

**BOND AND BREAKEVEN DILEMA : YIELDS TO HEAD HIGHER! WE ARE VERY CLOSE TO FULL CONFIRMATION.**

**IT DOES APPEAR WE WILL HEAD HIGHER IN YIELD FOR SOME PERIOD OF TIME.**

**BONDS :**

**IT IS NOW LOOKING LIKE A REASONABLE YIELD BASE HAS GONE IN AIDED BY THE BREAKEVEN SECTOR.**

**US BREAKEVENS AND USGGT :**

**GIVEN THE NATURAL CORRELATION WITH CORE YIELDS THE MARKET SHOULD BOUNCE ALONG WITH YIELDS.**

USGG30yr monthly : \*\* A VERY KEY CHART. \*\* The trend lower IS LOOKING LIKE coming to an end especially since the lows established in August and September. Obviously these will be negated by any new low BUT they are holding! We will be over due a BOUNCE.



USGG30yr weekly : This chart highlights the recent HOLD in August and September, 2.3790 the level to breach for confirmation of a BOUNCE in yield.



USGG30yr yield daily : \*ONE TO WATCH\* We have breached the 50 day moving average 2.1167 and READY to head higher.



15/10/2019

US 30yr futures daily : I would anticipate the LONGS top of exited given we have breached the 23.6% ret 161-19, next stop the 38.2% ret 158-12.



15/10/2019

US 10yr yield quarterly : Thus far yields have held last quarters low.



USFS 10-20 monthly : Similar to the US 30yr yield chart WE HAVE A BASE! The RSI is implying a sizeable reversal.



US 10yr yield weekly : Potentially a great BASE developing and once above 2.00 we fly.

