

BOND AND BREAKEVEN : YIELDS TO HEAD HIGHER! WE ARE VERY CLOSE TO A FULL ON YIELD RALLY. WE ARE NOW TESTING MANY 100 DAY MOVING AVERAGES WHICH IF BREACHED WILL CONFIRM A MAJOR YIELD HIGHER CALL.

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. ** We are formulating a decent base now aided by the HISTORIC RSI dislocation. If last months high 2.3790 is breached then its FULL ON confirmation time. Higher yields will go.



21/10/2019

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.



21/10/2019

USGG30yr yield daily : *ONE TO WATCH* We are approaching the 100 day moving average 2.3309 last breached in December 2018.



21/10/2019

US 30yr futures daily : Slow progress at these levels but the view from the earlier charts is that the futures have room to go lower.



US 10yr yield quarterly : Thus far yields have held last quarters low and plenty of room to head higher.



21/10/2019

USFS 10-20 monthly : Similar to the US 30yr yield chart WE HAVE A BASE! The RSI is implying a sizeable reversal and we are close to breaching last months high 2.0892.



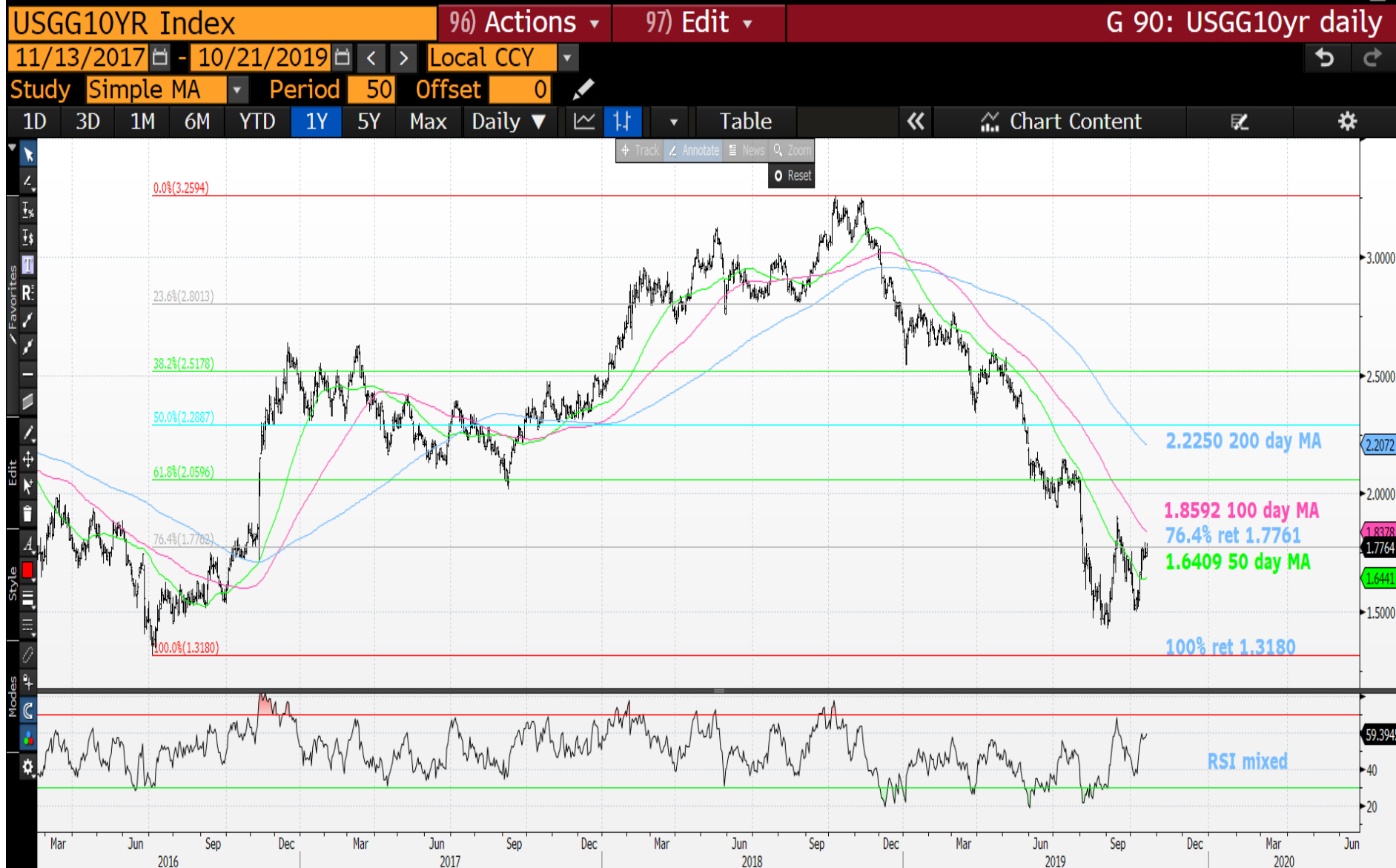
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US 10yr yield weekly : Potentially a great BASE developing and once above 2.00 we fly.



