

**BOND UPDATE : DESPITE SOME VERY MAJOR RSI DISLOCATIONS YIELDS LOOK POISED TO “HEAD LOWER ALREADY”, MAINTAINING THE SUBSTANTIAL TREND. IDEALLY BUY BONDS ON A NEW HIGH. THE WEEK ISNT OVER BUT YIELDS ARE ALREADY HEADING LOWER.**

**PREVIOUSLY :**

**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.**

**PREVIOUSLY :**

**EVEN I, WHO HAS BEEN ADVOCATING LOWER YIELDS MIGHT THINK THINGS HAVE GONE TOO FAR. HOWEVER, THIS STATEMENT DOESN'T MAKE SENSE GIVEN, STOCKS ARE ONLY JUST BREAKING AND DAILY FUTURES POST NEW HIGHS. GIVE IT A MONTH.**

**\*\* ONE THING TO BEAR IN MIND IS, ALL YIELD CHARTS REMAIN BELOW THEIR MOVING AVERAGES. \*\***

**THE OTHER ISSUE IS AS LONG AS FUTURES POST NEW HIGHS CTA'S WILL BUY. BASICALLY THE NAME OF THE GAMES REMAINS TAKING PROFITS NOT RELINQUISHING LONGS.**

USGG30yr monthly : \*\* A VERY KEY CHART. \*\* This chart has been very useful in the past and now could hold the key to finding a BOTTOM. If we follow script highlighted in 2008 & 2011 then we have one more aggressive down month, 1.2750 area! ONLY then we BASE.



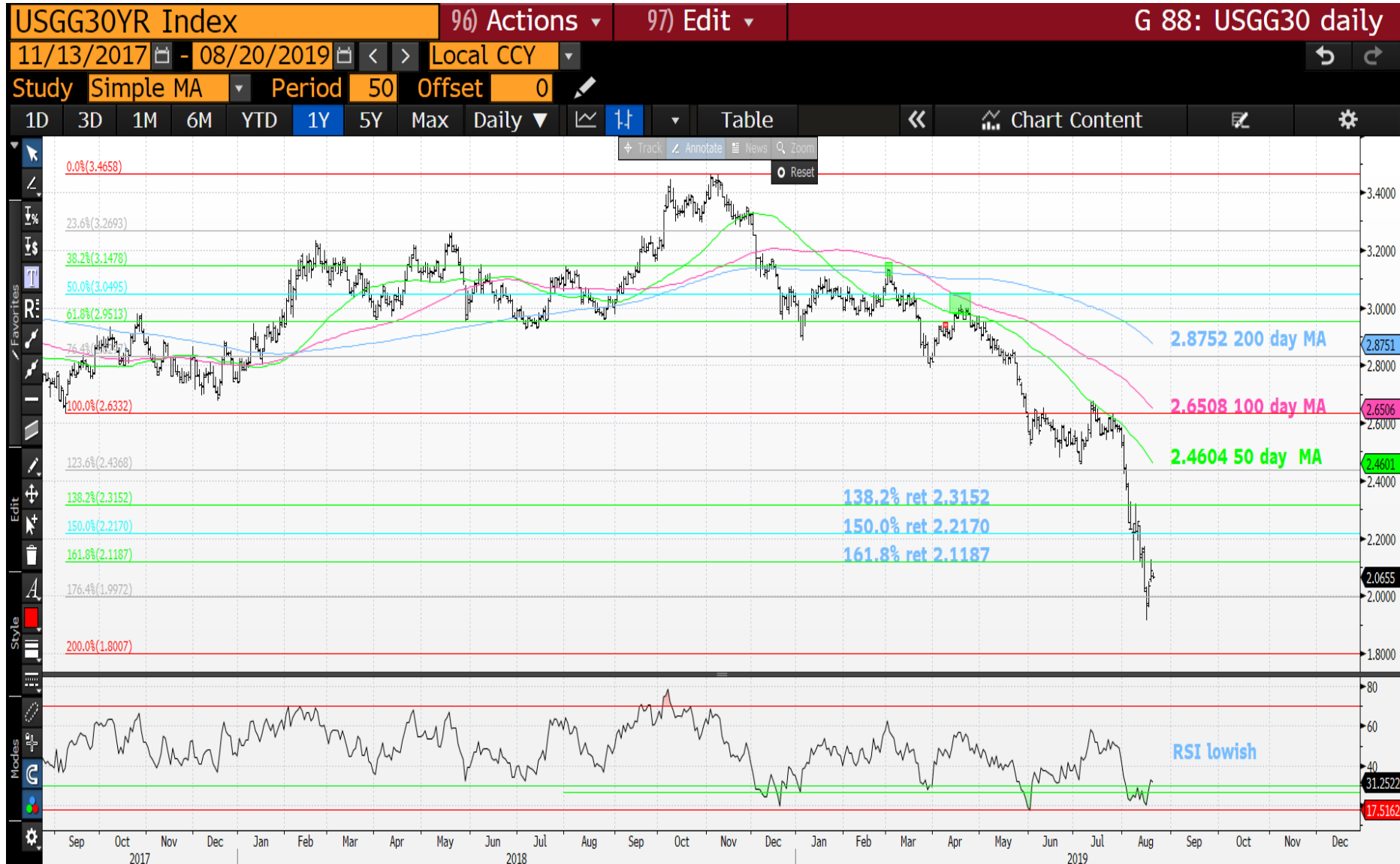
USGG30yr monthly (Blow up chart) : As the 2 circles highlight the last time we witnessed such an extended fall-range we FAILED from the previous months close thus a KEY start to next month.