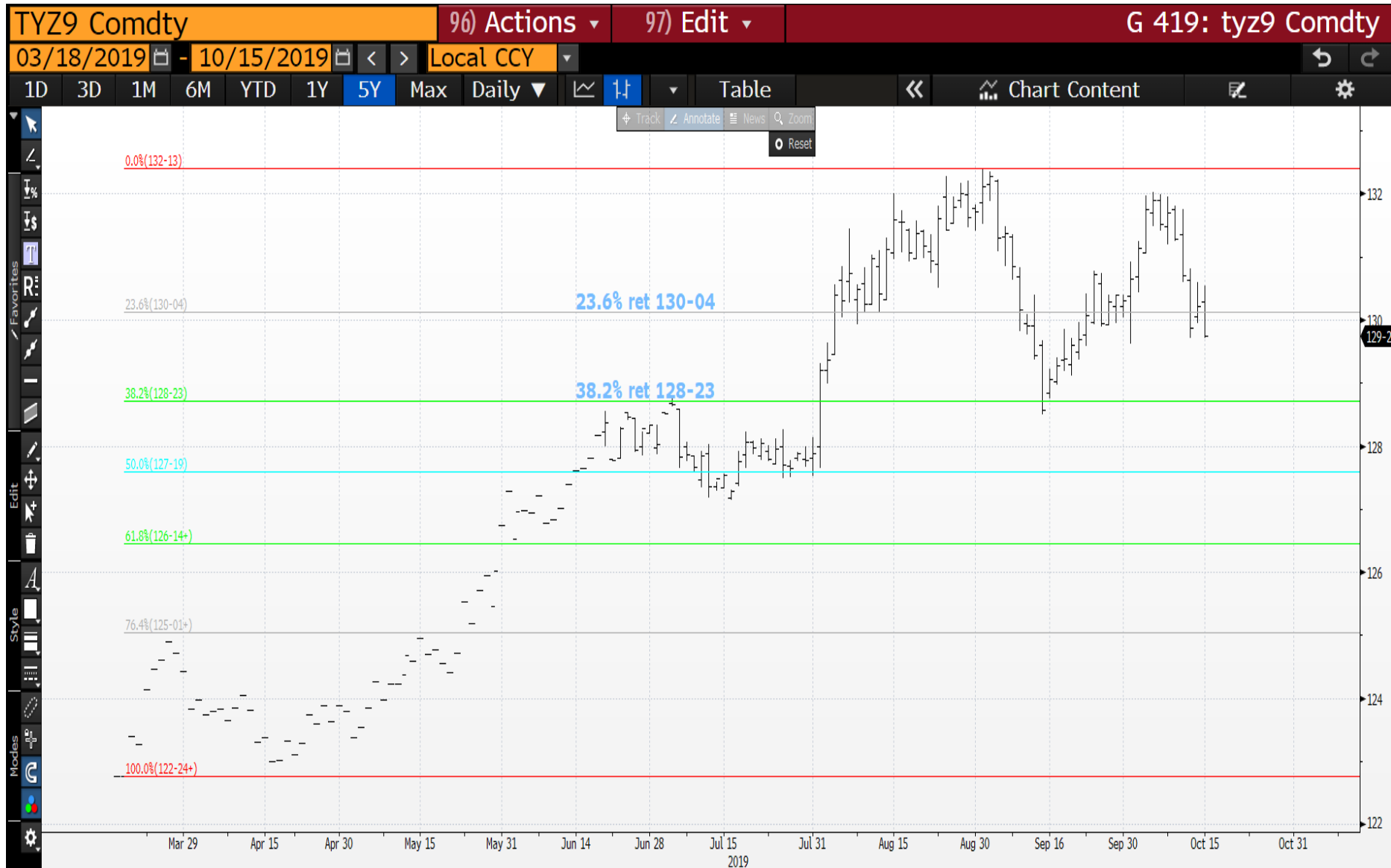




USGG10yr daily : Given the RSI is mixed ideally we need to break the 76.4% ret 1.7761 to confirm any kind of recovery.



US 10yr futures daily : A top is forming given we failed to breach the September high, sub the 38.2% ret 128-23 will be painful.



USGG5yr quarterly : Again last quarters low has held but this part of the curve hasn't spent much time bellow the reliable moving average 1.8600.



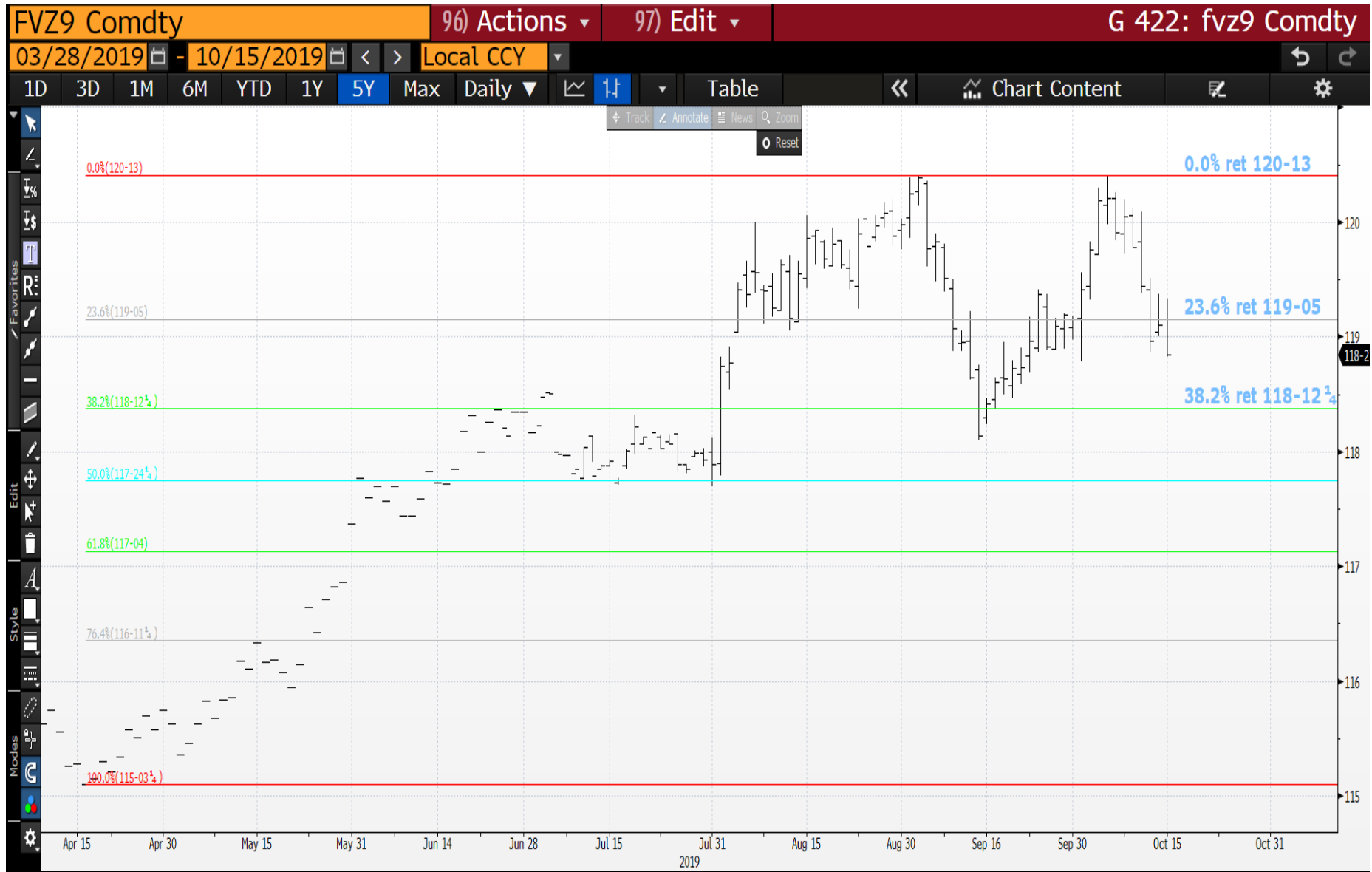
USGG5yr weekly : A possible double bottom has been established.



