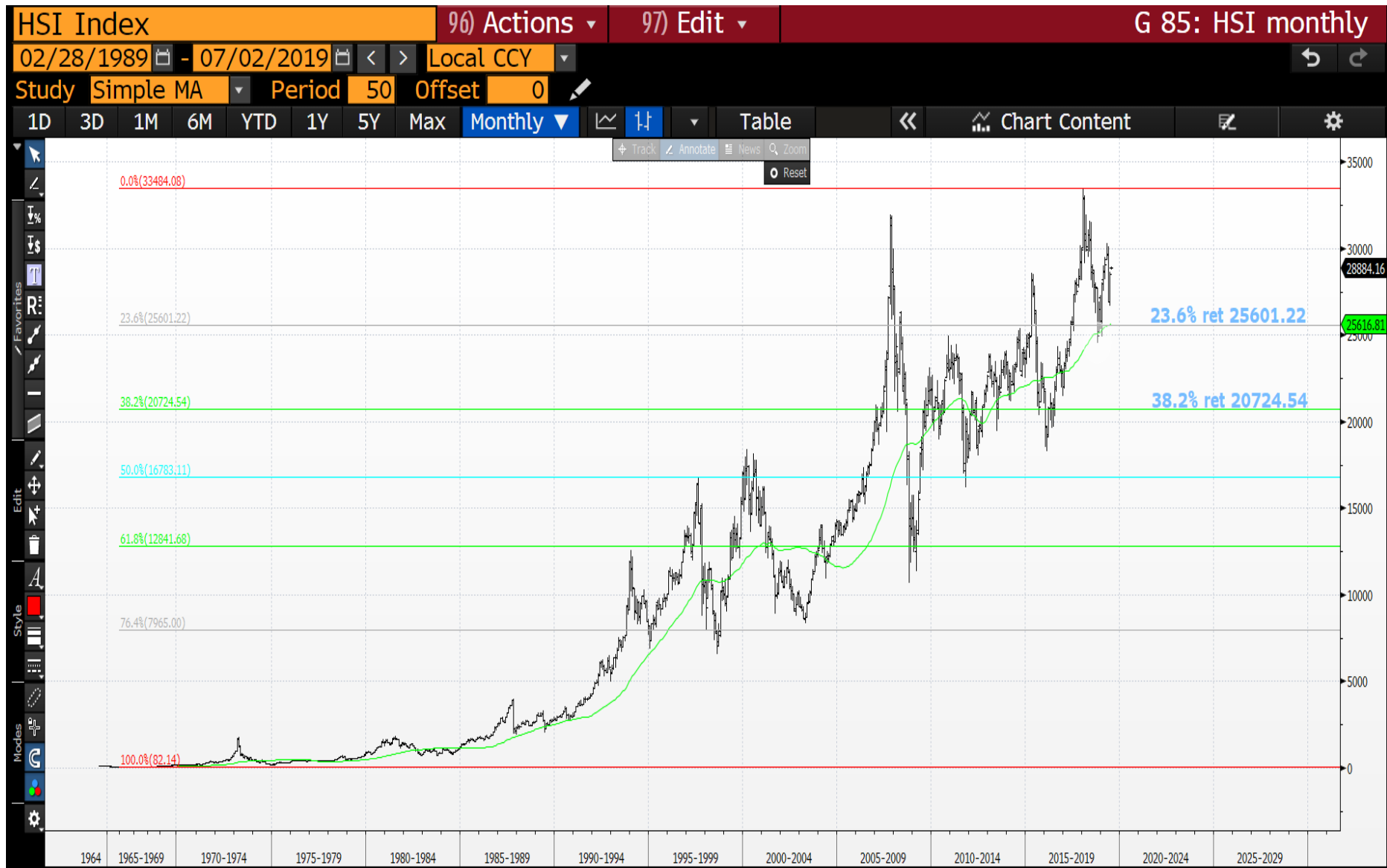
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CCMP monthly : Hopefully the recent high holds and we can re-breach the moving averages.



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Hang Seng monthly : A decent bounce but again a GAPPED opening.



