

BOND UPDATE : ONE MORE MONTH OF LOWER YIELDS TO COME!

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

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.

CHART 1 THE US 30YR YIELD MONTHLY PREDICTS ANOTHER MONTH REPLICATING THIS AUGUSTS RANGE, THEN THE LOWS IN, OH WHAT A WORRY!

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.

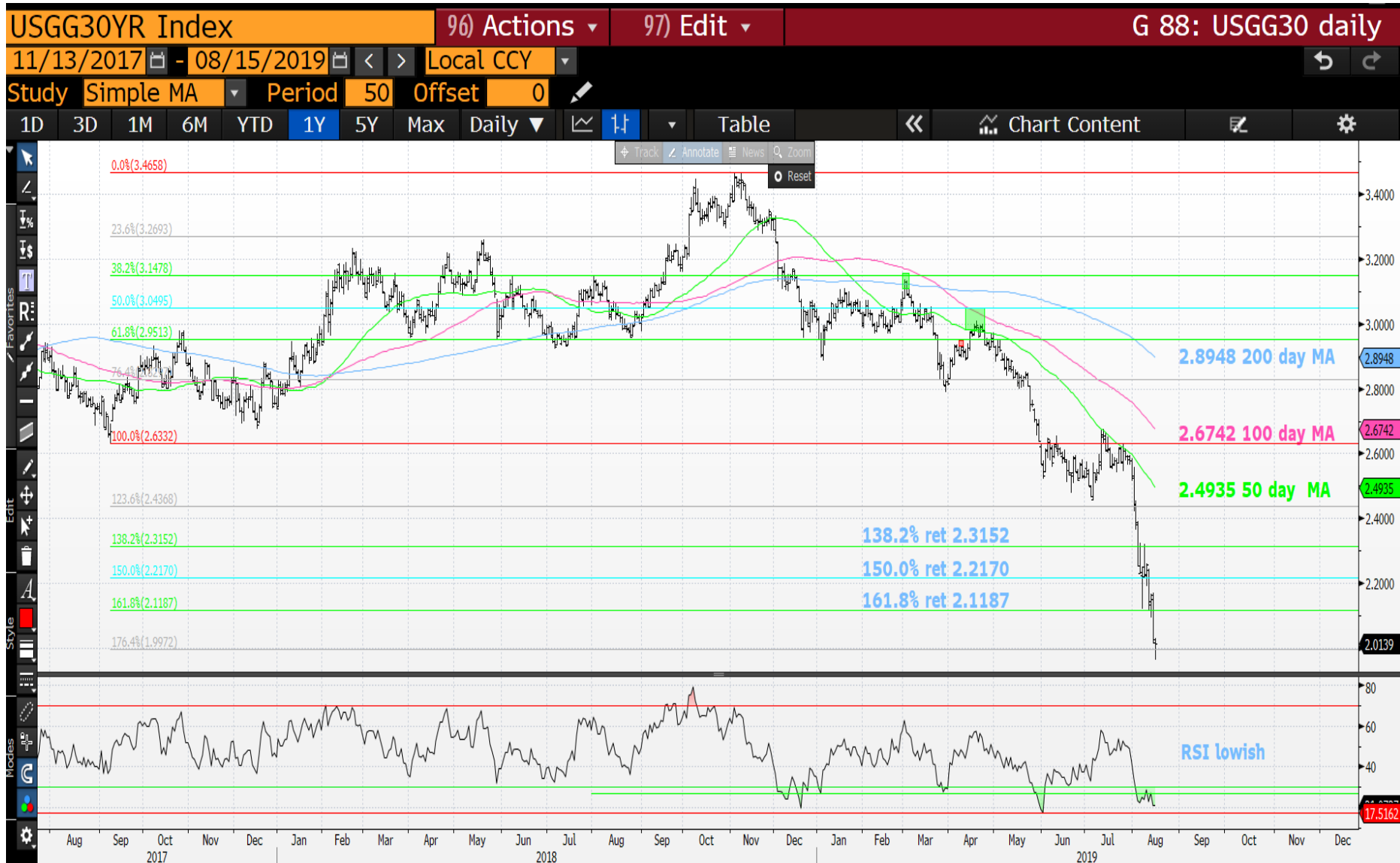


USGG30yr weekly : This chart has been a constant pain given the RSI dislocation! We should base given the RSI but as previously the trend wins through and ultimately we head lower.



