

MULTI ASSET UPDATE : BOND YIELDS CONTINUE TO FALL DESPITE SOME SIZEABLE MONTHLY RANGES AND OVERSOLD RSI's. EQUITIES ARE POISED TO BECOME THE MAIN MARKET DRIVER GIVEN THEIR WEAK RECOVERY ON THE LATEST DIP. ONE TO WATCH IS THE HANG SENG, TESTING A MAJOR MULTI YEAR 38.2% RET 25601.22.

BOND UPDATE : MARKETS REMAIN IN A HEIGHTENED STATE.

WE CONTINUE TO SEE YIELDS TREND LOWER WHILST SEVERAL EXTENDED RSI'S ARE CALLING FOR A YIELD BOUNCE. THE BASIC PROBLEM IS WHOS LEFT TO CHALLENGE THE ESTABLISHED TREND.

EQUITIES: THESE WILL BE THE BIG DRIVER GOING FORWARD, CERTAINLY IF THEY FAIL AS ANTICIPATED. ASIDE THE TRADE DEAL THE HANG SENG IS STRUGGLING, POISED FOR A VERY SIGNIIFCANT BREACH OF THE MULTI YEAR RETRACEMENT. MANY SINGLE STOCKS ARE "DAMAGED GOODS".

**** SO MANY RSI'S MATCH DECEMBER 2018 BUT "BOUNCES" CERTAINLY ARE NOT. ****

US CURVES : THEY CONTINUE TO FRUSTRATE AND AS MENTIONED BEFORE WOULD REMAIN FLAT.

FX : THE EURO REMAINS ON WATCH AS IT PERSISTS IN FAILING A RELIABLE MOVING AVERAGE 1.1295.

OIL and GOLD : OIL REMAINS VERY RANGE BOUND.

Gold continues to be the safe haven AND HAS WORKED OFF ITS over bought state.

FX UPDATE

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USGG30yr monthly : A very big monthly range but we persist in languishing at the lows.

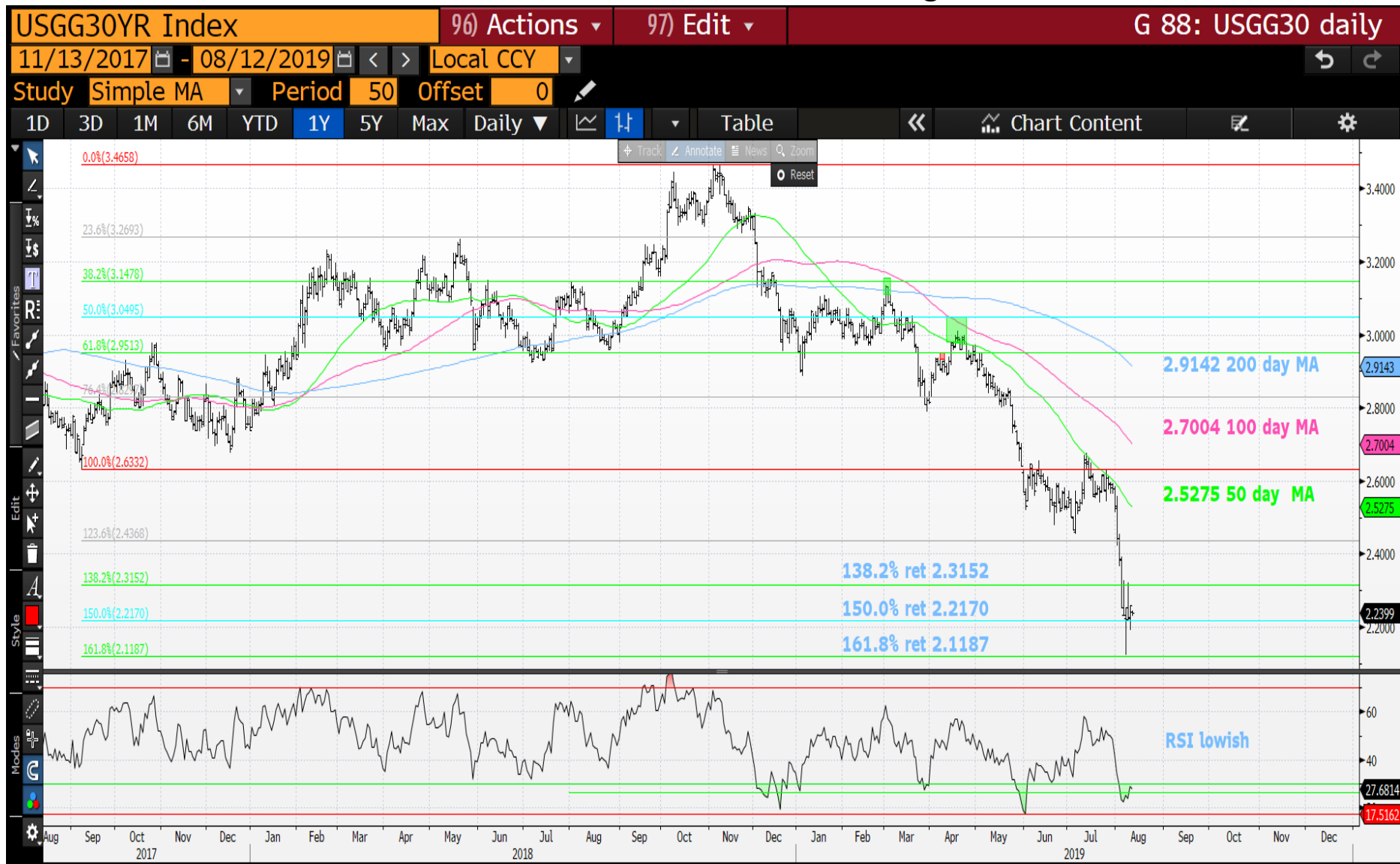


USGG30yr weekly : The RSI is not as low as previously thus scope for the trend lower to persist.



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USGG30yr yield daily : We seem to be spending a lot of time at the lower end of the recent range sandwiched in between the retracements. A breach of the recent low or 138.2% ret 2.3152 should formulate a follow through move.



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



US 10yr yield weekly : The RSI is now low but momentum-trend remains lower.



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USGG10yr daily : Yet another low RSI but we are remaining sub the 76.4% ret 1.7762.



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USGG5yr quarterly : Yet again we have a new yield low with a perfect failure at the 1.9266 moving average.

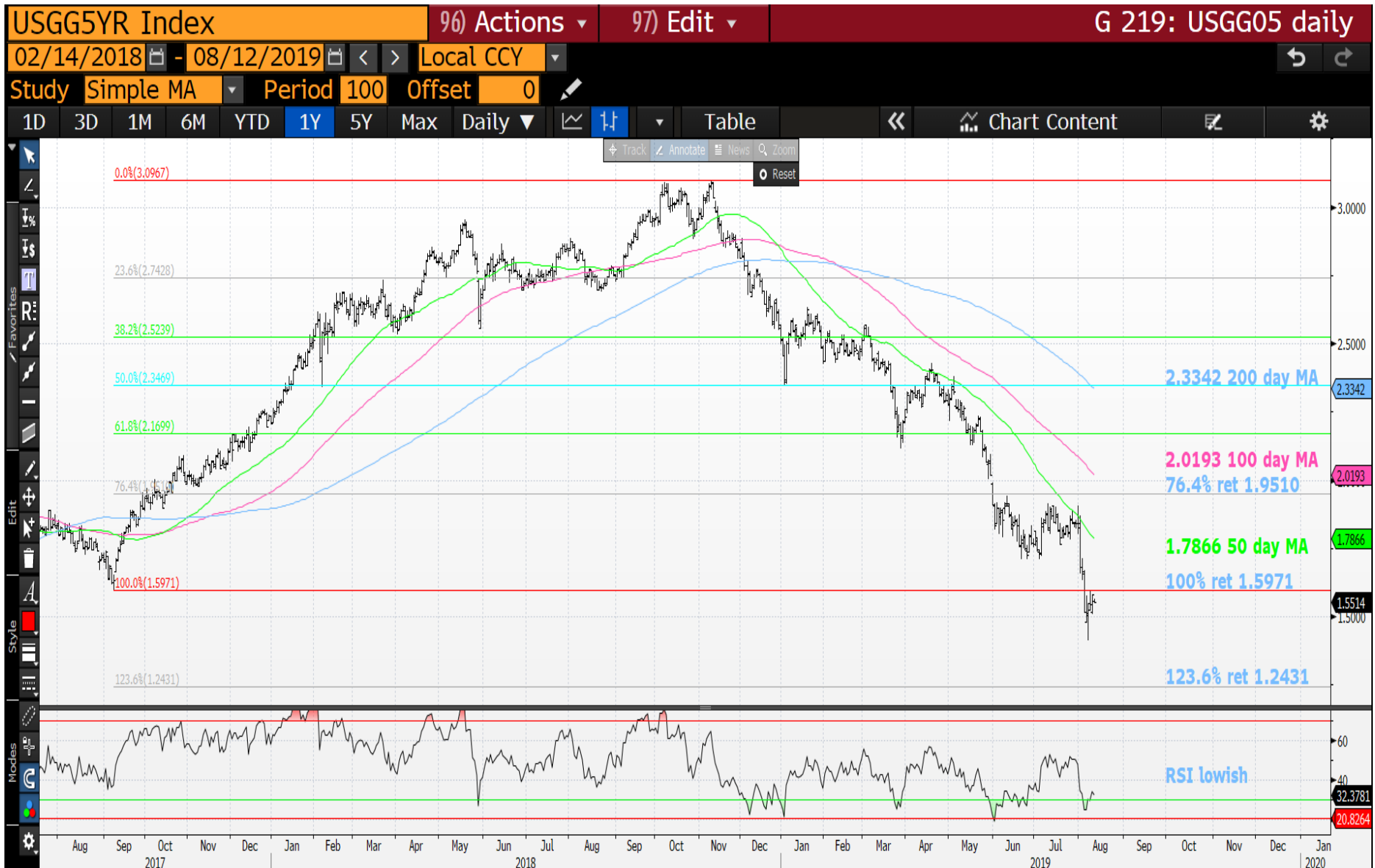


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USGG5yr monthly : The RSI remains low but the market remains VERY heavy.



USGG5yr daily : Another RSI off its lows and failure at the 100% ret 1.5971, lower yields go.



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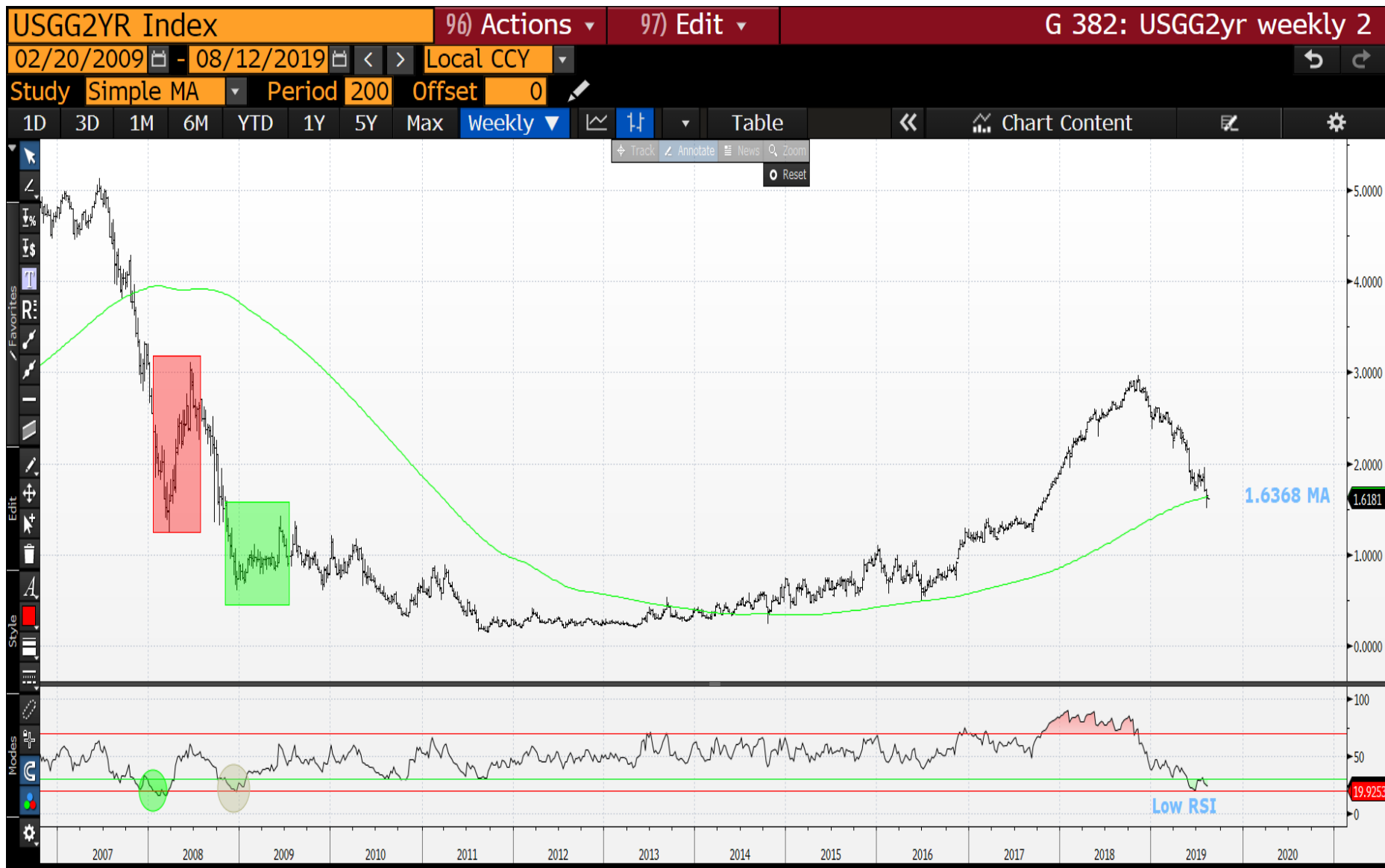
USGG2yr quarterly : We continue to grind lower toward the 1.1913 moving average.



