

BOND UPDATE : DESPITE SOME VERY MAJOR RSI DISLOCATIONS YIELDS LOOK POISED TO CONTINUE LOWER, MAINTAINING THE SUBSTANTIAL HISTORICAL TREND. DESPITE MONTH END LOOMING WE HAVE ALREADY POSTED NEW YIELD LOWS, CTA'S CONTINUE TO ADD TO FUTURES LONGS.

THE TREND CONTINUES DESPITE THE POOR YIELDS OFFERED IN SOME COUNTRIES YET MANY MAY GO FURTHER, (ESPECIALLY THE US) IF STOCKS GO THE WAY OF THE PREVIOUS PRESENTATION.

ANY STOCK MARKET FAILURE WILL FORCE A FURTHER YIELD RUSH, THIS DESPITE SOME HUGE HISTOICAL RSI DISLOCATIONS.

LOOKS LIKE WE HAVE ONE MORE MONTH OF EXTENDED YIELD DROP, THEN WE FINALLY BASE. (SEE PAGE 2).

PAGE 3 NEATLY HIGHLIGHTS THAT THE DROP NEXT MONTH SHOULD EMULATE FROM THE PREVIOUS MONTHS CLOSE AND NO HIGHER. BASICALLY IF WE ARE GOING TO GO LOWER AGAIN THEN IT WILL BE AN IMMEDIATE REJECTION.

USGG30yr monthly : ** A VERY KEY CHART. ** We have a VERY extended bar this month but if history repeats itself there's one more left, targeting 1.2750 area! ONLY then will we BASE.



USGG30yr monthly (Blow up chart) : As the 2 circles highlight the last time we witnessed such an extended fall-range we FAILED from the previous months close thus a KEY start to next month.