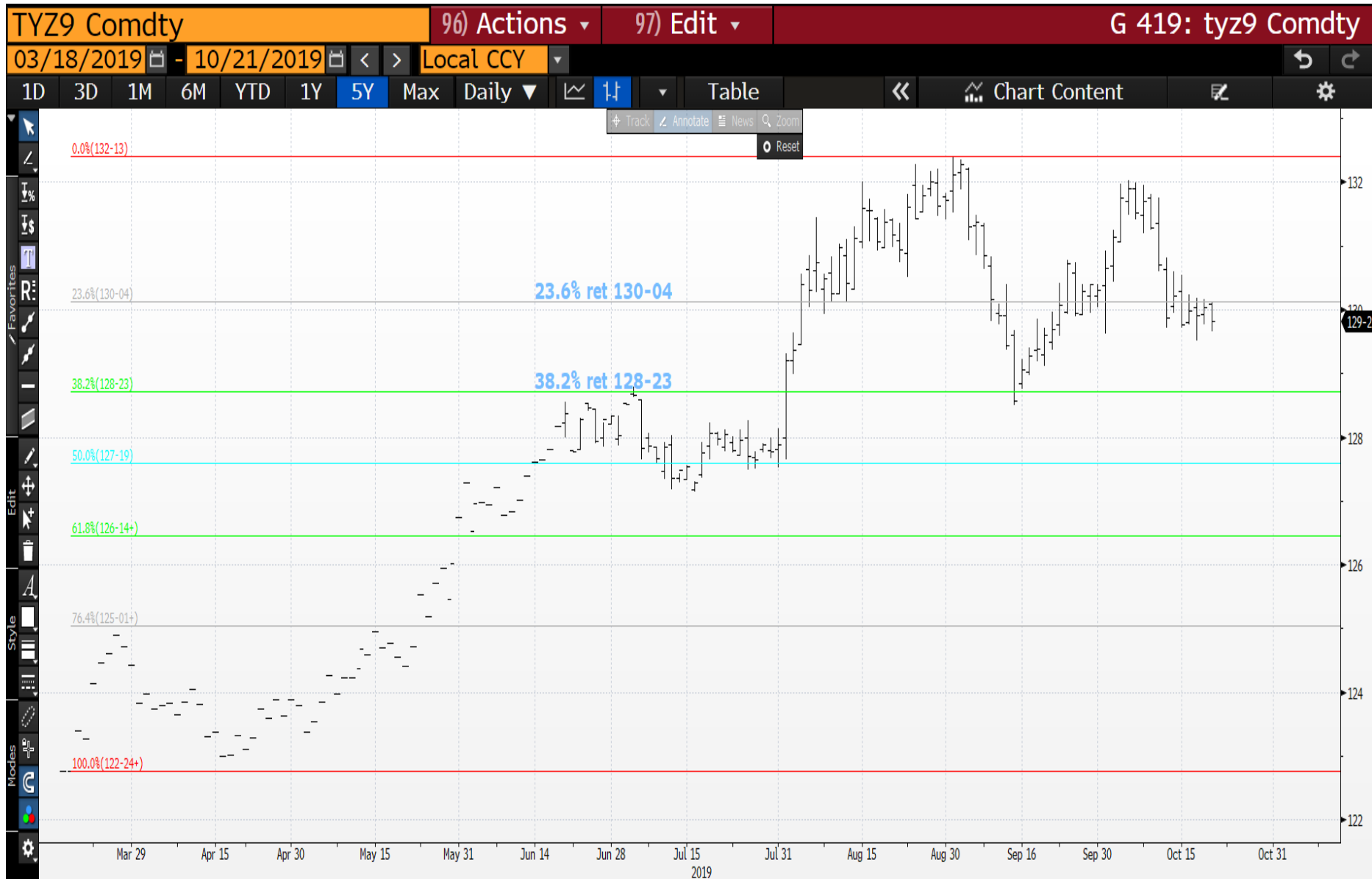
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USGG10yr daily : Given the RSI is mixed ideally we need to break the 76.4% ret 1.7761 to confirm any kind of recovery.



21/10/2019

US 10yr futures daily : Little progress of late but we are holding SUB the 23.6% ret 130-04.



USGG5yr quarterly : Again last quarters low has held but this part of the curve hasn't spent much time below the reliable moving average 1.8596, however key if it is breached.