15/08/2019

USGG30yr yield daily : We continue to grind lower but as can be seen not extend the RSI to a worthy extreme!



15/08/2019

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

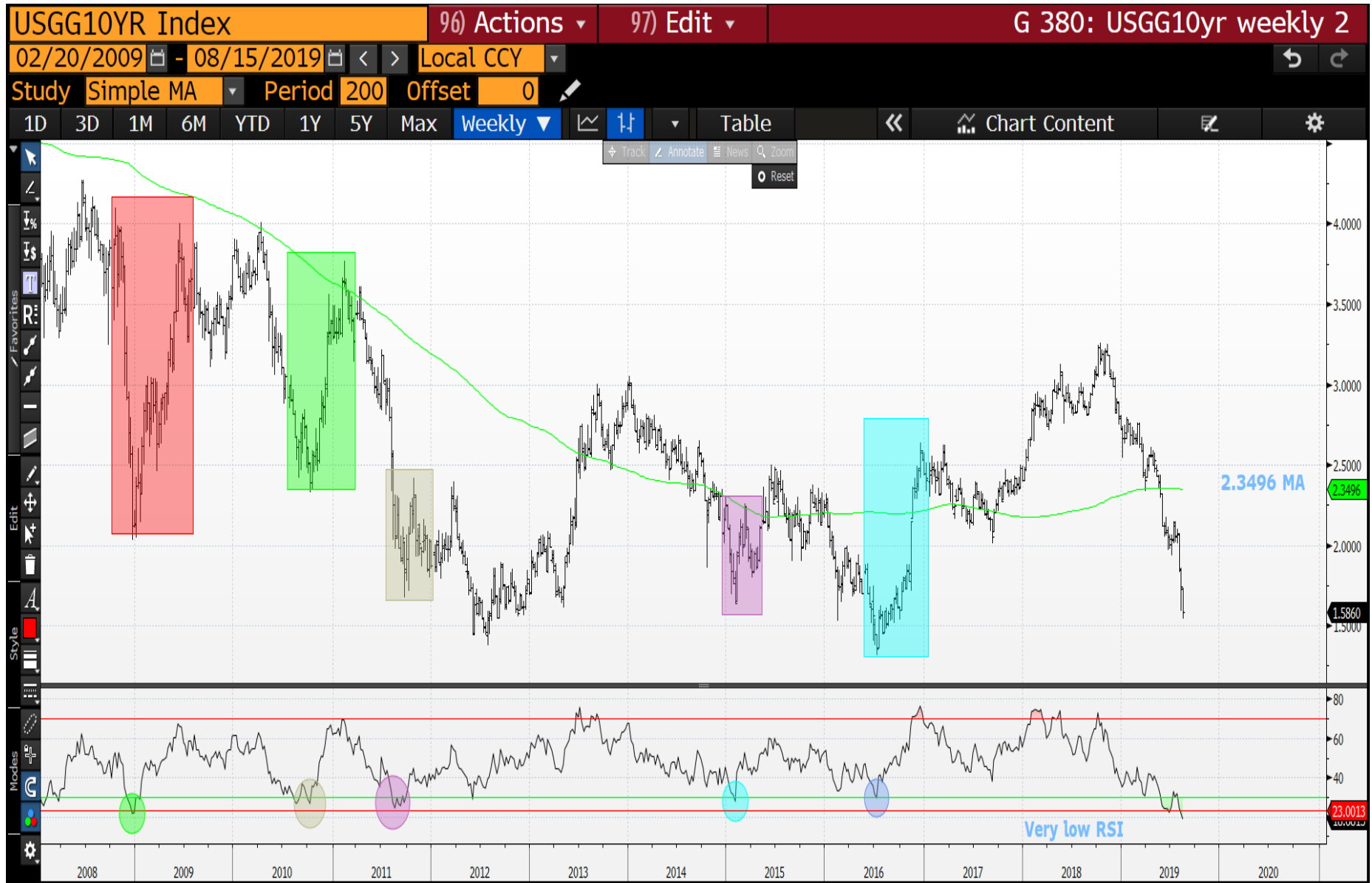


USFS 10-20 monthly : Similar to the US 30yr yield chart there maybe one more aggressive down month before we BASE!



15/08/2019

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



15/08/2019

USGG10yr daily : Ironically like most daily charts the RSI isn't extended.



