

MULTI ASSET UPDATE : EVEN NOW I AM CONFUSED. WE NEED MORE PRICE MOVEMENT TO ACHIEVE CLARITY. THE ISSUE IS : STOCKS FINALLY LOOK LIKE TOPPING WHILST YIELD CHARTS PRESENT AN EXTREMELY “CONFLICTING” PICTURE.

BONDS : BOND YIELDS ARE A PROBLEM CALL HERE. WEEKLY YIELDS LOOK LIKE HEADING “HIGHER” WHILST THE MONTHLY CALL REMAINS ON TRACK FOR LOWER. WE NEED MORE PRICE ACTION, I STILL FEEL STOCKS AND BOND YIELDS EVENTUALLY HEAD LOWER, SO A COMPLEX SITUATION CURRENTLY.

THE US 2YR CHART IS HOLDING THE MULTI YEAR 23.6% RET 1.7448 (PAGE 13).

EQUITIES : THE DOOR IS WIDE OPEN FOR A TOP GIVEN THE HANG SENG IS STALLING ALONG WITH MANY SINGLE STOCKS, THINGS COULD GET MESSY THIS WEEK. HAVE LABOURED A RECENT POINT ABOUT THE OVER BOUGHT DAILY RSI’S.

US CURVES : THE US 5-30 IS A PROBLEM, IT IS FORECASTING A MAJOR FLATTENING.

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
1) BONDS	3 -19
2) US CURVES	20-26
3) EQUITIES	27-45
4) CORE FX	46-54
5) USD EM	55-62
6) Oil and GOLD	63-65

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.



USGG30yr weekly : THE PAIN CHARTS. The weekly charts are where the conflict occurs. We seem to be holding the lows and RSI at 2016 lows SUGGESTING a yield bounce.



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USGG30yr yield daily : The RSI is neutral so of no USE.



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



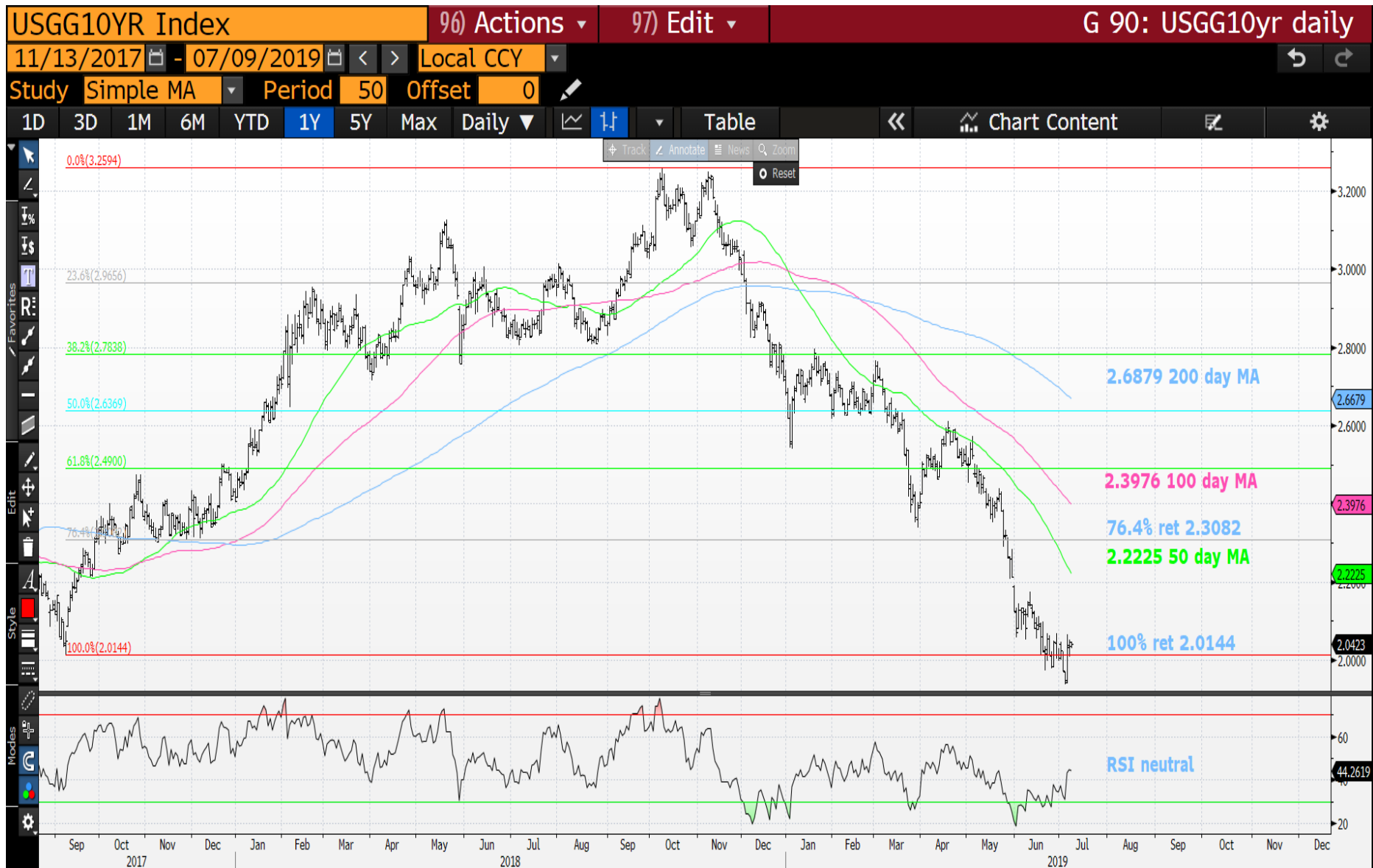
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US 10yr yield weekly : PROBLEM chart again. The RSI remains low and we remain poised to breach the 61.8% ret 2.0596. ON PAPER yields should rally according to this chart.



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USGG10yr daily : The RSI is off its lows so momentum lost here.



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USGG5yr quarterly : Yet again we have a new yield low.

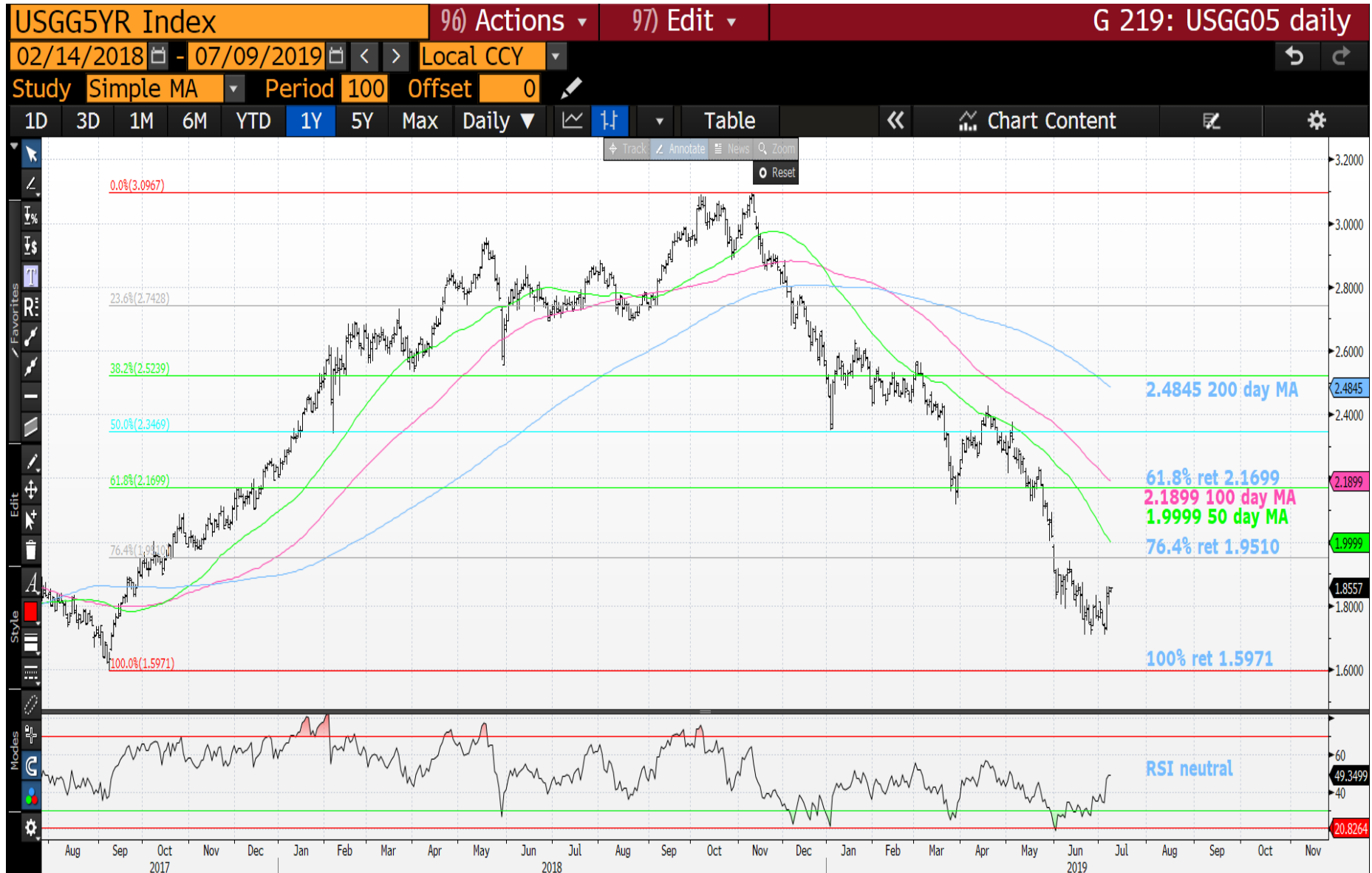


USGG5yr monthly : We have breached the 50% ret 1.8156 and the latest pierces have formed a decent base.



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USGG5yr daily : The RSI is neutral.



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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.



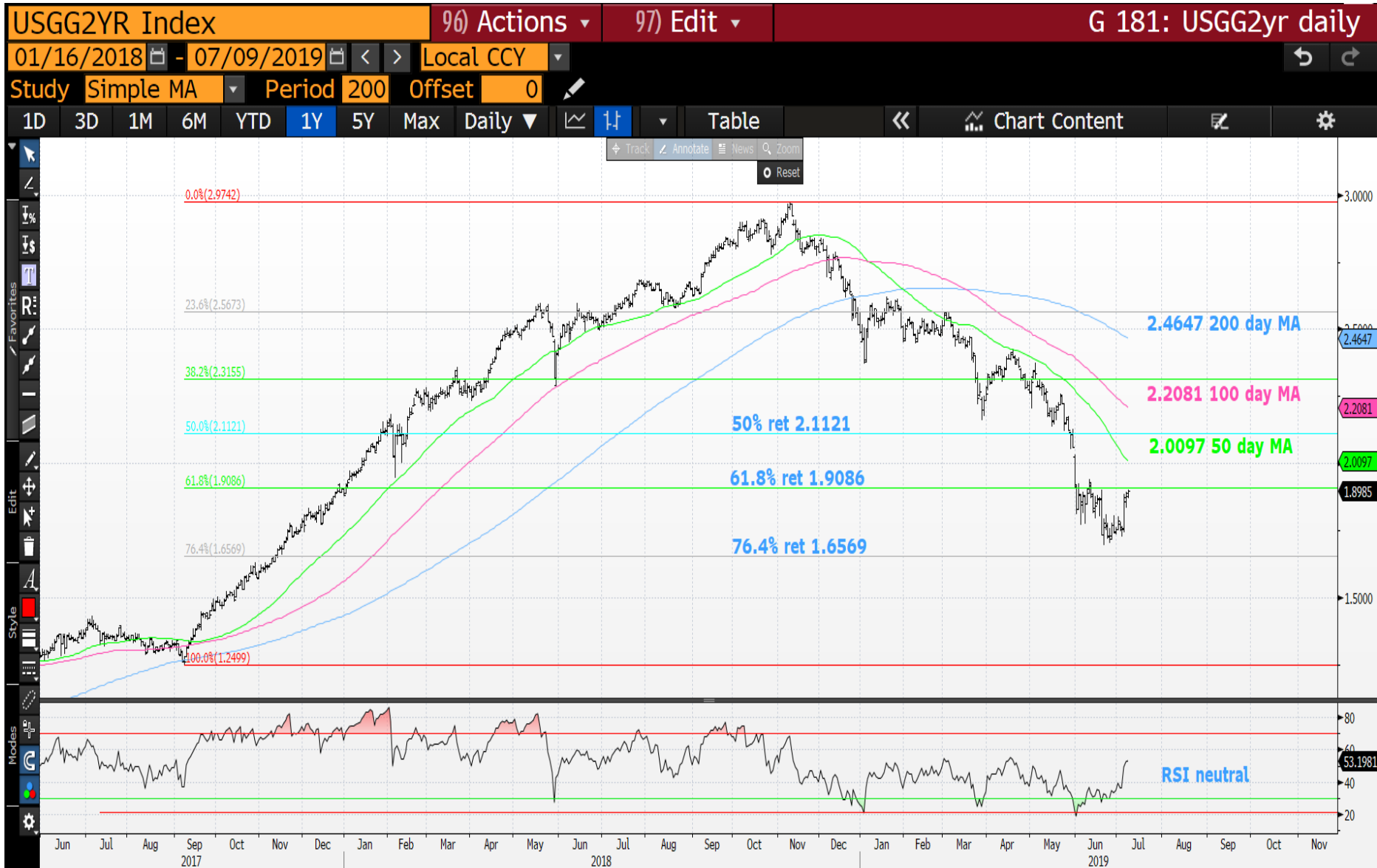
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USGG2yr monthly : Another ridiculous RSI extension which could force a bounce if the MULTI YEAR 38.2% ret 1.8904 is breached.