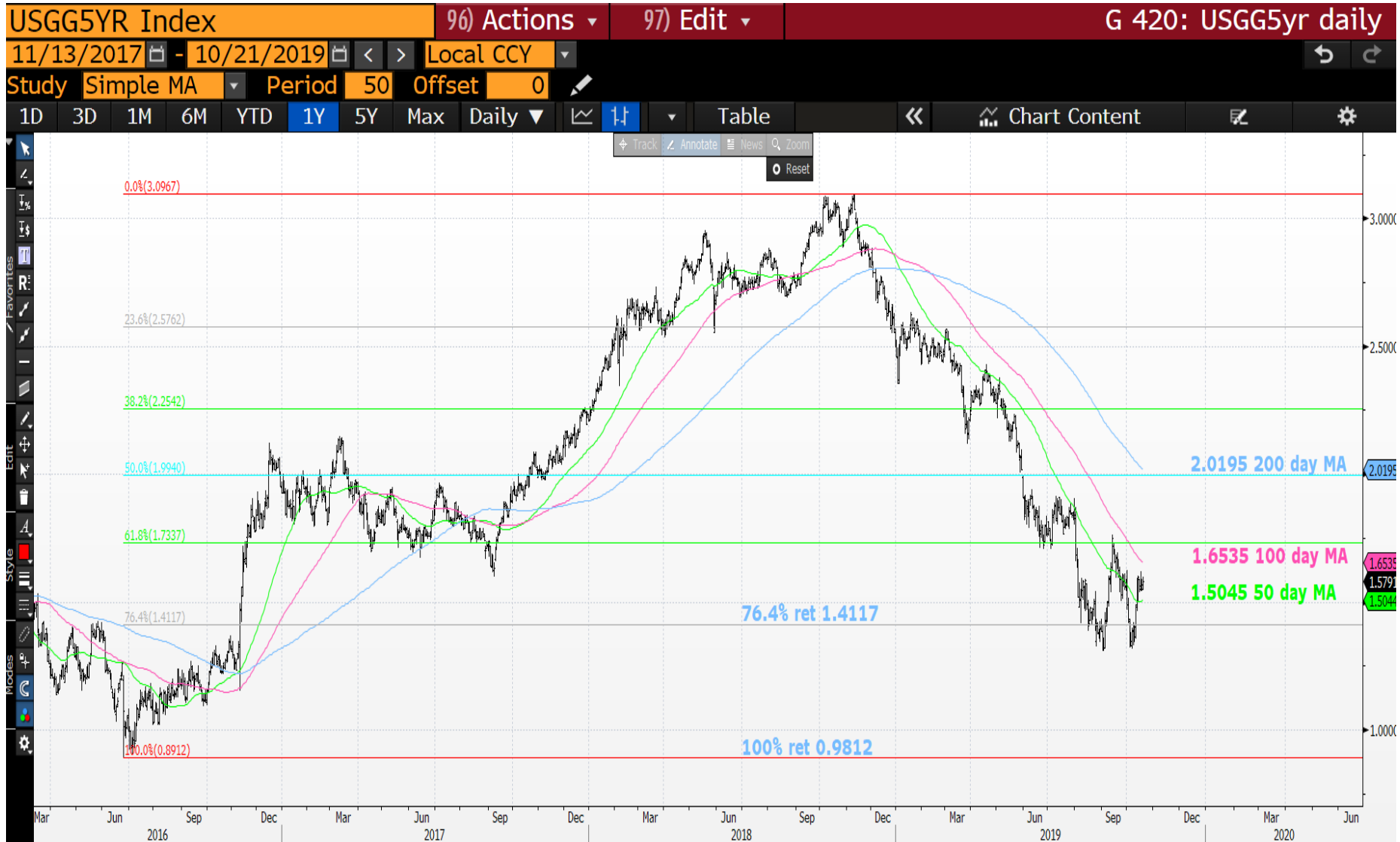


USGG5yr weekly : A possible double bottom has been established but we need more confirmation.



21/10/2019

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



US 5yr futures daily : Little progress of late BUT sub the 23.6% ret 119-05 will confirm lower prices.



21/10/2019

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

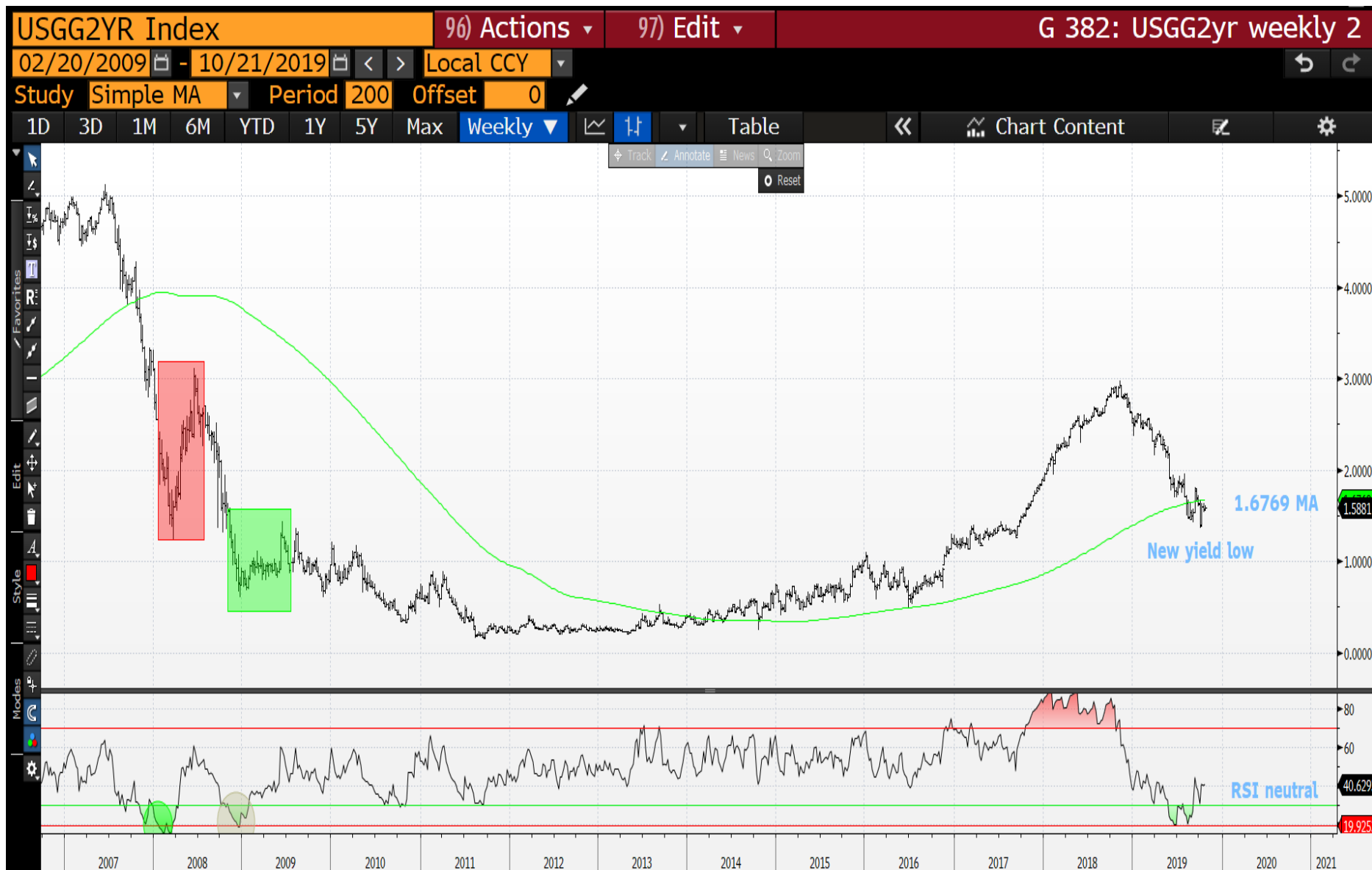


USGG2yr monthly : It will be a KEY REVERSAL if we breach the 23.6% ret 1.7448 given the new year yield low.