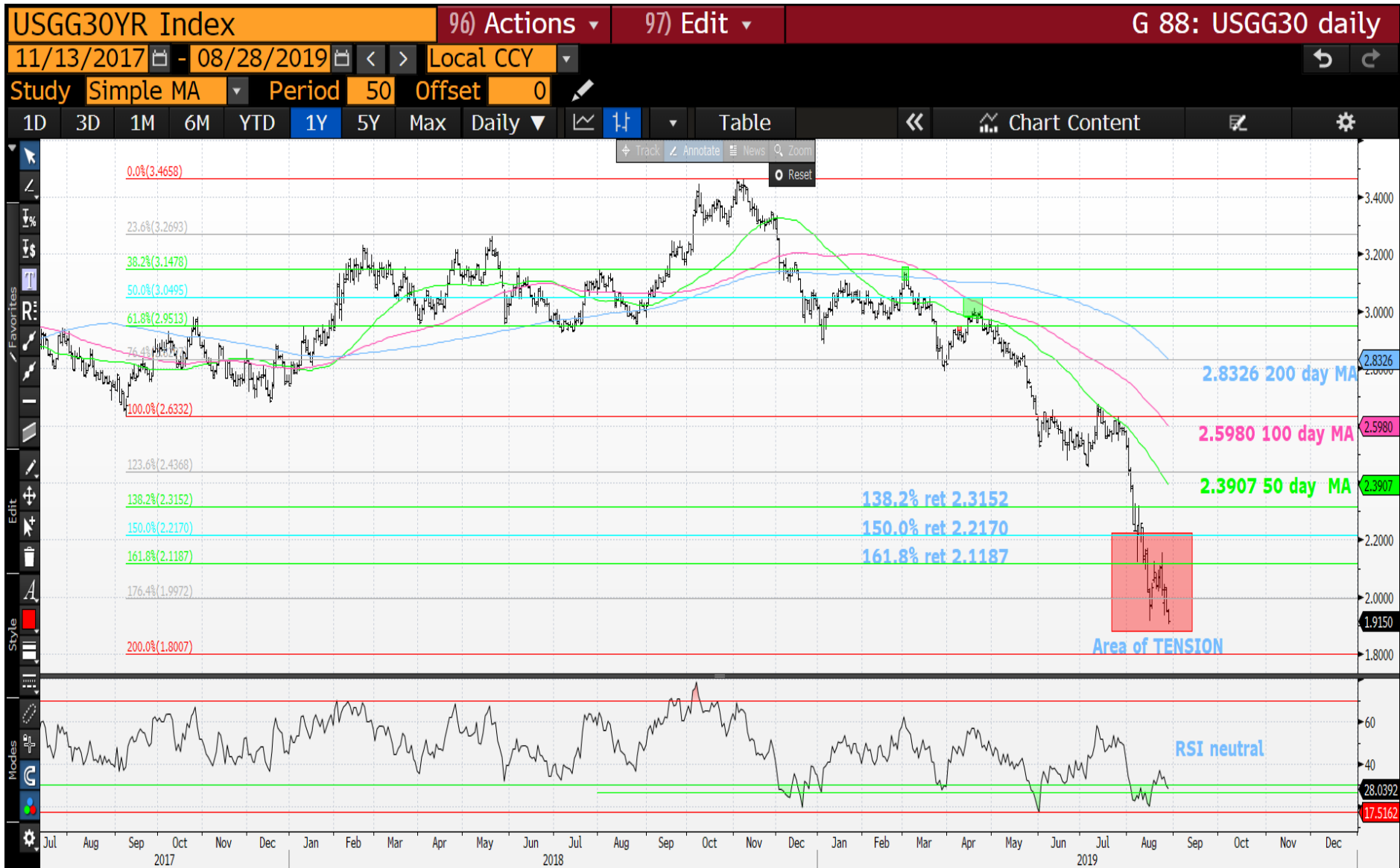


USGG30yr weekly : DESPITE ONE OF THE MOST EXTENDED RSI'S WE HAVE POSTED A NEW YEAR LOW. This is such a rare situation but the trend persists in winning through!



28/08/2019

USGG30yr yield daily : ****WE HAVE NO BOUNCE****. Given the RSI is off its lows we have room to head lower targeting the 200% ret 1.8007 and below! The moving averages are a distant memory.



28/08/2019

US 10yr yield quarterly : We continue to trend lower with little support looming.



28/08/2019

USFS 10-20 monthly : Similar to the US 30yr yield chart there maybe one more aggressive down month before we BASE!



28/08/2019

US 10yr yield weekly : Weekly charts a constant pain. Again the RSI is dislocated but we persist in making a new low with ease.



28/08/2019

USGG10yr daily : The RSI is off its lows and heading to test the 100% ret 1.3180.



28/08/2019

USGG5yr quarterly : ONLY this quarter have we failed the 1.9232 moving average so this party has only just started! Do remember the original RSI dislocation was higher than that of 2000 and 2007.



28/08/2019

USG5yr weekly : Another annoying RSI dislocation similar to 2008 BUT AGAIN no bounce.



28/08/2019

USGG5yr daily : The daily RSI is OFF the lows and additionally we continue to remain sub the 100% ret 1.5971. It feels and remains HEAVY.



28/08/2019

USGG2yr quarterly : We continue to grind lower toward the 1.1891 moving average.