USGG30yr weekly : This chart has been a constant pain given the RSI dislocation! Some sort of bounce is coming, how high is a struggle but nearer month end we'll know more.



USGG30yr yield daily : **\*\*DANGER HERE IS NO BOUNCE\*\***. It is looking increasingly like we may have no bounce and fail the 161.8% ret 2.1187, any new low will force CTA's to ADD to bond longs.



20/08/2019

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



20/08/2019

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



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USFS 10-20 daily : As can be seen despite an extremely dislocated RSI we can only manifest a bounce to the 100% ret 1.8180. Very LAME.



20/08/2019



US 10yr yield weekly : Weekly charts a constant pain. Again the RSI is dislocated but as before IT IS struggling to reverse the TREND.



20/08/2019

USGG10yr daily : Ironically like most daily charts the RSI isn't extended, we are a long way below ALL moving averages and struggling to break THAT trend.



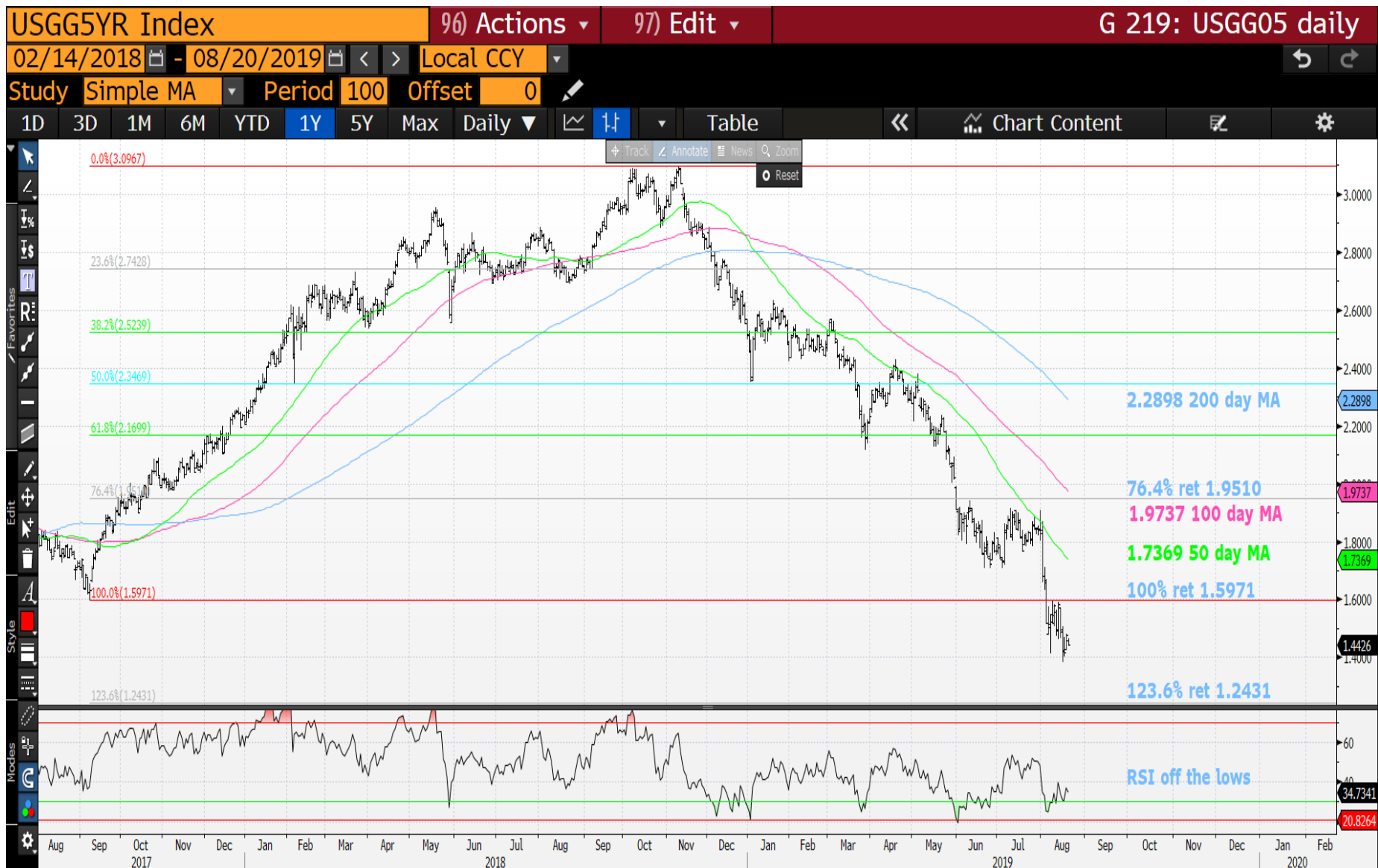
USGG5yr quarterly : We have ONLY just failed the reliable moving average 1.9244. Do remember the original RSI dislocation was higher than that of 2000 and 2007.



USGG5yr weekly : Another annoying RSI dislocation similar to 2008! Do we get a short term reprieve? It is looking unlikely.



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.



20/08/2019

USGG2yr quarterly : We continue to grind lower toward the 1.1893 moving average.



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USGG2yr monthly : We have breached the 23.6% ret 1.7448 and continue to grind lower.