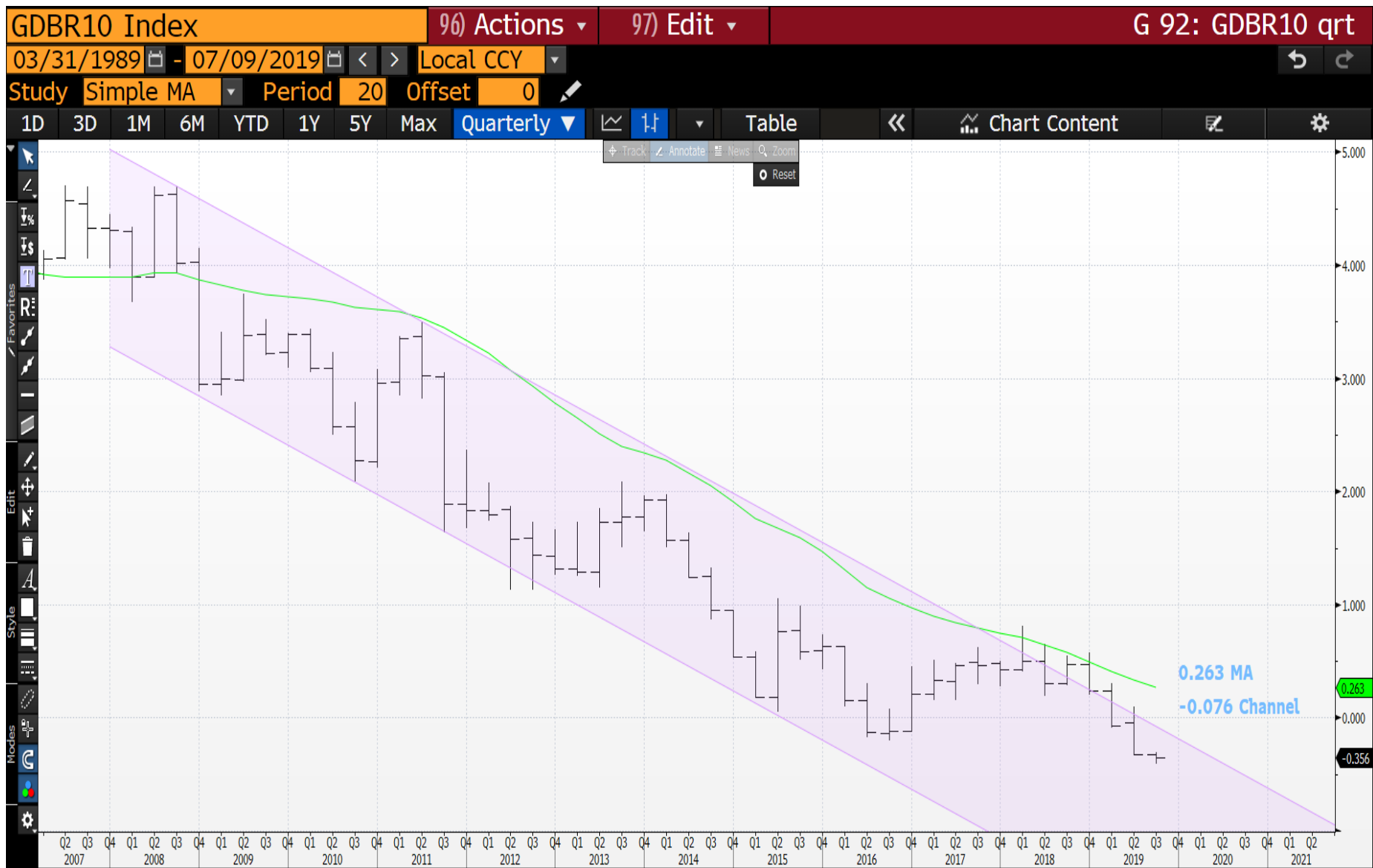
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USGG2yr daily : The RSI is now neutral and we remain sub ALL moving averages-61.8% ret 1.9086.



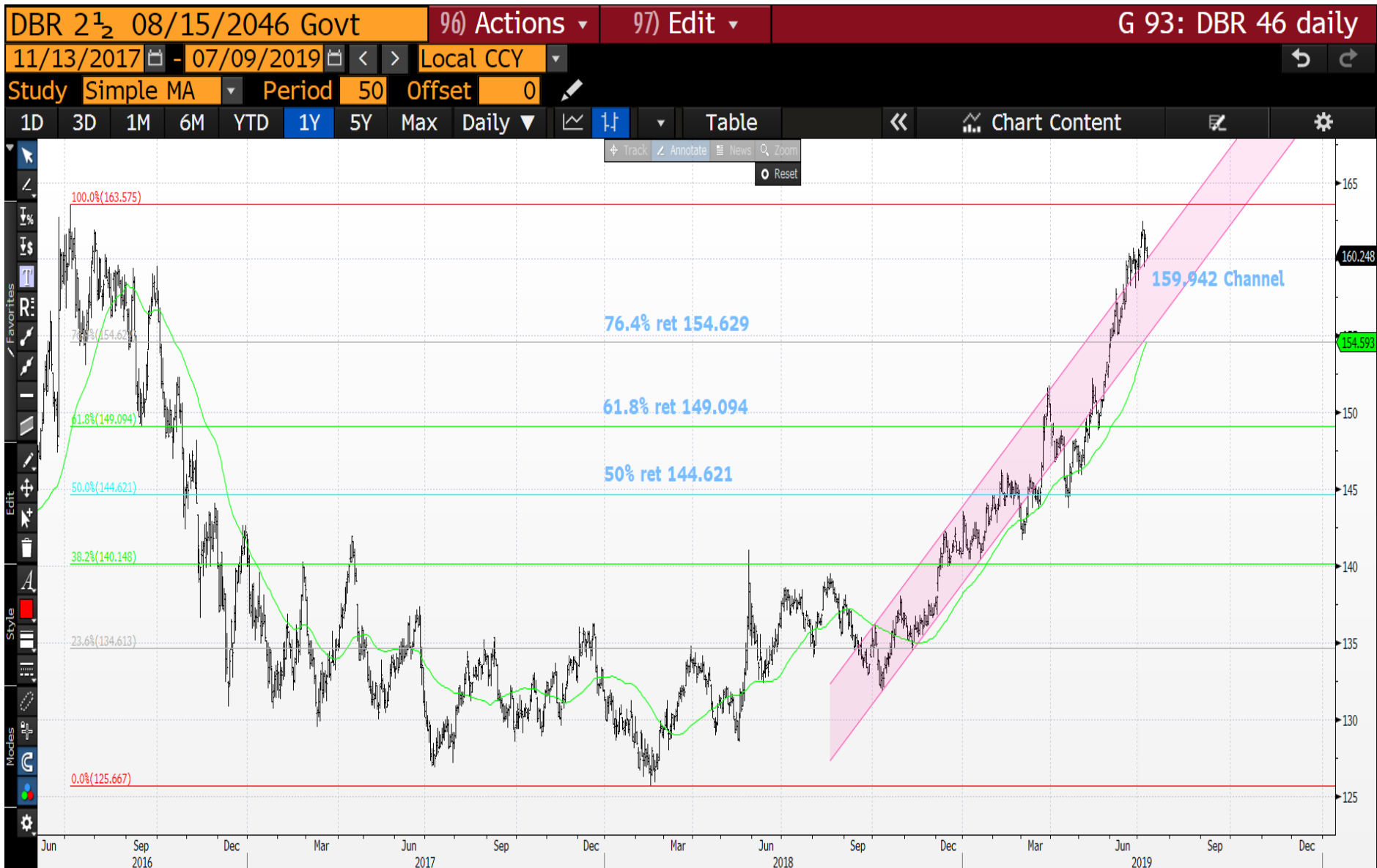
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Generic German 10yr quarterly : We have NEW YEAR lows once again and FAILED last quarters close.



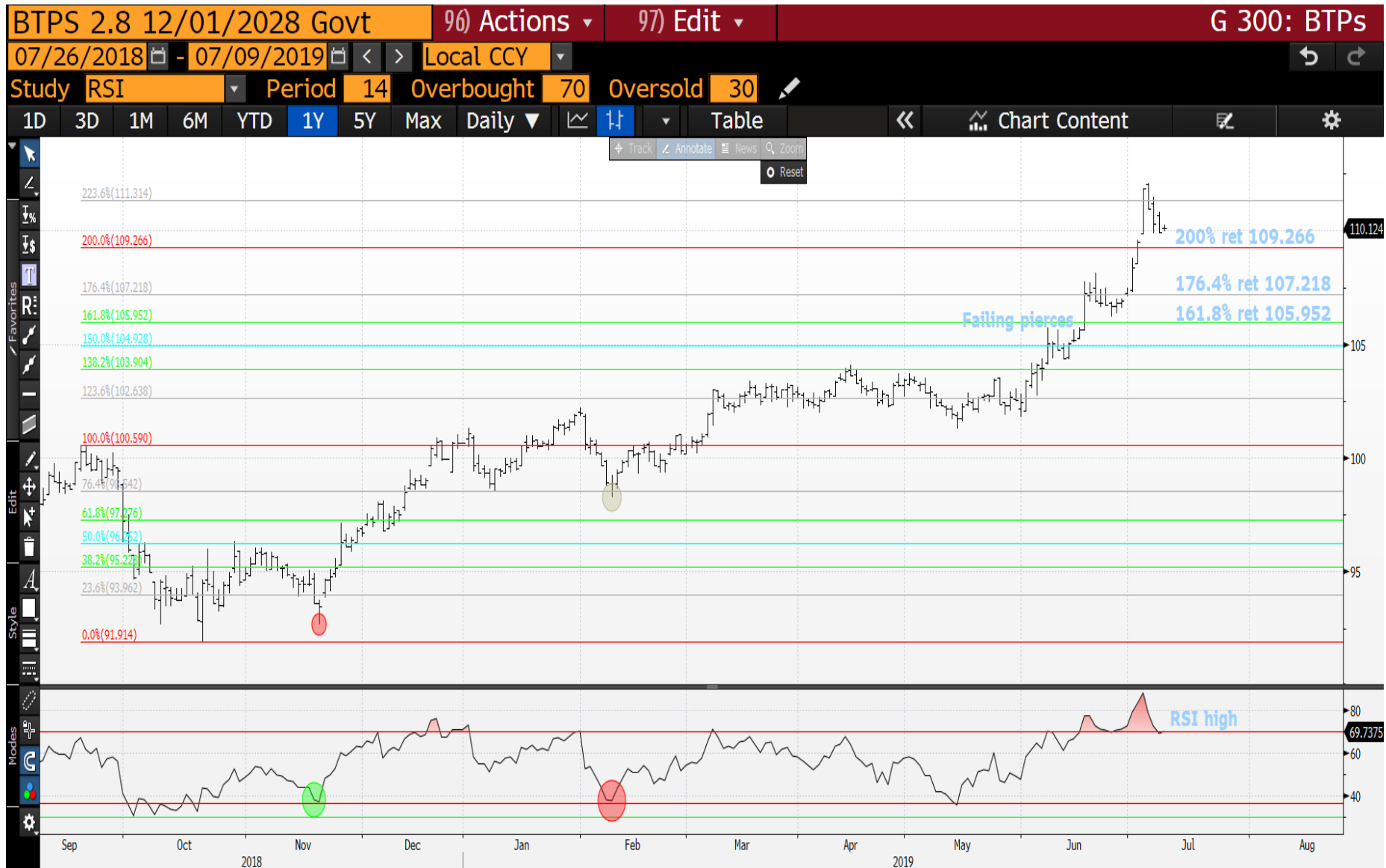
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DBR 46 daily : We continue to hold the channel.



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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

- **Curves have been MESSY of late and the US 5-30 is throwing up a major flattening when previously we had a major bull steepening?**
- **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 2-30 curve monthly : Another struggle given we have already failed to breach last months high.

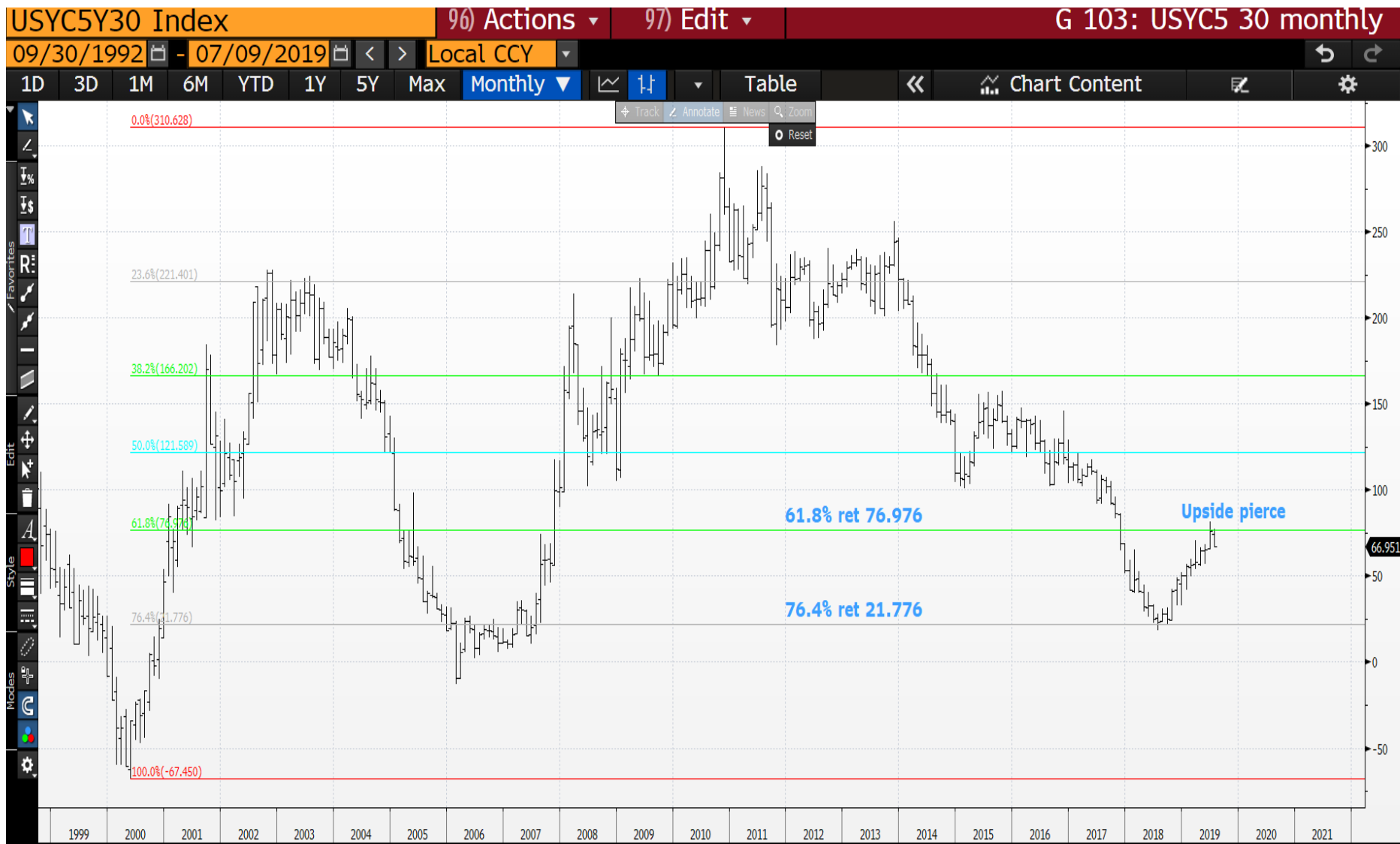


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US 5-10 curve monthly : Another sharp reversal last month as we approached the 61.8% ret 54.752. Another reason to remain flat curve exposure.