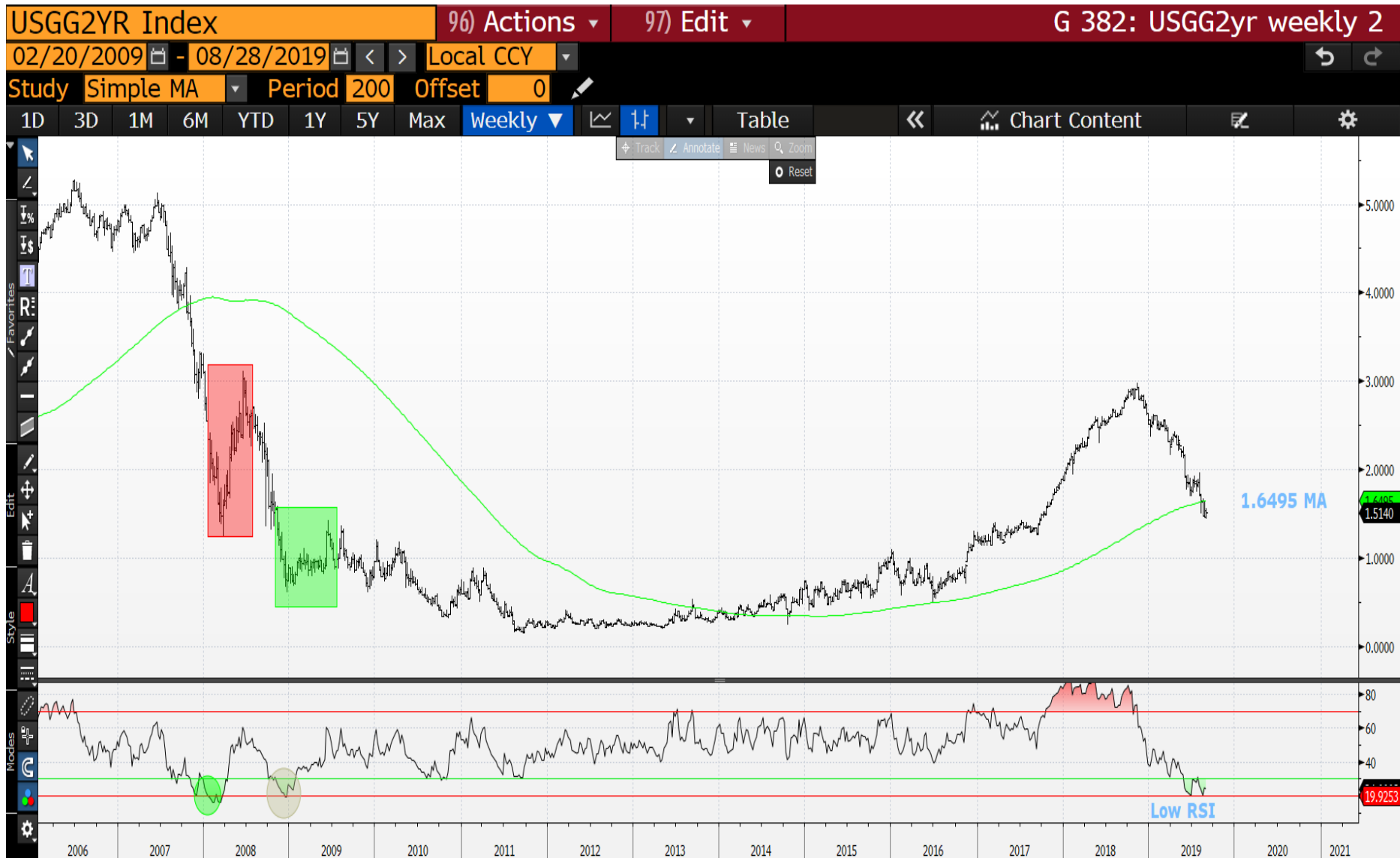
USG2yr monthly : We have breached the 23.6% ret 1.7448 and continue to grind lower.