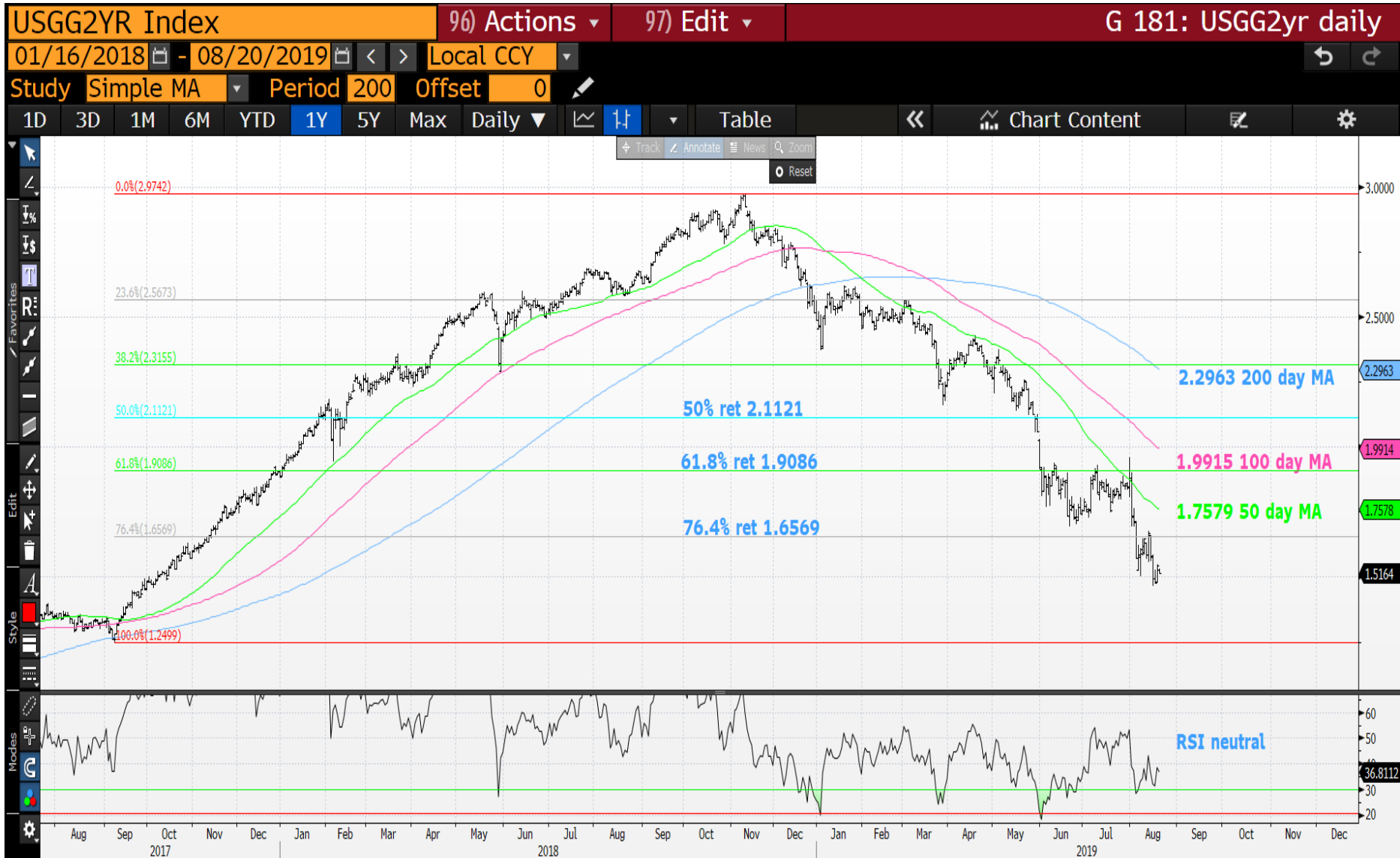


USGG2yr monthly : Another lowish RSI BUT whilst sub the 1.6455 moving average all remains negative for yields.