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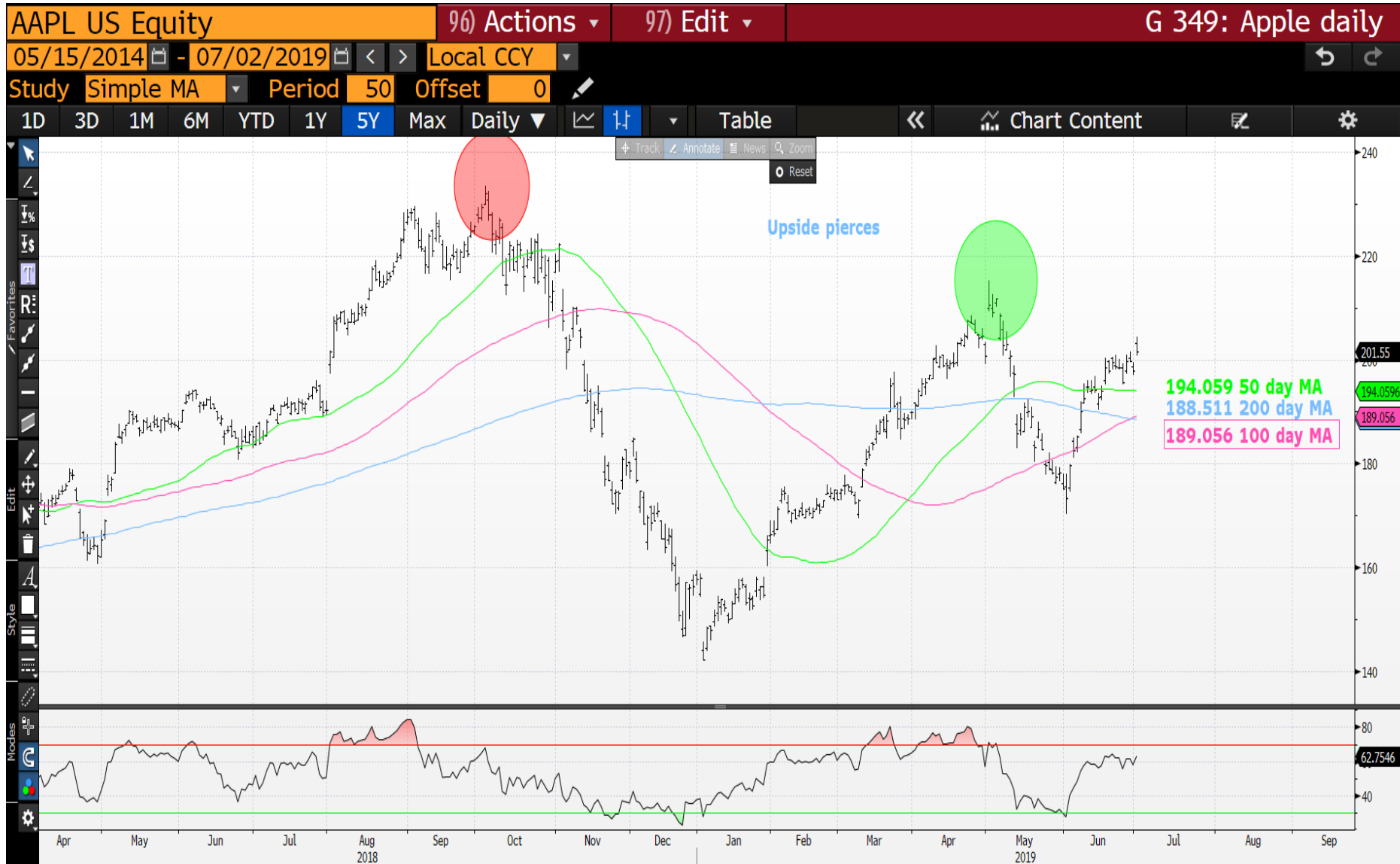
Hang Seng daily : We have popped the moving averages but struggling to breach the 50% 29012.36.



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APPLE daily : Possibly another upside pierce reversal but we need to head lower FROM HERE!



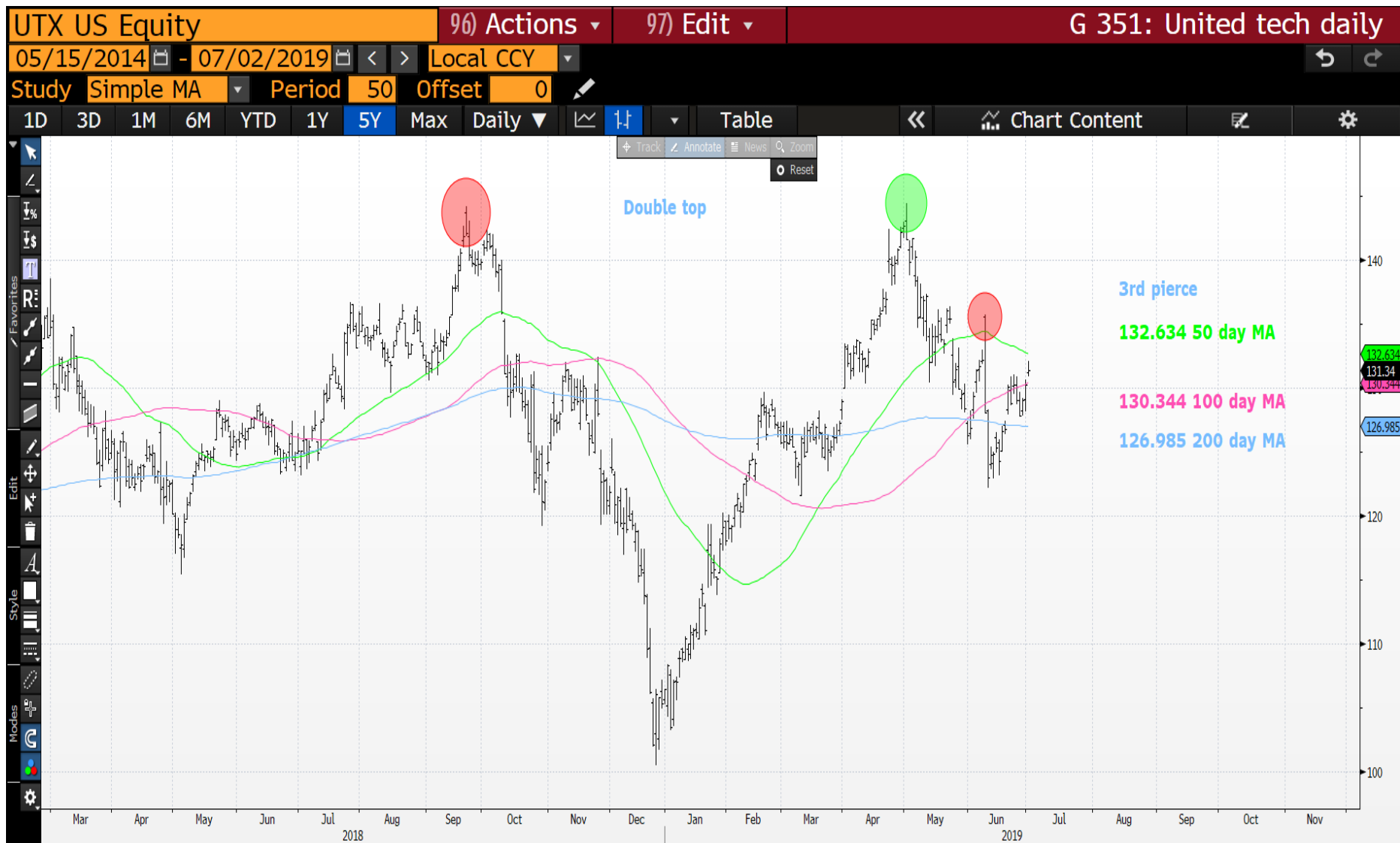
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INTEL daily : This remains a VERY WEAK market, failing ALL moving averages YET AGAIN.
Sub the 38.2% ret 46.327 it fails BIG TIME!