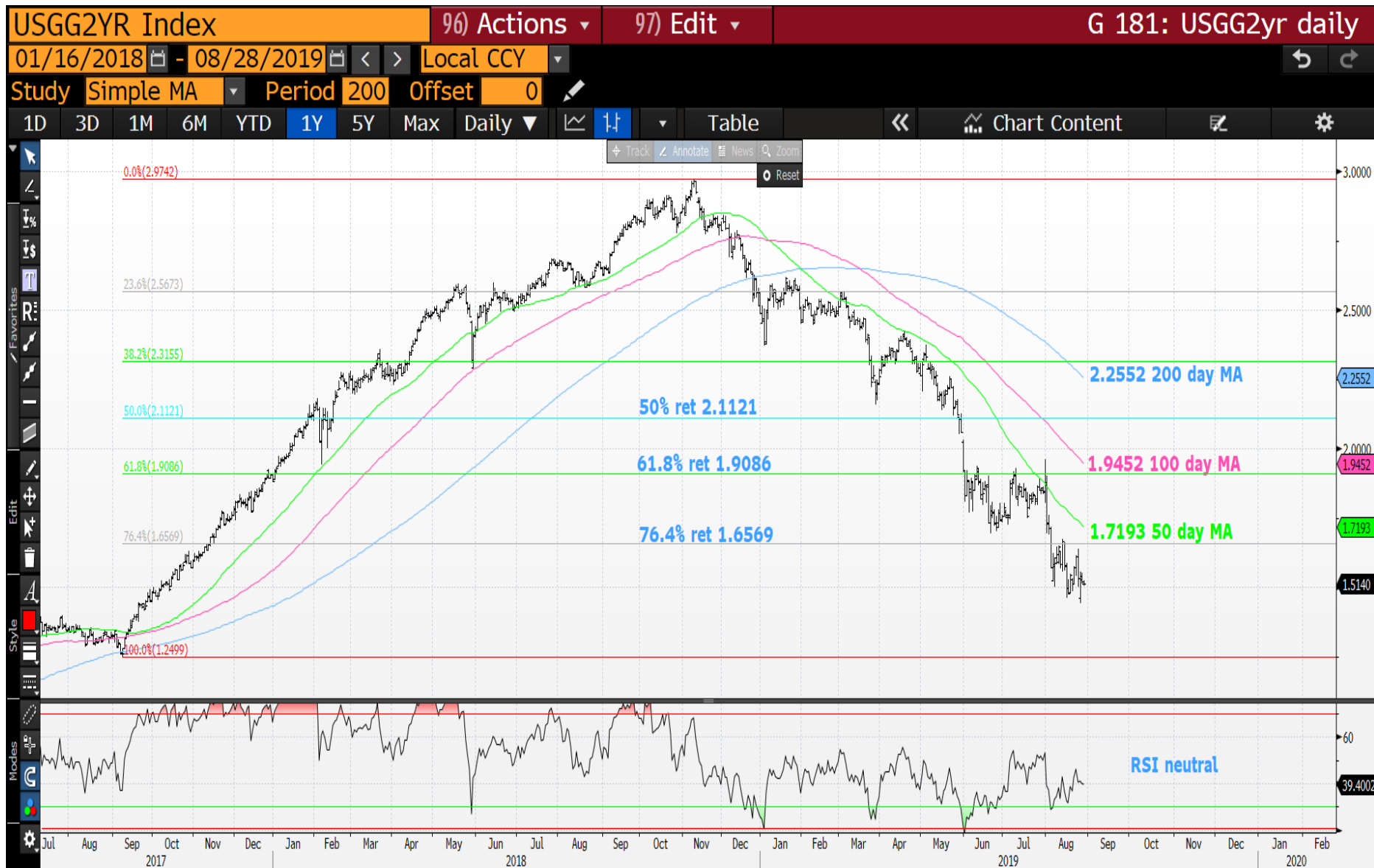
28/08/2019

14

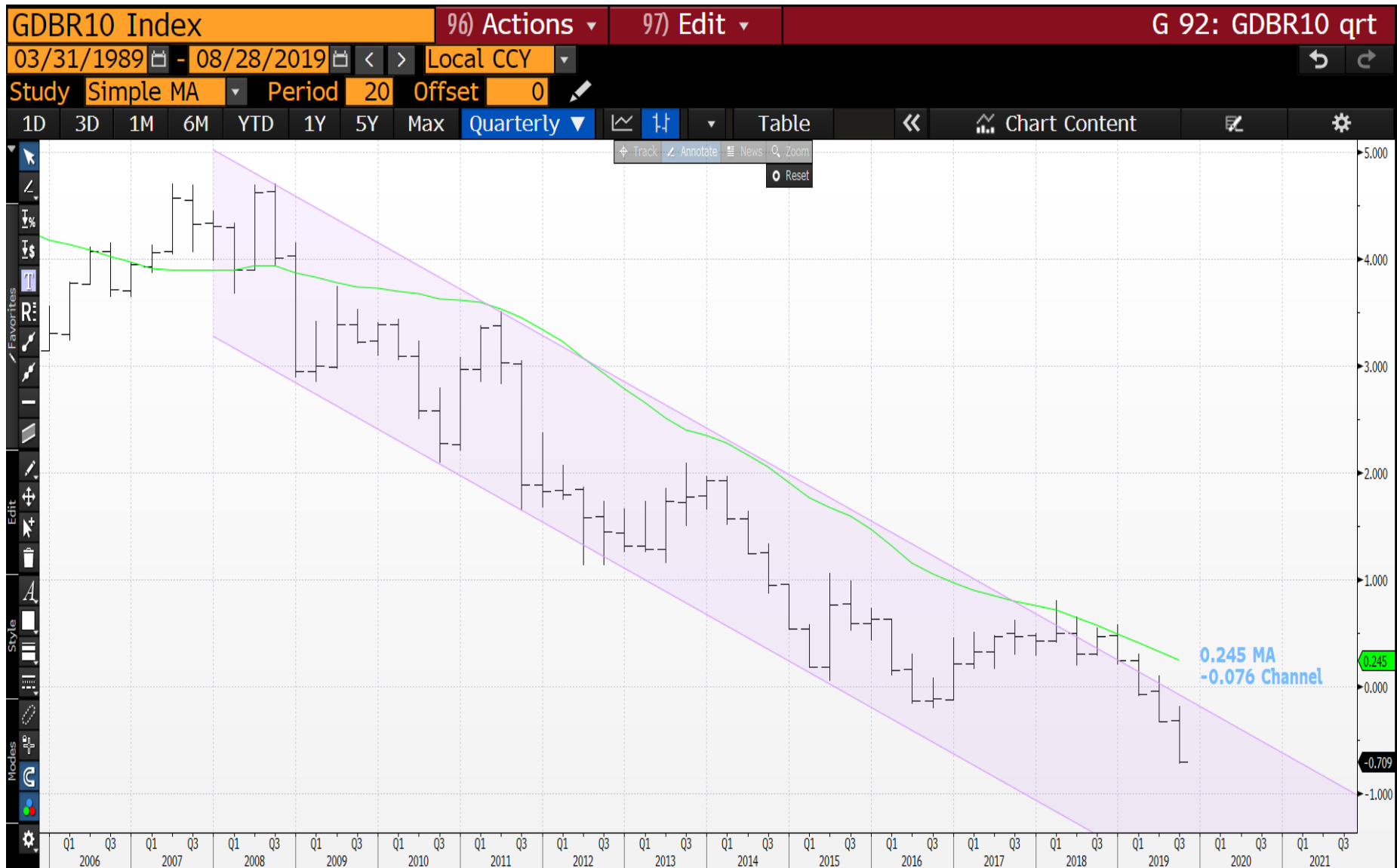
USGG2yr monthly : Another lowish RSI BUT whilst sub the 1.6495 moving average all remains negative for yields.



USGG2yr daily : The trend prevails and whilst sub the 76.4% ret 1.6569, we head lower toward 1.2499.



Generic German 10yr quarterly : We have NEW YEAR yield low despite the yields involved.
CTA's continue to ADD to bond longs.