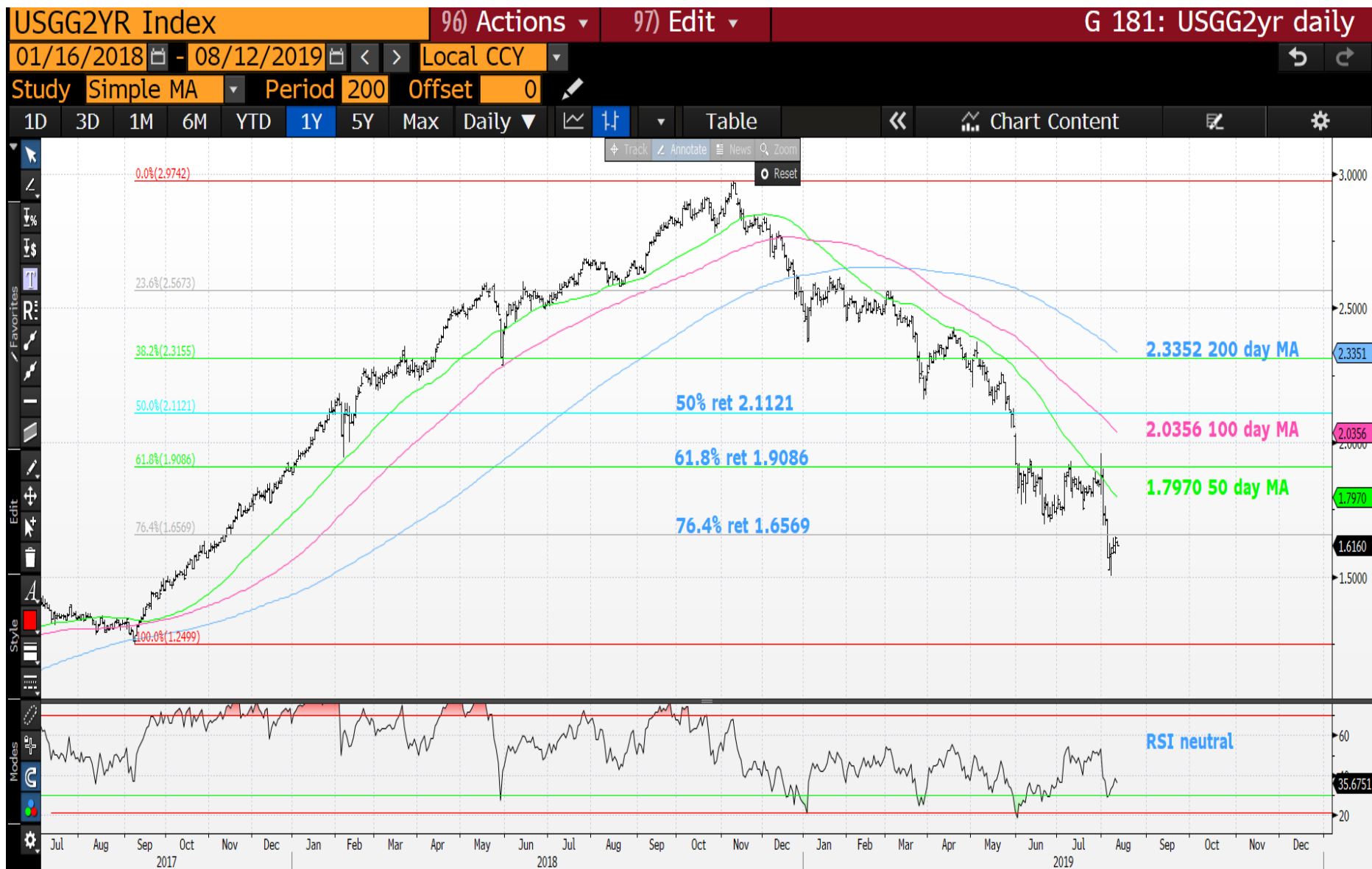
USGG2yr monthly : We have breached the 23.6% ret 1.7448 and continue to grind lower.



USGG2yr monthly : Another lowish RSI but whilst sub the 1.6368 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.



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Generic German 10yr daily : Despite the RSI we remain VERY close to the recent lows.



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DBR 46 daily : The ONLY bond chart that would take profits on given the RSI and resistance at 172.521.



BTP 12/28 daily : Fridays panic over, look to buy the dip. Ideally the RSI would need to be lower whilst a hit of the 176.4% ret 107.218 would help.



GUKG10 monthly : Similar to Germany, plenty more downside.



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EQUITIES

EQUITIES : Despite the dip the recovery hasn't been as strong as before. The other issue is the continued unrest in Hong Kong and trade talks.

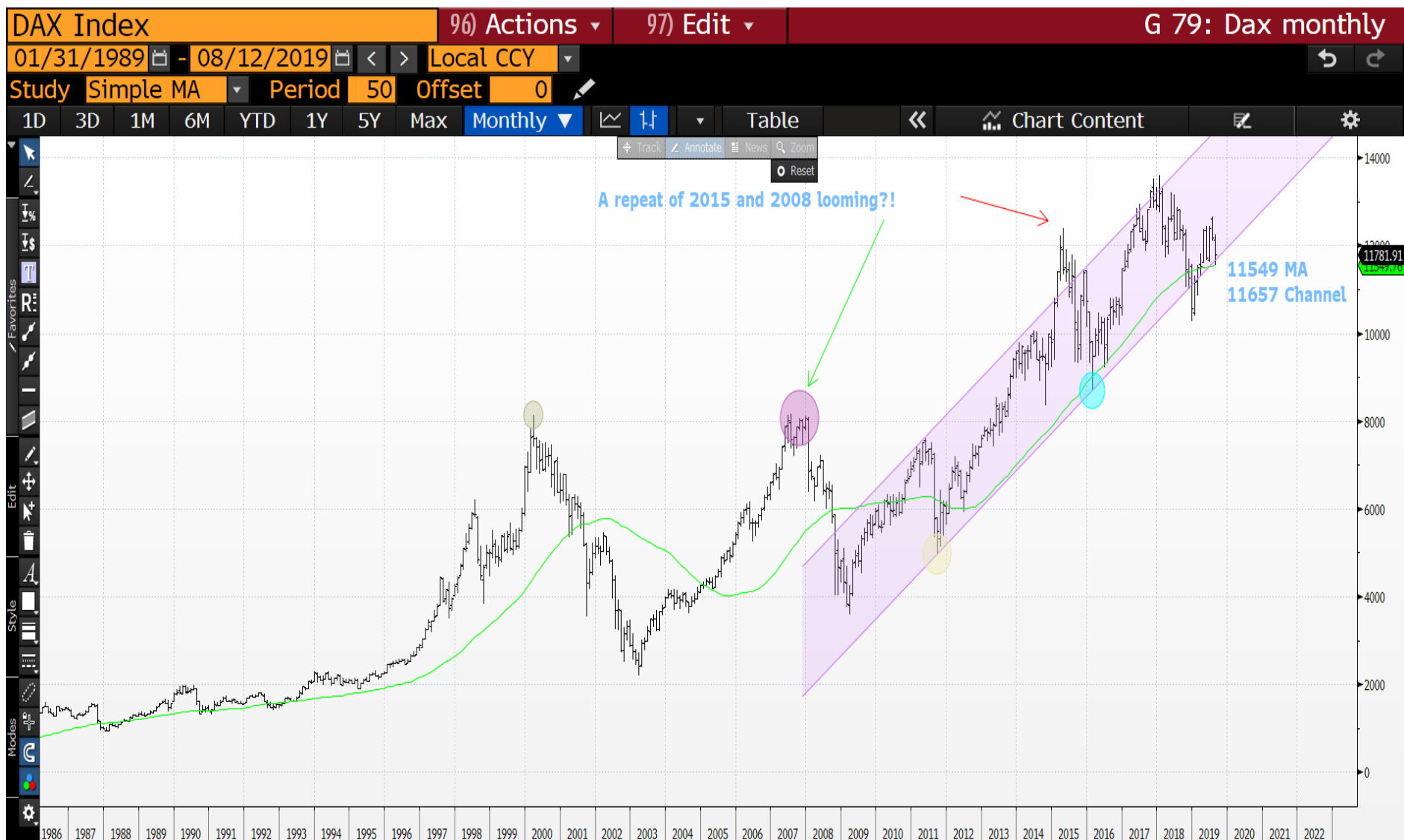
It still seems a struggle to discuss 2000-2007 yield charts lower with STOCKS here, something is wrong.

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.

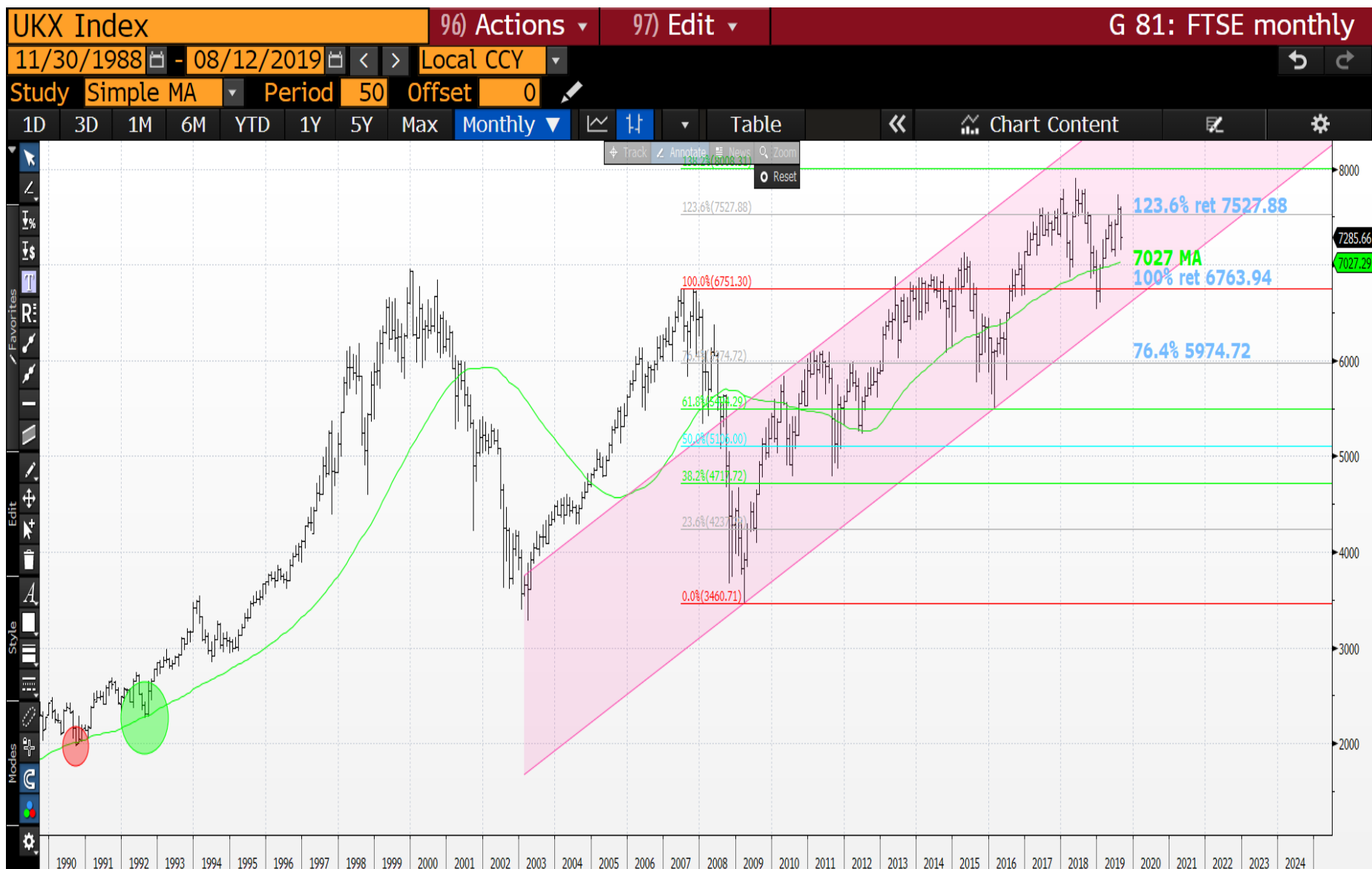
DAX monthly : If we breach the 11649 channel then it will formulate a MAJOR free fall.



Dax daily : Although the RSI dislocation is SIMILAR to December the BOUNCE certainly isn't! Should we breach the 38.2% ret 11396.59 then it LOWER WE GO.