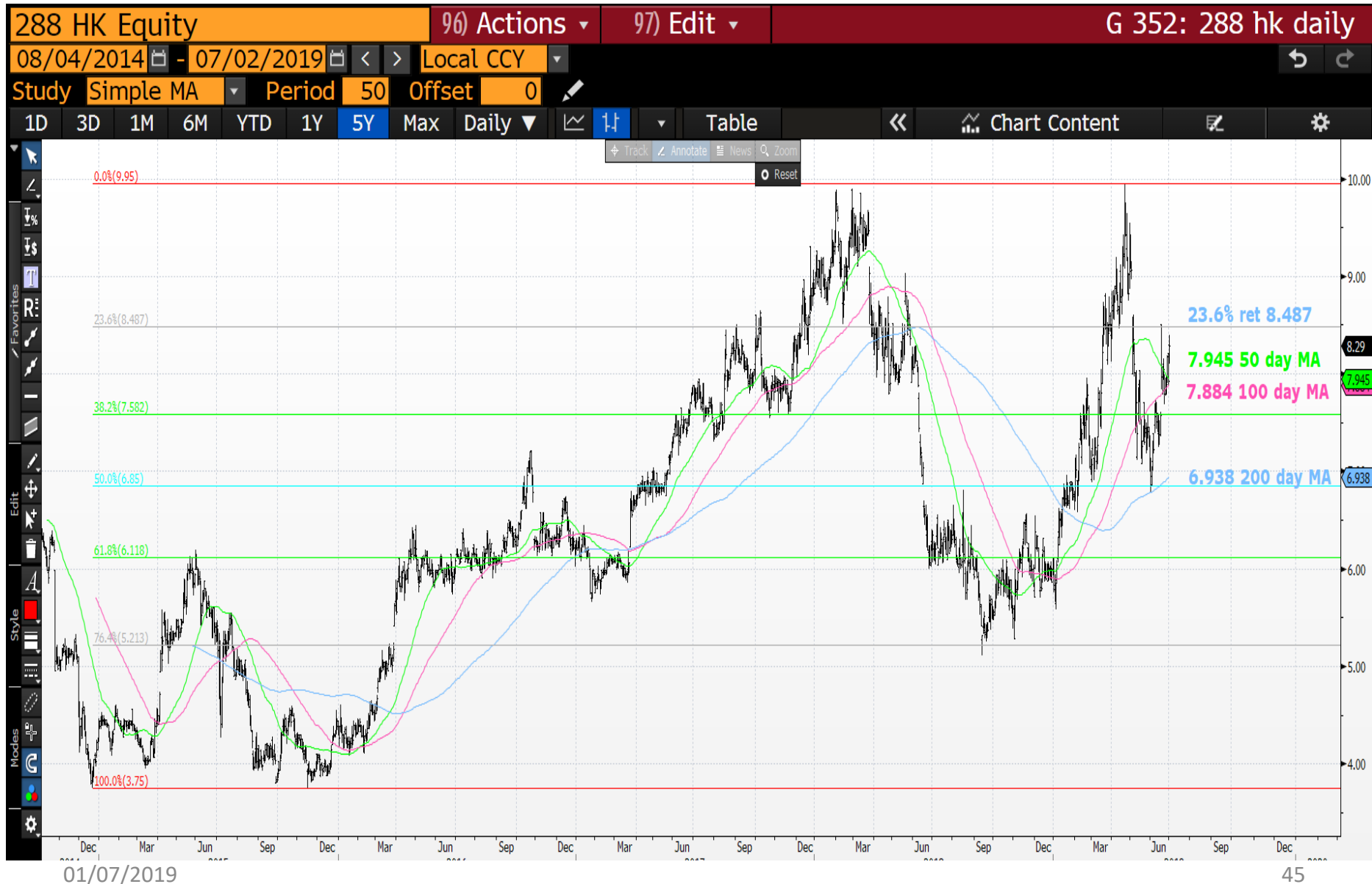
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UNITED TECHNOLOGIES daily : Any recoveries in this stock have been MINIMAL! Sub the 200 day 126.985 will be a clincher.