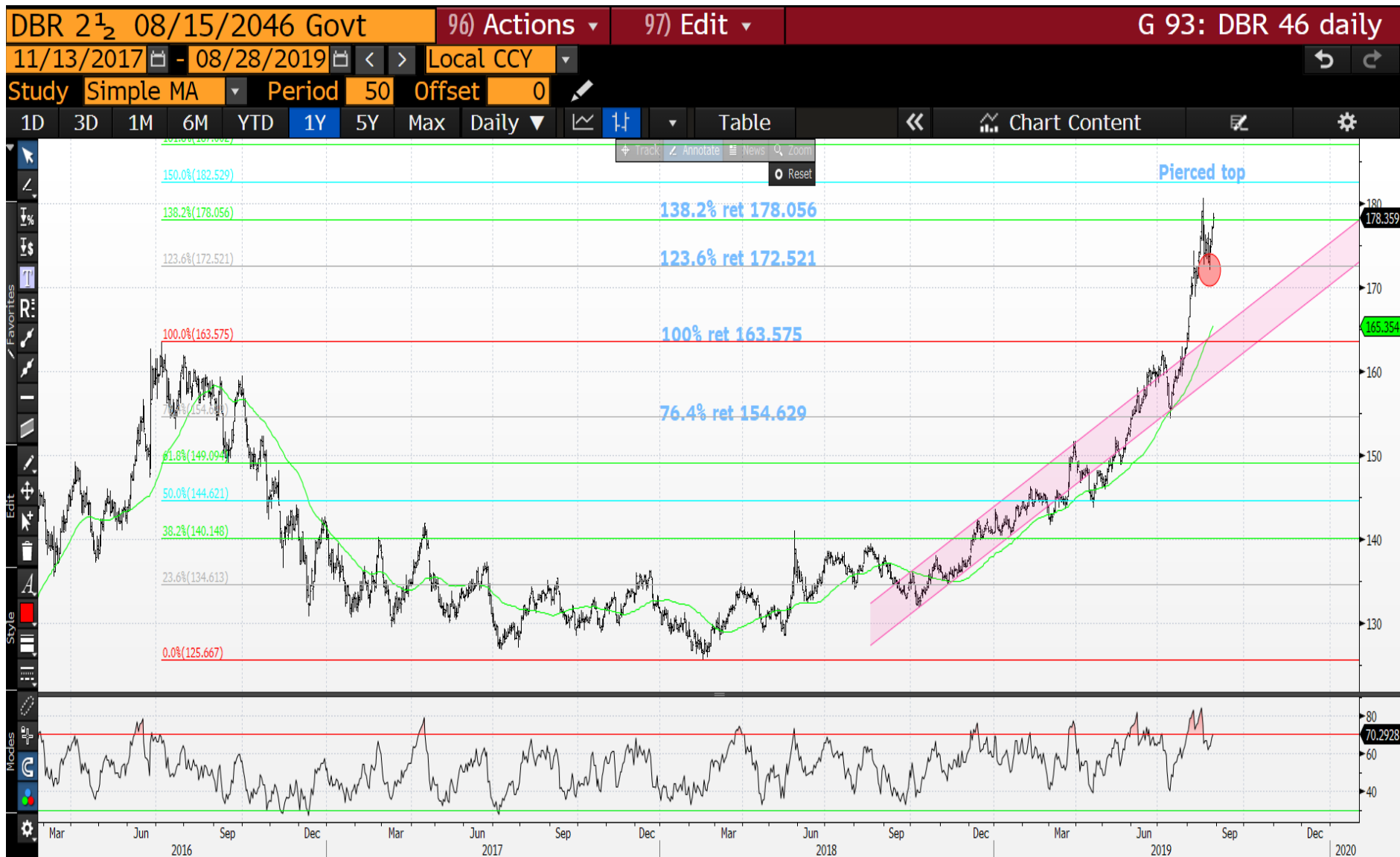
Generic German 10yr daily : The RSI is off its lows and thus the market has room to head lower. The moving averages remain a distant memory. A VERY HEAVY market.