15/08/2019

USGG5yr quarterly : We have ONLY just failed the reliable moving average 1.9248. Do remember the original RSI dislocation was higher than that of 2000 and 2007.



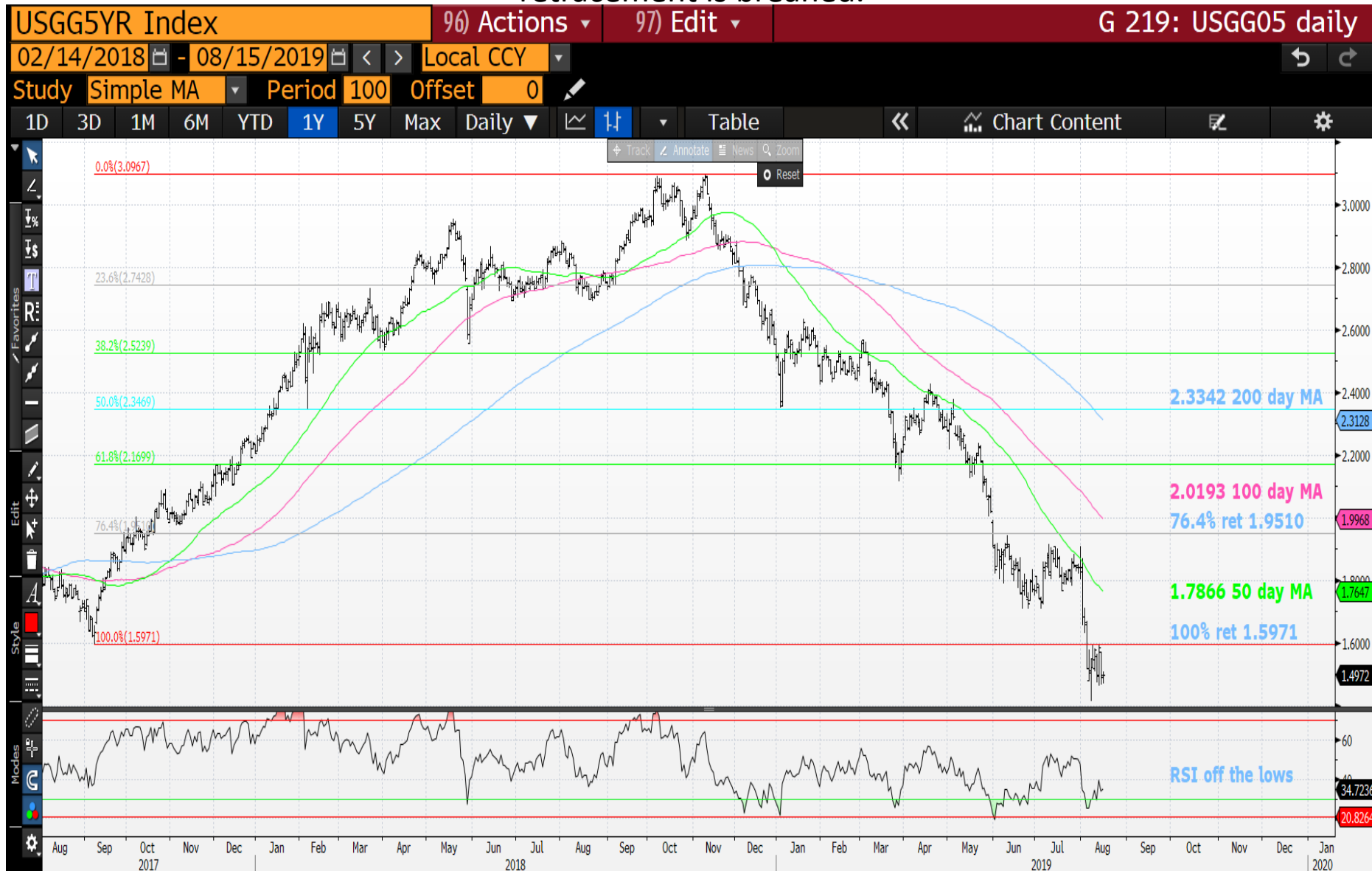
15/08/2019

USGG5yr weekly : Another annoying RSI dislocation similar to 2008! Do we get a short term reprieve?



15/08/2019

USGG5yr daily : The daily RSI is OFF the lows and additionally we continue to remain sub the 100% ret 1.5971. For those concerned we have gone too far the stop out all bond longs if this retracement is broken.