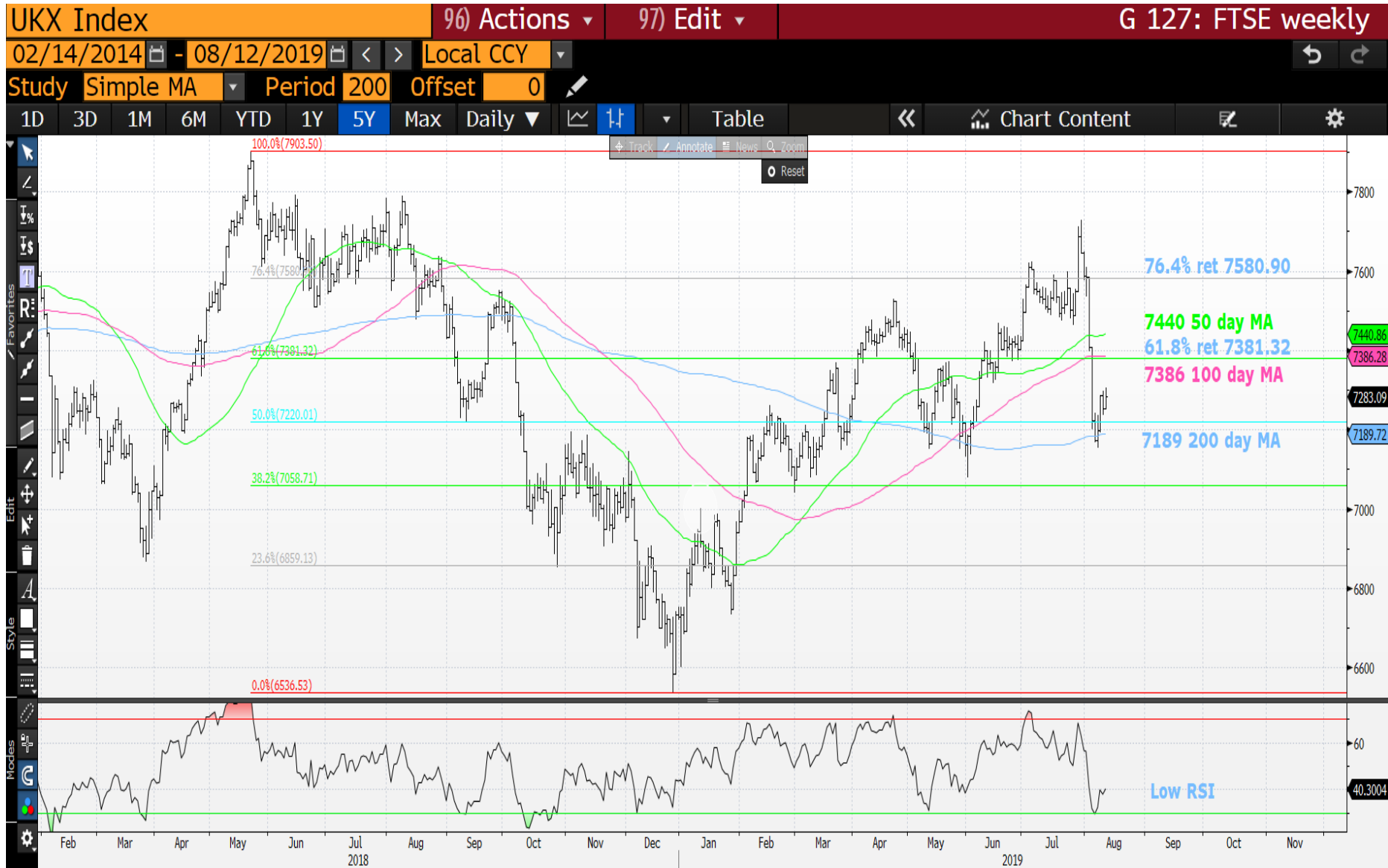


FTSE monthly : JUST THE START if we continue on this path and breach the 7027 moving average.

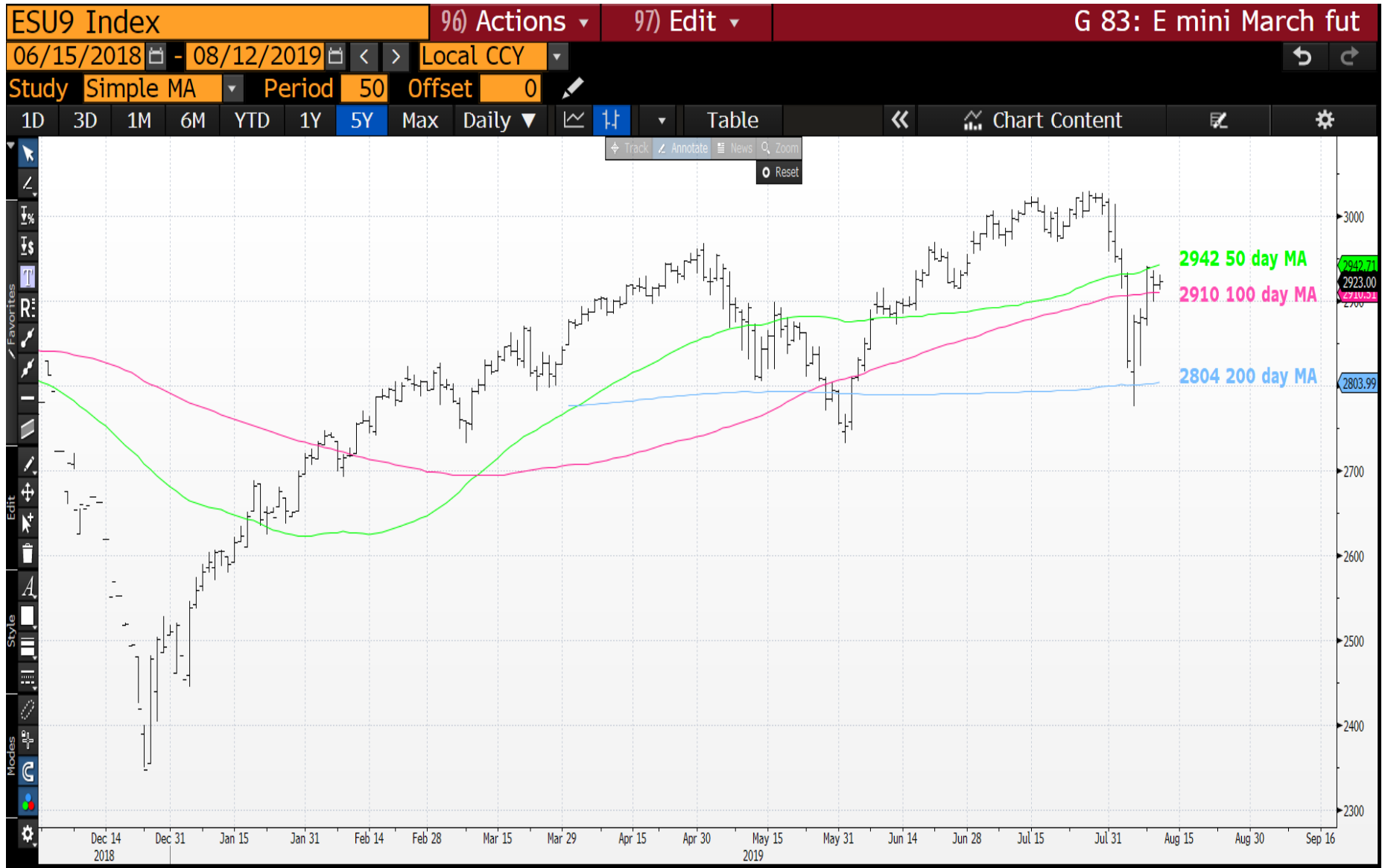


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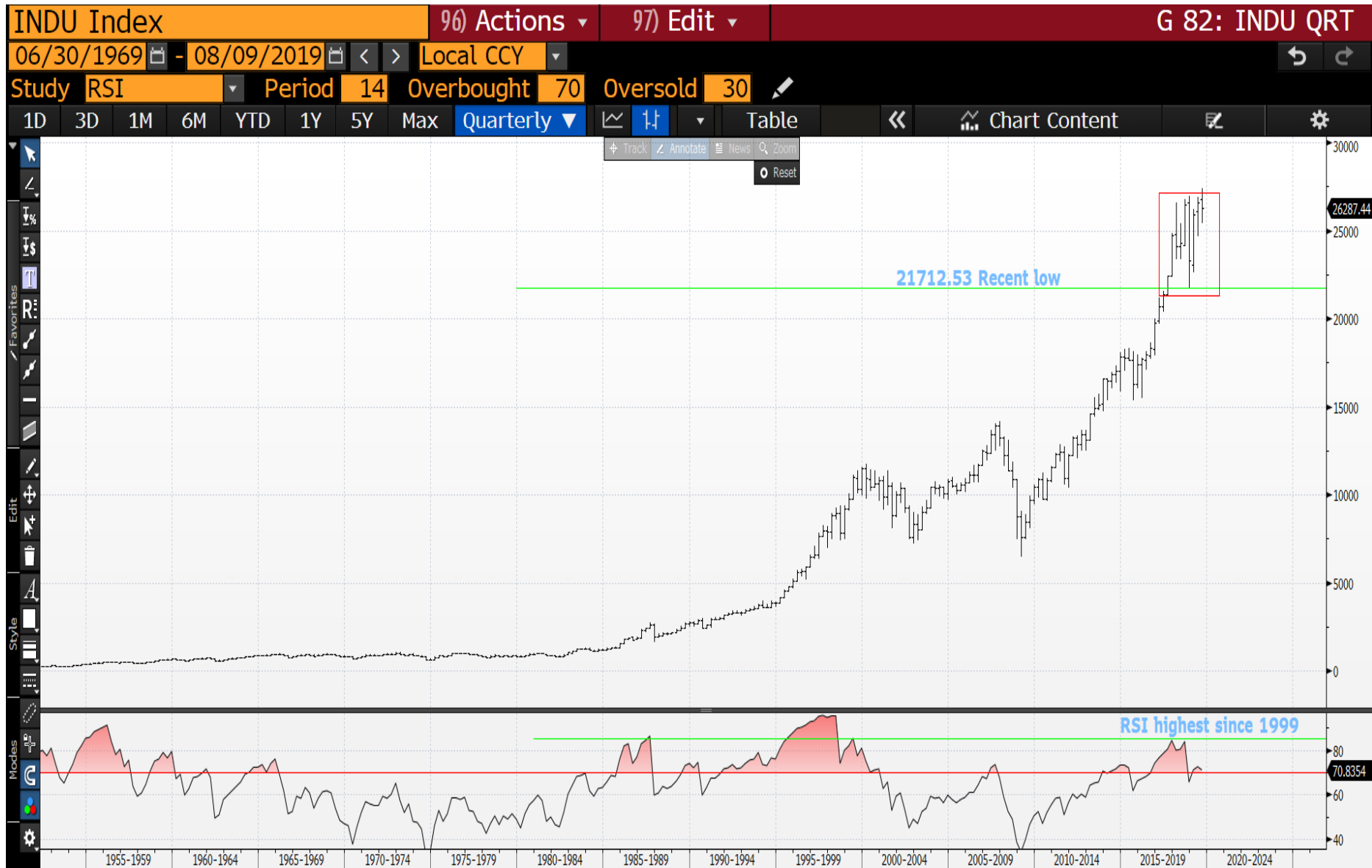
FTSE daily : Thus far a VERY MUTED rally from an exceptional RSI dislocation.



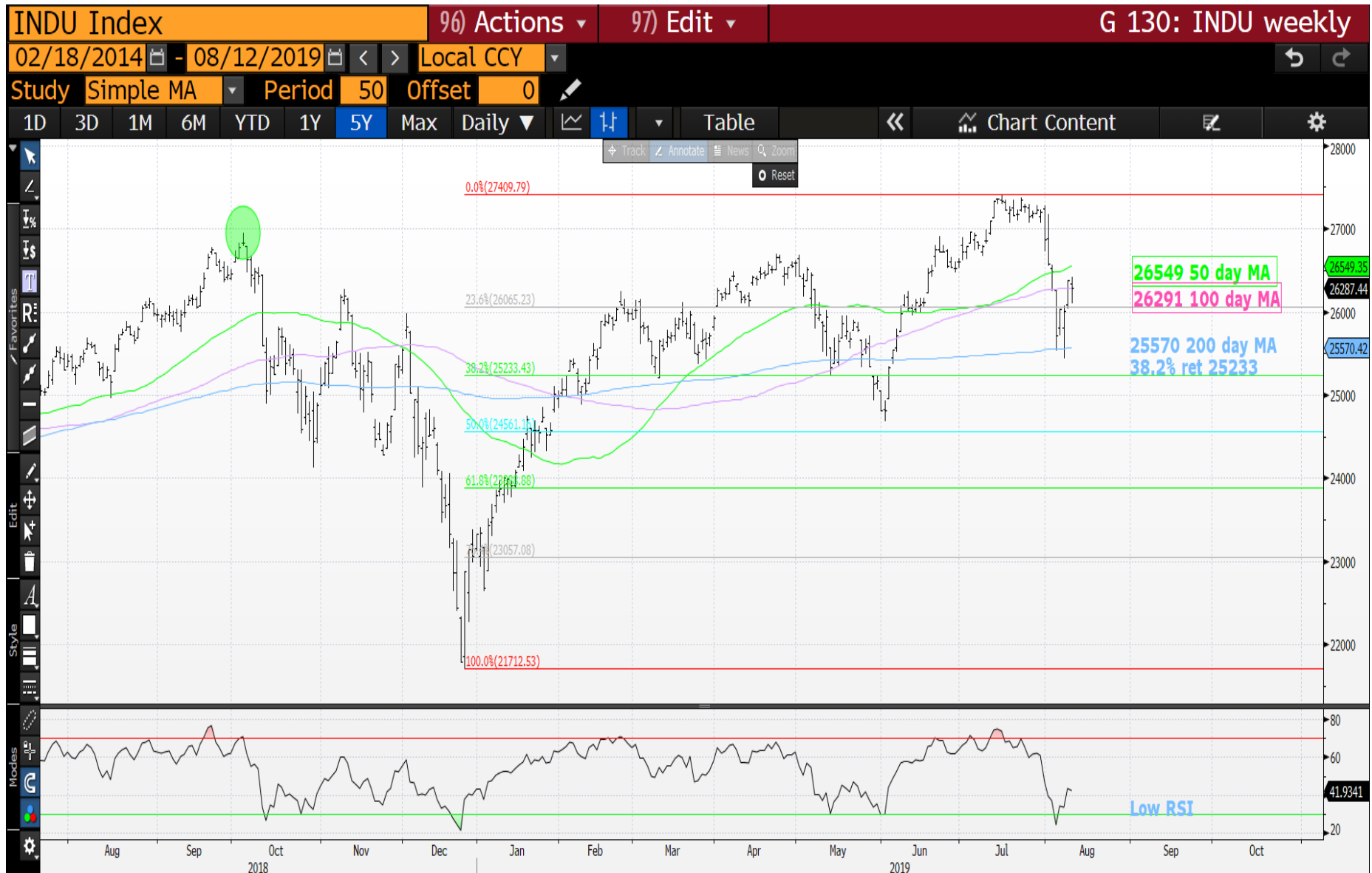
E mini S*P daily : The US has a more pronounced bounce potential given the PIERCED 200 day moving average SIMILAR to June. We shall see.