21/10/2019

USGG2yr monthly : A real TEASE here given we are close to the prominent 1.6769 moving average.



21/10/2019

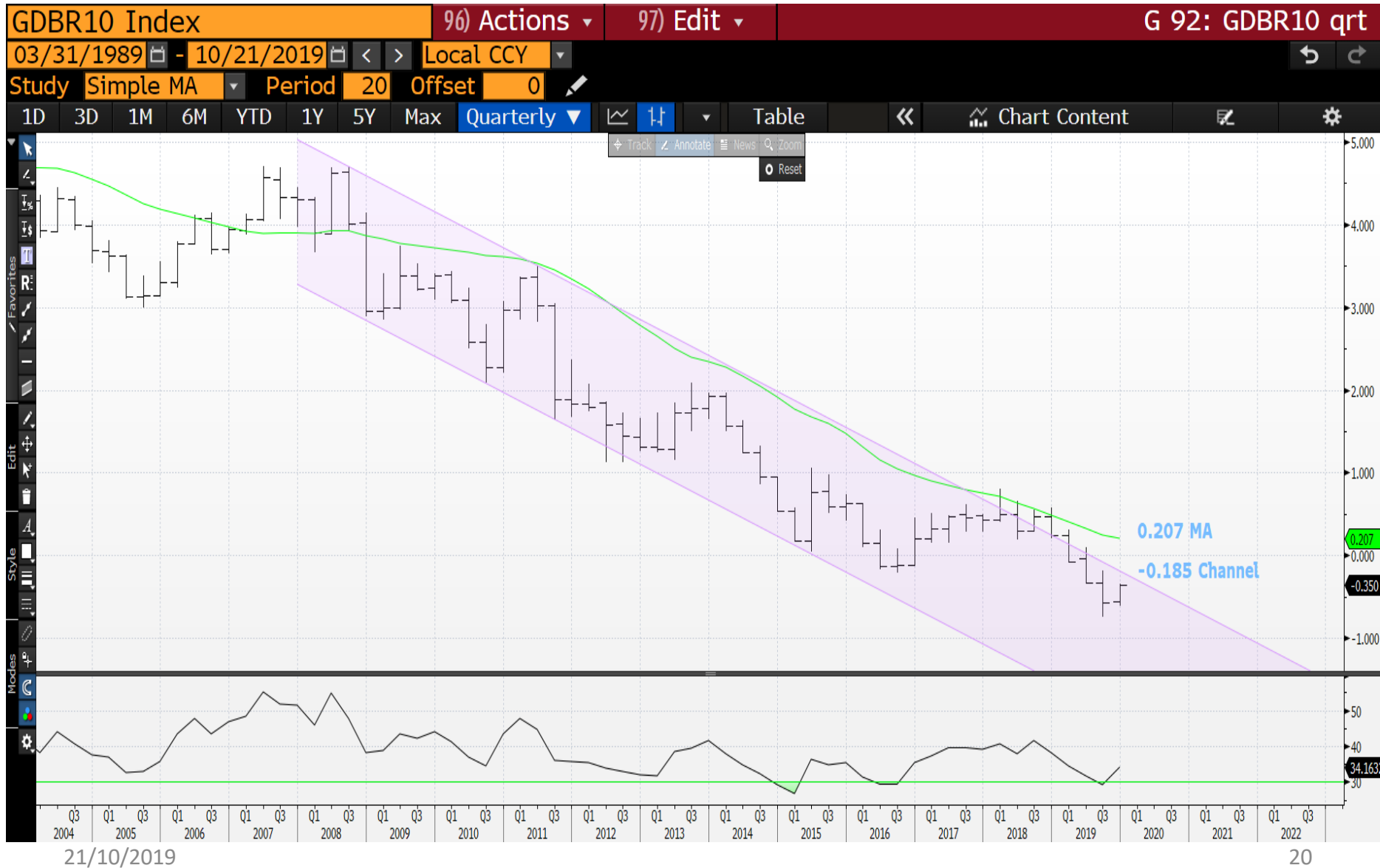
USGG2yr daily : We have breached the 1.5818 50 day moving average and poised to head higher, a breach of the 100 day moving average 1.6961 is key.



US 2yr future daily : Sideways here too and sub the 23.6% ret 107-25 1/4.



Generic German 10yr quarterly : Germany made all the running on the yield drop and again is leading the YIELD RALLY. Key break will be above the -0.185 channel. The RSI remains low enough.