USGG2yr quarterly : We continue to grind lower toward the 1.1909 moving average.



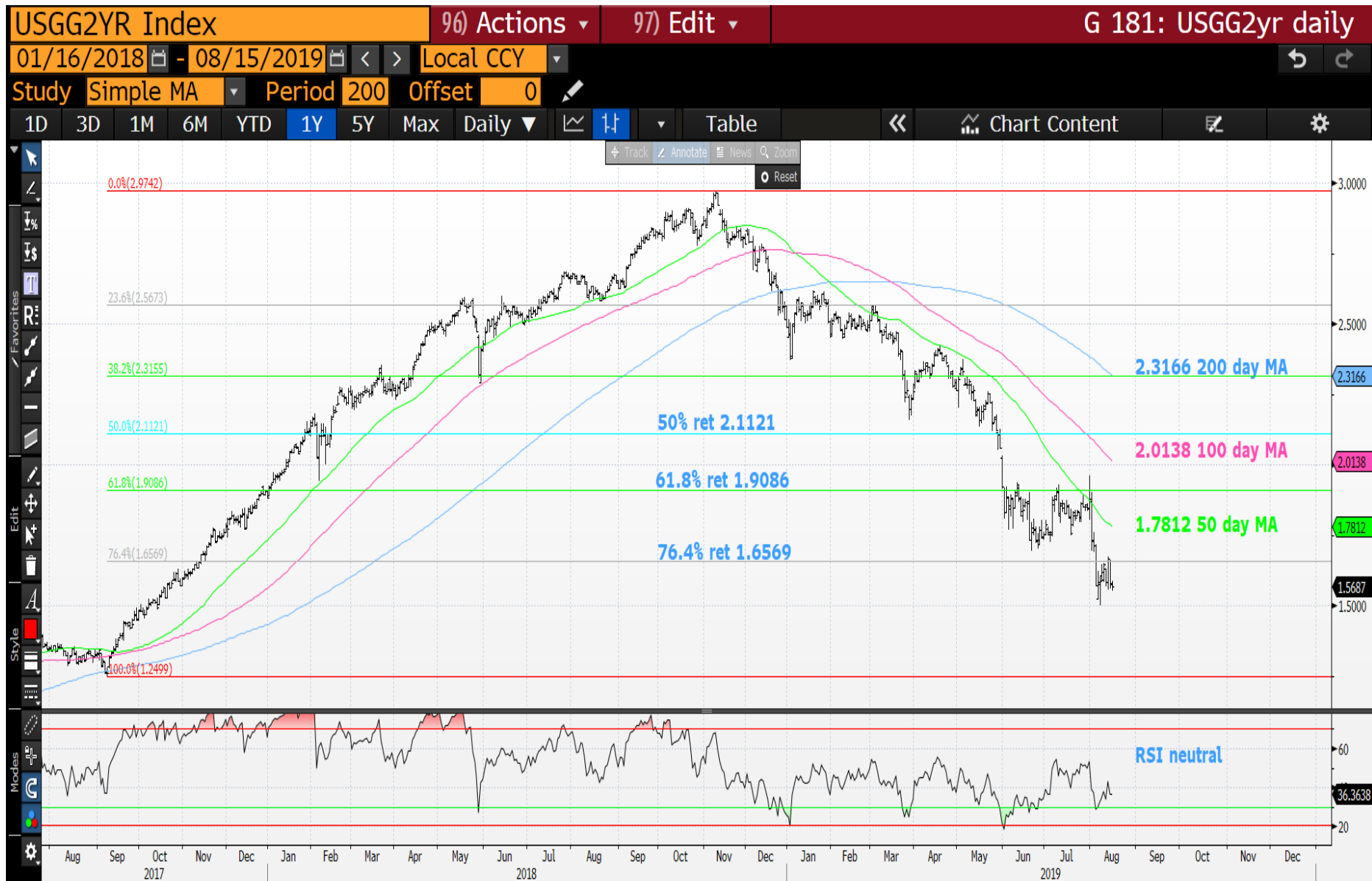
USGG2yr monthly : We have breached the 23.6% ret 1.7448 and continue to grind lower.



USGG2yr monthly : Another lowish RSI but whilst sub the 1.6416 moving average all remains negative for yields.