USGG5yr weekly : COULD BE A KEY CHART. Another chart that has breached the solid 50 day moving average, above the 100day moving average 1.6744 will confirm a major yield RALLY.



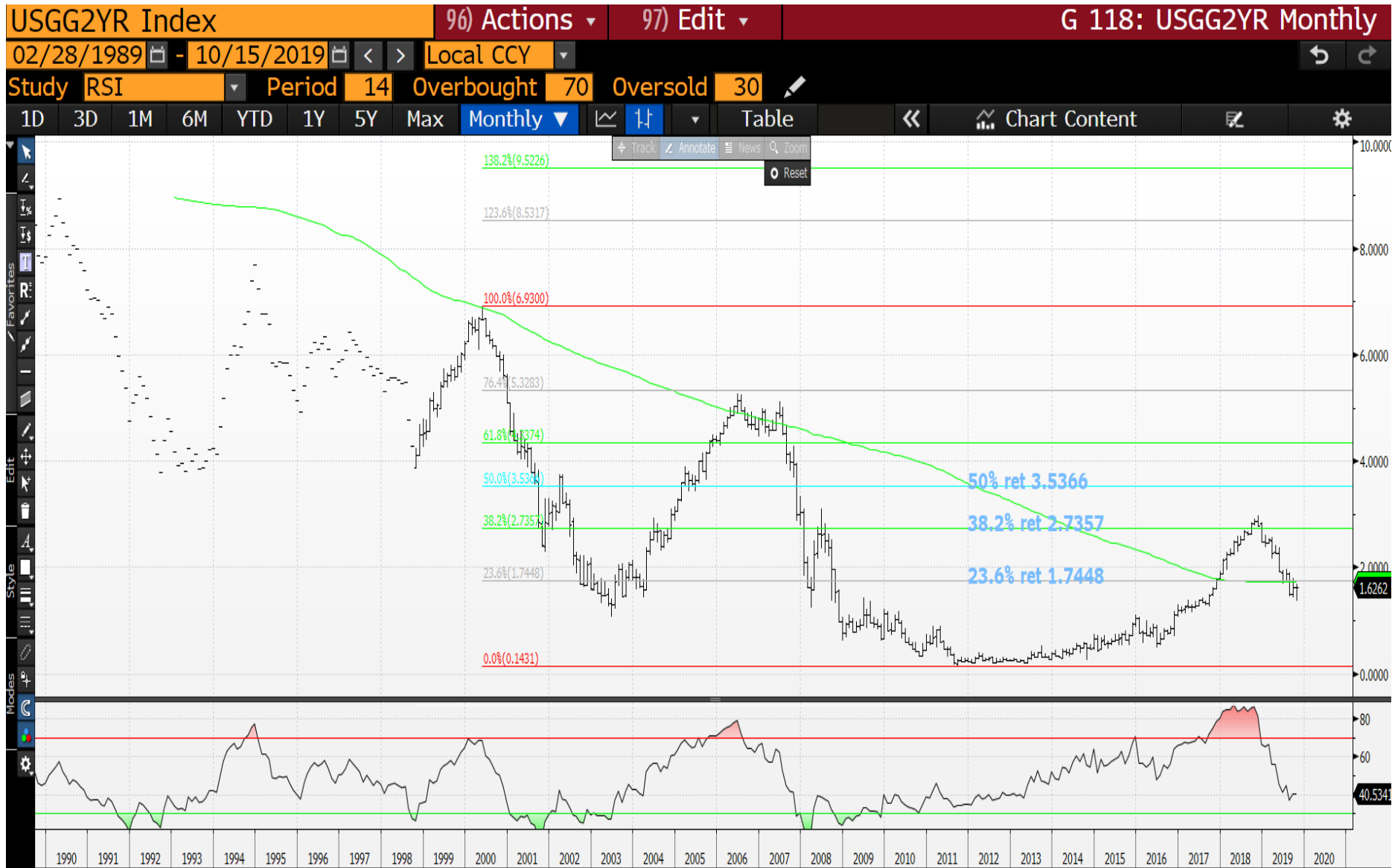
US 5yr futures daily : CTA's are probably still long BUT sub the 23.6% ret 119-05 am sure will many have exited and close to ENTERING SHORT futures positioning.