US 5-30 curve monthly : For those looking for a “FLATTENING TRADE” then here is that opportunity given the MULTI YEAR retracement failure. Put on a flattening trade with stop above the 61.8% ret 76.976. Difficult question if this works is it forecasting a directional bias.



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.



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EQUITIES

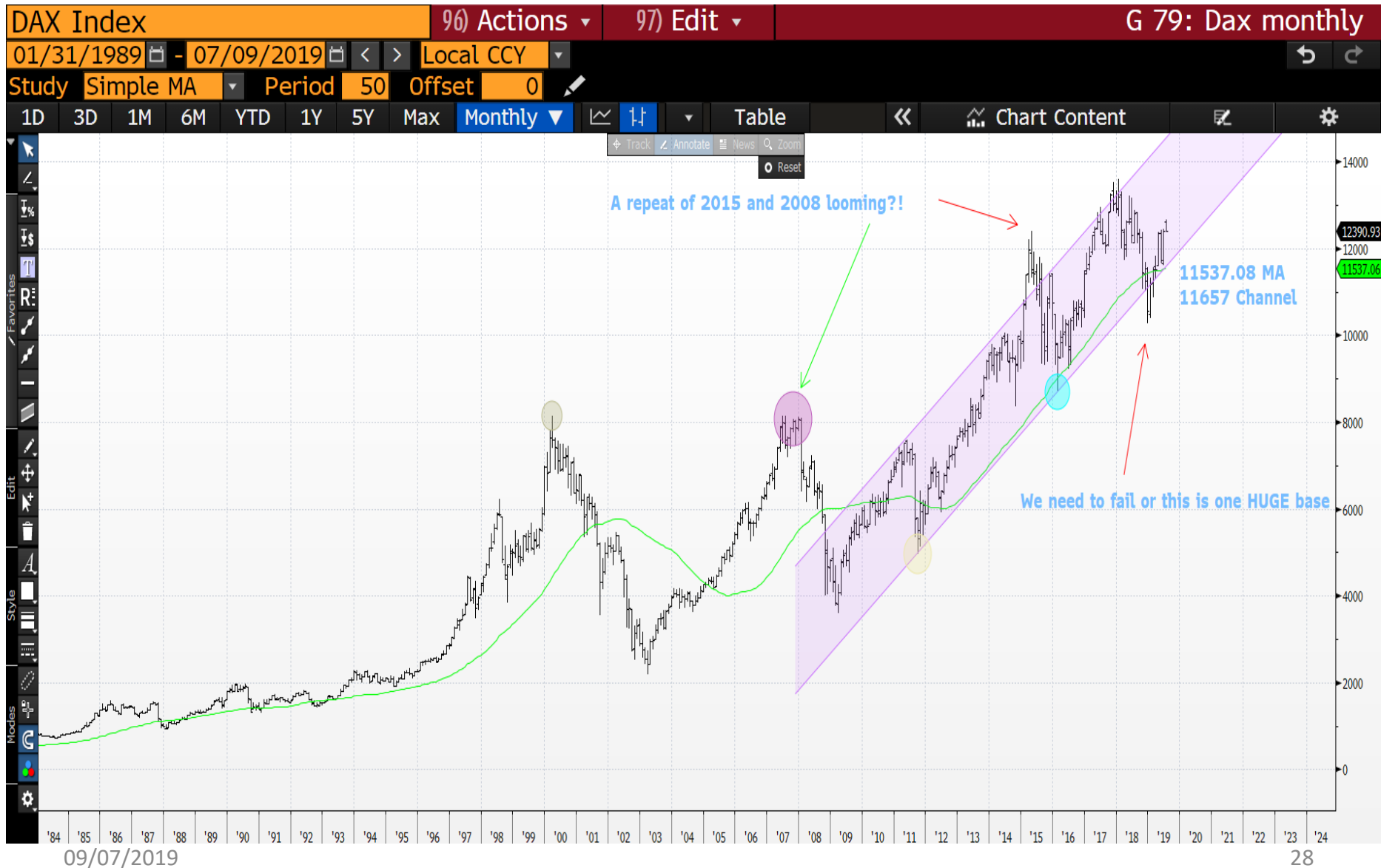
EQUITIES : We continue to hold the highs but CHINA is heading lower and therefore other stocks should follow suit. I have recently highlighted MANY daily RSI's remain overstretched.

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.

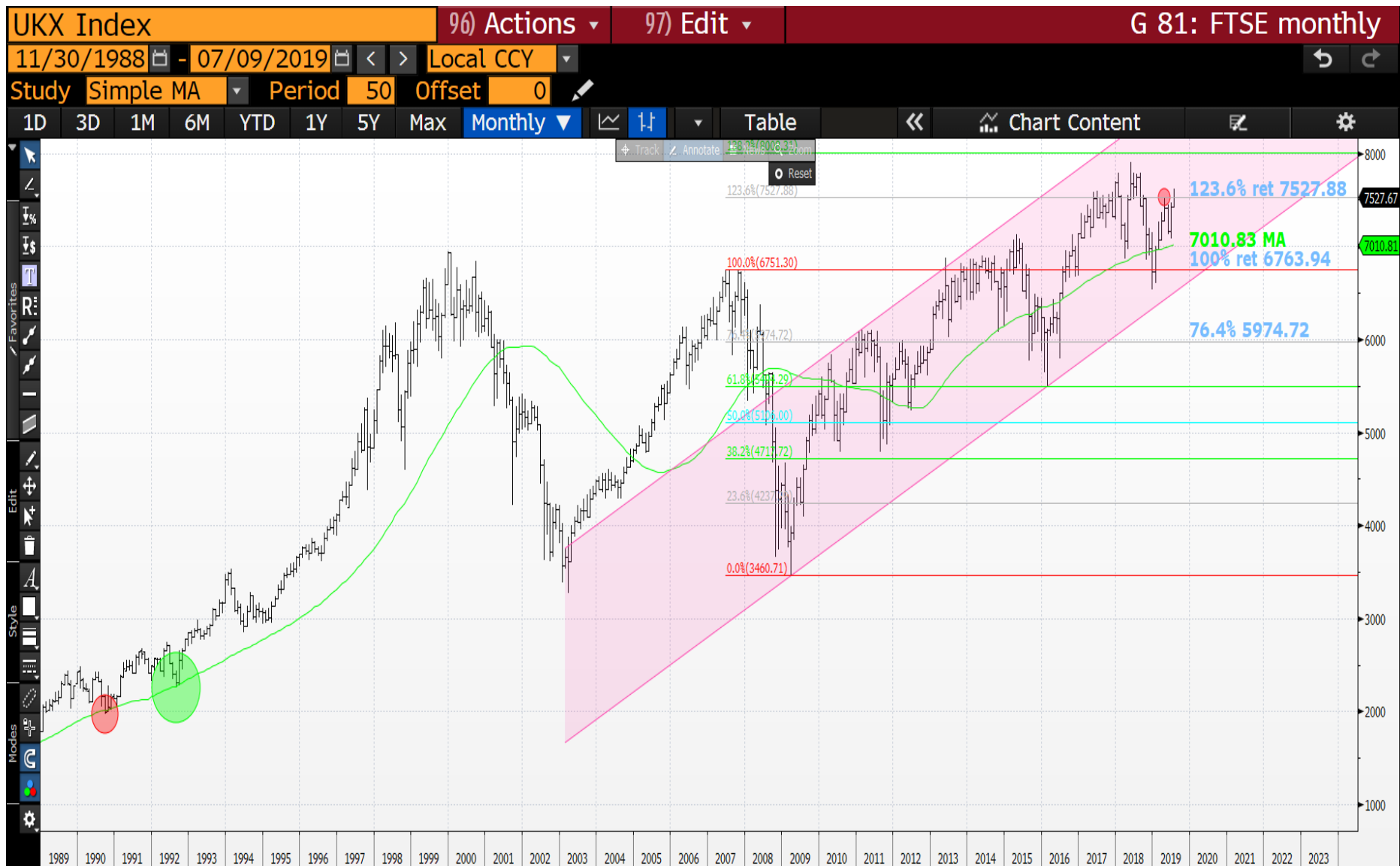
DAX monthly : We have filled the GAP OPENING so lets see whether we HOLD or not.



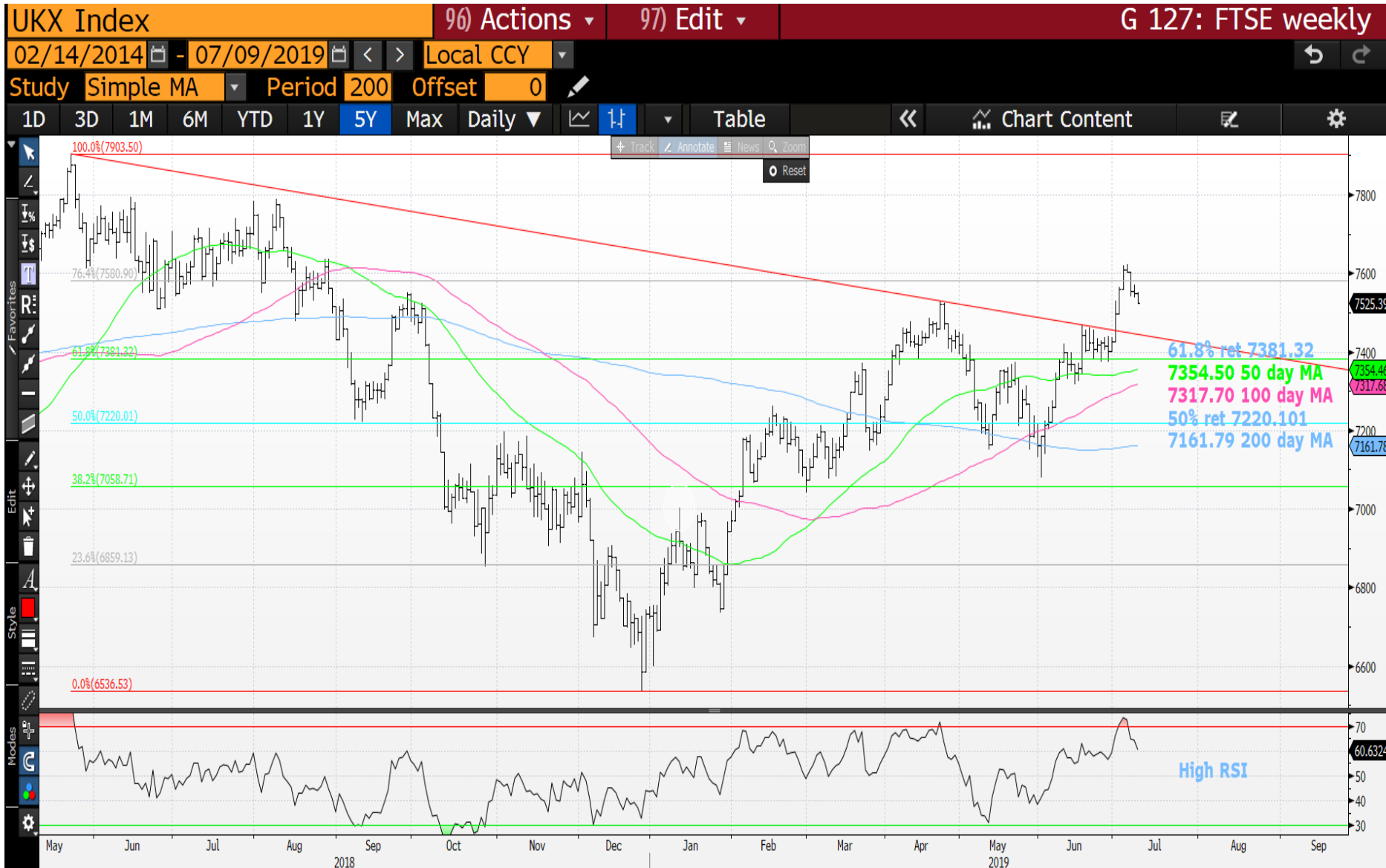
Dax daily : The RSI has kicked in as we are now BELOW the 76.4% ret 12512.98.