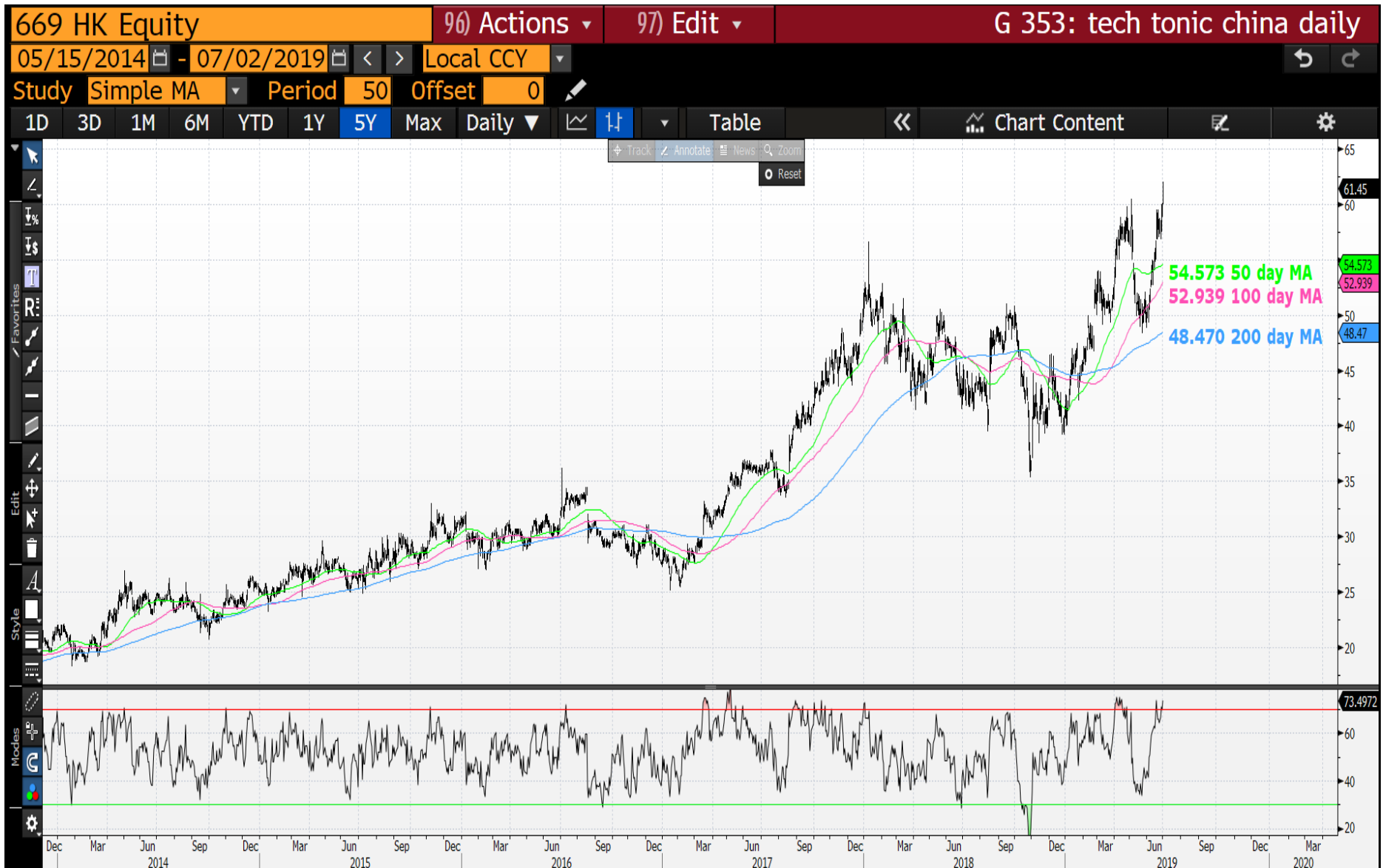


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WH GROUP daily : We continue to fail the 23.6% ret 8.487, just need to head a lower.



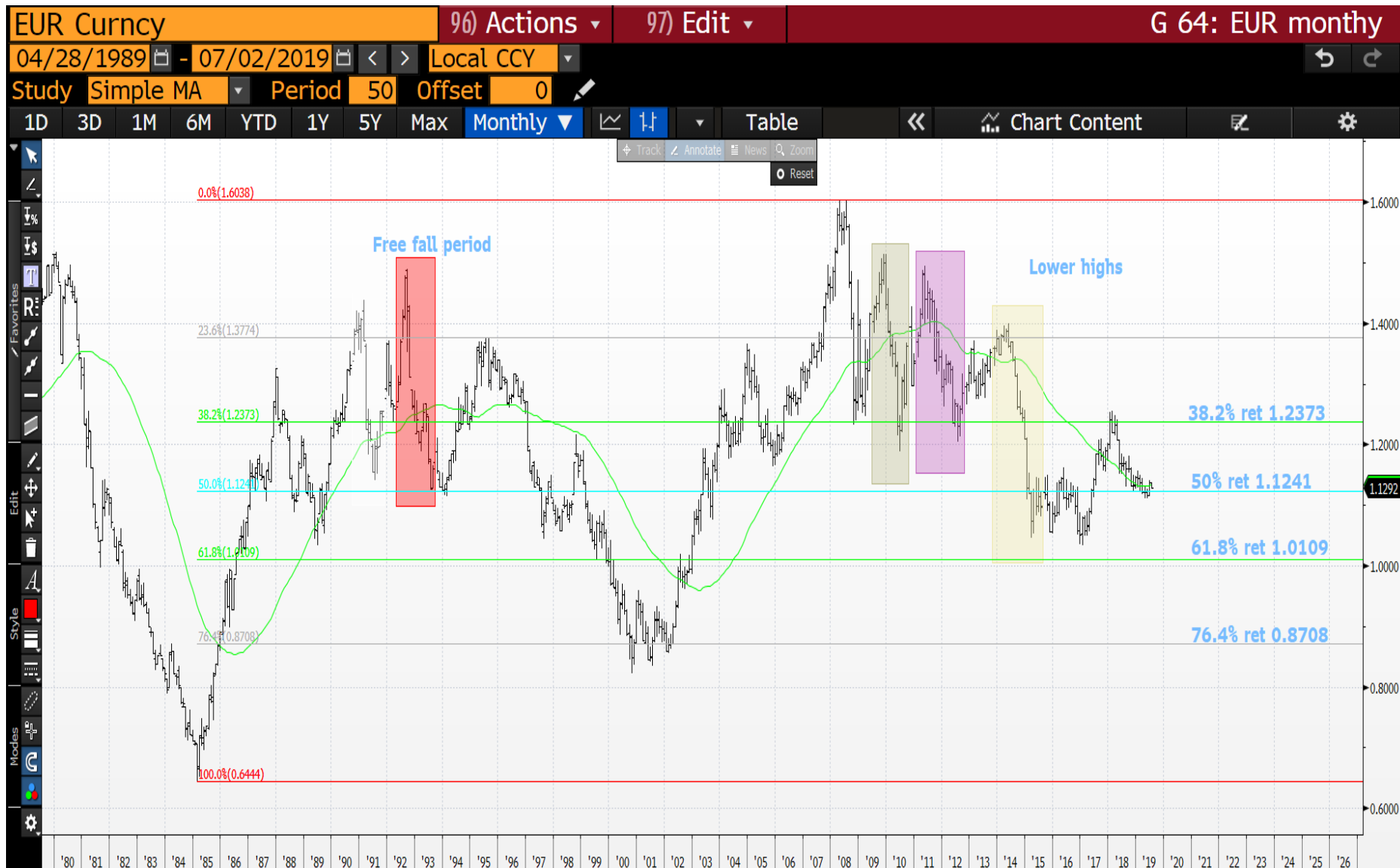
TECHTRONIC INDUSTRY daily : The RSI is lofty so lets see.