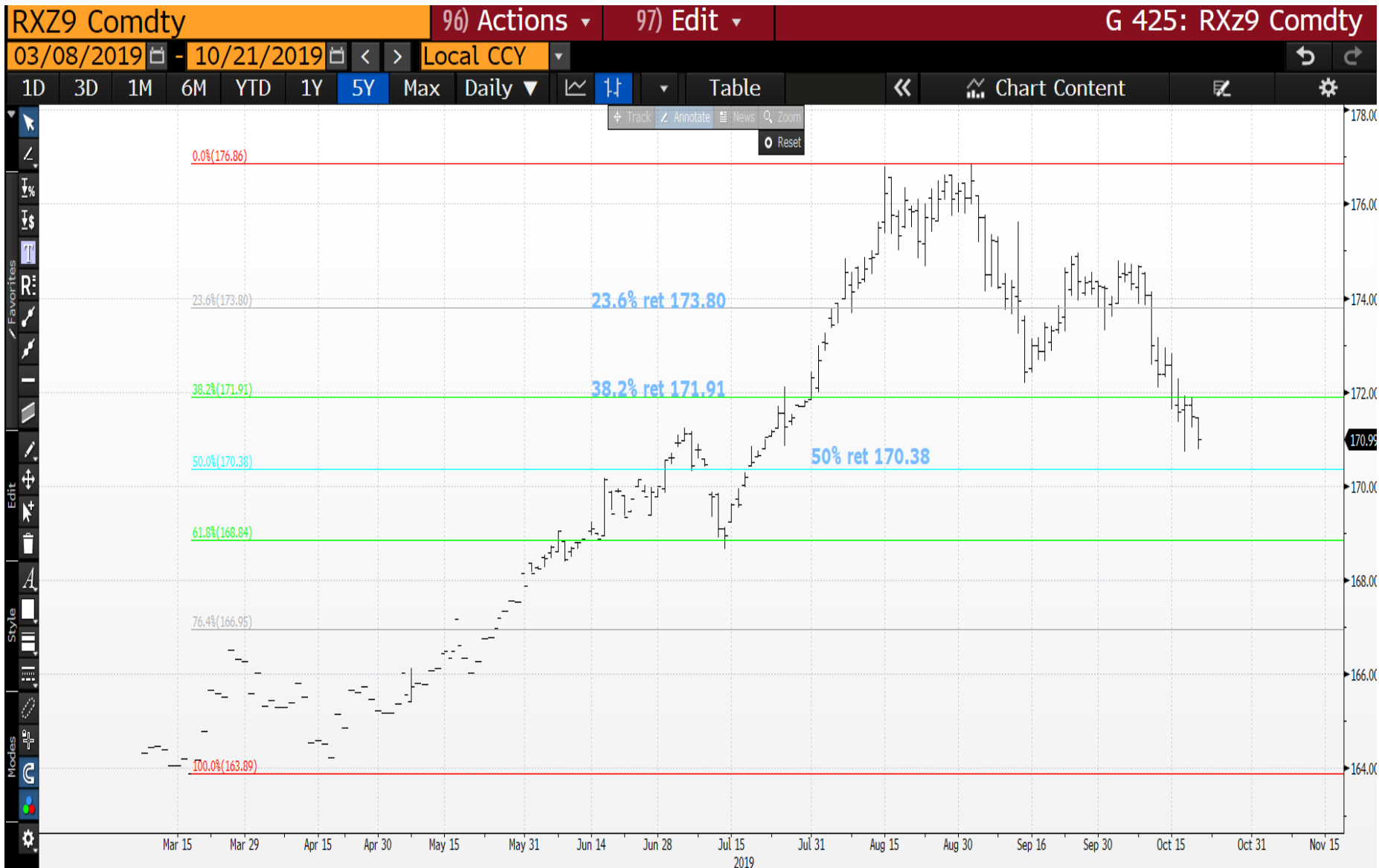
Generic German 10yr daily : We have sailed through most obstacles i.e the 50 and 100 day moving average -0.460. The RSI is now getting lofty but we MAY visit the previous low-moving average first -0.205.



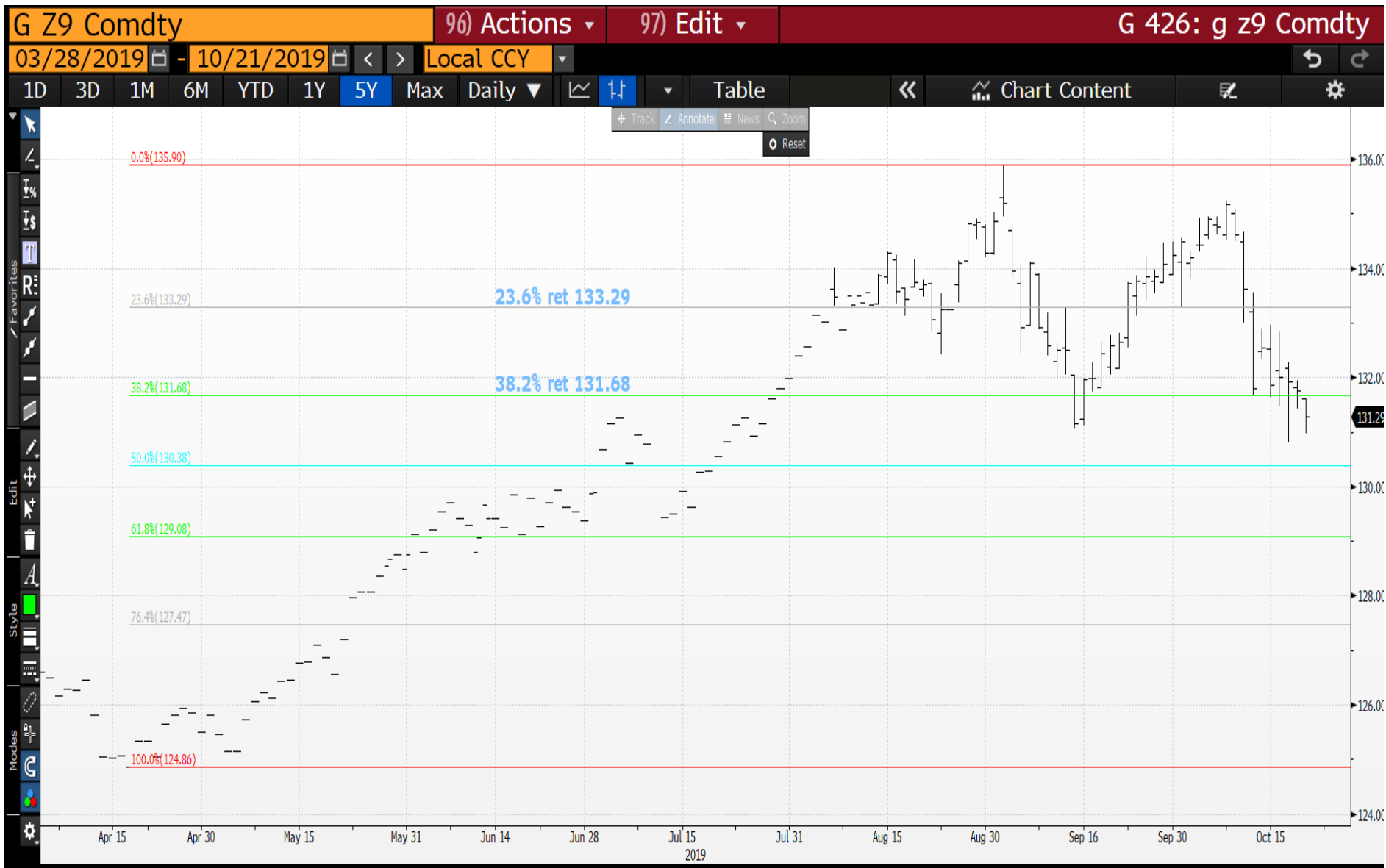
DBR 46 daily : Given this has been a very robust bond in the past it is worth seeing if it holds the previous high-100% ret 163.575?