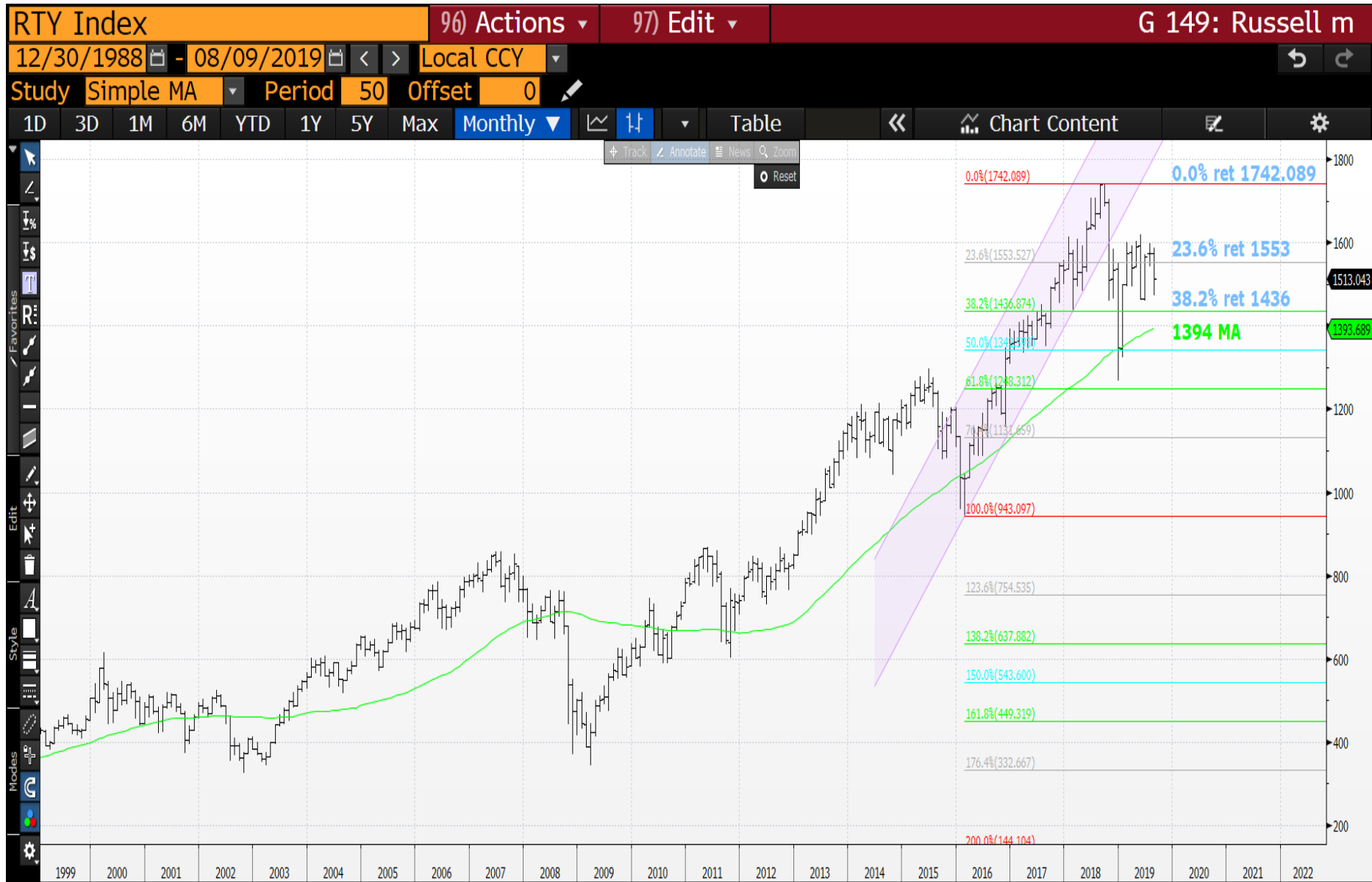
DOW quarterly : We have a new high so tough to reverse this market.



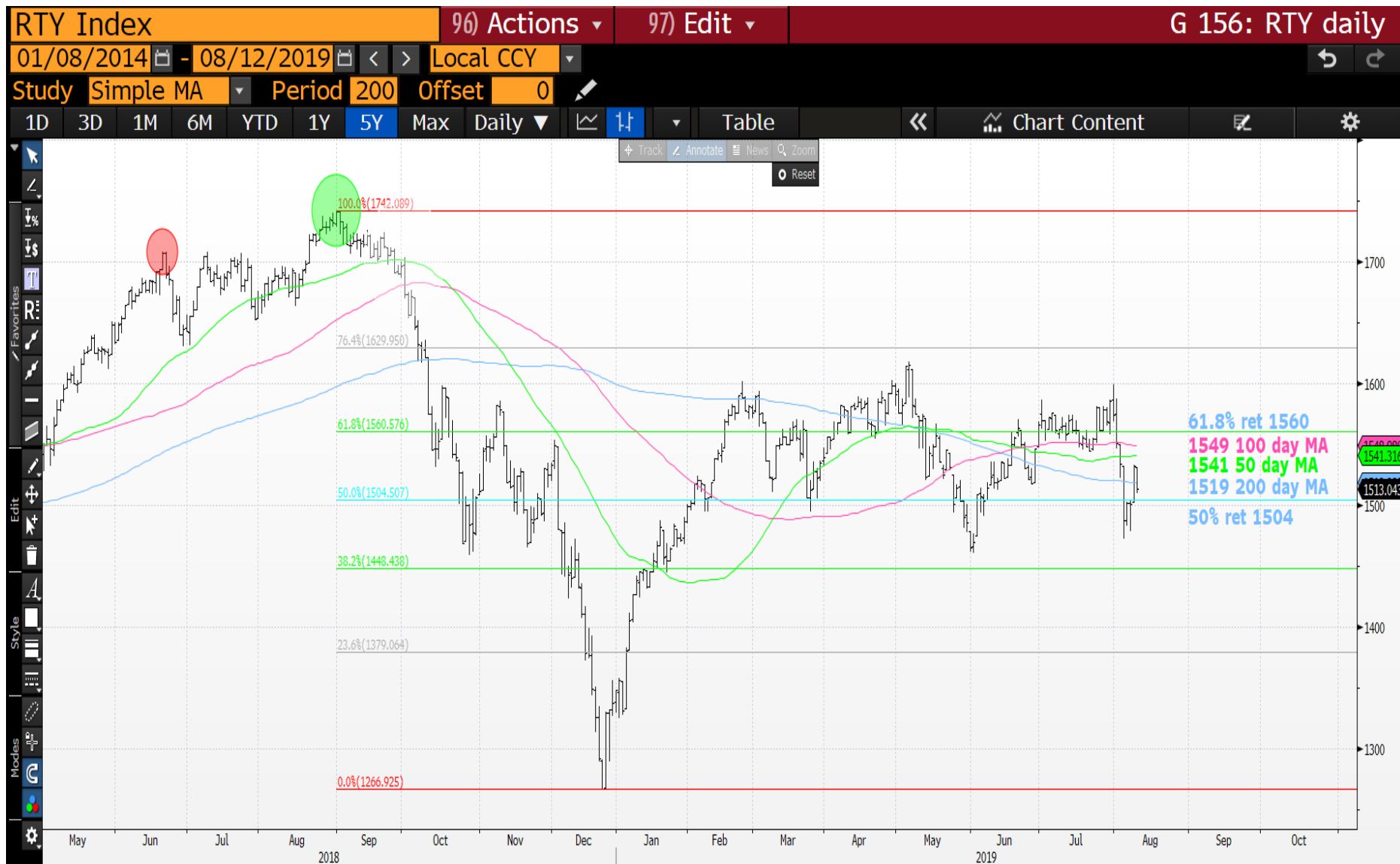
DOW daily : Thus far we are not making use of a very dislocated RSI similar to December 2018.



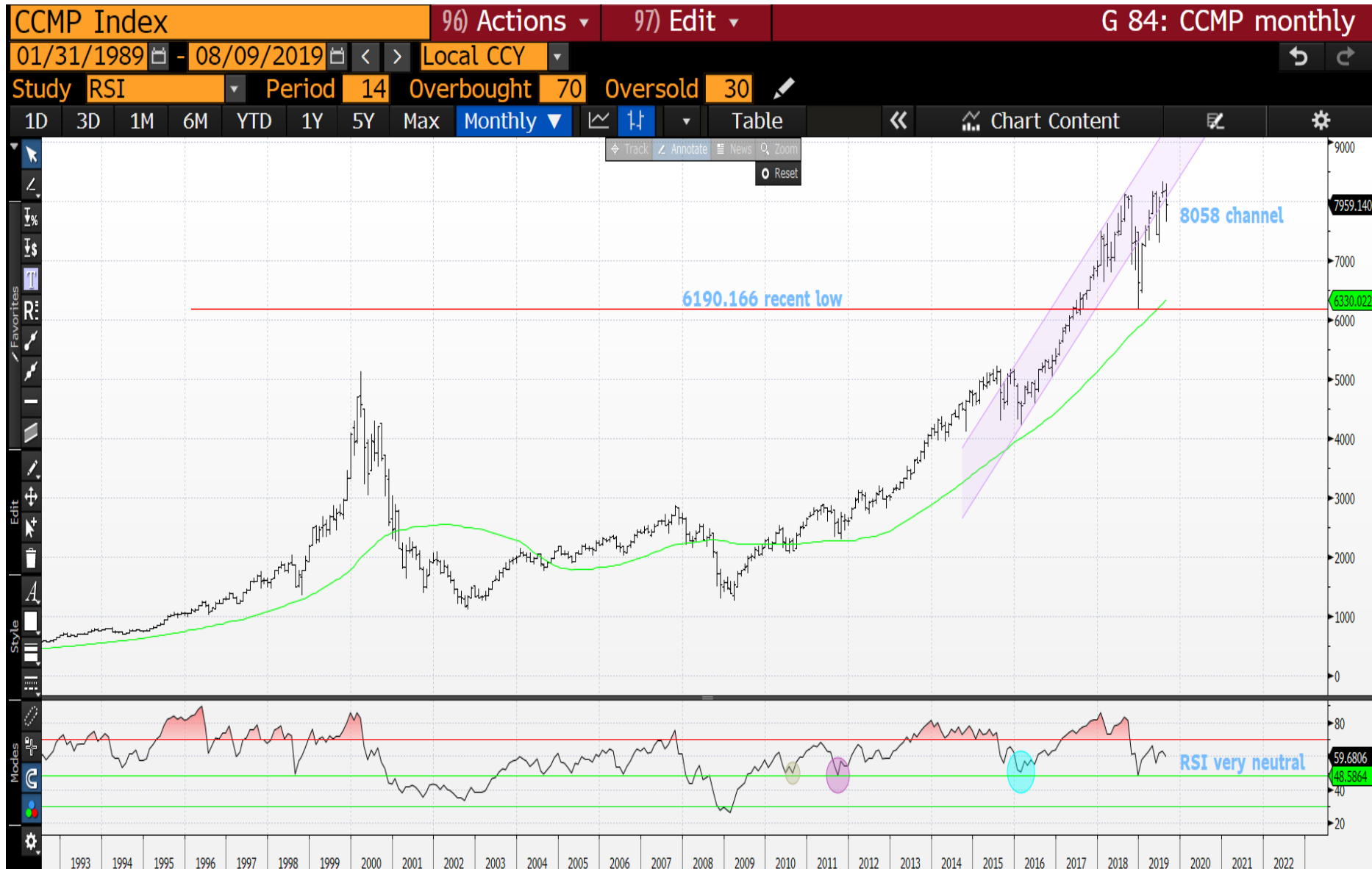
Russell monthly : We continue to TEASE the 23.6% ret 1553.