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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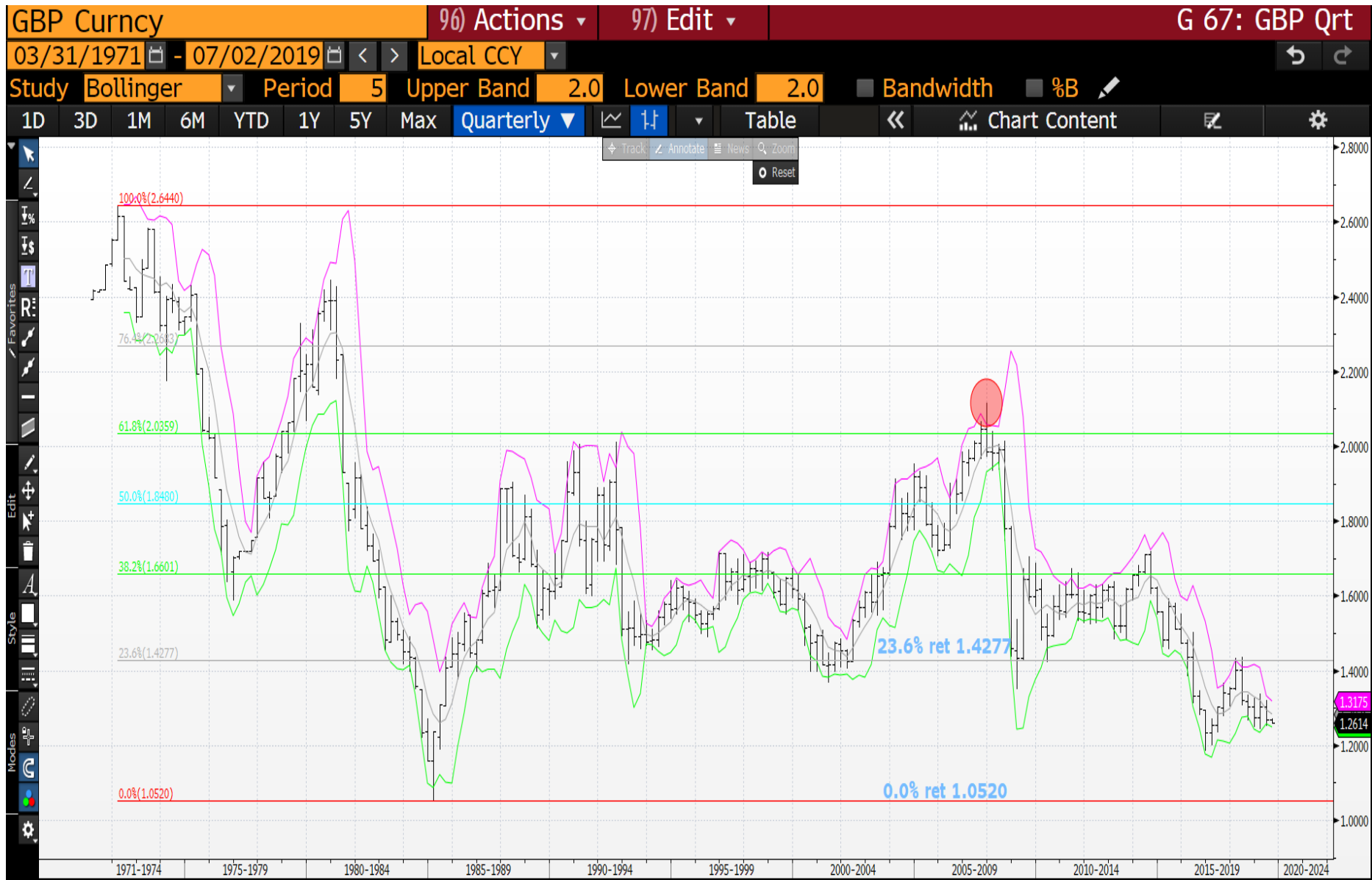
EUR USD daily : This could be a key failure at the 1.1338 200 day moving average, a breach of the 61.8% ret 1.1188 should trigger stops.