USGG2yr quarterly : We have posted a new yield low this quarter.



USGG2yr monthly : To formulate any kind of reversal we need to breach the 23.6% ret 1.7448.





USGG2yr monthly : This seems the last place to see a bounce given the new low BUT a bounce above the all important 1.6742 moving average will be key.



15/10/2019

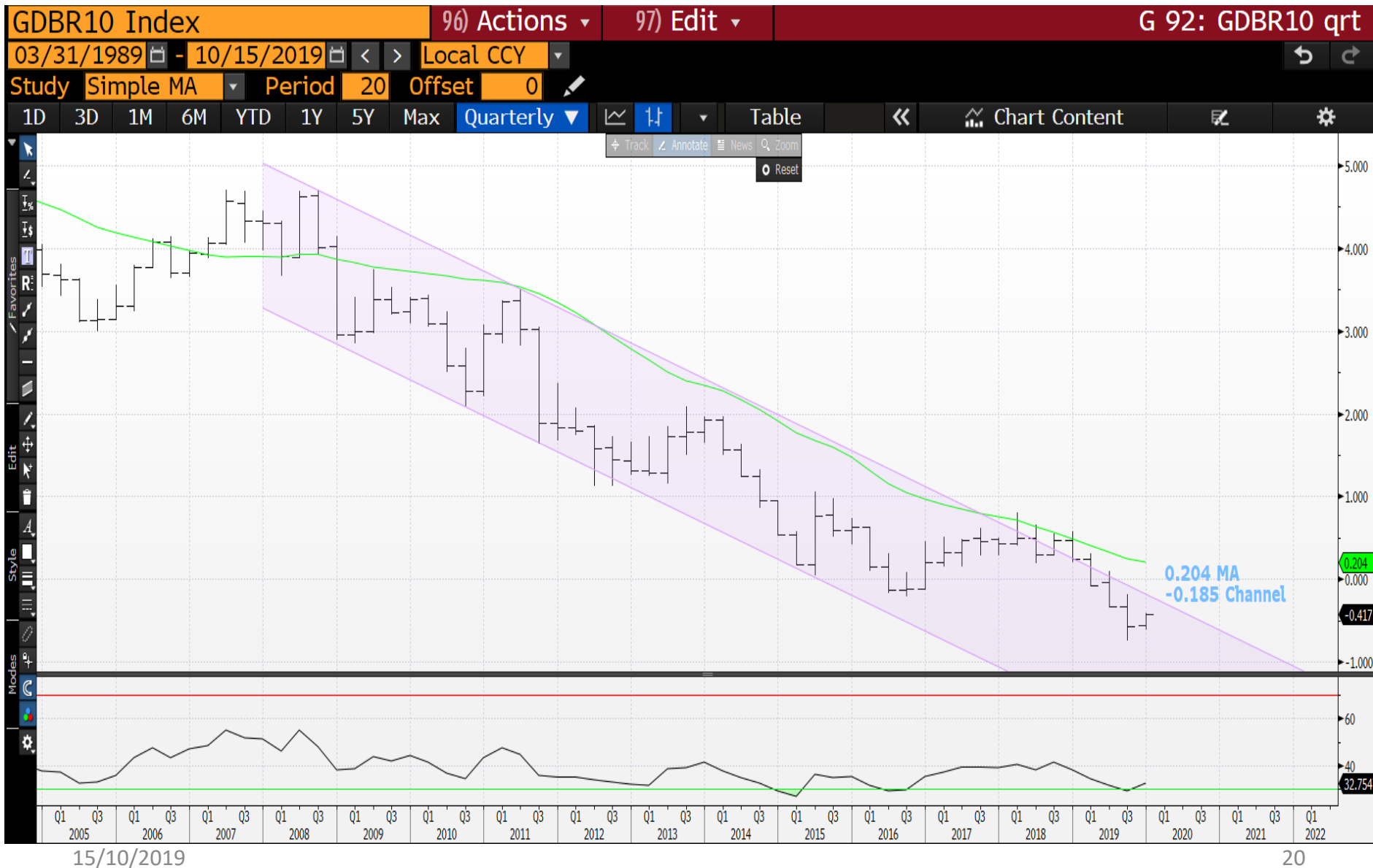
USGG2yr daily : We have breached the 1.5818 50 day moving average and poised to head higher.