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

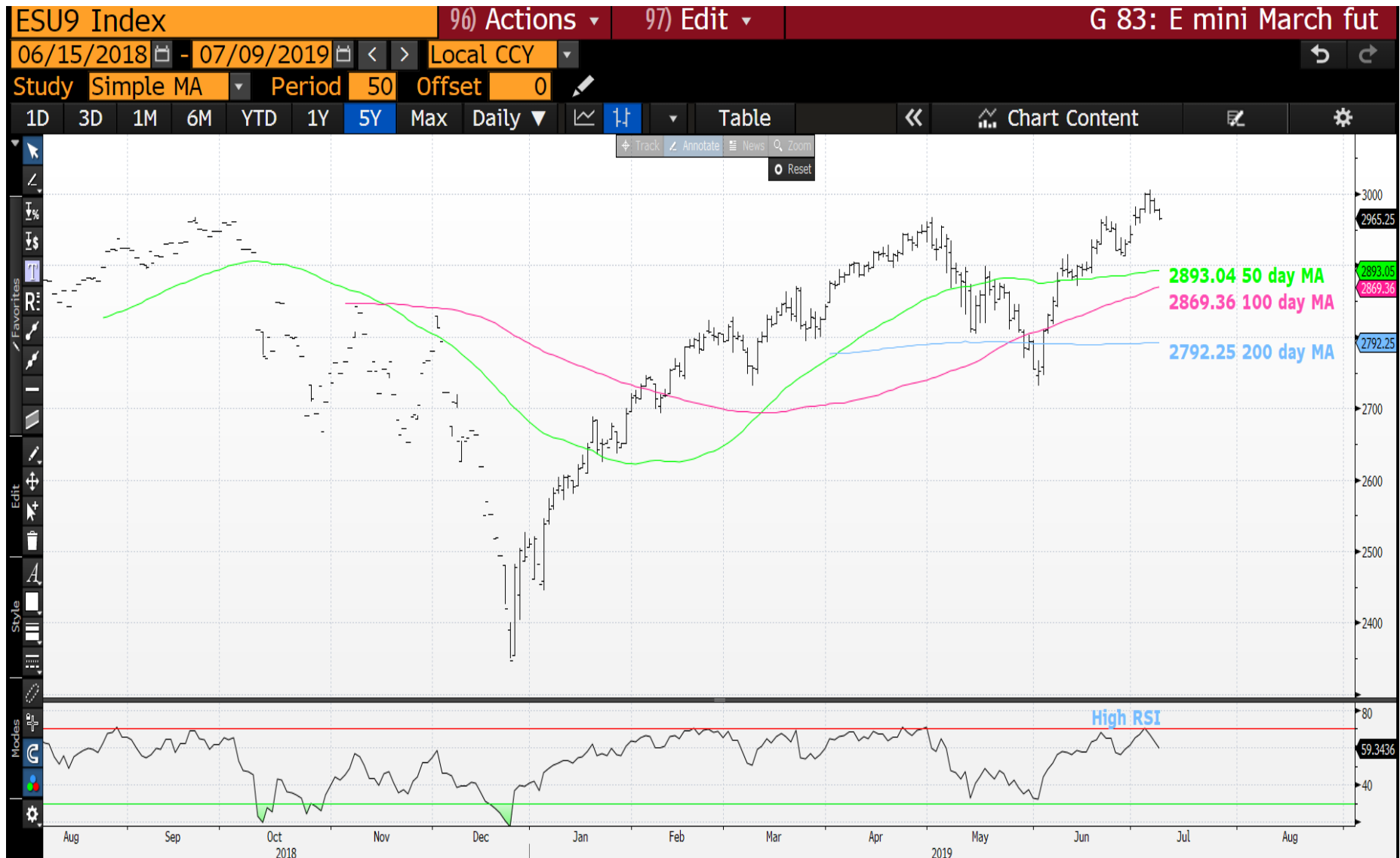


FTSE daily : Paramount we remain sub the bigger picture level 7527.88.



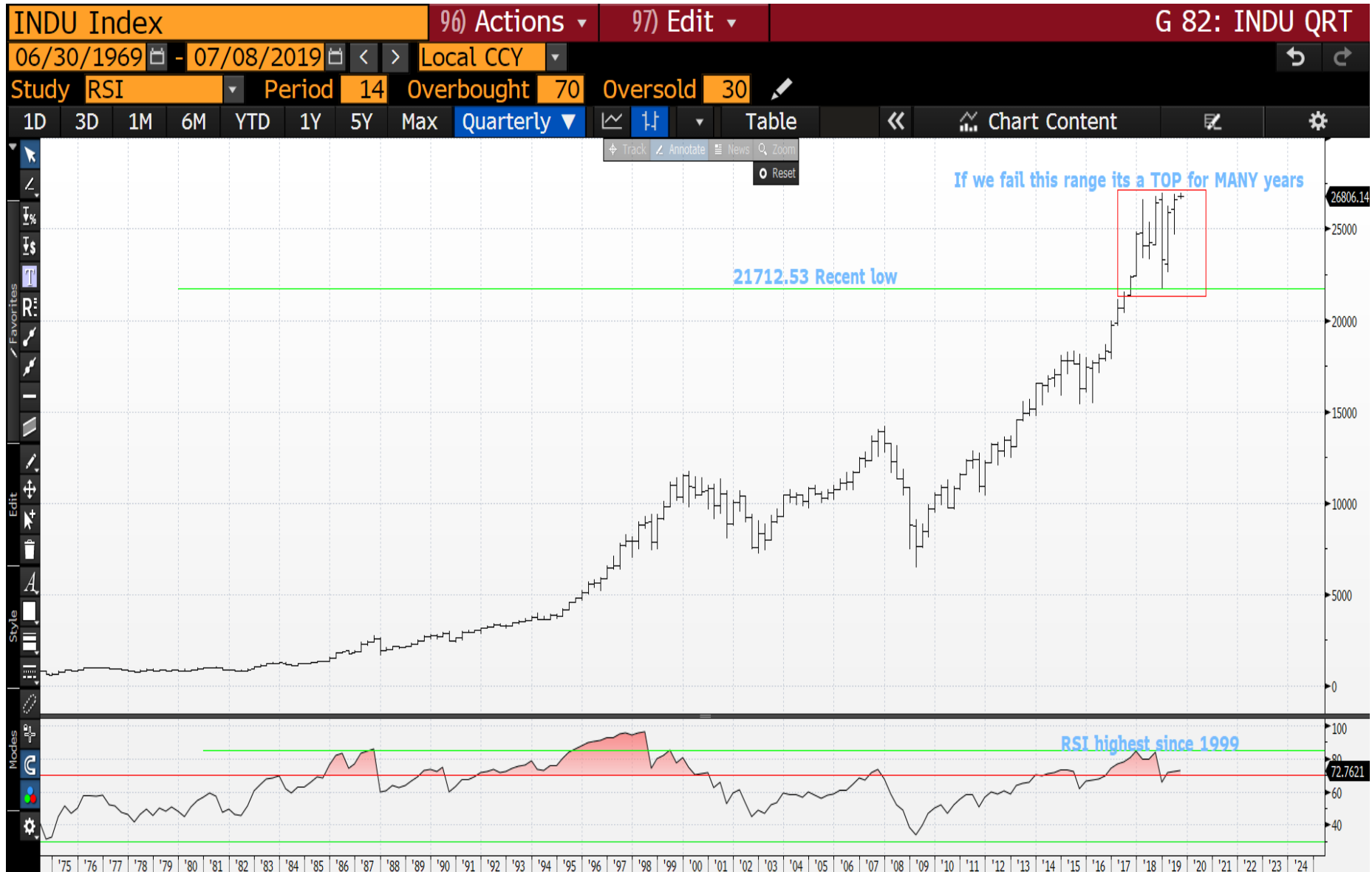
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E mini S*P daily : The RSI remains high BUT we do need to start breaching the moving averages.



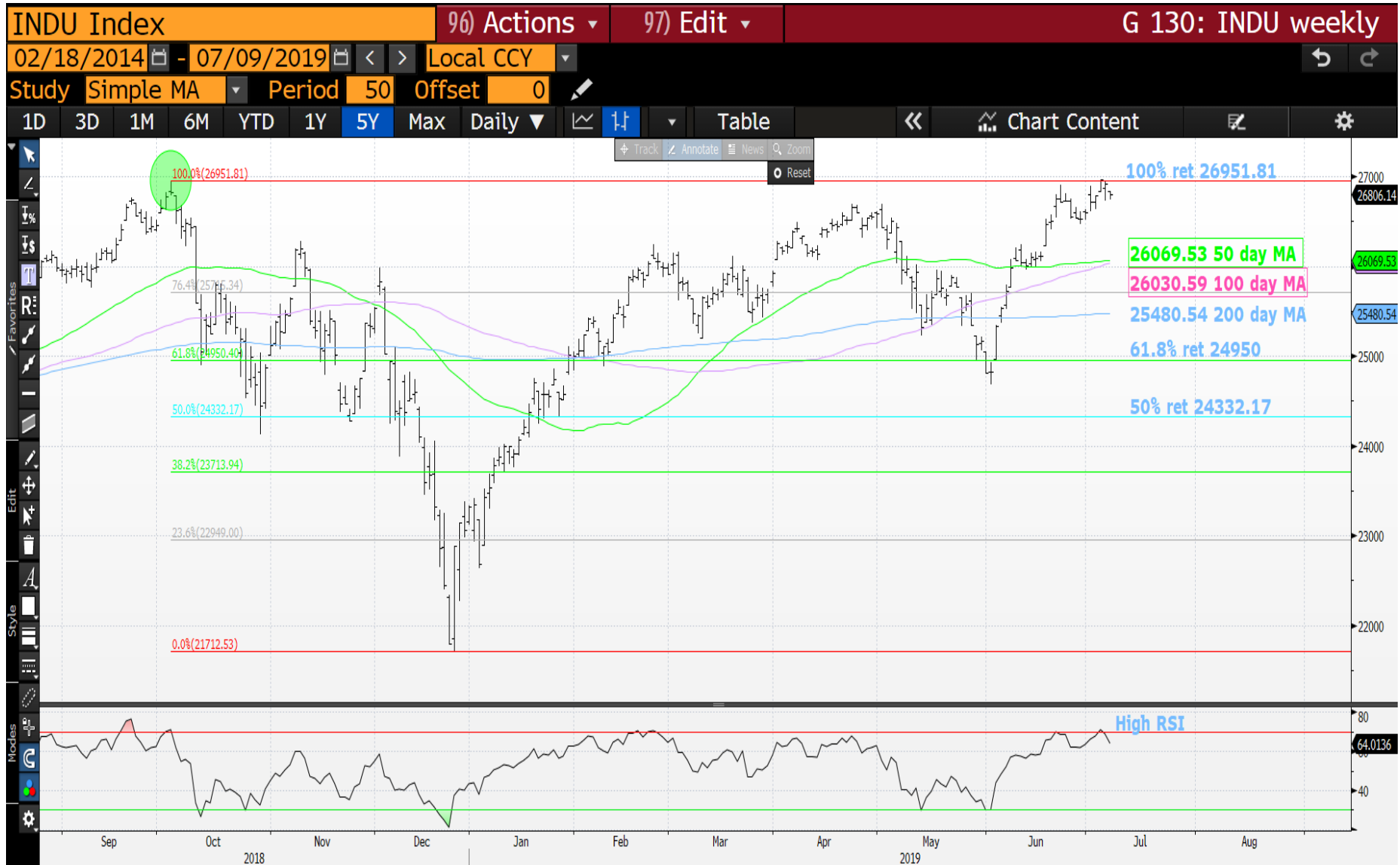
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DOW quarterly : We remain close to the recent highs BUT these need to hold.



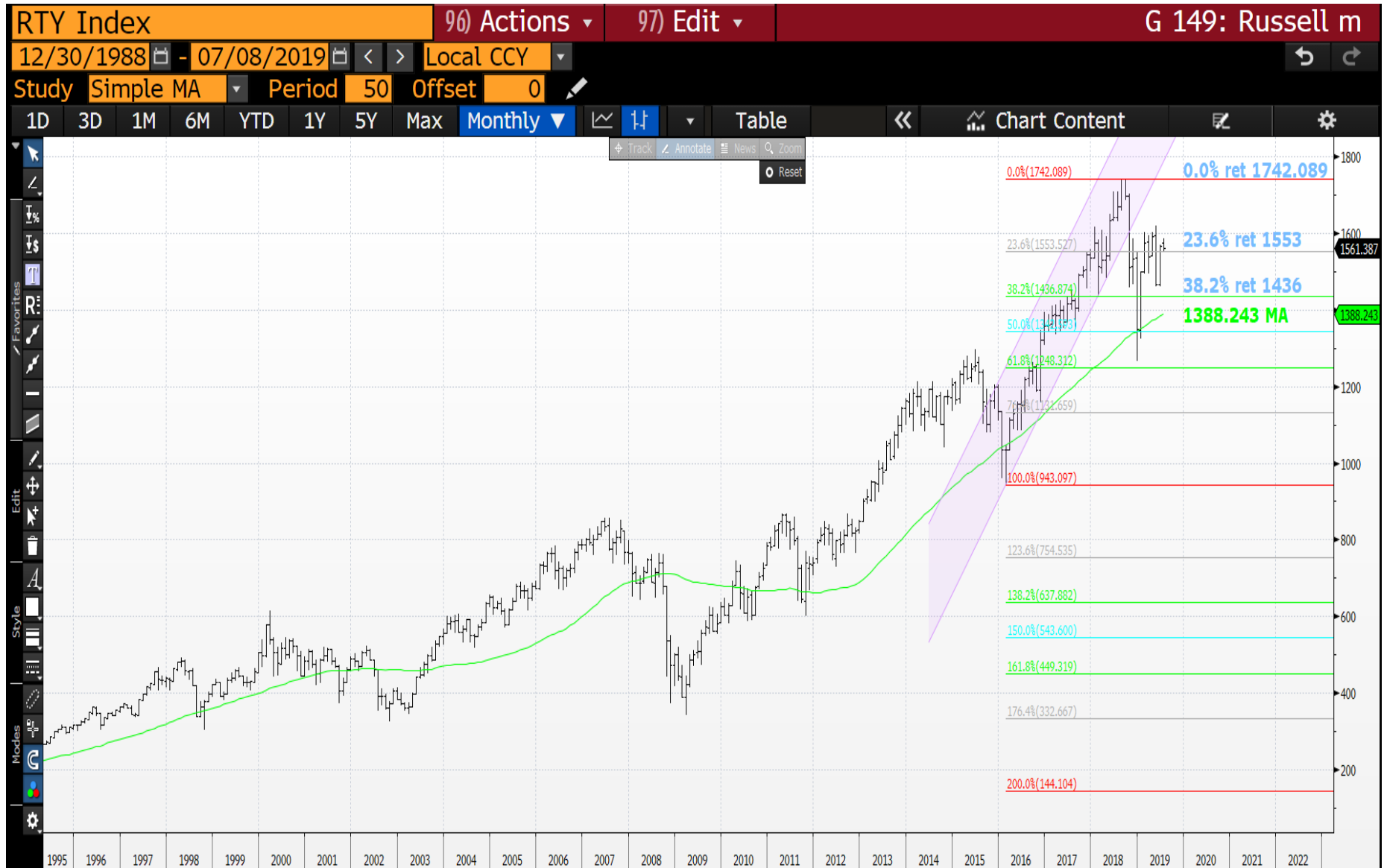
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DOW daily : A VERY big tease, if the highs hold then failure wont be far away given the close proximity of the moving averages.