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, 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.



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USDCAD 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.



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

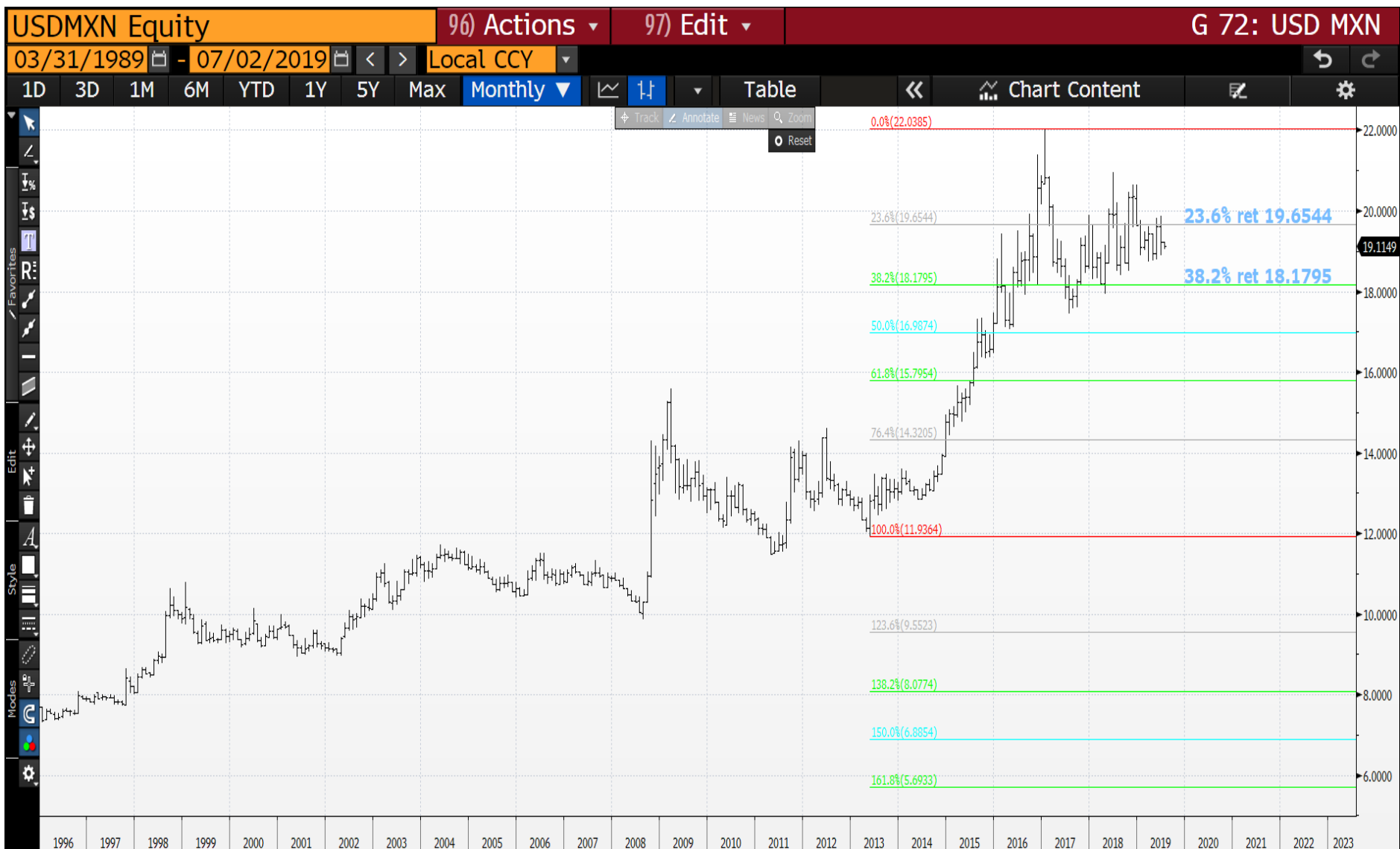


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EM UPDATE

- **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.**
- **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.