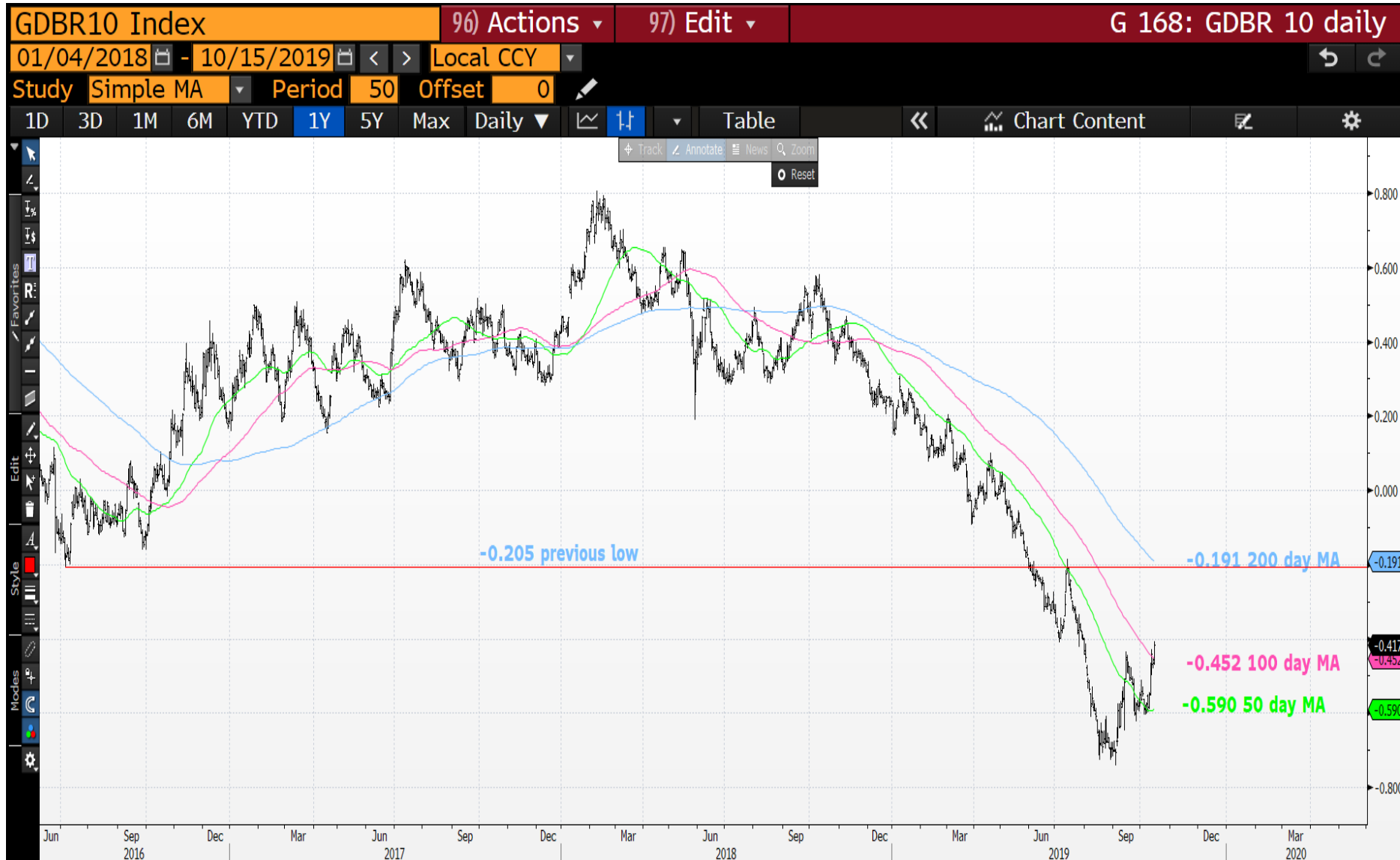
US 2yr future daily : The one possible signal for a futures sell off is the recent upside pierce.