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



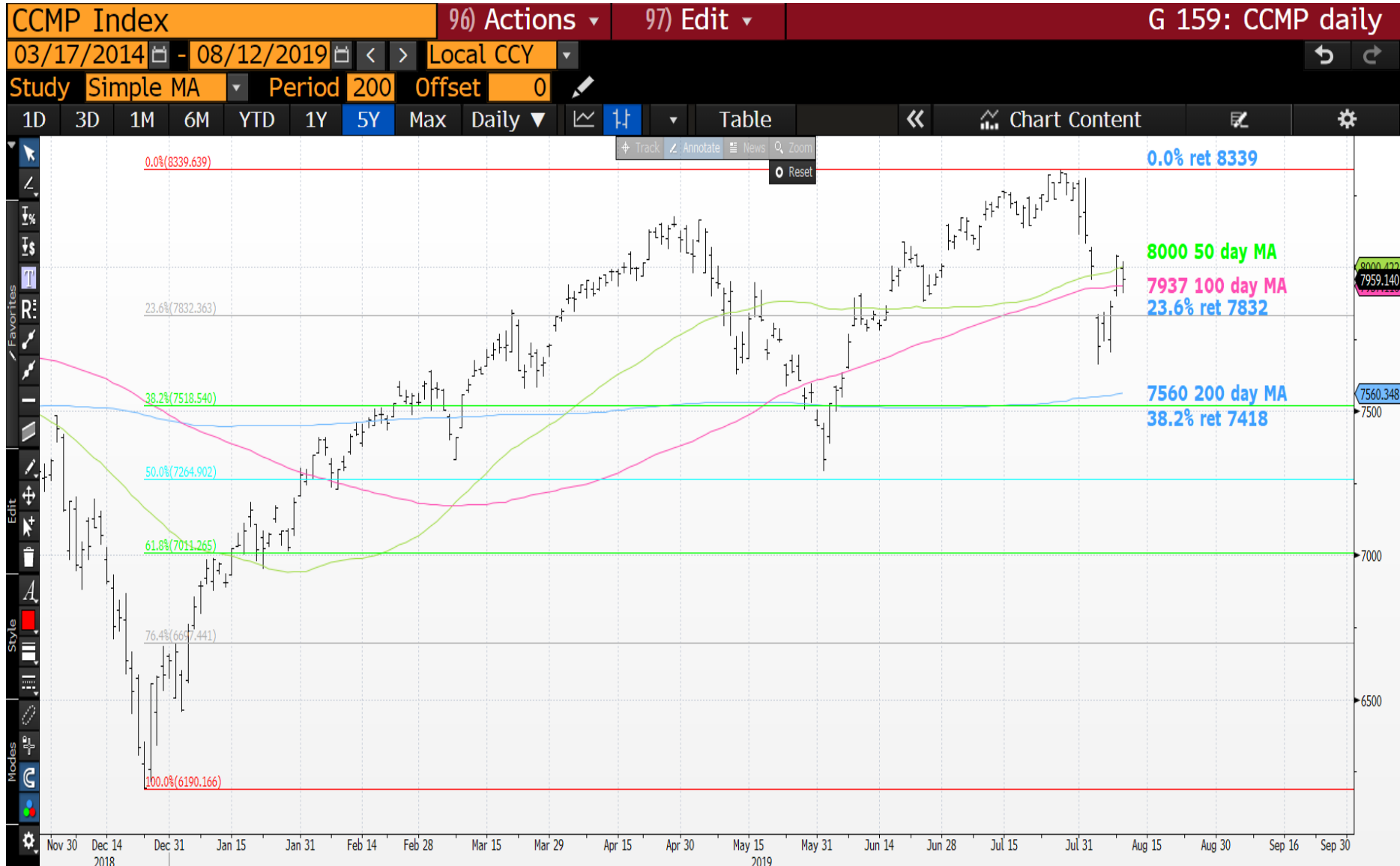
CCMP monthly : Despite the breach we are back teasing the 8058 channel again.



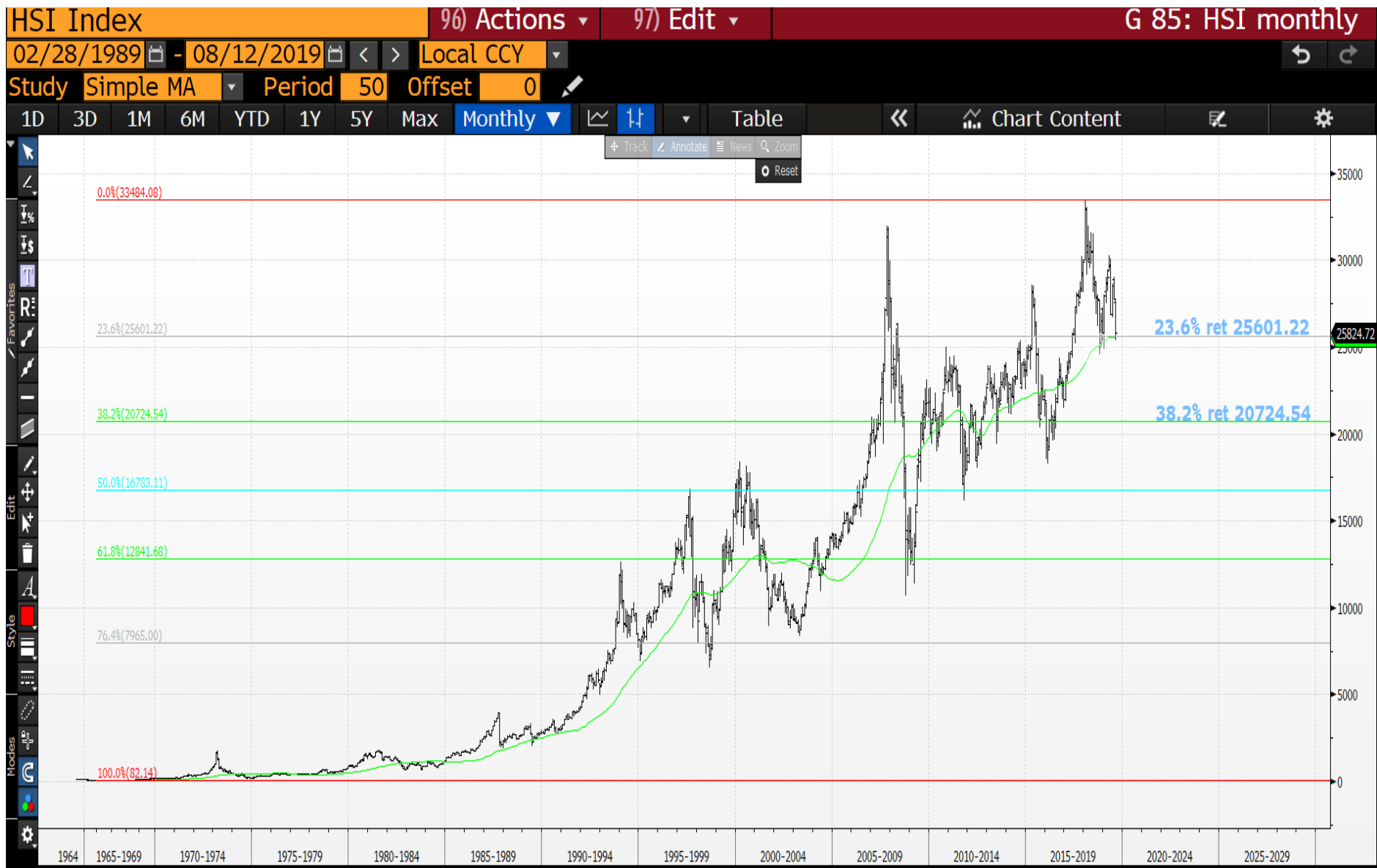
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CCMP daily : A tease here given we are sitting on MOST moving averages.



Hang Seng monthly : DAMAGED GOODS! This market remains vulnerable, certainly if the 23.6% ret 25601.22 is breached.



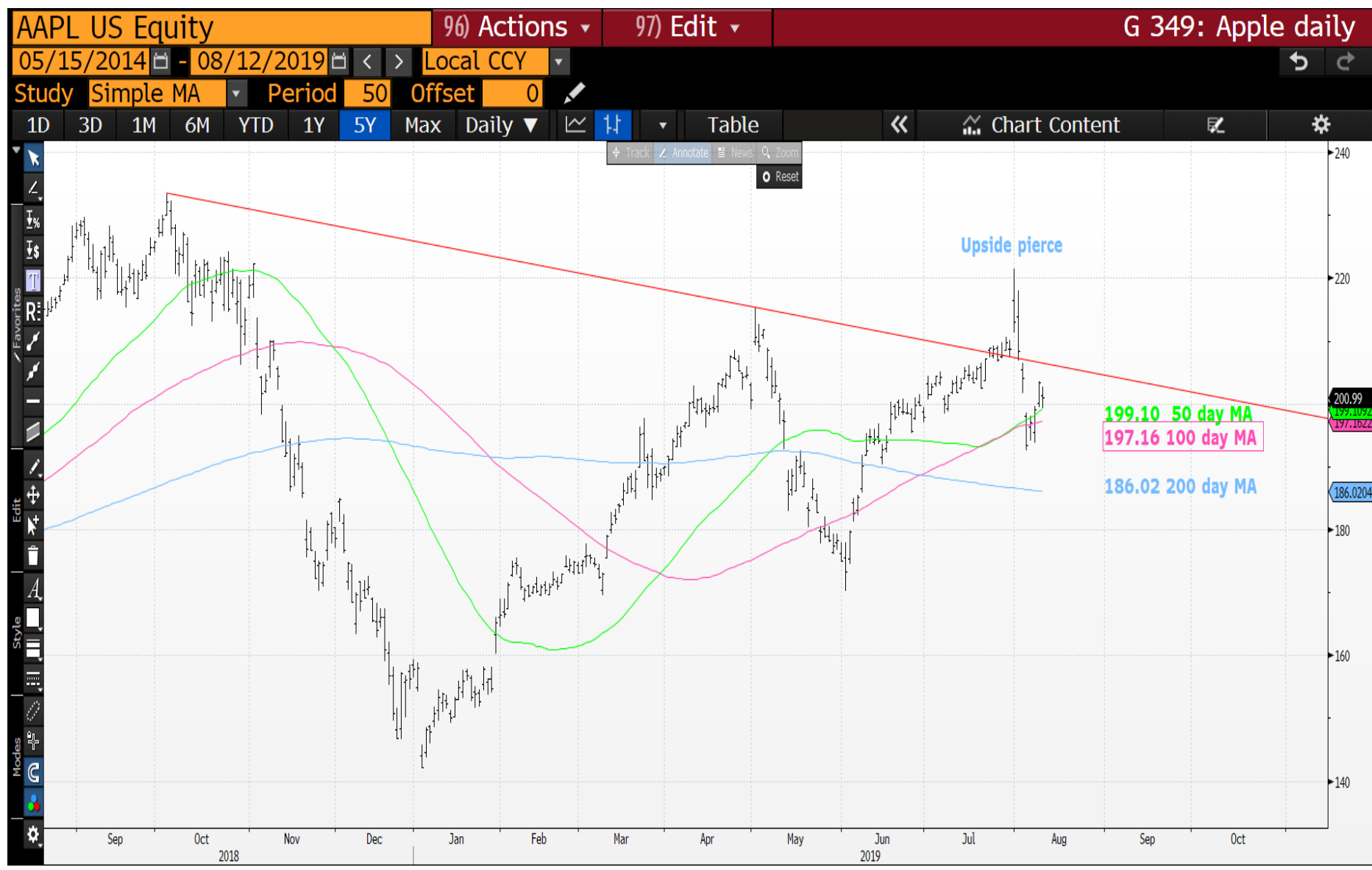
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Hang Seng daily : The LAME performer. We are well on our way to test the 0.0% ret 24540.