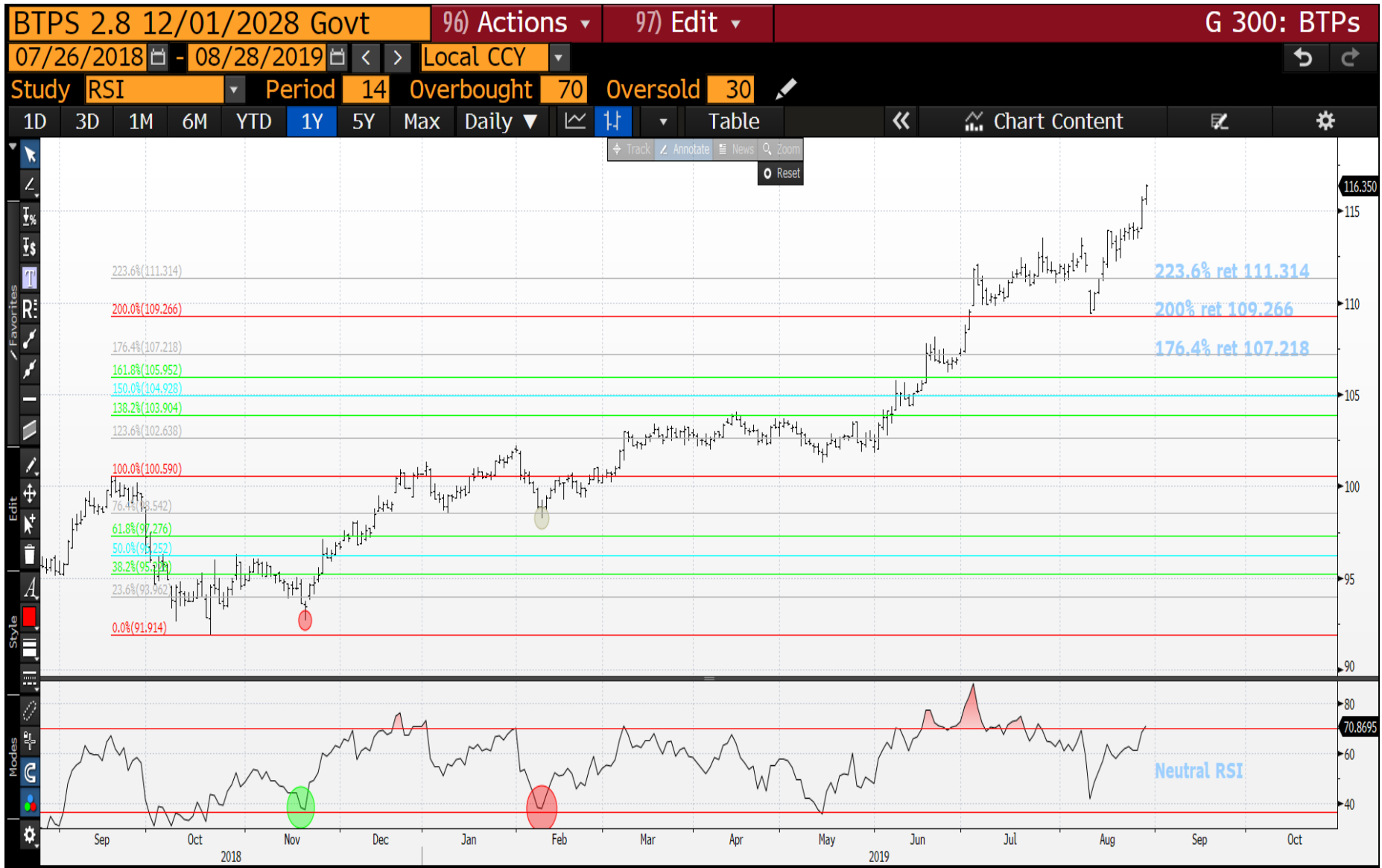
28/08/2019

18

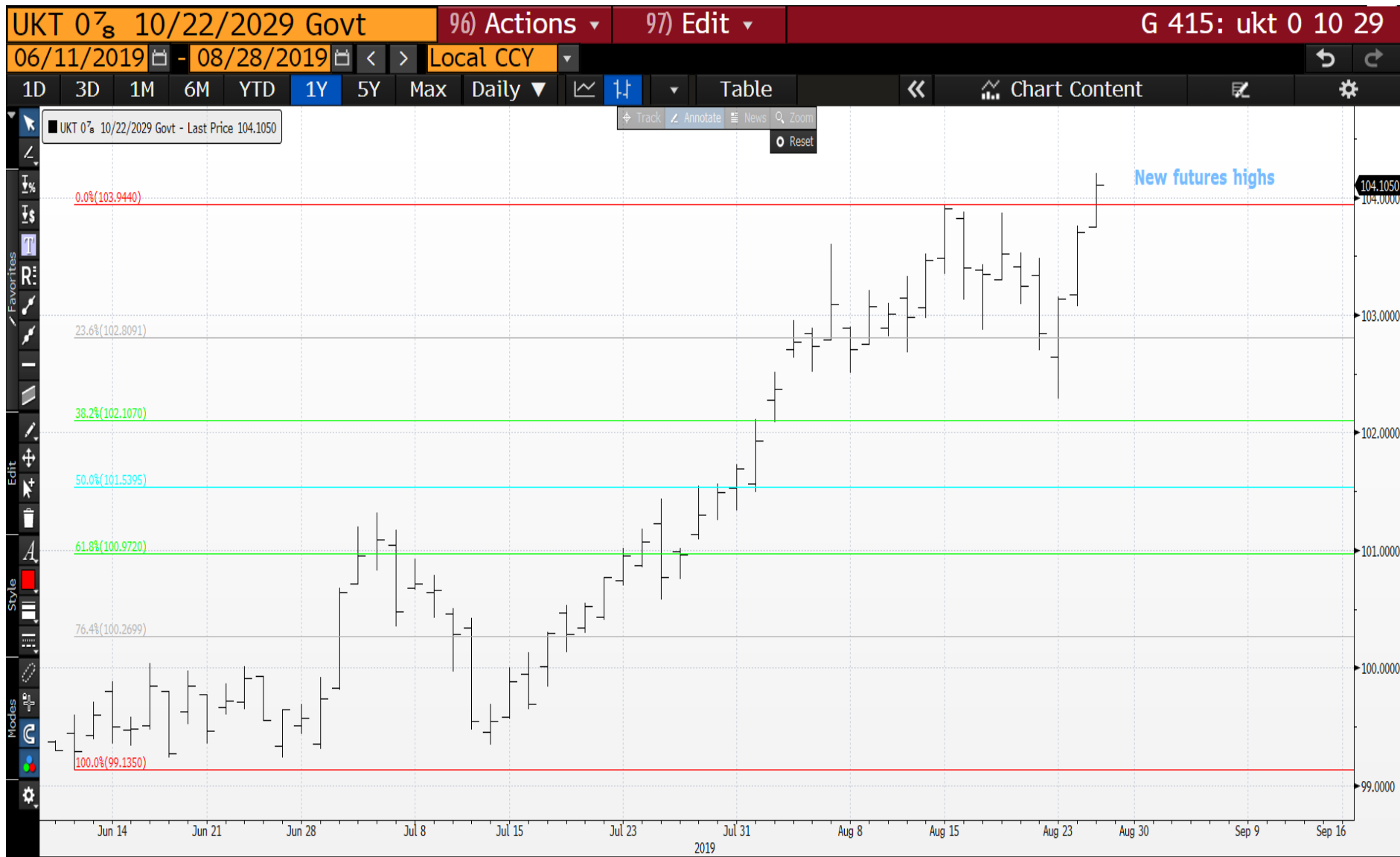
DBR 46 daily : This has been a very RELIABLE bond on DIPS and this maybe no exception given we have held the 123.6% ret 172.521, just need a new high.



BTP 12/28 daily : The RSI portrays a chaotic market that currently has people on the run for yield.



Gilt daily : We have a new futures HIGH thus CTA's will add-buy.



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.

Astor Ridge takes no proprietary trading risk, has no market making facilities, and has no position in any security we discuss in this e-mail. The views in this e-mail are those of the author(s) and are subject to change, and Astor Ridge has no obligation to update its opinions or the information in this publication. If this e-mail contains recommendations, those recommendations reflect solely and exclusively those of the author, and such opinions were prepared independently of any other interests, including those of Astor Ridge and/or its affiliates.

This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the clients who receive it. The securities discussed herein may not be suitable for all investors. Astor Ridge recommends that investors independently evaluate each issuer, security or instrument discussed herein, and consult any independent advisors they believe necessary.

The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

You should not use or disclose to any other person the contents of this research, nor take copies. This is not a representation or warranty and is not intended nor should it be taken to create any legal relations, contractual or otherwise. This research and any files transmitted with it are confidential, may be legally privileged, and are for the sole use of the intended recipient. Copyright in this research and any accompanying document created by Astor Ridge LLP is owned by Astor Ridge LLP.

Astor Ridge LLP is regulated by the Financial Conduct Authority (FCA): Registration Number 579287

Astor Ridge LLP is Registered in England and Wales with Companies House: Registration Number OC372185

Astor Ridge NA LLP is a member of FINRA/SIPC: CRD Number 282626

Astor Ridge NA LLP is Registered in England and Wales with Companies House: Registration Number OC401796