Generic German 10yr quarterly : We have NEW YEAR yield low last quarter but that PIERCE might have formed a yield base. We look to BASED and Germany is leading yields higher.



Generic German 10yr daily : This was the first to breach the -0.590 50 day moving average and now the 100 day moving average-0.452 has gone too. We could see yields rise VERY SHARPLY.



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DBR 46 daily : The ever reliable bouncing bond is struggling, we have breached the 172.388 moving average for the first time in a while. Sub the 100% ret 163.575 will flag a major drop.



Bund future daily : It looks like some CTA's will have exited BUT the FULL reversal is starting to take place now sub the 38.2% ret 171.91.



Gilt future daily : This has yet to breach any of the longs stops but sub 130.25 will flush most.



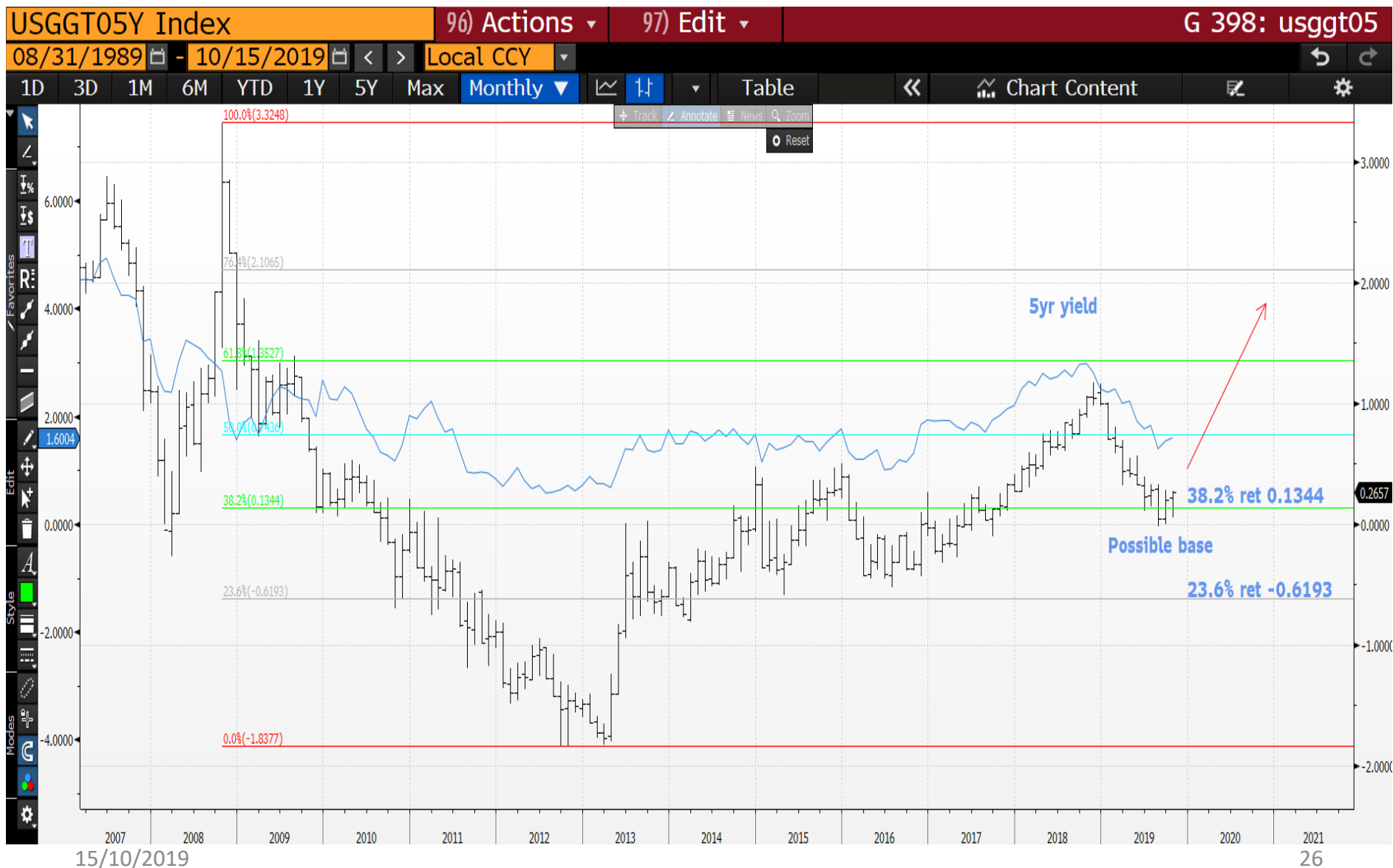


## US BREAKEVENS AND USGGT :

GIVEN THE NATURAL CORRELATION WITH CORE YIELDS THE DILEMA IS WHETHER YIELDS BOUNCE HERE AIDED BY THE BREAKEVEN SUPPORT.