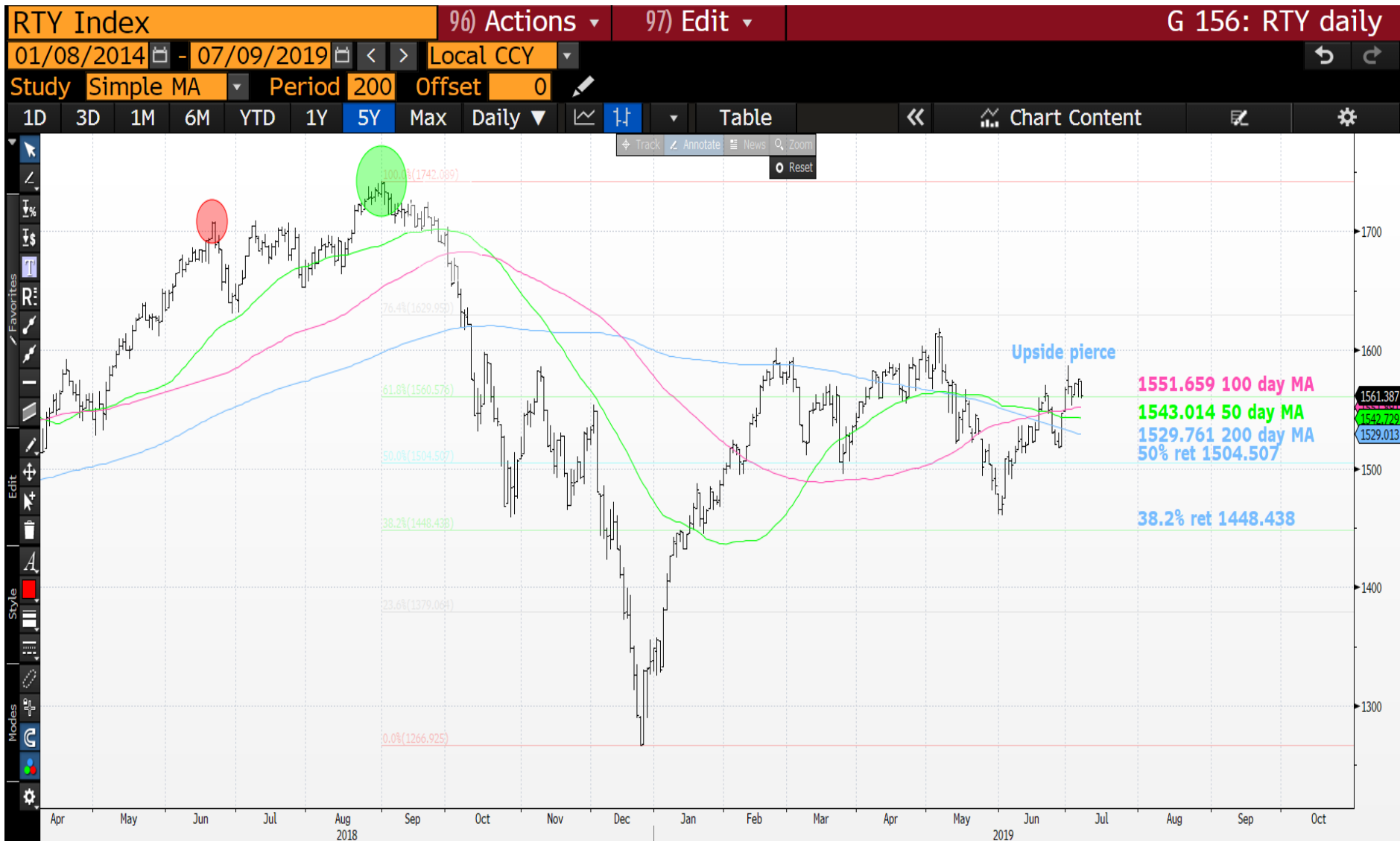


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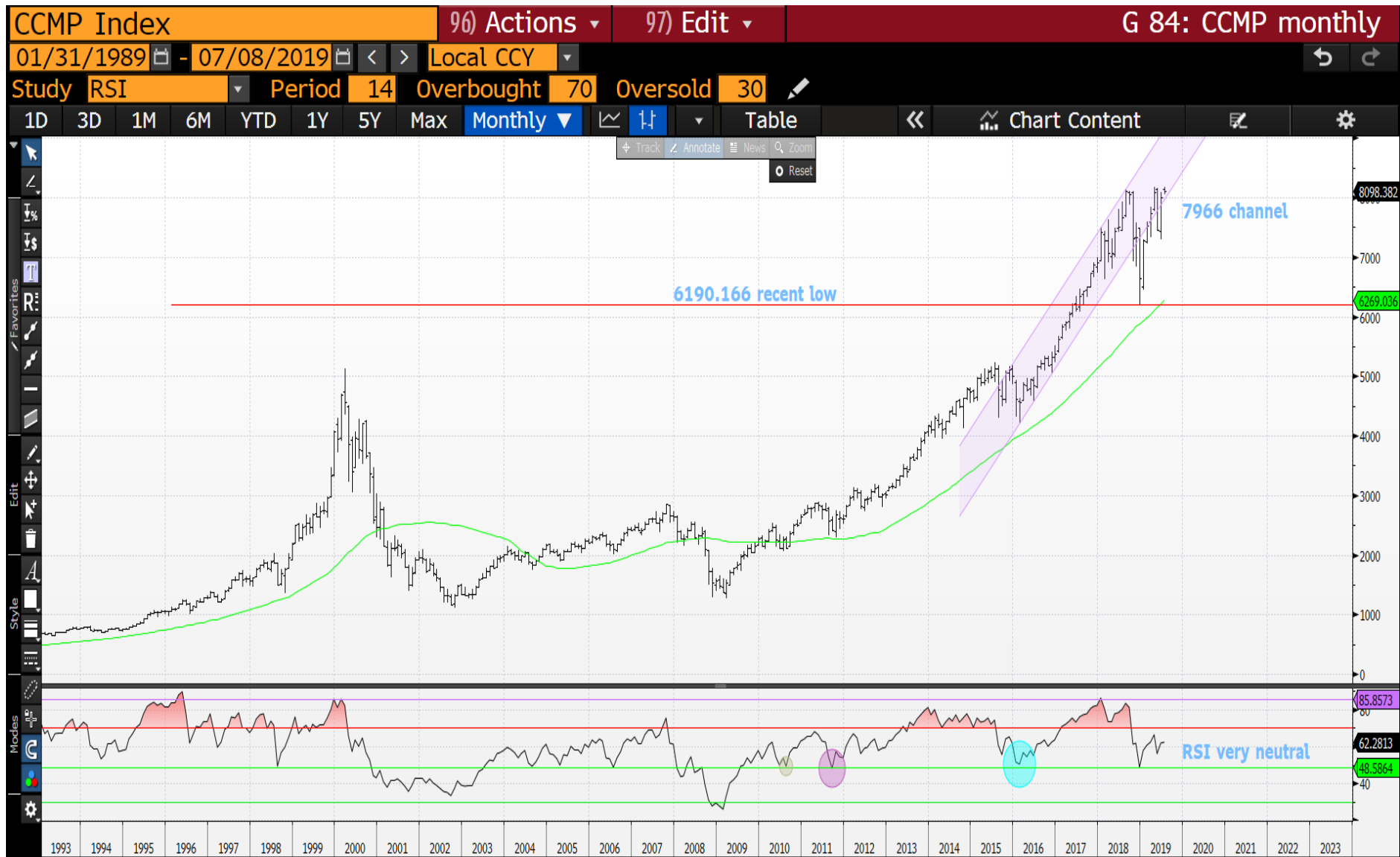
Russell monthly : We continue to TEASE the 23.6% ret 1553.



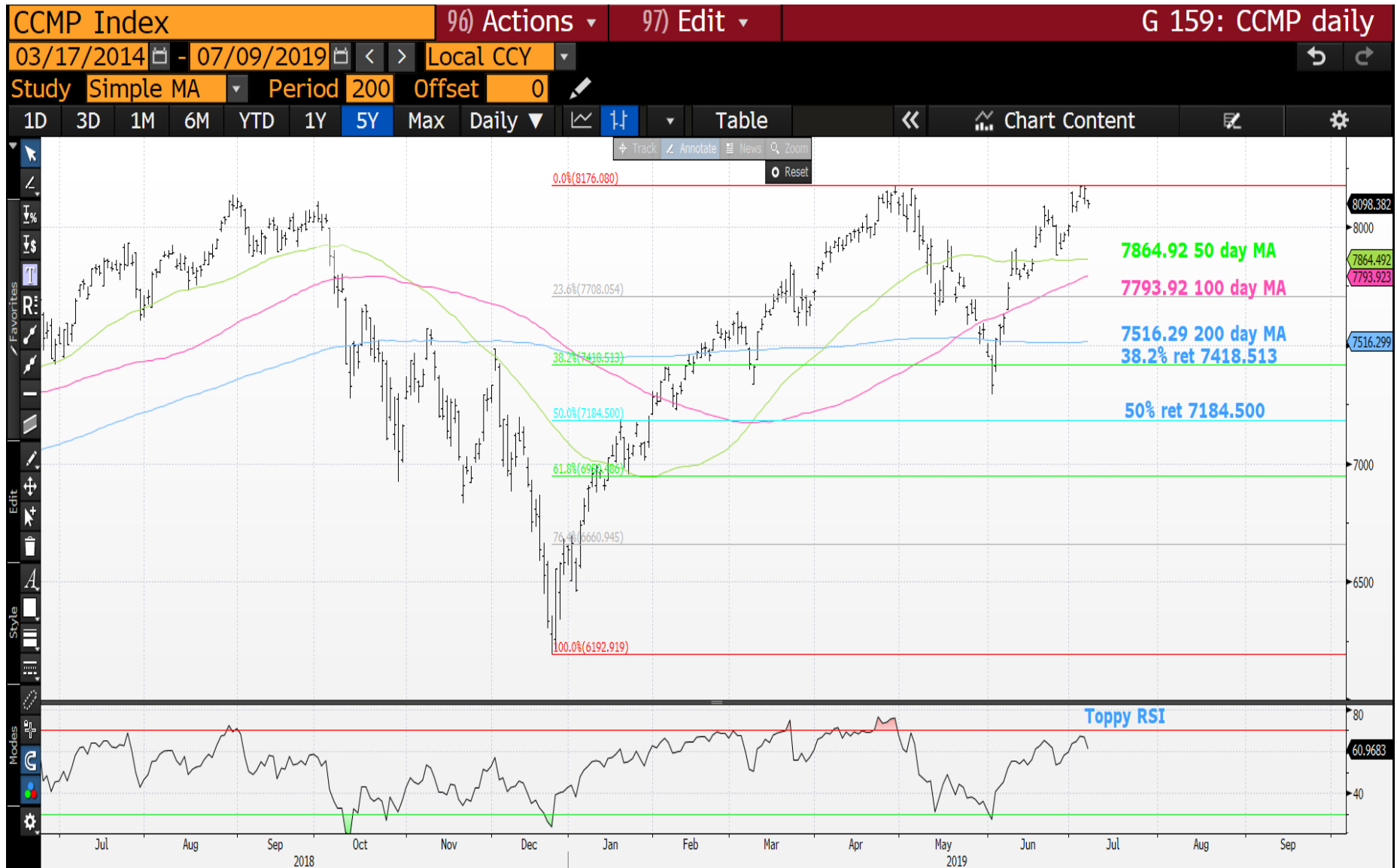
Russell daily : THE ONE TO WATCH. This remains one of the HEAVIER markets and once again confirmation of failure wont be far away given the moving average locations.



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



CCMP monthly : The recent high is holding and RSI reasonably lofty.