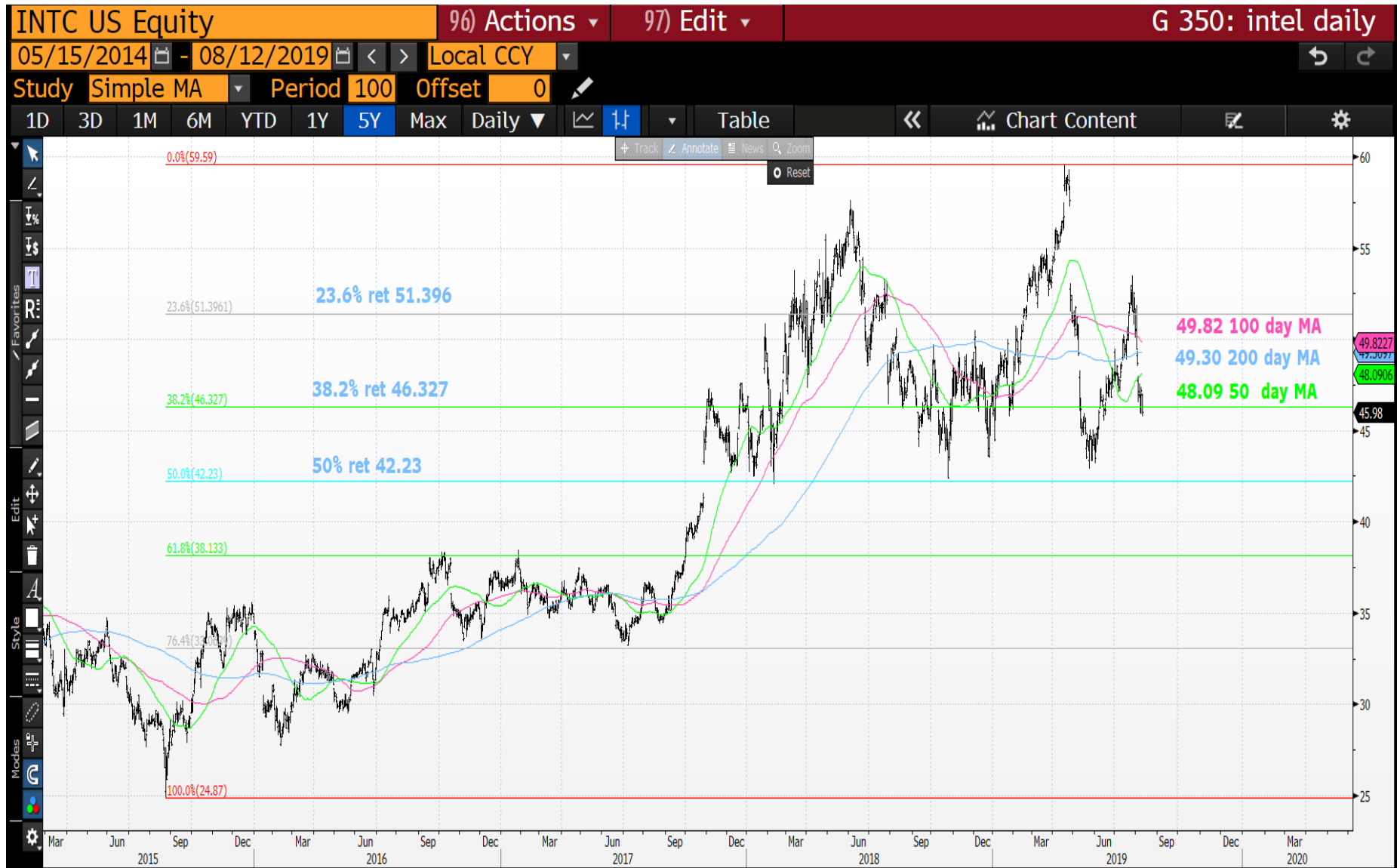


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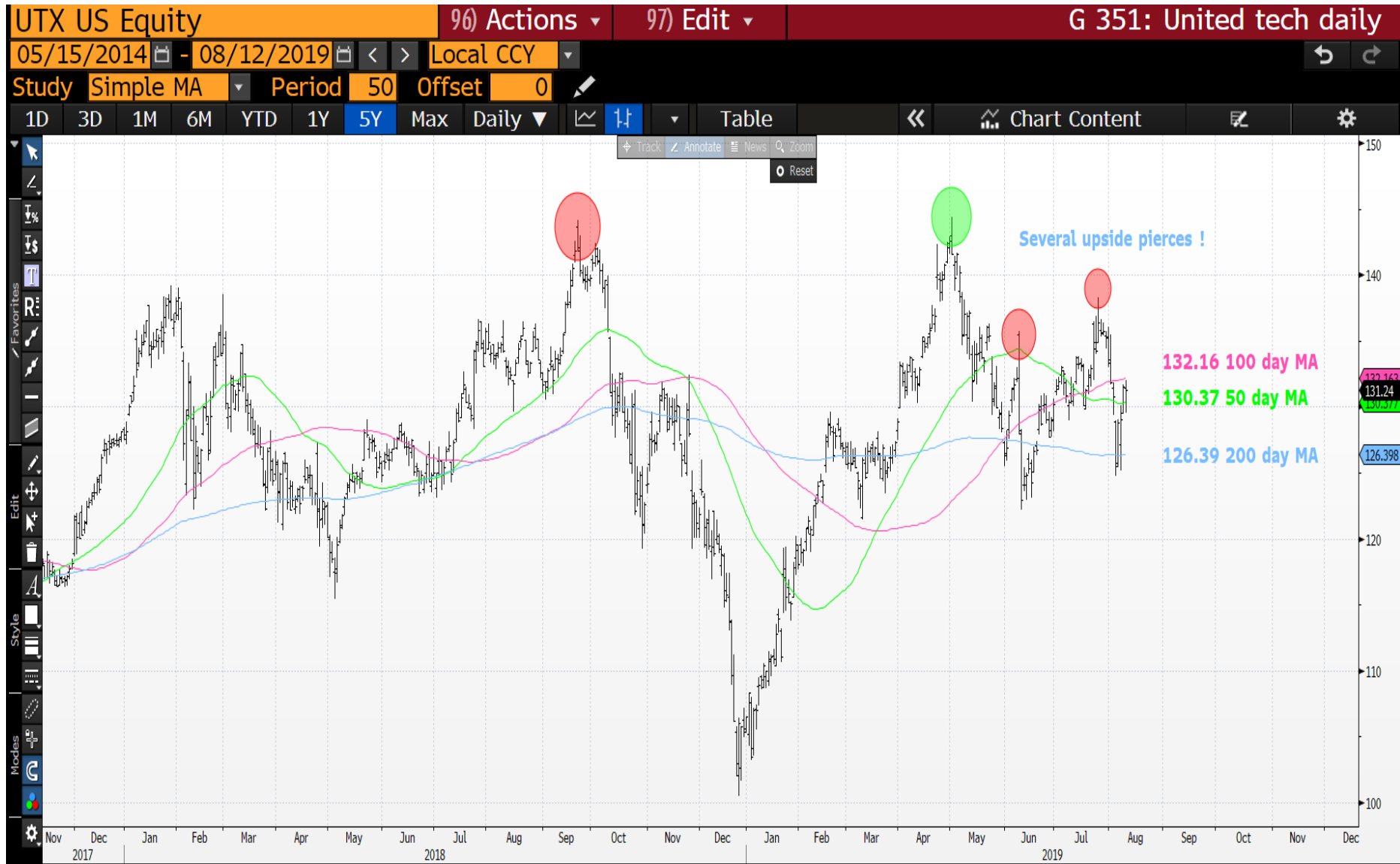
APPLE daily : We have recovered from the 50-100 day moving averages lets see how high the recovery is? Failing at the trend line will be an ENORMOUS HELP!



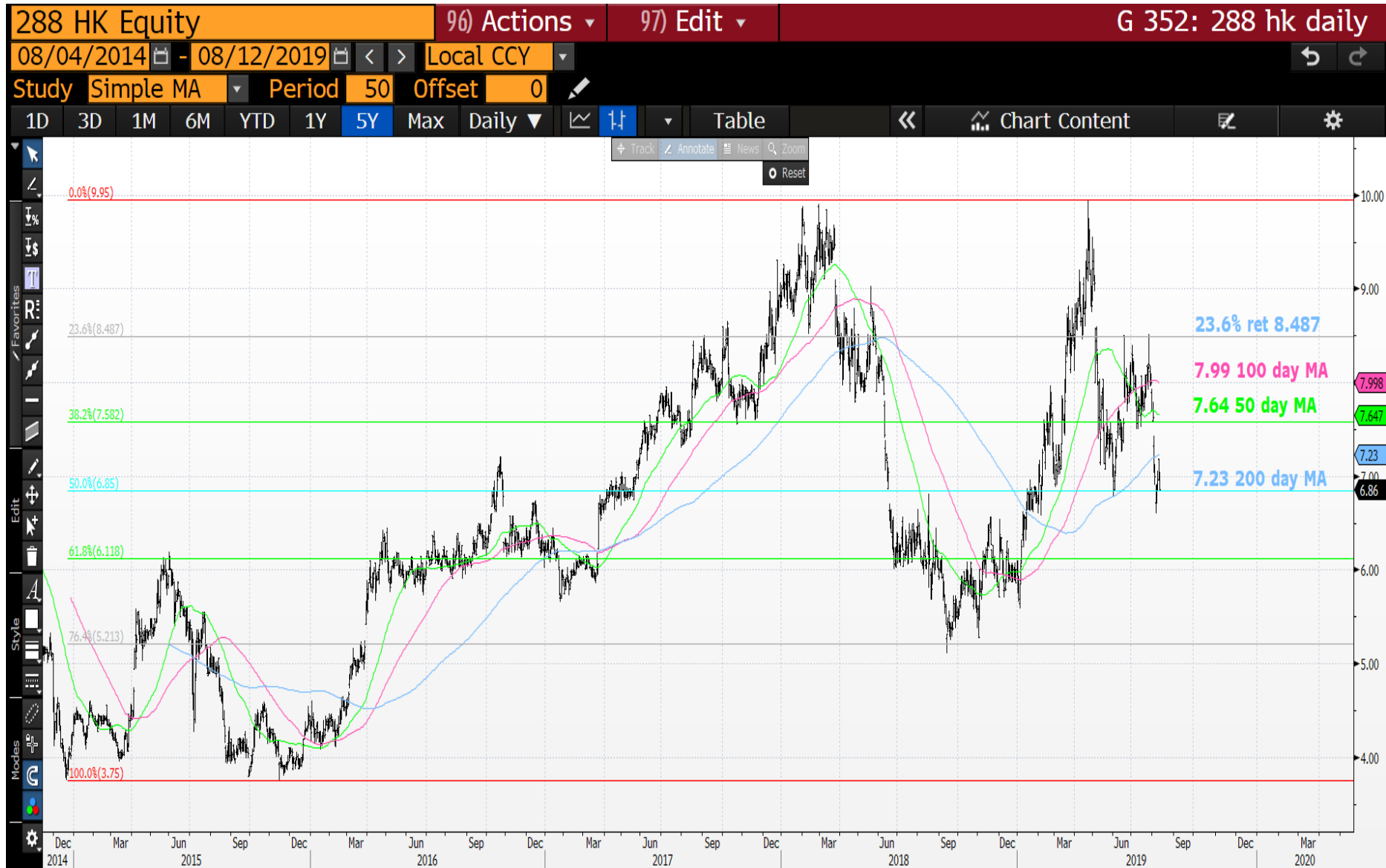
INTEL daily : We have failed ALL moving averages but the PRIZE is a breach of the 38.2% ret 46.327.



UNITED TECHNOLOGIES daily : We have held the 126.39 200 day moving average first time down but lets see what further progress brings!



WH GROUP daily : We are now below ALL moving averages, this could get UGLY.



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TECHTRONIC INDUSTRY daily : We held the 200 day moving average 49.98 but seem to be stalling already.



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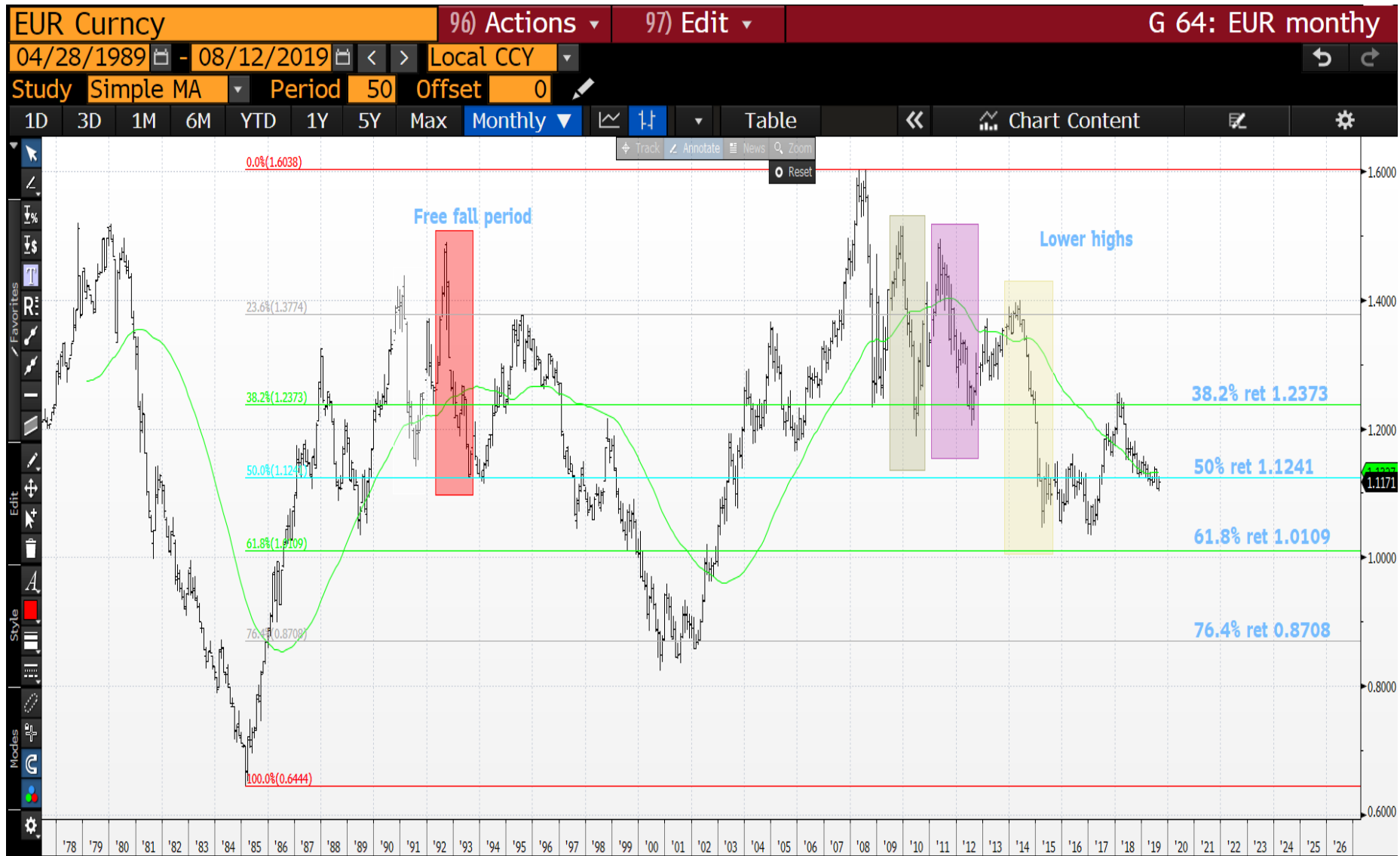
FX UPDATE

- **FX UPDATE :**
- **The key here is where the Euro can hold the 50% ret 1.1241, if not it could be a major blood bath.**
- **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.**