Bund future daily : No new low today but we got close to breaching the recent low 170.73. A pretty negative scenario whilst sub the 38.2% ret 171.91.



Gilt future daily : Again a test of the recent low 130.80 but thus far has held.

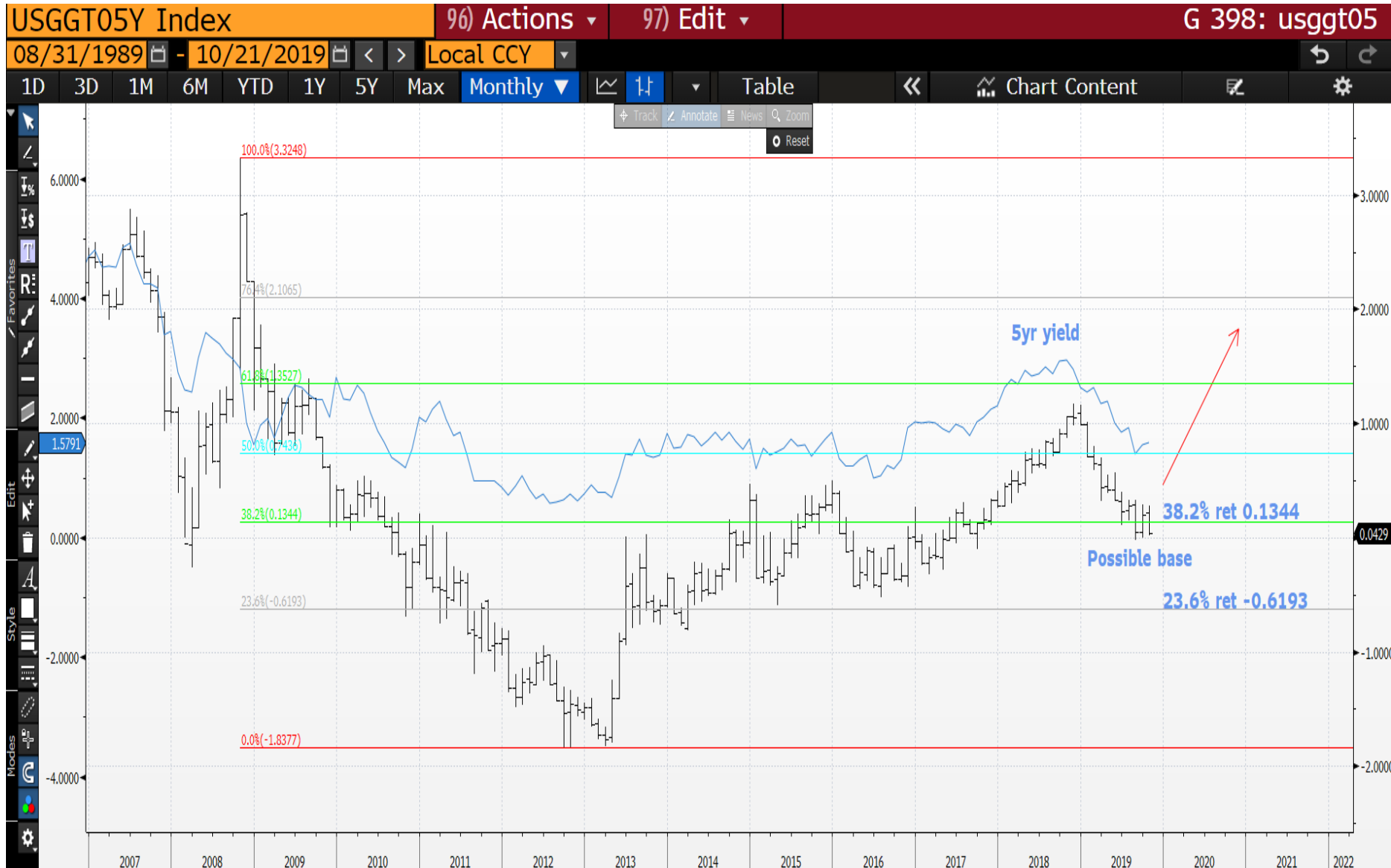


US BREAKEVENS AND USGGT :

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 do seem to be BASING but need to pop back above the 38.2% ret 0.1344 to convince anyone.