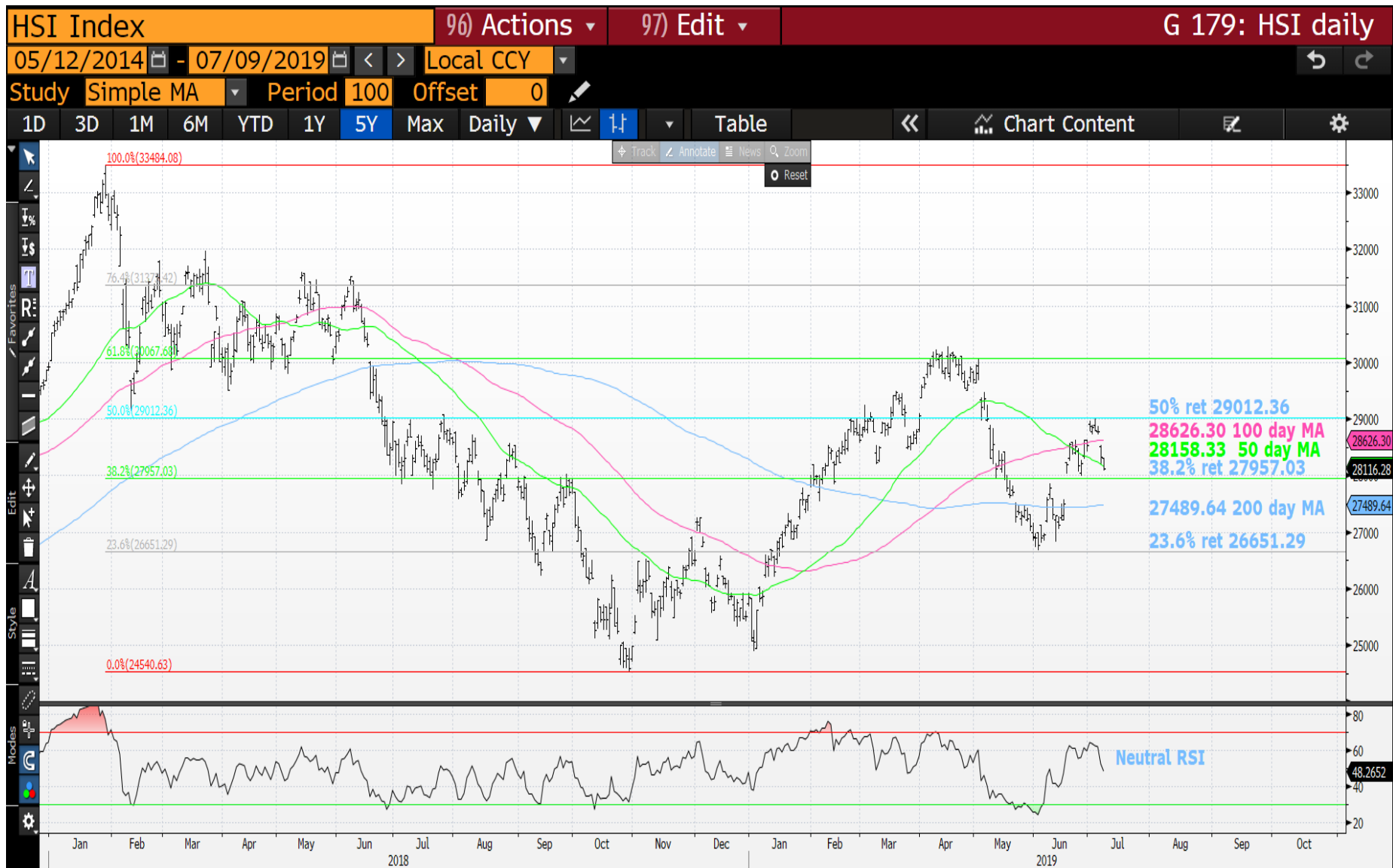


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Hang Seng monthly : The pain is being felt here given the Hong Kong upset.

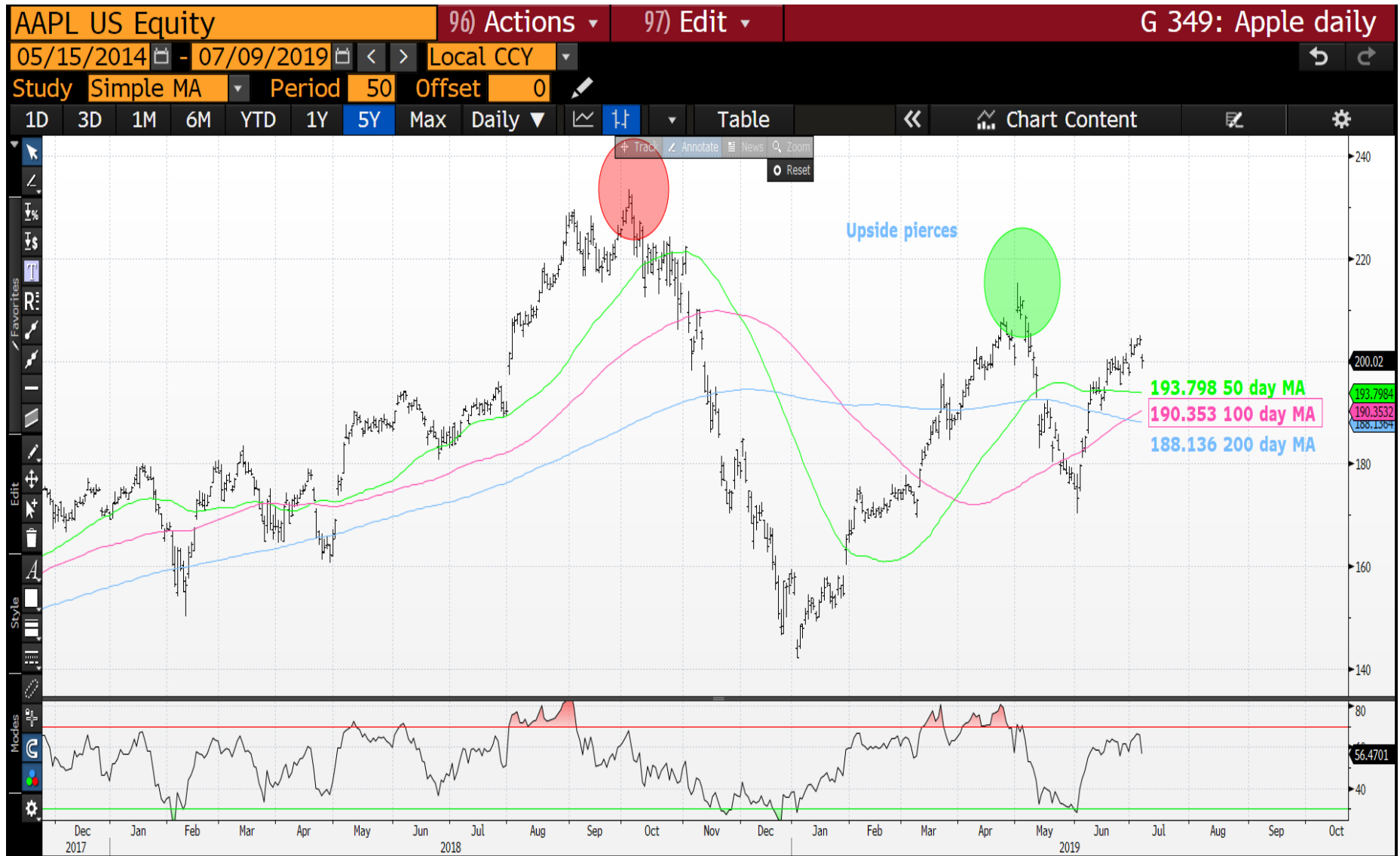


Hang Seng daily : We have popped the moving averages but struggling to breach the 50% 29012.36.



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APPLE daily : Possibly another upside pierce reversal but we need to head lower FROM HERE and the averages are CLOSE BY.

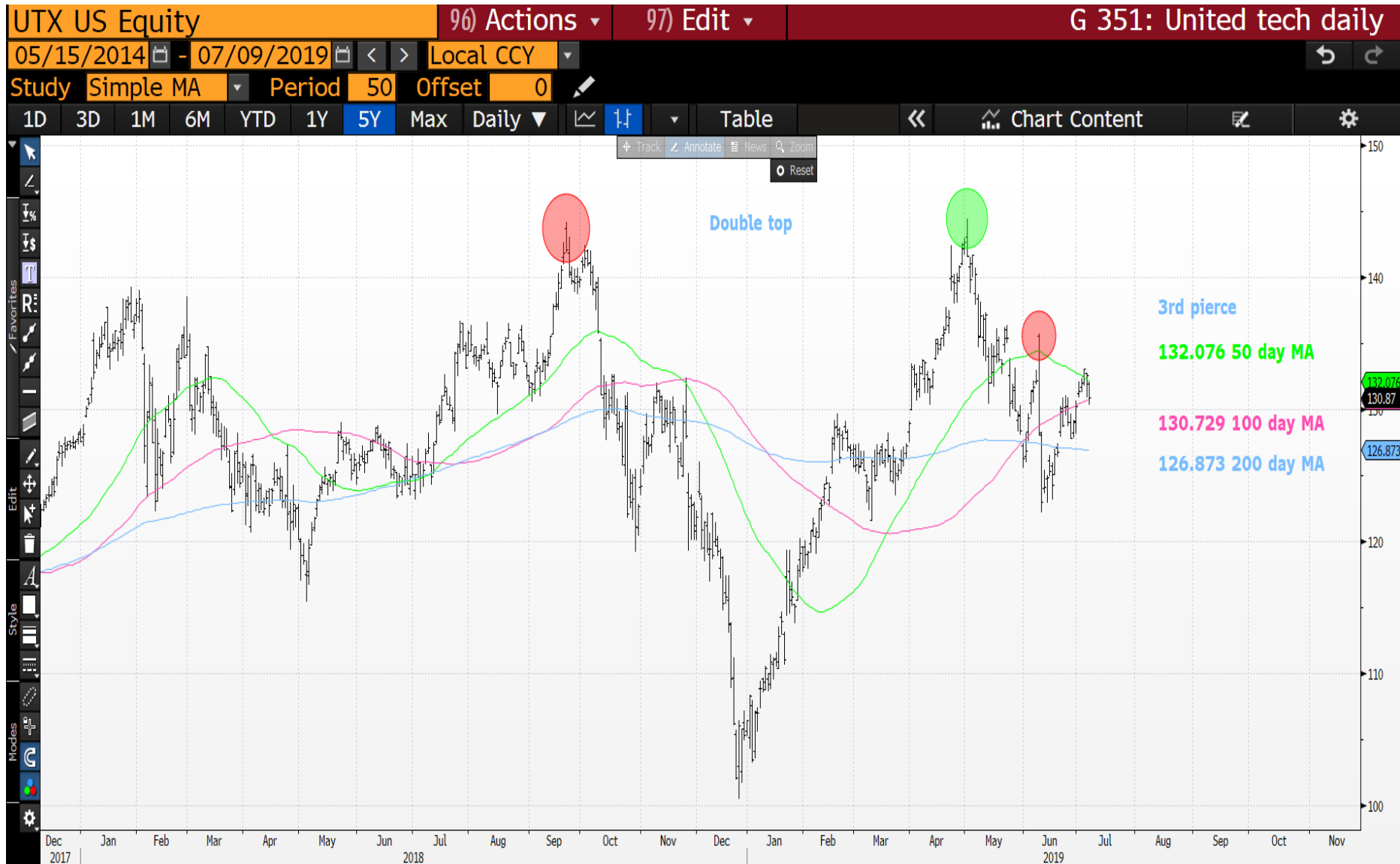


INTEL daily : This remains a VERY WEAK market, failing ALL moving averages YET AGAIN.
 Sub the 38.2% ret 46.327 it fails BIG TIME!



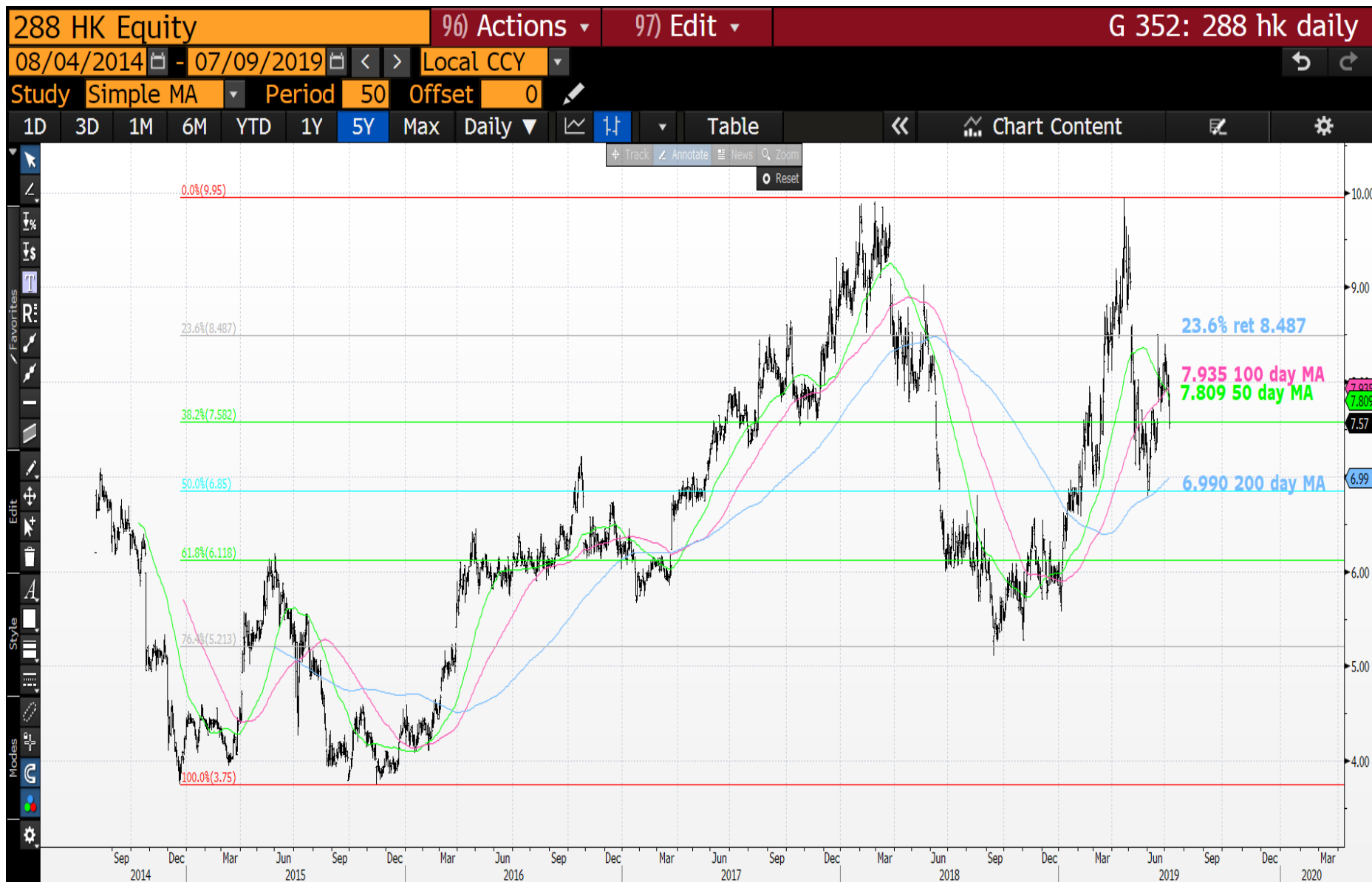
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UNITED TECHNOLOGIES daily : Any recoveries in this stock have been MINIMAL! Sub the 200 day 126.985 will be a clincher.