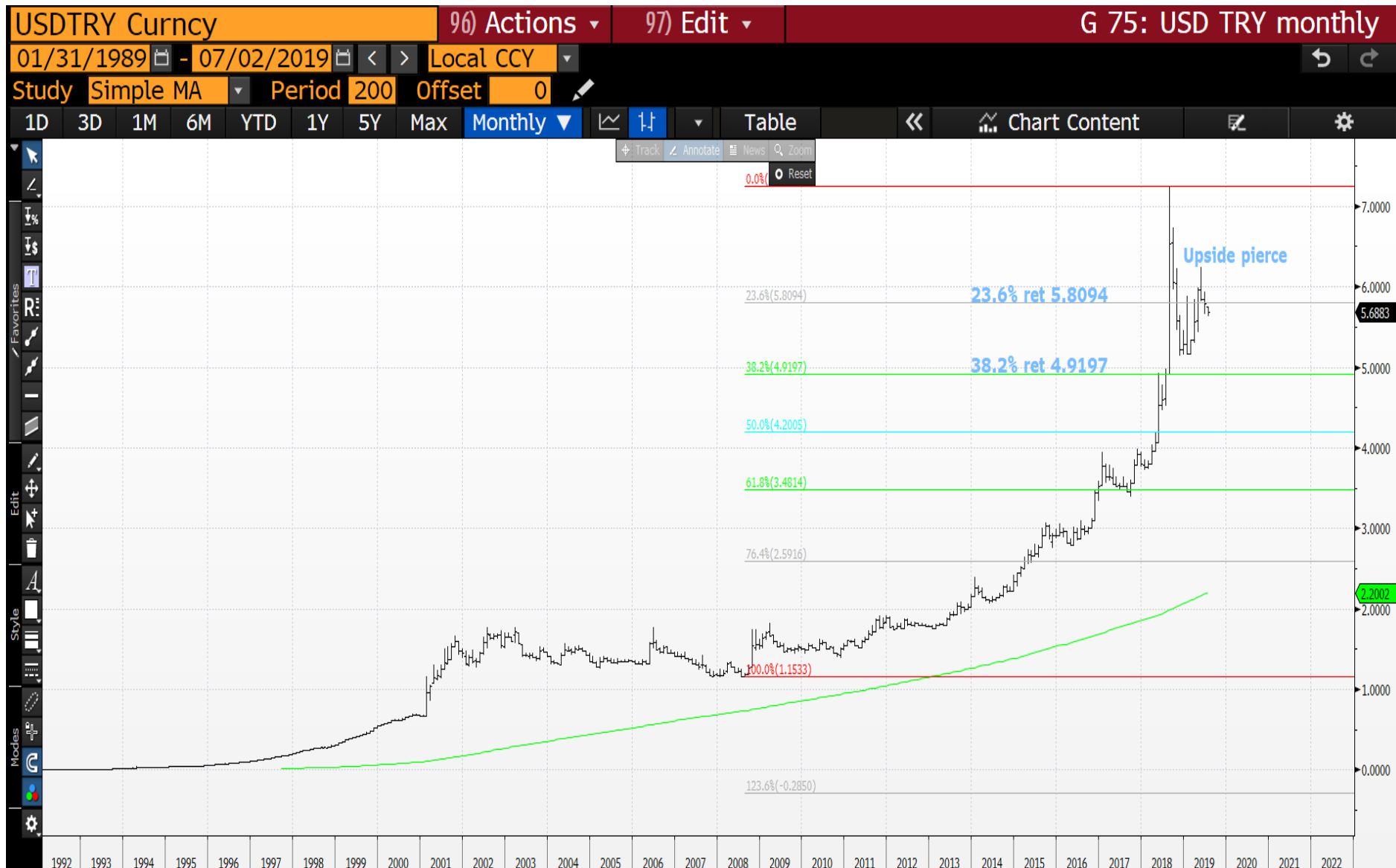


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USD BRL monthly : We have developed a VERY NASTY upside pierce and continue to endorse this cross is heading a lot lower. A NEAR PERFECT MULTI YEAR TOP.