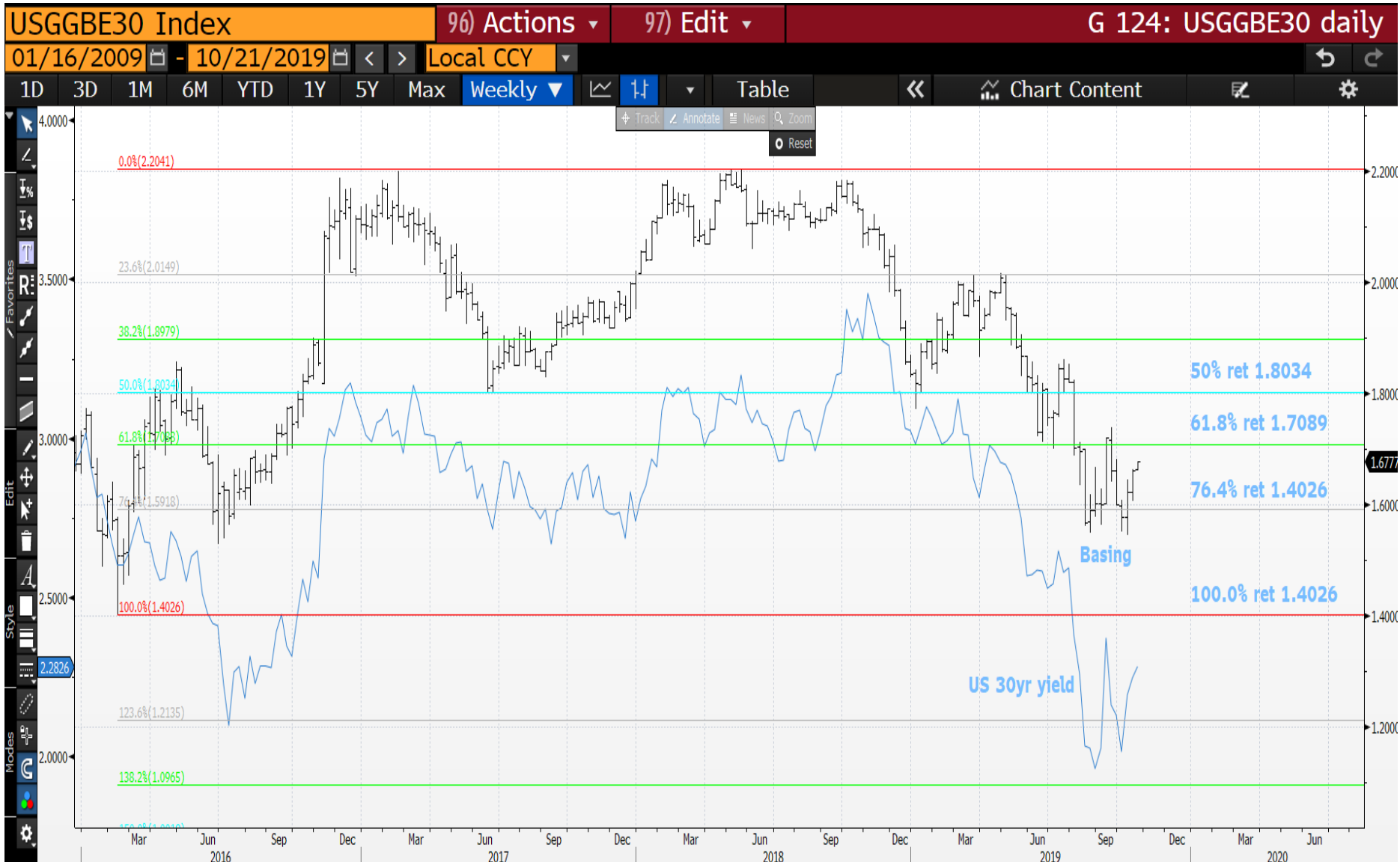
USGGT10 and 10yr yield monthly : The RSI has BASED just as we hit the familiar 23.6% ret 0.0198 support. Higher we go given the new high this month.



USGGT30 weekly : This looks very much like a LOW to ME and will hopefully be endorsed by a strong close at month end.