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WH GROUP daily : We continue to fail, now need to breach the 38.2% ret 7.582.



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TECHTRONIC INDUSTRY daily : The RSI is lofty and we are finally TOPPING.



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FX UPDATE

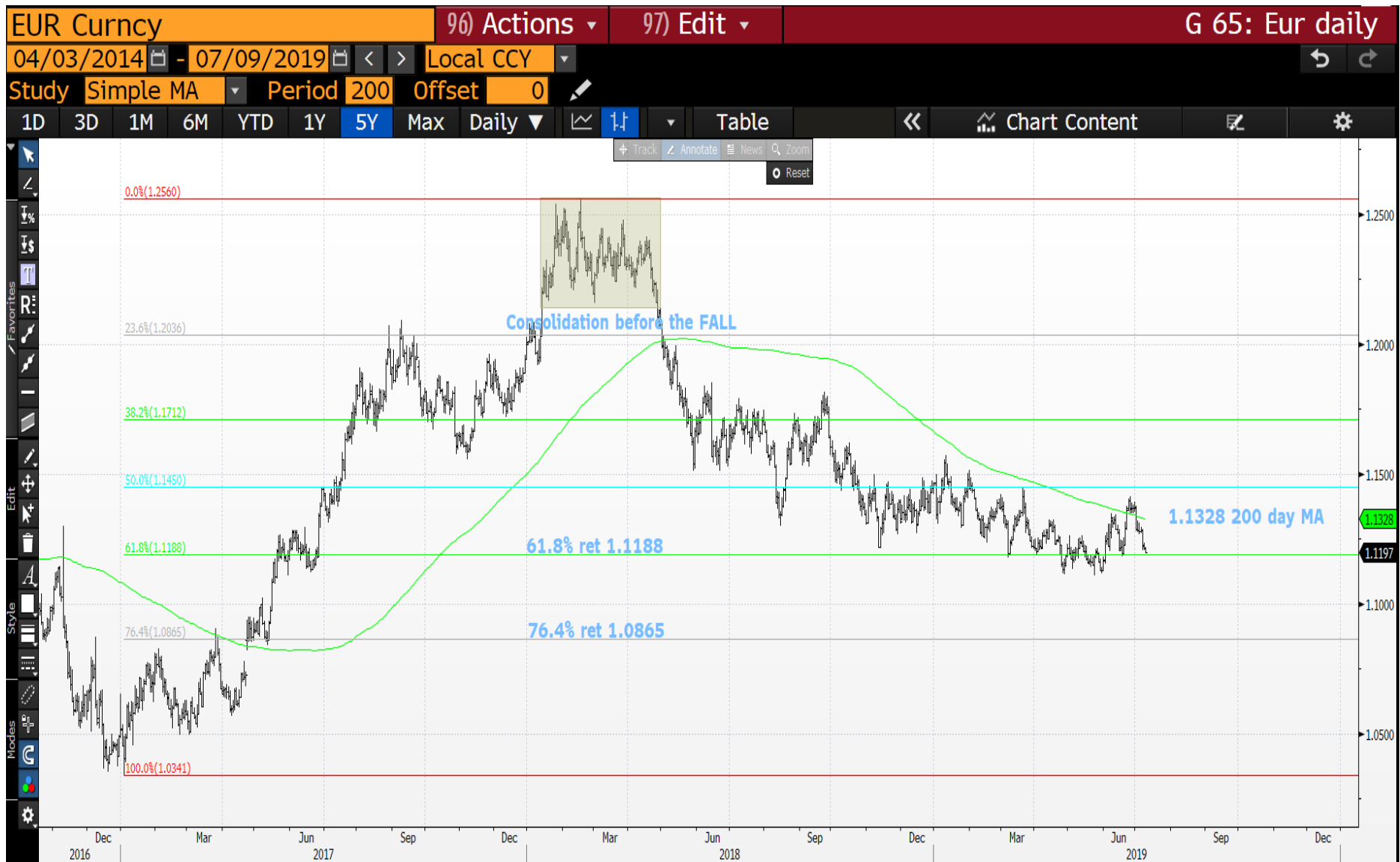
- **FX UPDATE :**
- **Given the DXY is now failing it should help the AUD rally and assist many EM crosses ready to see the USD weaker and EM stronger.**
- **DXY sub the 50% ret 95.859 will be a KEY break.**
- **The EURO is testing a key 1.1354 200 day moving average.**
- **EM is a firm favourite with 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.

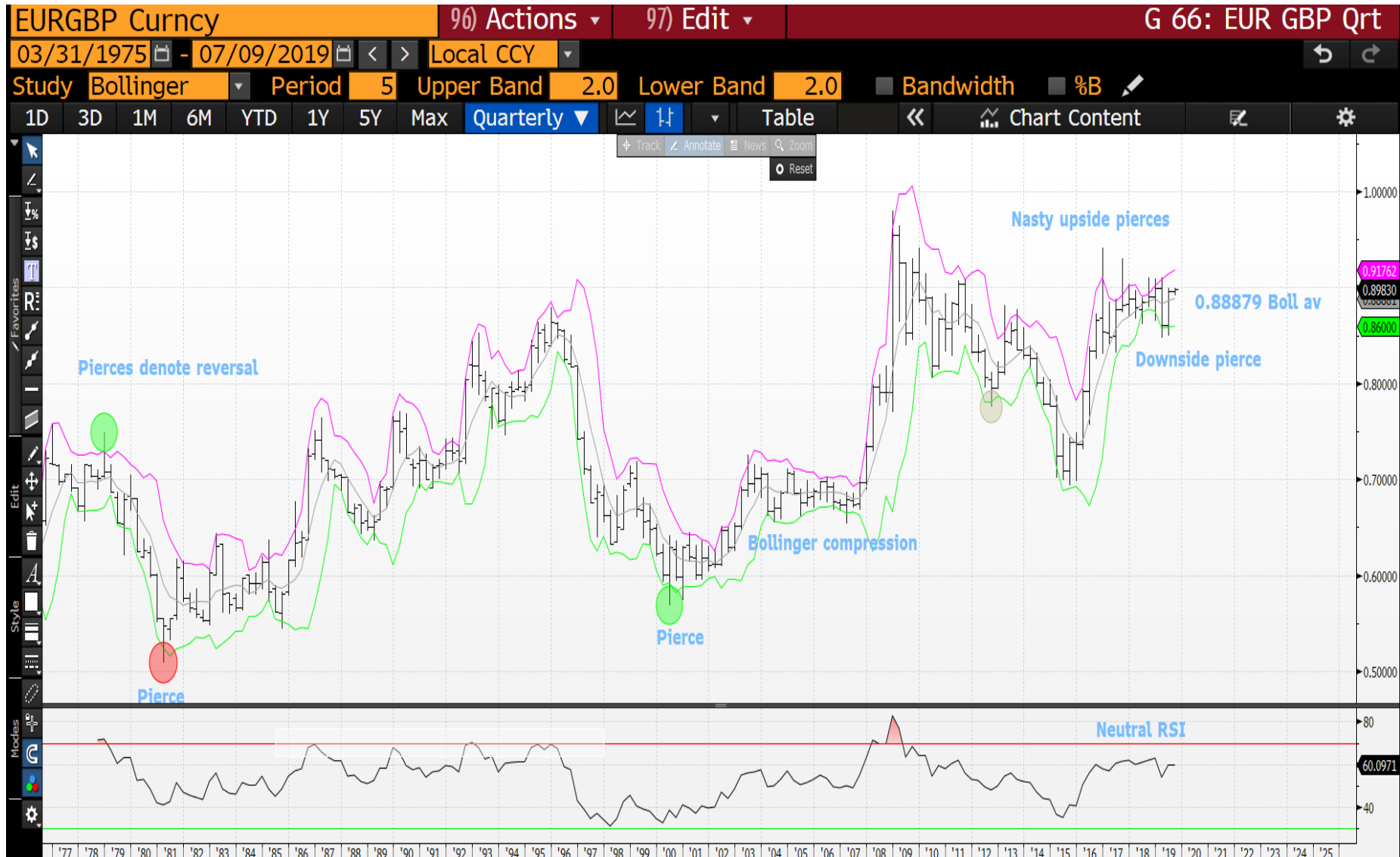


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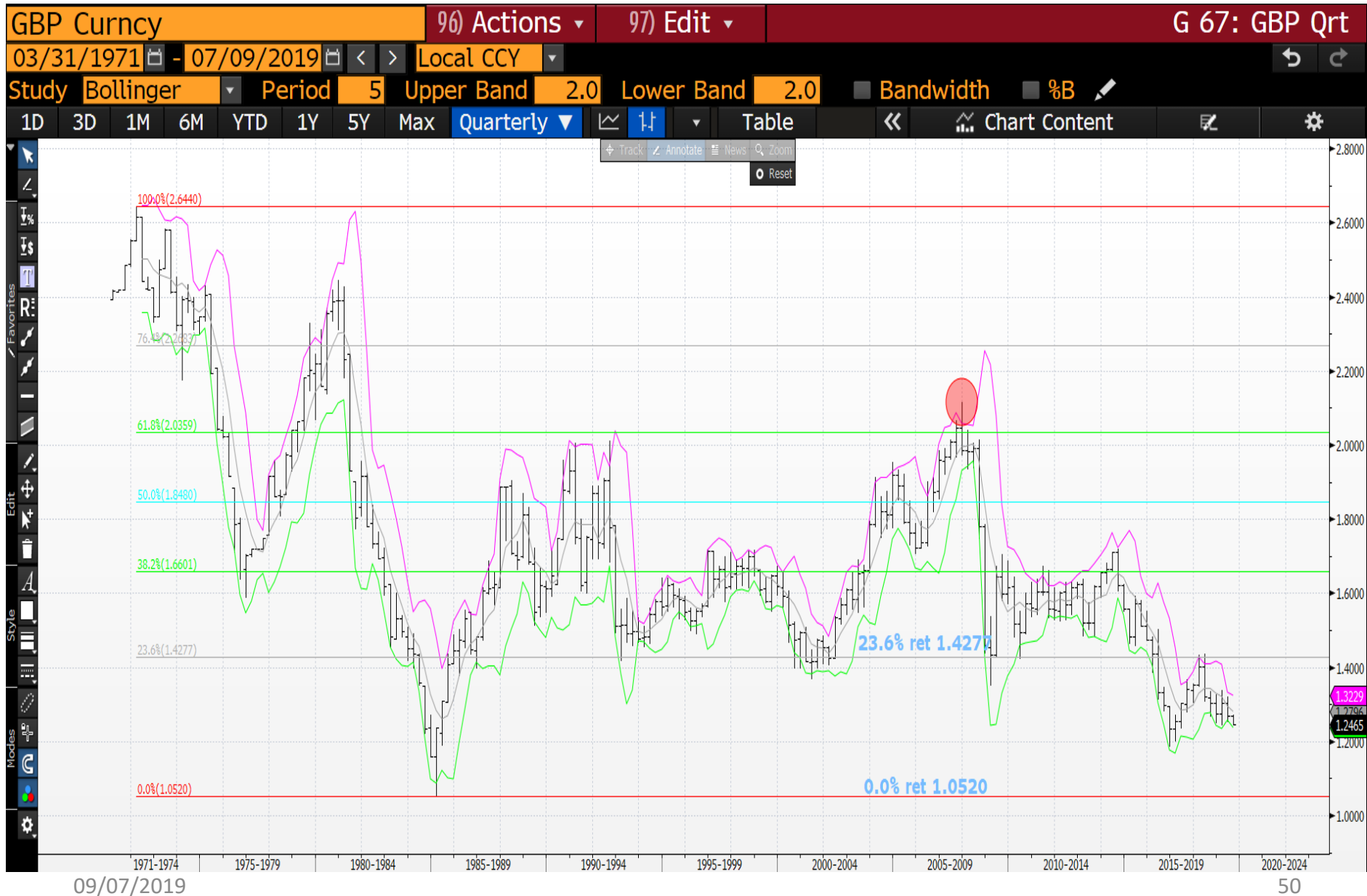
EUR USD daily : This could be a key failure at the 1.1328 200 day moving average, a breach of the 61.8% ret 1.1188 should trigger stops.



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.



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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.