MANY CHARTS HAVE BOND YIELD OVERLAYS.

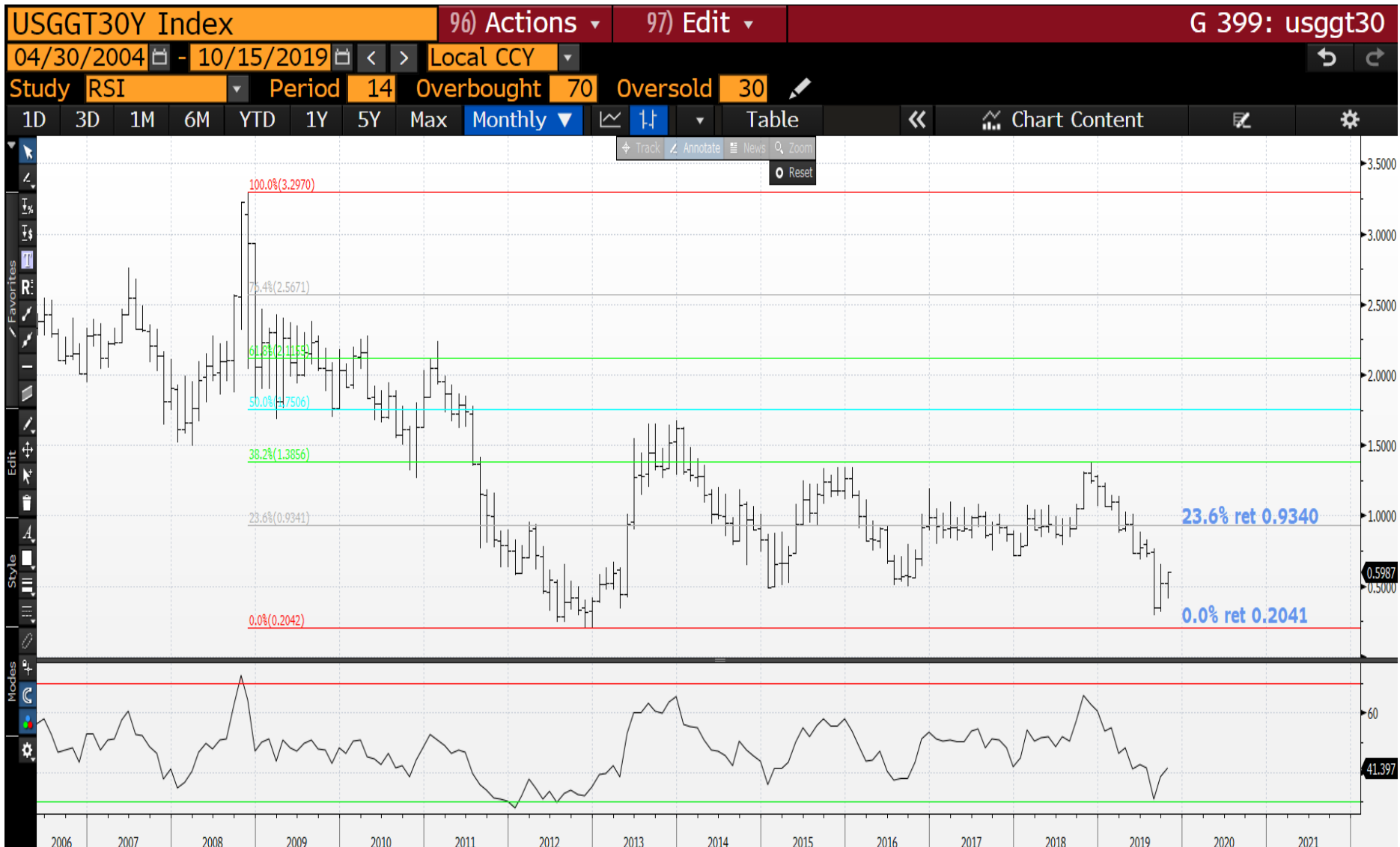
USGGT05Y and 5yr yield monthly : \*\* COULD THIS BE KEY \*\* We have popped back above the 38.2% ret 0.1344 and so every chance we are going to BOUNCE.