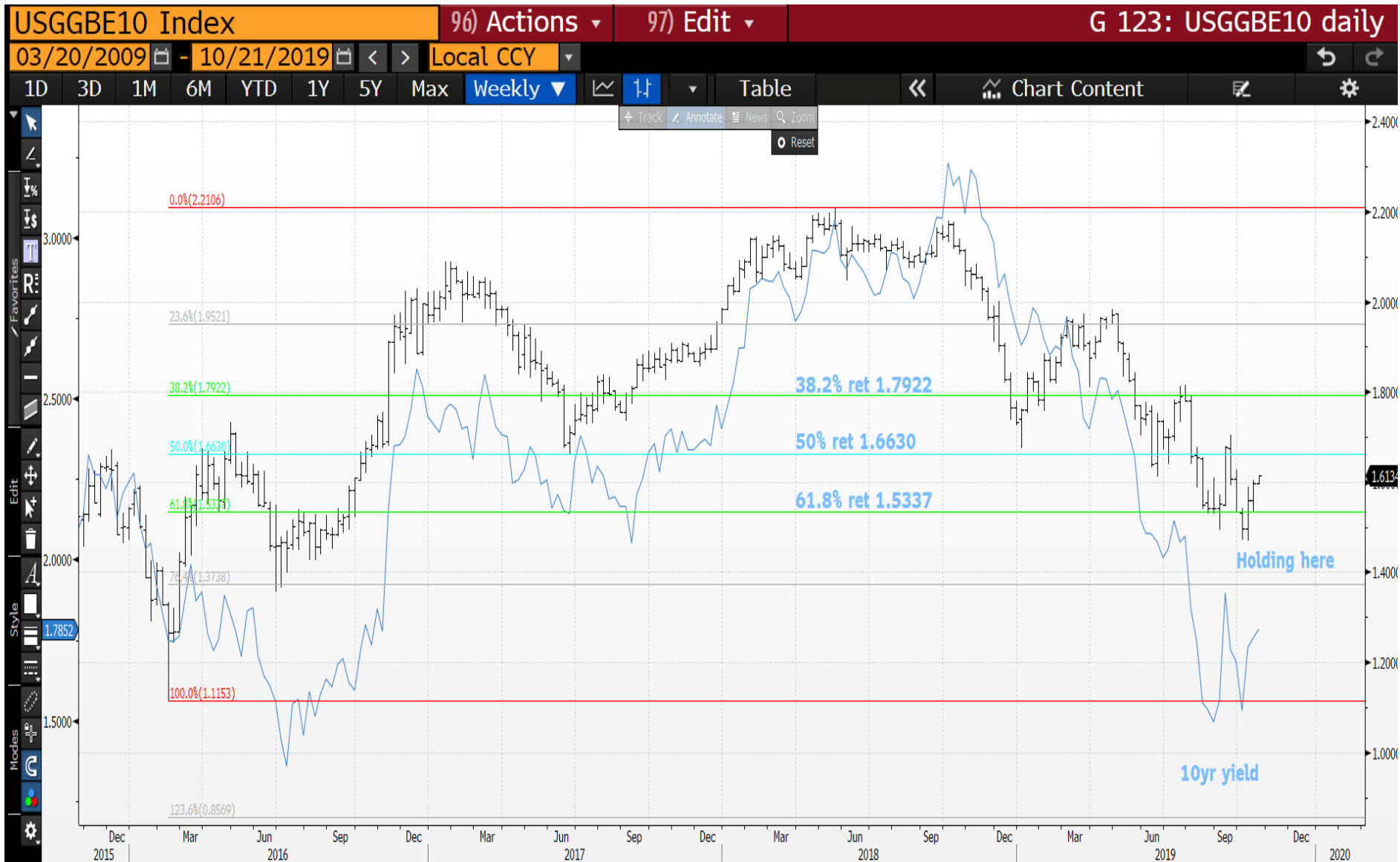


UKGGBE30 and 30yr yield weekly : Now back above the 76.4% ret 1.4026 should help any recovery. Above 1.7389 we fly!

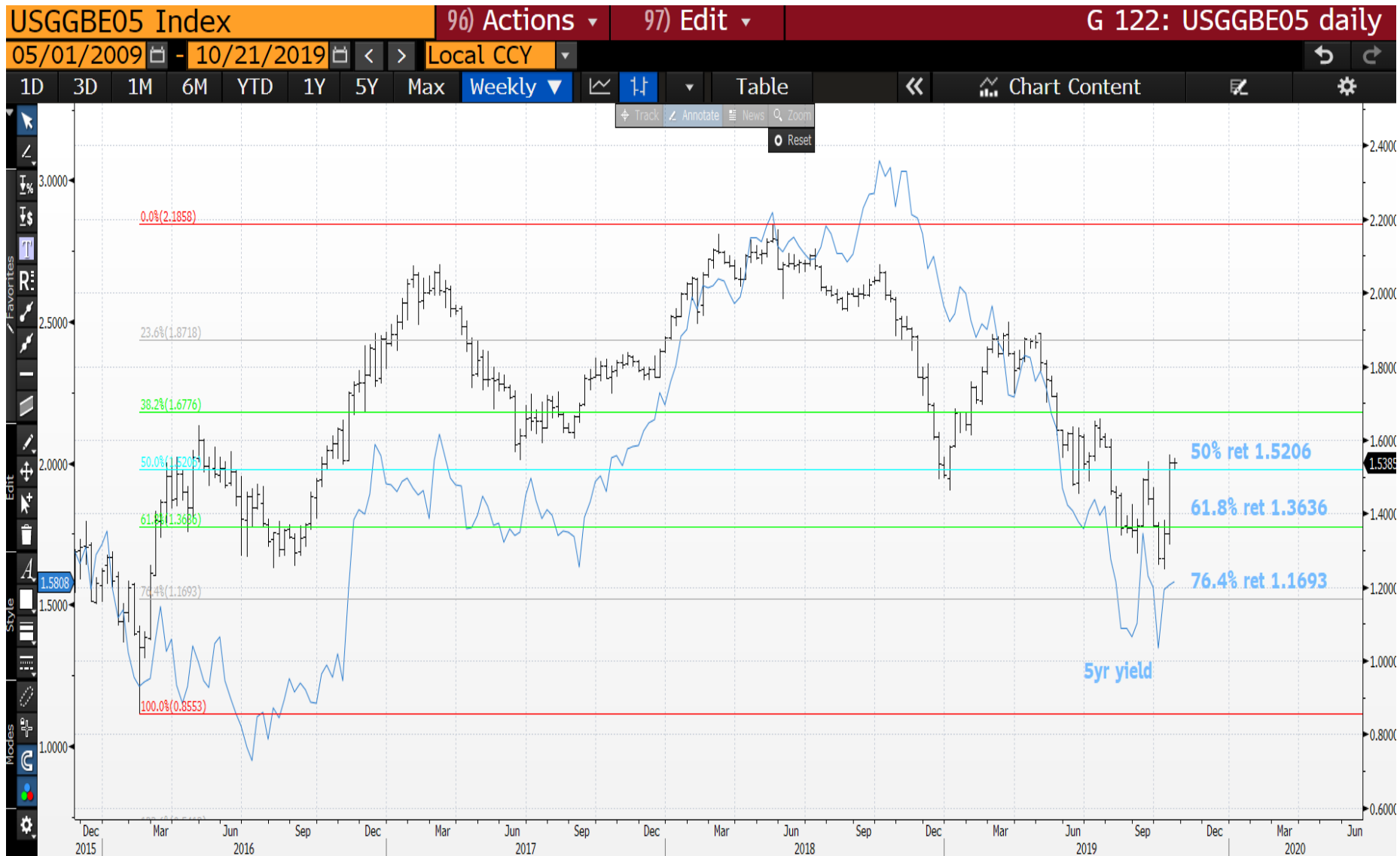


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USGGBE10 and 10yr yield weekly : A close above the 61.8% ret 1.5337 will assist any bounce.



USGGBE05 and 5yr yield weekly : This part of the breakeven curve is ready to fly given we are above most levels.



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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