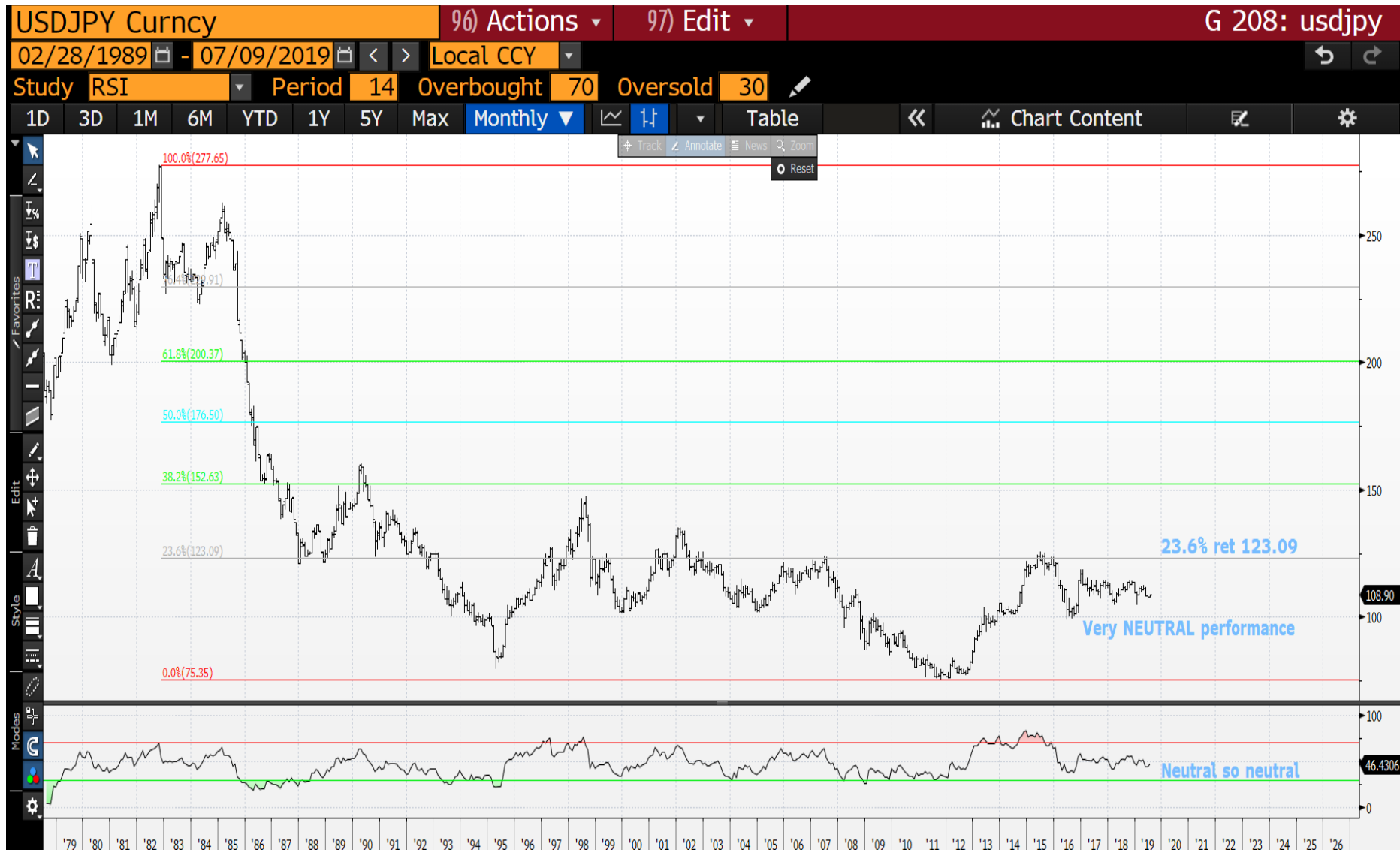


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USD CAD weekly : Another chart advocating USD weakness given we have breached the RELIABLE 50 period moving average 1.3242. We could witness a rapid CAD appreciation providing we remain sub the average.



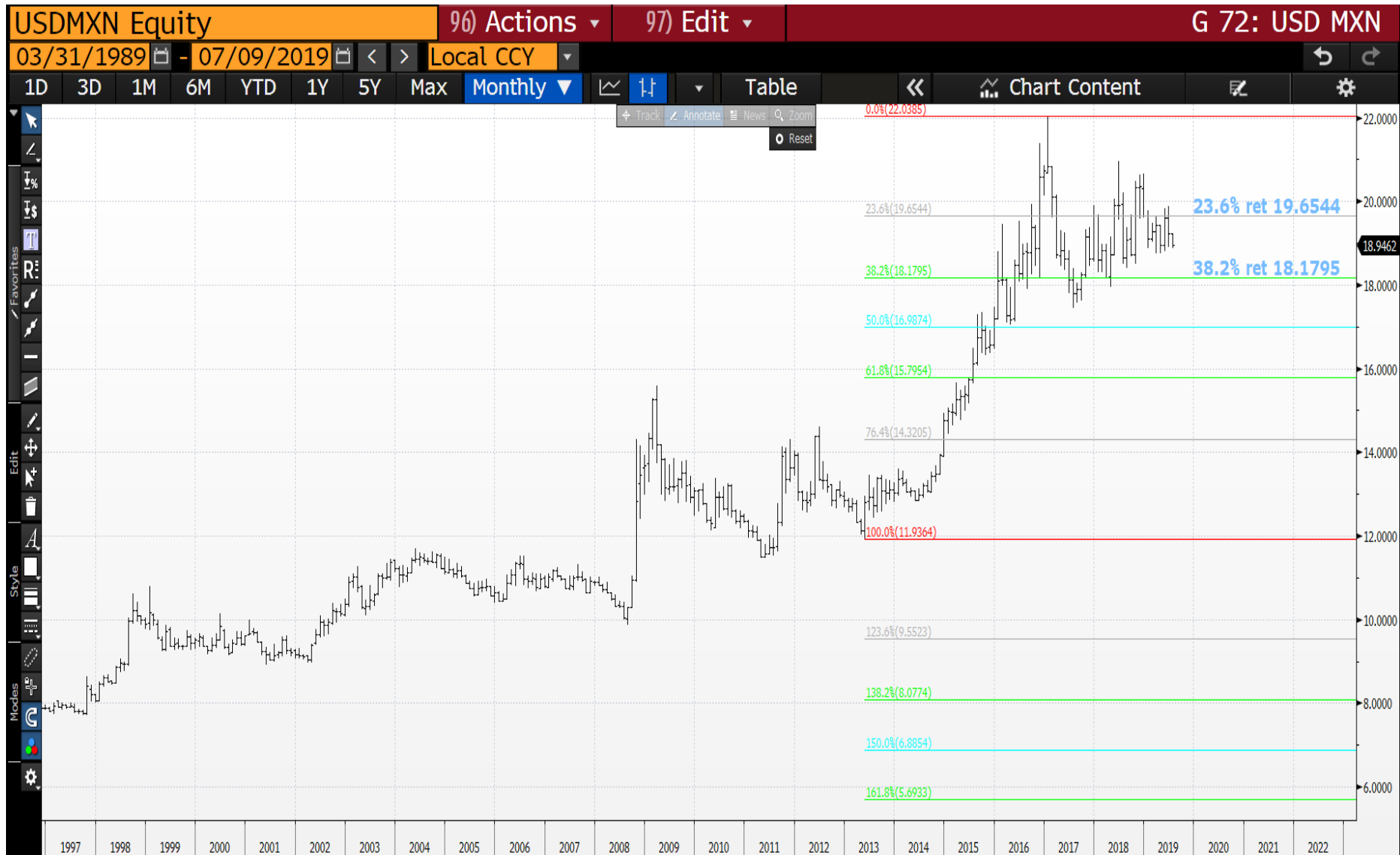
USD JPY monthly : I had to include this, the RSI and market is very neutral, not a conversation piece.



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.



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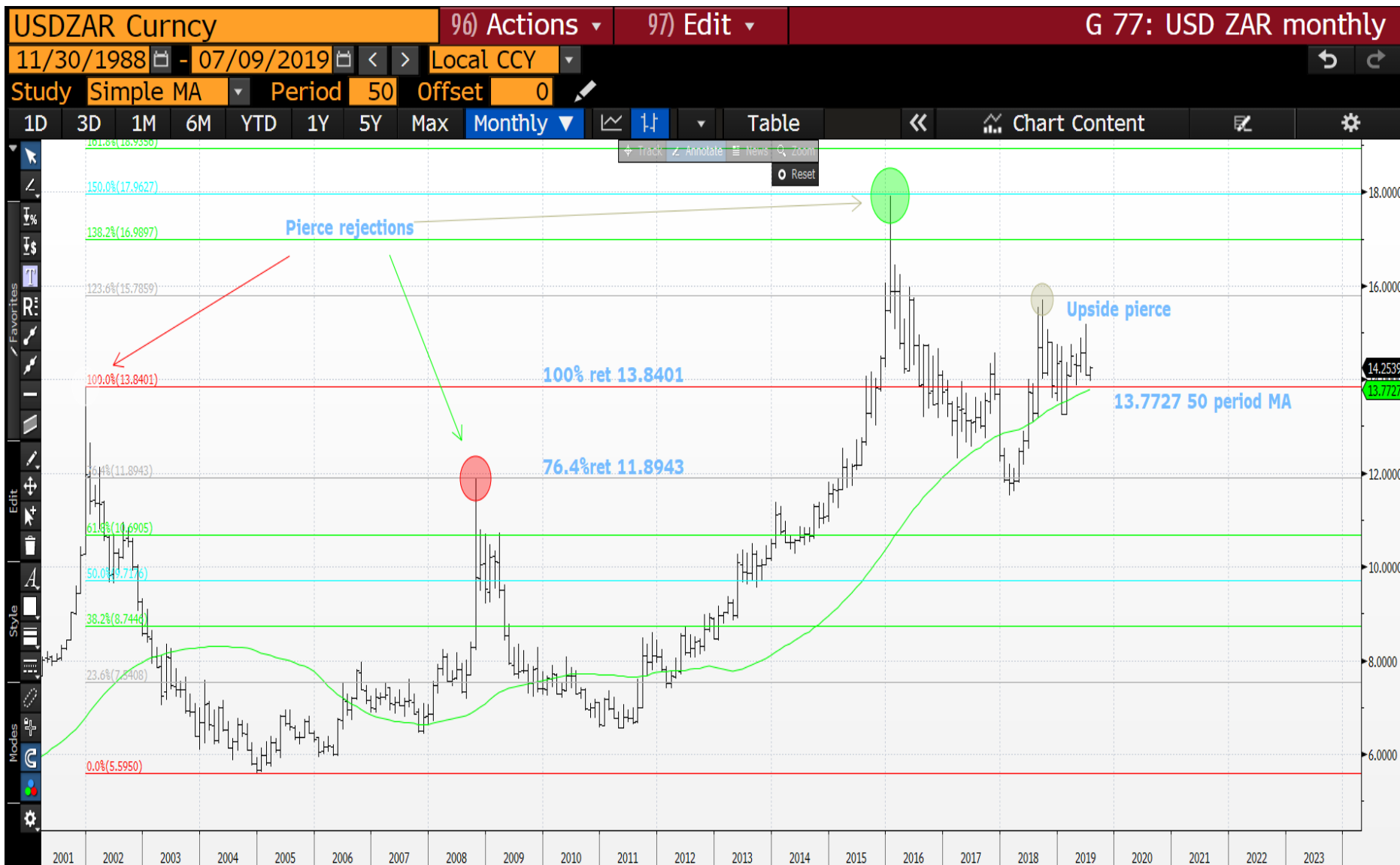
USD BRL monthly : We have developed a VERY NASTY upside pierce and continue to endorse this cross is heading a lot lower. A NEAR PERFECT MULTI YEAR TOP.



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.



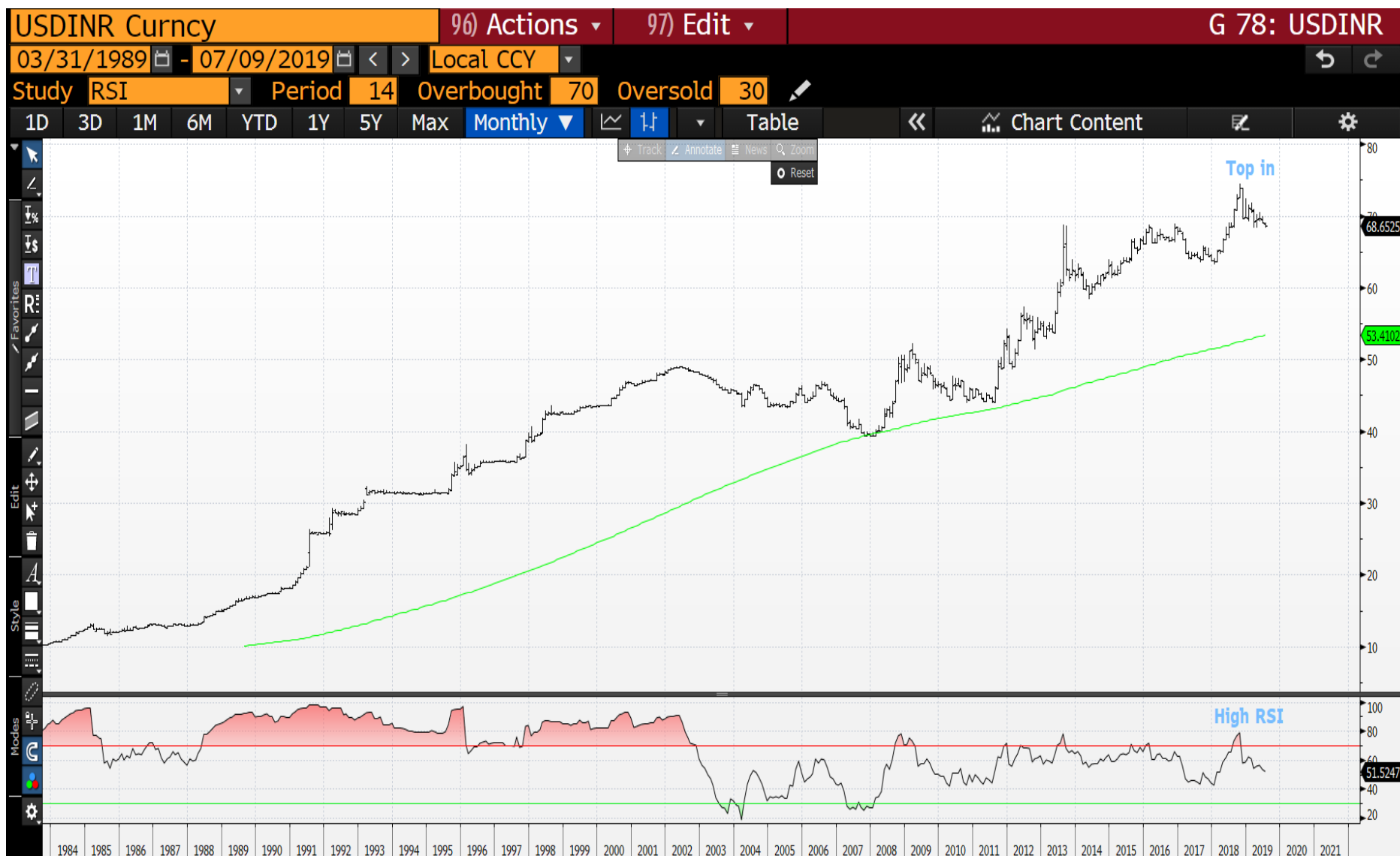
USD ZAR monthly : We have been in a similar range for several months but ideally we can breach the 100% ret 13.8401 soon.



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.



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USD INR daily : It might be worth covering some short USD long INR exposure given the LOW RSI.



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CL1 monthly : Oil remains on high alert given the middle eastern situation, but A LOT of momentum lost.



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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.



09/07/2019

GOLD monthly : We are poised to head a lot higher whilst above 1351.56 100 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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