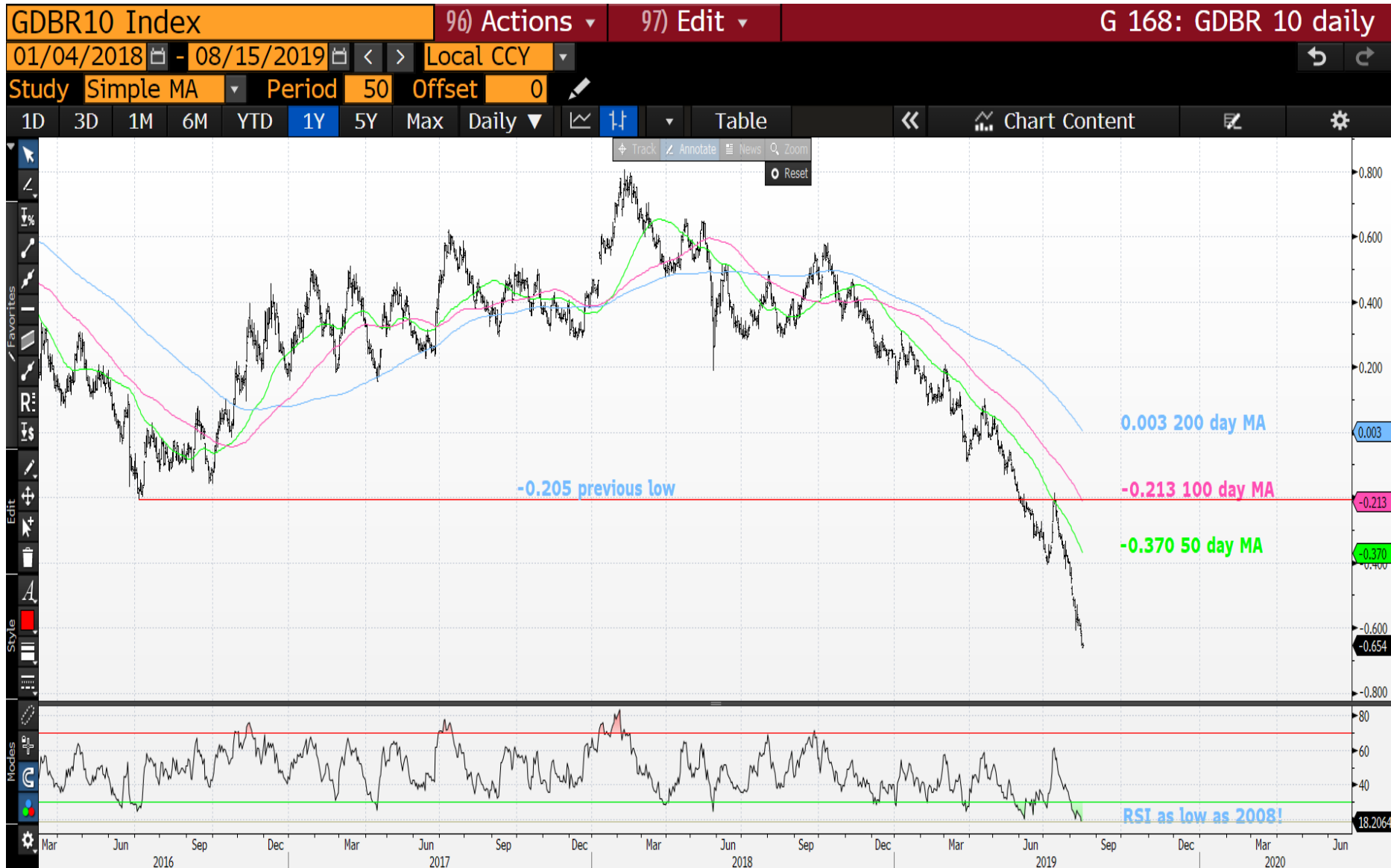
USGG2yr daily : The trend prevails and whilst sub the 76.4% ret 1.6569 we head lower.



Generic German 10yr quarterly : We have NEW YEAR yield low despite the yields involved.
CTA's continue to ADD to bond longs. Very little chance of a bottom on this chart!



Generic German 10yr daily : Another 2008 low RSI but thus far still not enough to alter the TREND.



15/08/2019

DBR 46 daily : We have established new highs so would of re-added to longs.



BTP 12/28 daily : The dip was short lived but overall a neutral RSI but feel it should follow other bond markets higher.



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



15/08/2019

20

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!



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