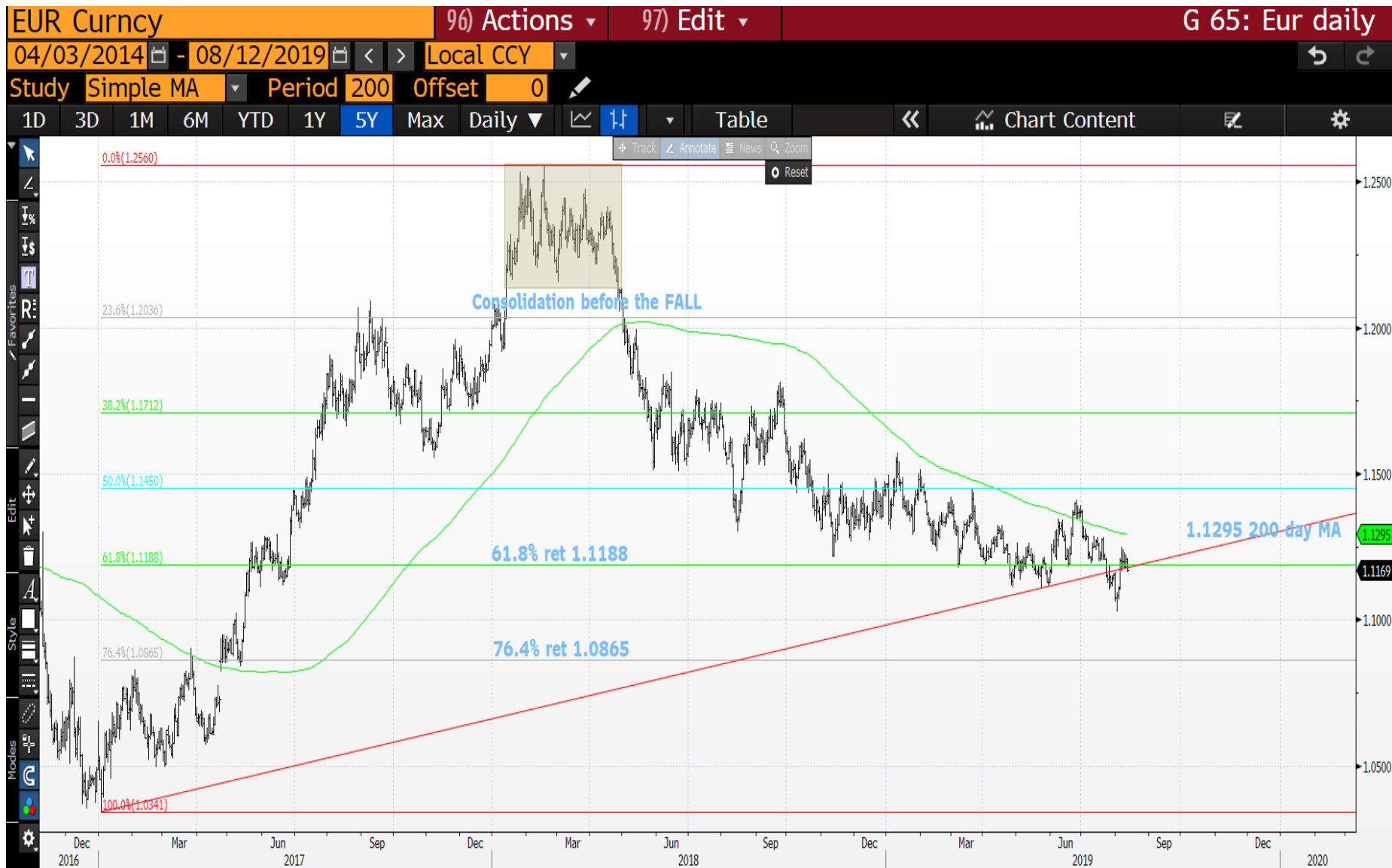
- **The EURO is testing a key 1.1354 200 day moving average.**

- **EM is a firm favourite with REAL MONEY but WILL do a lot better as the DXY stalls.**

EUR USD monthly : Hopefully with Mr Johnson in power in the UK it will tip the EURO into the ABYSS.



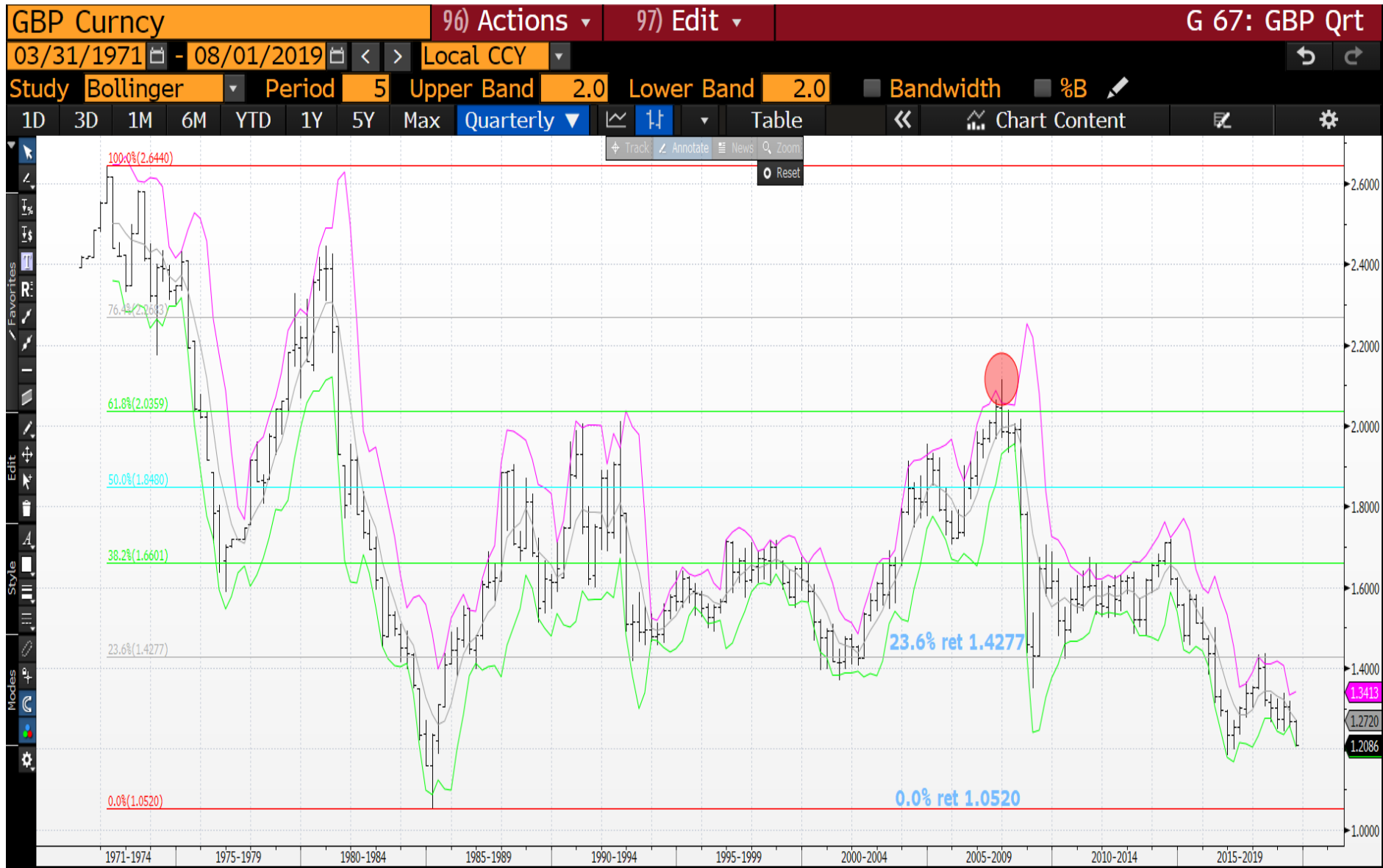
EUR USD daily : This continues to remain a very weak market given we are sub the 61.8% ret 1.1188, next stop the 76.4% ret 1.0865.



EUR GBP quarterly : We now have several very major opposing pierces indicating a DIFFICULT tone.



Cable quarterly : This has spent the quarter TRAPPED in the bollinger band range.



DXY monthly : ONE TO WATCH! We have reversed the recent FALSE break.



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DXY daily : We have dipped back below the trend line, just need to breach the 97.192 moving average.



AUD USD monthly : We have made a new year low BUT still holding.



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USD CAD weekly : Another chart advocating USD weakness given we have breached the RELIABLE 50 period moving average 1.3250. We could witness a rapid CAD appreciation.



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USD JPY monthly : Although we have witnessed a decent move of late, in the grand scheme of things there are better crosses to trade.



EM UPDATE

- **EM : There has been some sizeable USD bounces of late BUT many daily charts are witnessing VERY over bought status.**
- **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.**

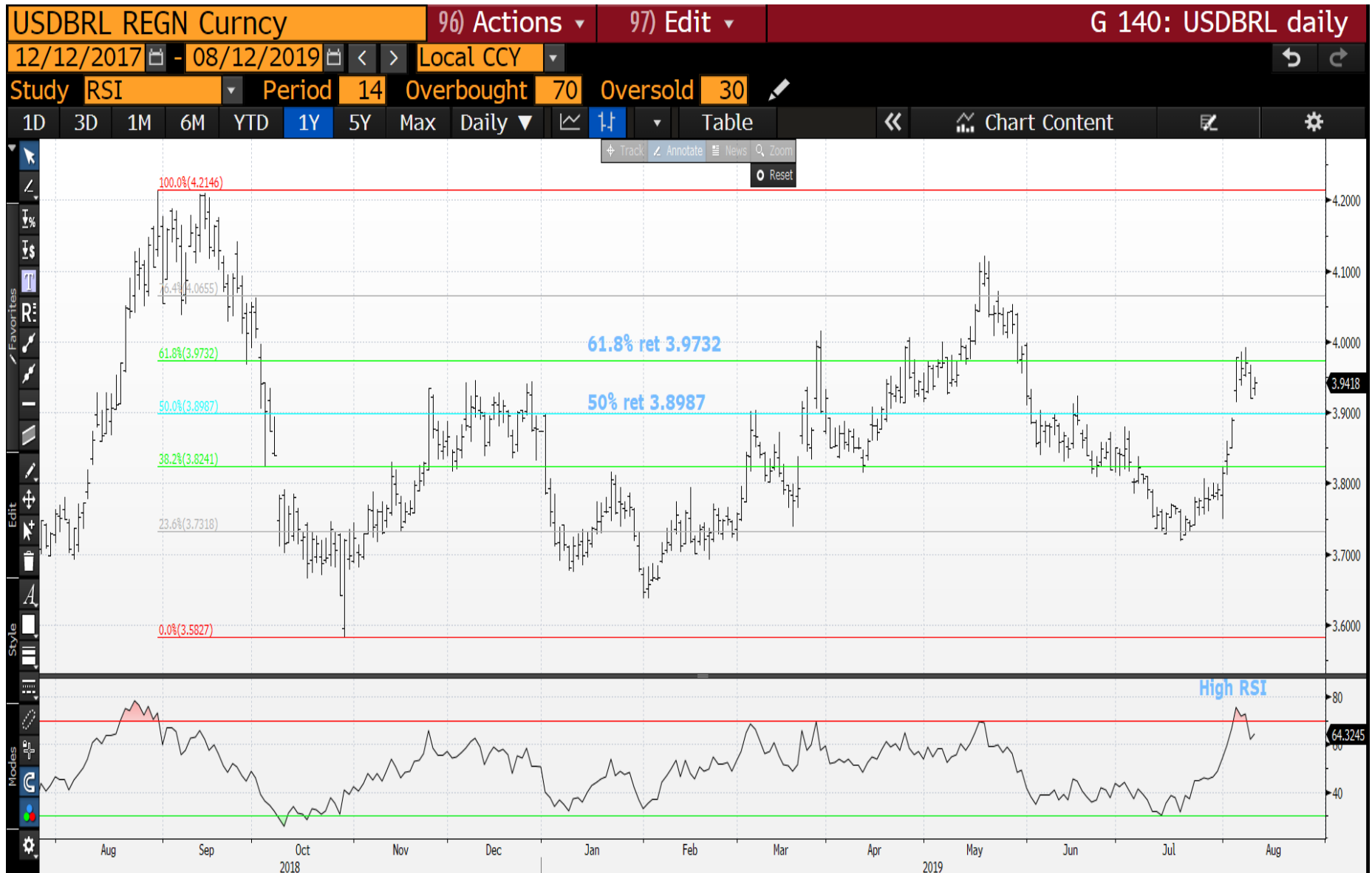
USD MXN monthly : The market is testing the 23.6% ret 19.6544 thus BELOW it maintains a bearish tone for the USD and a positive one for the MXN, we shall see.



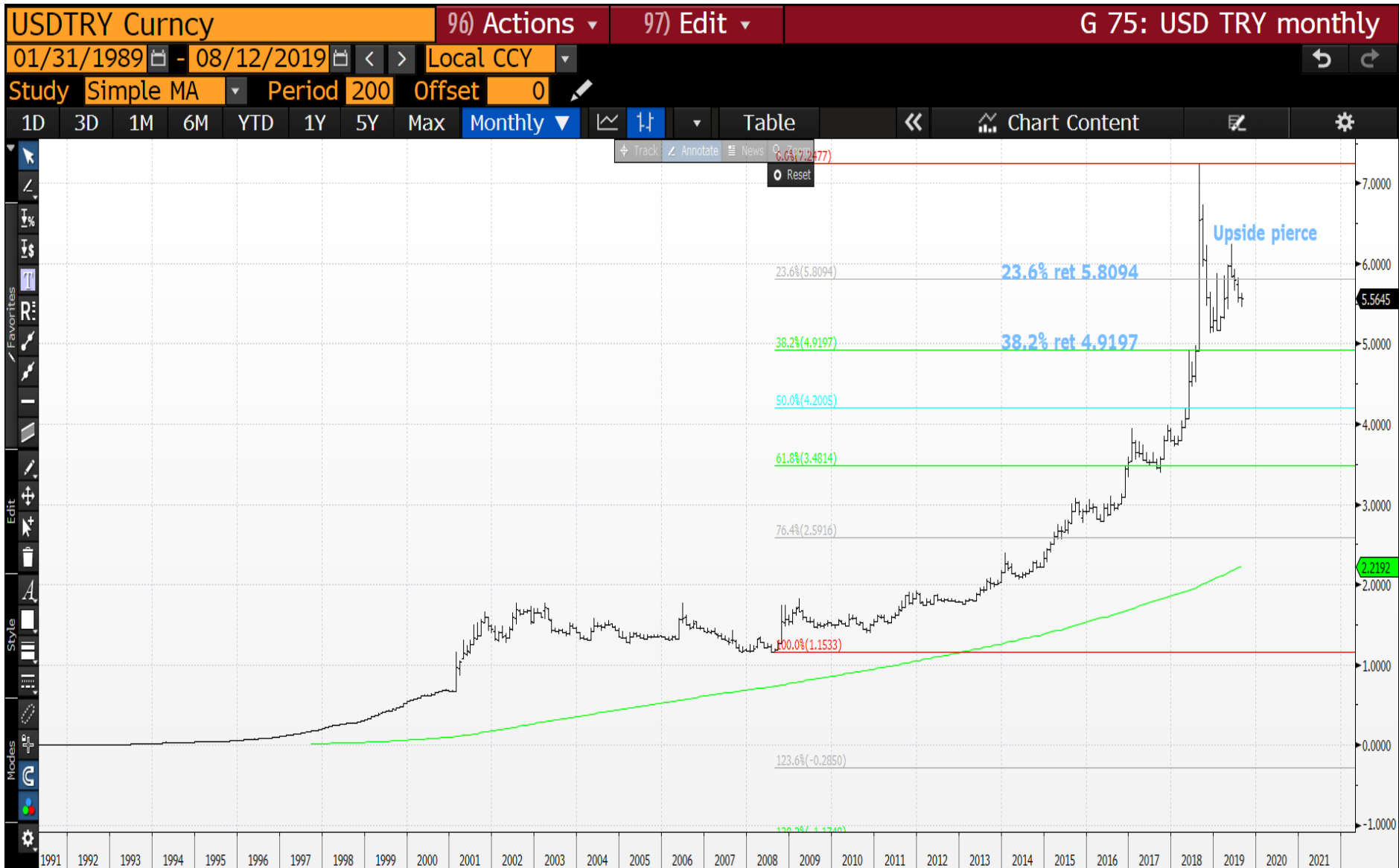
USD BRL monthly : Another bounce of late that should stall if the daily RSI dislocation wins through.