USGGT10 and 10yr yield monthly : The RSI has BASED just as we hit the familiar 23.6% ret 0.0198 support. Higher we go given the new high this month.



USGGT30 weekly : This looks very much like a LOW to ME.



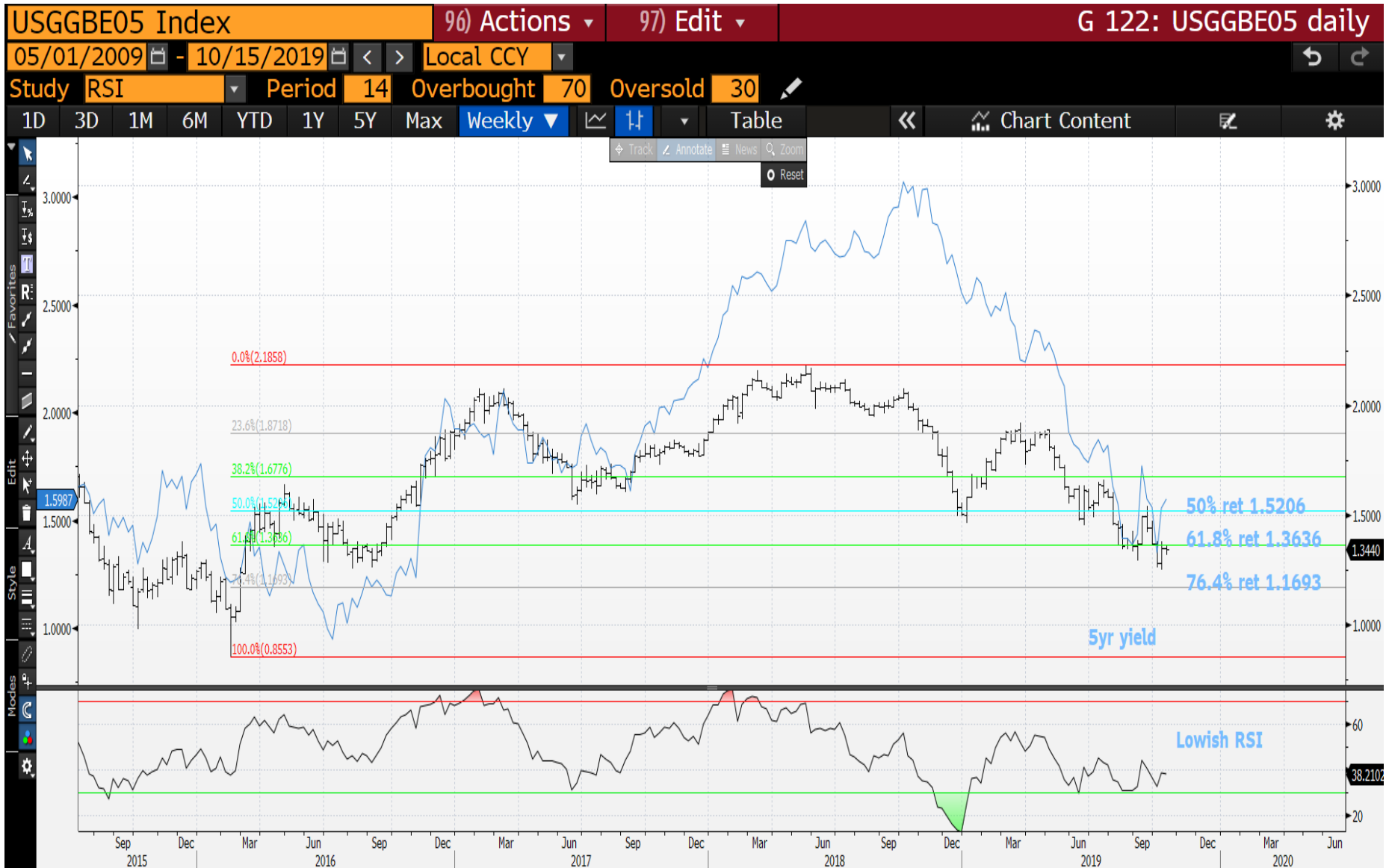
UKGGBE30 and 30yr yield weekly : Now back above the 76.4% ret 1.4026 should help any recovery.



USGGBE10 and 10yr yield weekly : A close above the 61.8% ret 1.5337 will assist any bounce.



# USGGBE05 and 5yr yield weekly : A problem chart until we breach the 61.8% ret 1.3636.



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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