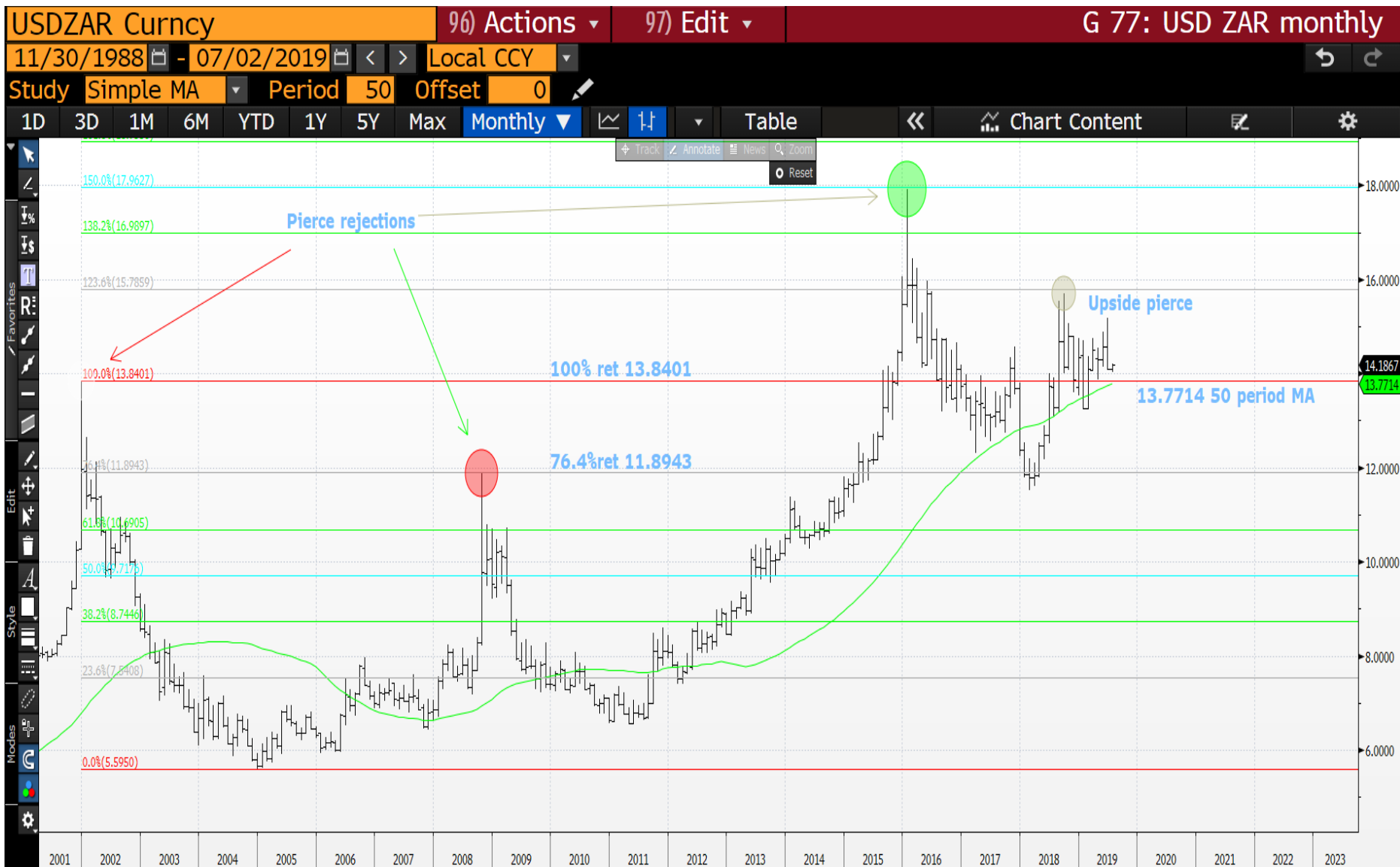


USD TRY monthly : Another chart with an upside pierce from last month, we need to make the most of that now sub the 23.6% ret 5.8094.



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



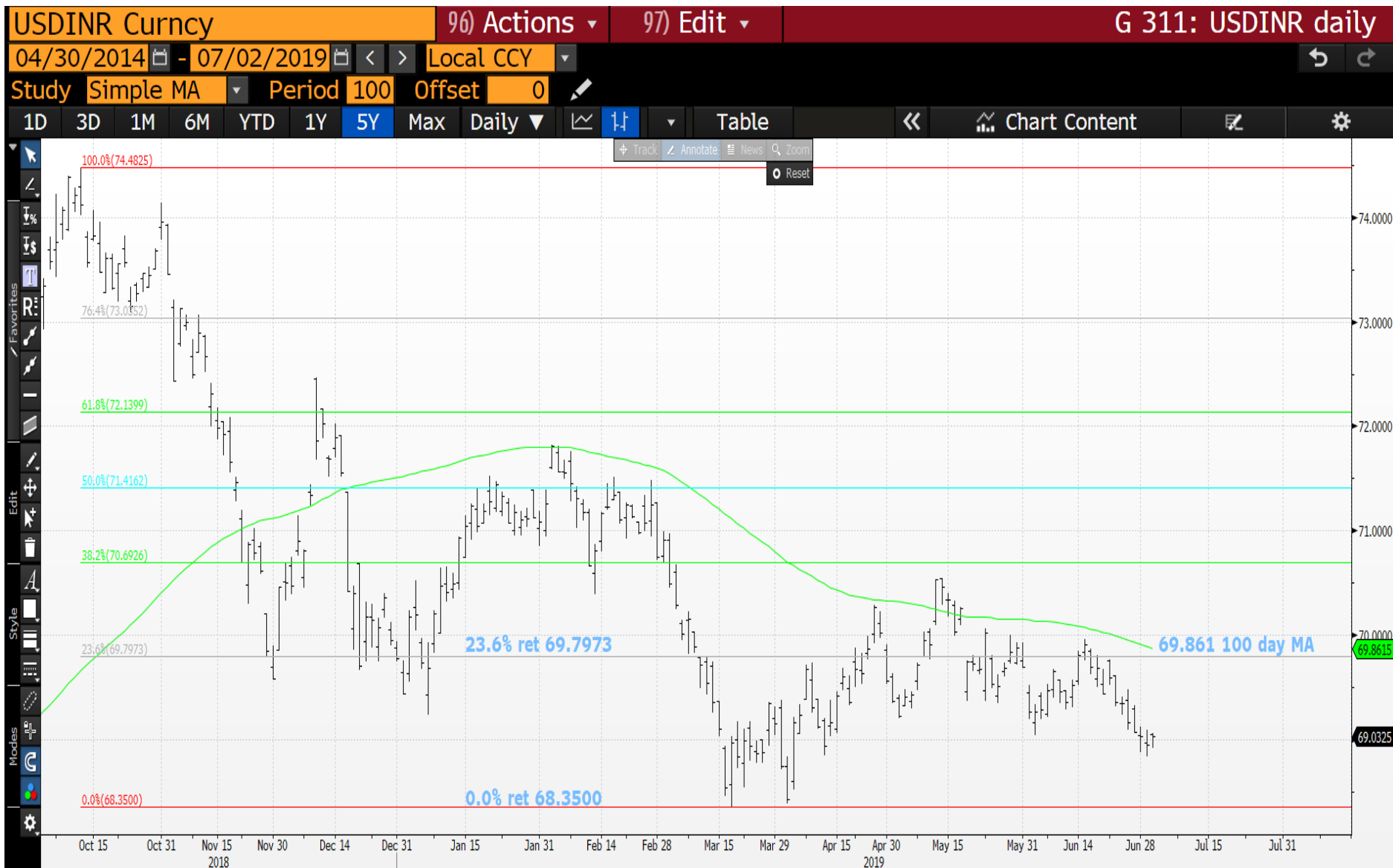
USD RUB monthly : We are poised for a MAJOR break lower once we have by-passed the 38.2% ret 61.9293.



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.



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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.



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GOLD monthly : We are poised to head a lot higher whilst above 1351.62 100 period moving average.



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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.



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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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