USD BRL daily : We have formed a sizeable top against the 61.8% ret 3.9732, just now need to head lower!



USD TRY monthly : A steady grind lower from the recent upside pierce.

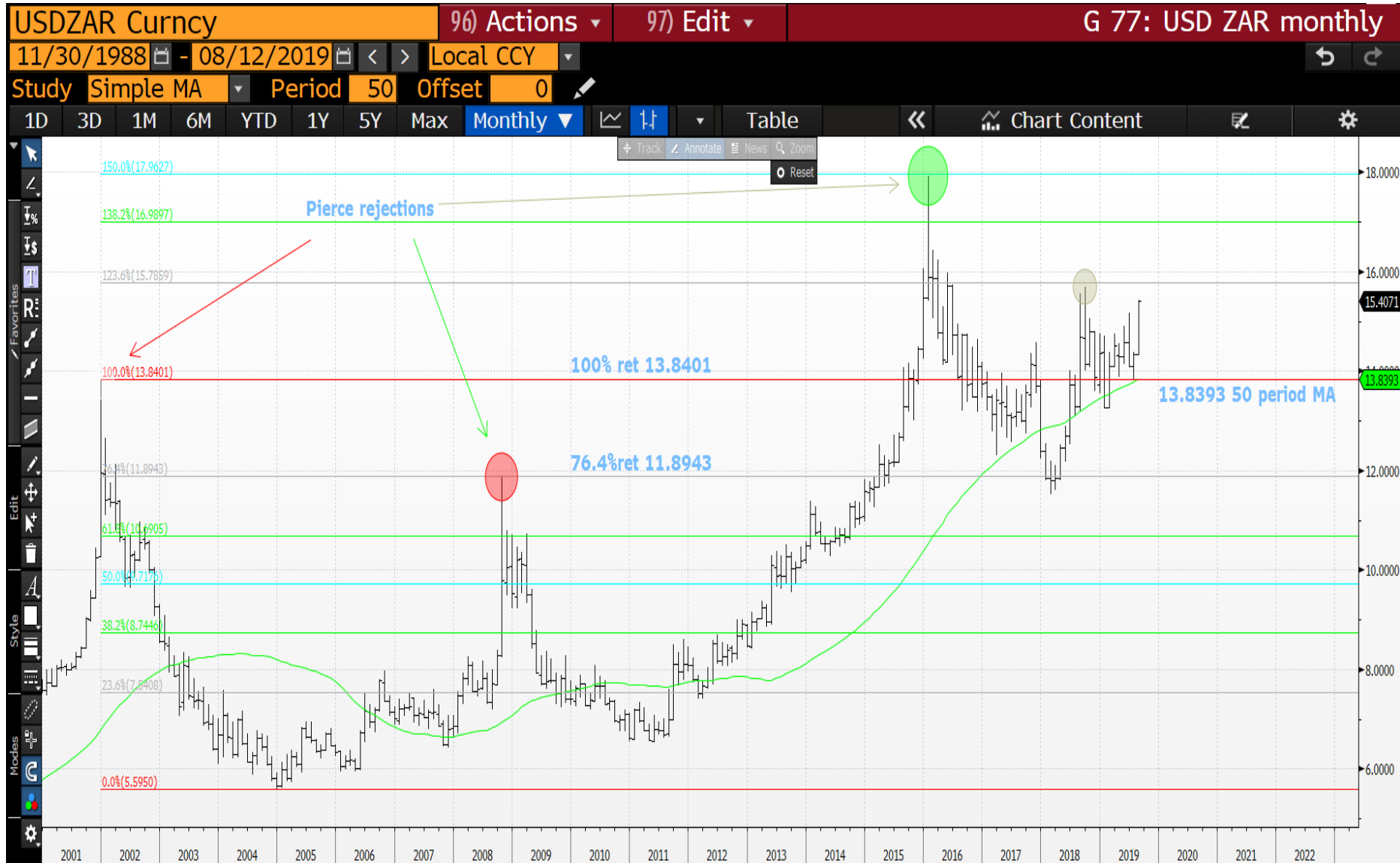


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USD TRY monthly : Ideally we remain sub the 5.5630 moving average.



USD ZAR monthly : We have recovered a lot higher than expected but the NEXT daily chart highlights a VERY OVERSTRETCHED RSI.



USD ZAR daily : No LEVEL here to leverage off but the RSI is pretty obvious.



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USD RUB monthly : We have held the 38.2% ret 61.9293 but should breach it given the daily RSI.



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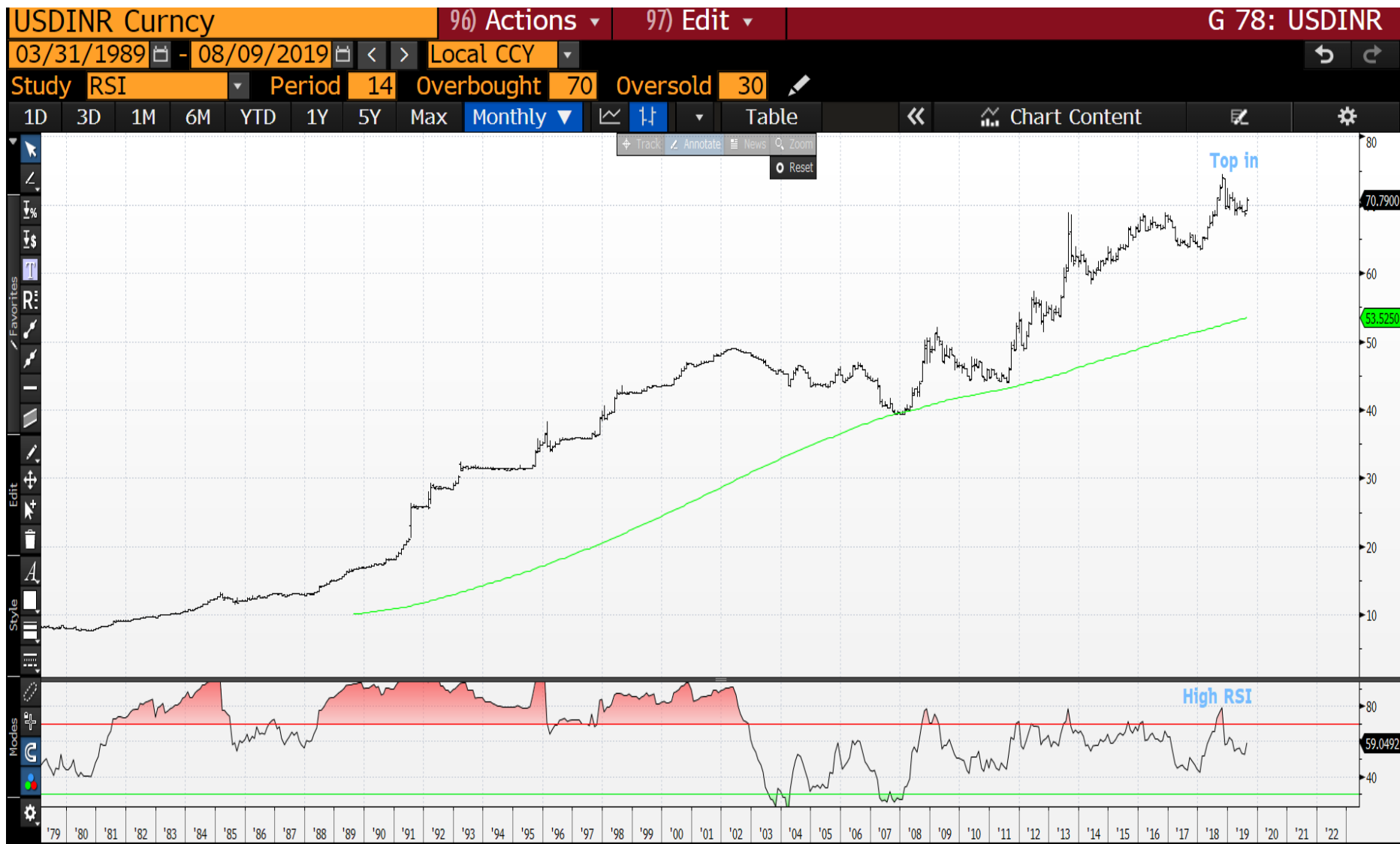
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USD RUB daily : The RSI speaks for itself again, we just need to breach the 61.8% ret
65.0764.



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USD INR monthly : A BIG ONE for 2019. Again a decent bounce of late BUT the daily RSI is suitably dislocated.



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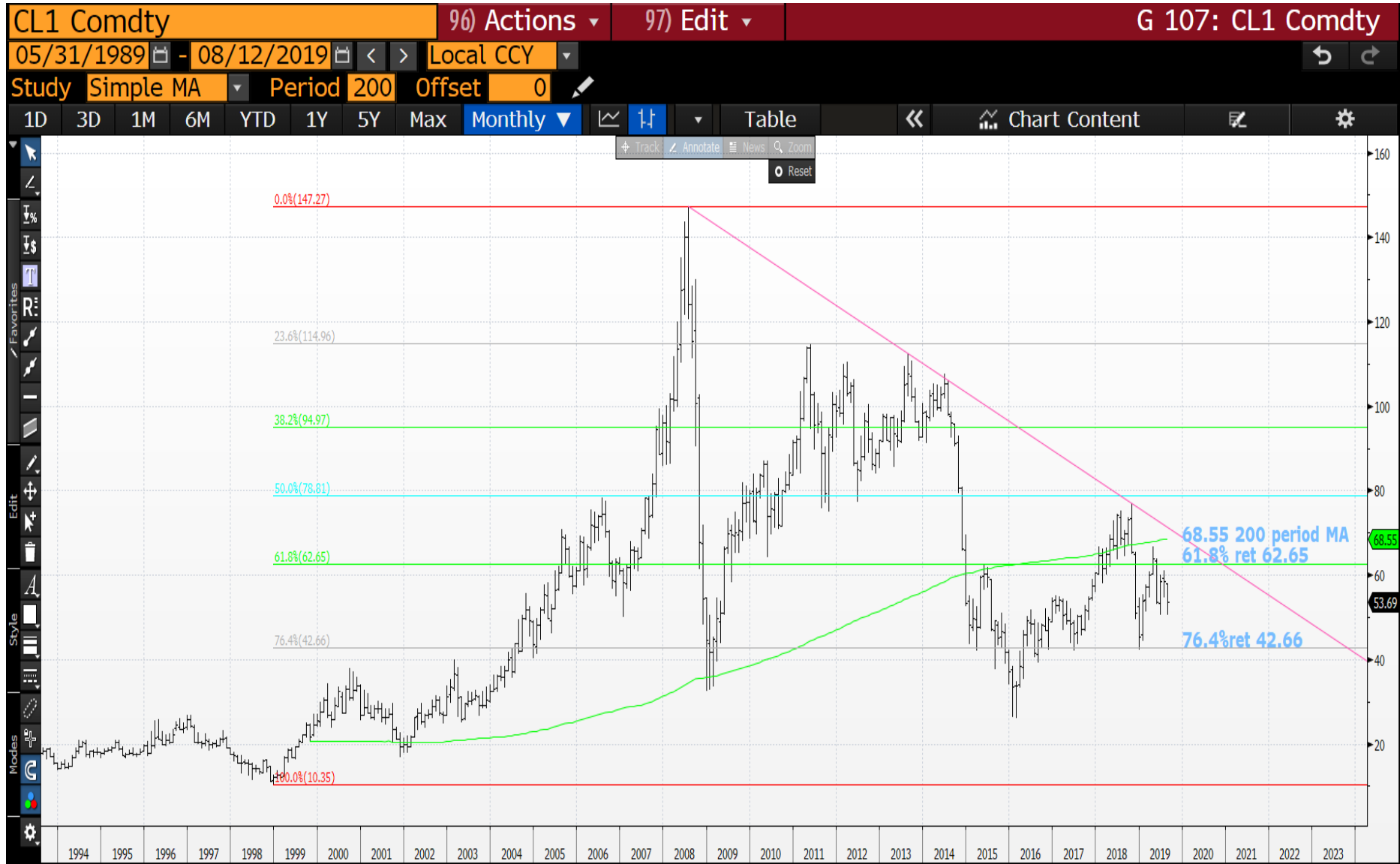
USD INR daily : The RSI is in similar territory to that of October 2018 so ideally we head lower into the week end.



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CL1 monthly : Oil is struggling i.e. in a RANGE technically.



CL1 daily : A sideways market given the RSI however sub the moving averages-61.8% ret
55.36 highlights a slightly negative tone.



GOLD monthly : We are close to testing the first REAL resistance at the 23.6% ret 1527.23
BUT should equities sell off we will accelerate higher!



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GOLD daily : We continue to HOLD and grind higher, even the RSI has lost its previously overbought status.



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Silver monthly : Worth a mention if stocks fail. Do think this benefits if GOLD flies! Currently above the 16.8016 moving average helps.



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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