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



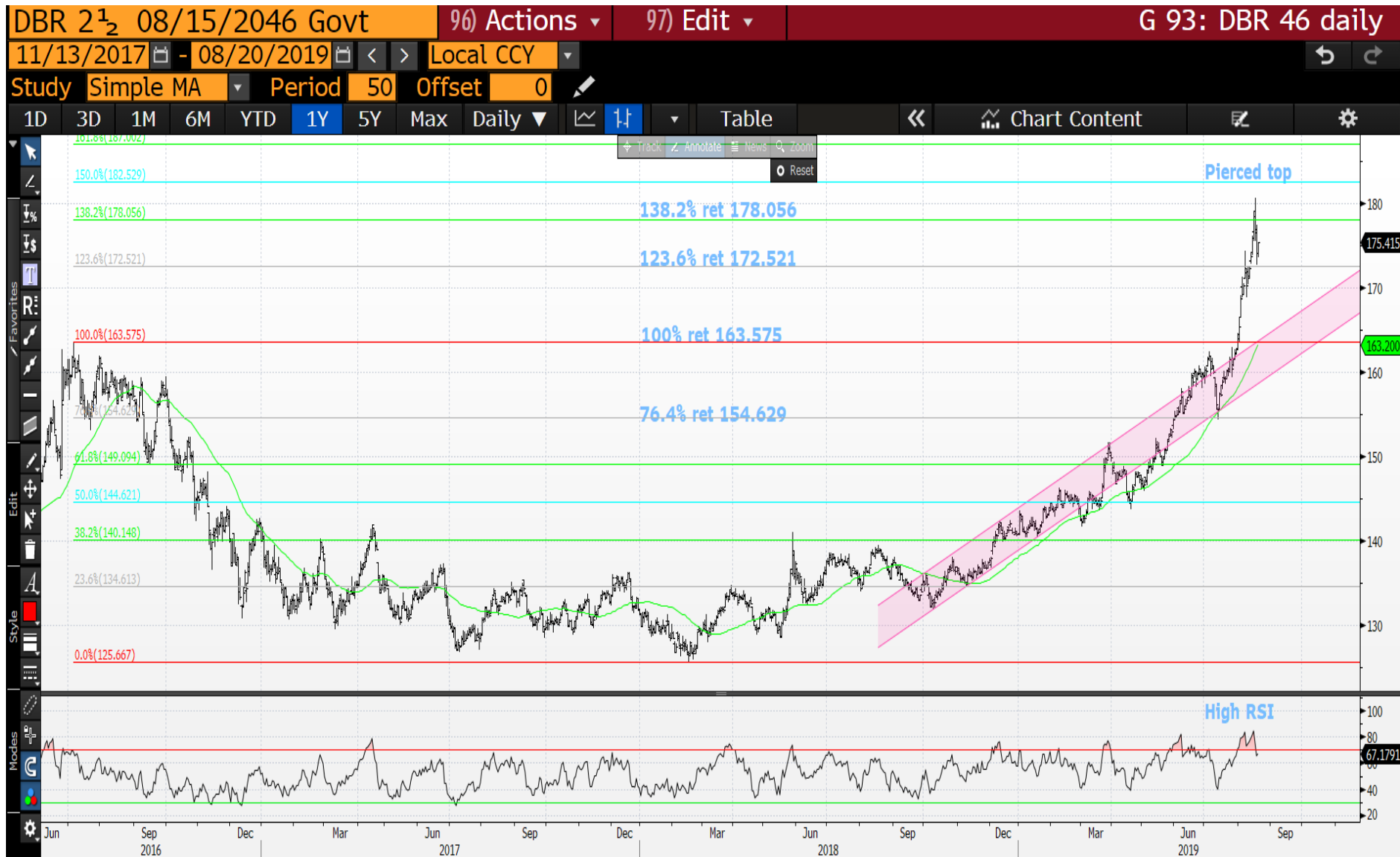
Generic German 10yr quarterly : We have NEW YEAR yield low despite the yields involved.  
CTA's continue to ADD to bond longs.



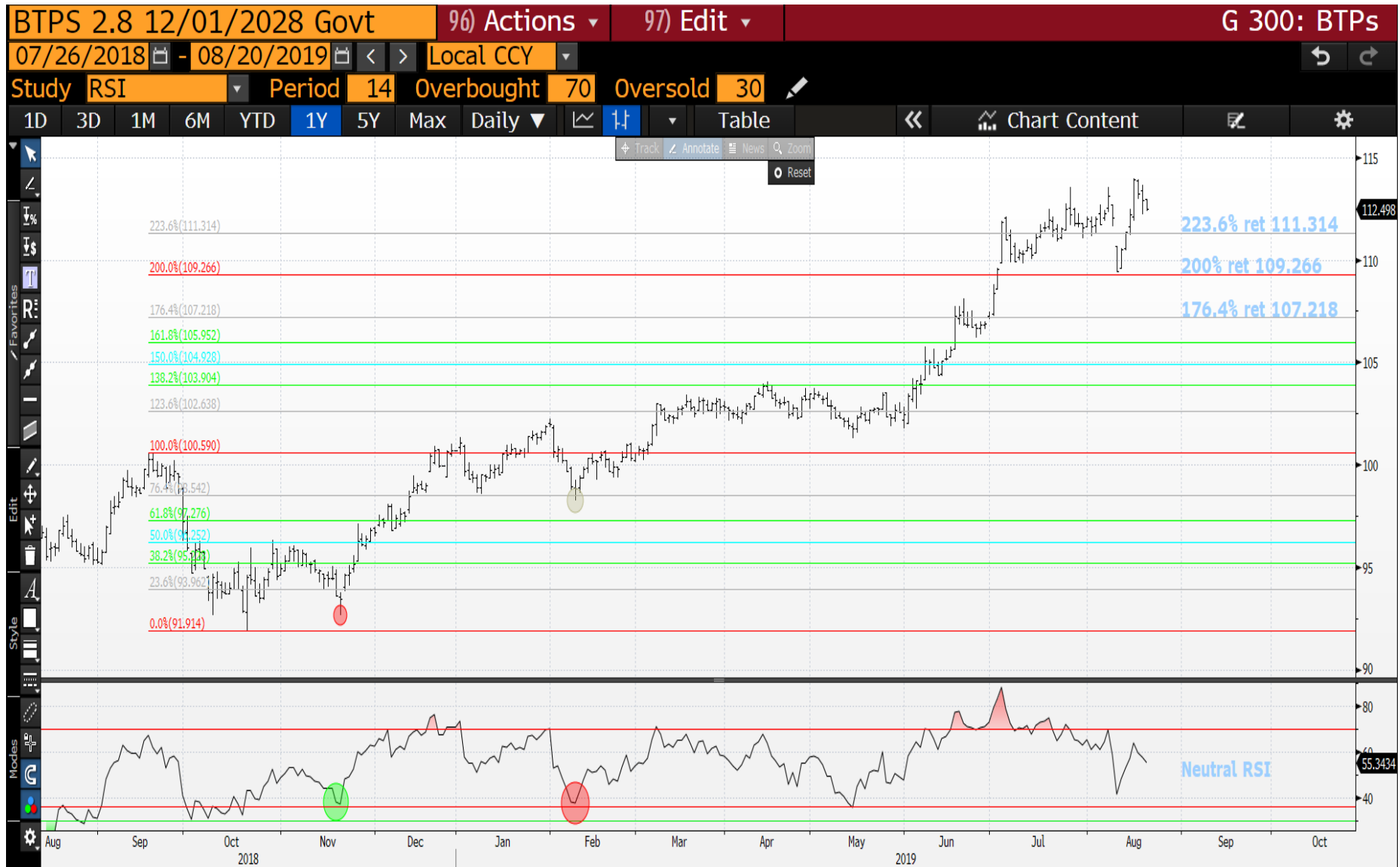
Generic German 10yr daily : Another 2008 low RSI that has formulated a “TINY” correction.  
We are BELOW ALL moving averages. A VERY HEAVY market.



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.



# BTP 12/28 daily : The RSI portrays a chaotic market.



GUKG10 monthly : Similar to Germany, plenty more downside so don't rush into relinquishing bond longs in a hurry.



GUKG10 daily : The RSI is off its lows and whilst we make new yields lows remain BOND long, CTA's will persist in buying no matter what yield! Again we REMAIN below ALL major moving averages and failing the 100% ret 0.501.



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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