

BOND, EQUITY AND BREAKEVEN DILEMA : YIELDS ARE TO BASE.

**WE MAY JUST BE SEEING THE YIELD BASE GOING IN, REVERSING THE YEAR LONG TREND.
NOTHING IS CONFIRMED BUT BY MONTHEND WE SHOULD KNOW MORE.**

BONDS :

**IT IS NOW LOOKING LIKE A POSSIBLE YIELD BASE IS GOING IN AIDED BY THE BREAKEVEN
SECTOR.**

EQUITY :

**THESE CONTINUE TO BE A PAIN AND SHOULD RALLY ALONG WITH BOND YIELDS, HOWEVER
ASIA REMAINS HEAVY.**

US BREAKEVENS AND USGGT :

**GIVEN THE NATURAL CORRELATION WITH CORE YIELDS THE DILEMA IS WHETHER YIELDS
BOUNCE HERE, ITS LOOKING LIKELY.**

WE SHALL SEE BUT NEXT MONTHS START “SHOULD” GIVE US A MAJOR HINT.

USGG30yr monthly : ** A VERY KEY CHART. ** The trend lower maybe coming to an end given the recent lows established is August and September. Obviously these will be negated by any new low BUT if they hold we will be over due a BOUNCE.



10/10/2019

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.



10/10/2019

USGG30yr yield daily : *ONE TO WATCH* The key element here is breaching the 50 day moving average 2.1265, this should form the first reversal signal.



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US 30yr futures daily : We have failed the previous high but the trend followers will remain long until the 23.6% ret 161-19 is breached.



10/10/2019

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



10/10/2019

USFS 10-20 monthly : Similar to the US 30yr yield chart there maybe a BASE! The RSI is implying we hold whilst we currently lack confirmation.



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US 10yr yield weekly : Potentially a great BASE given we have bounced off of the 1.500 level.
Above 2.00 should signal a major bounce.



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



10/10/2019

US 10yr futures daily : A possible top forming given we failed to breach the September high.



USGG5yr quarterly : Again last quarters low has held but this part of the curve hasn't spent much time bellow the reliable moving average 1.8564.



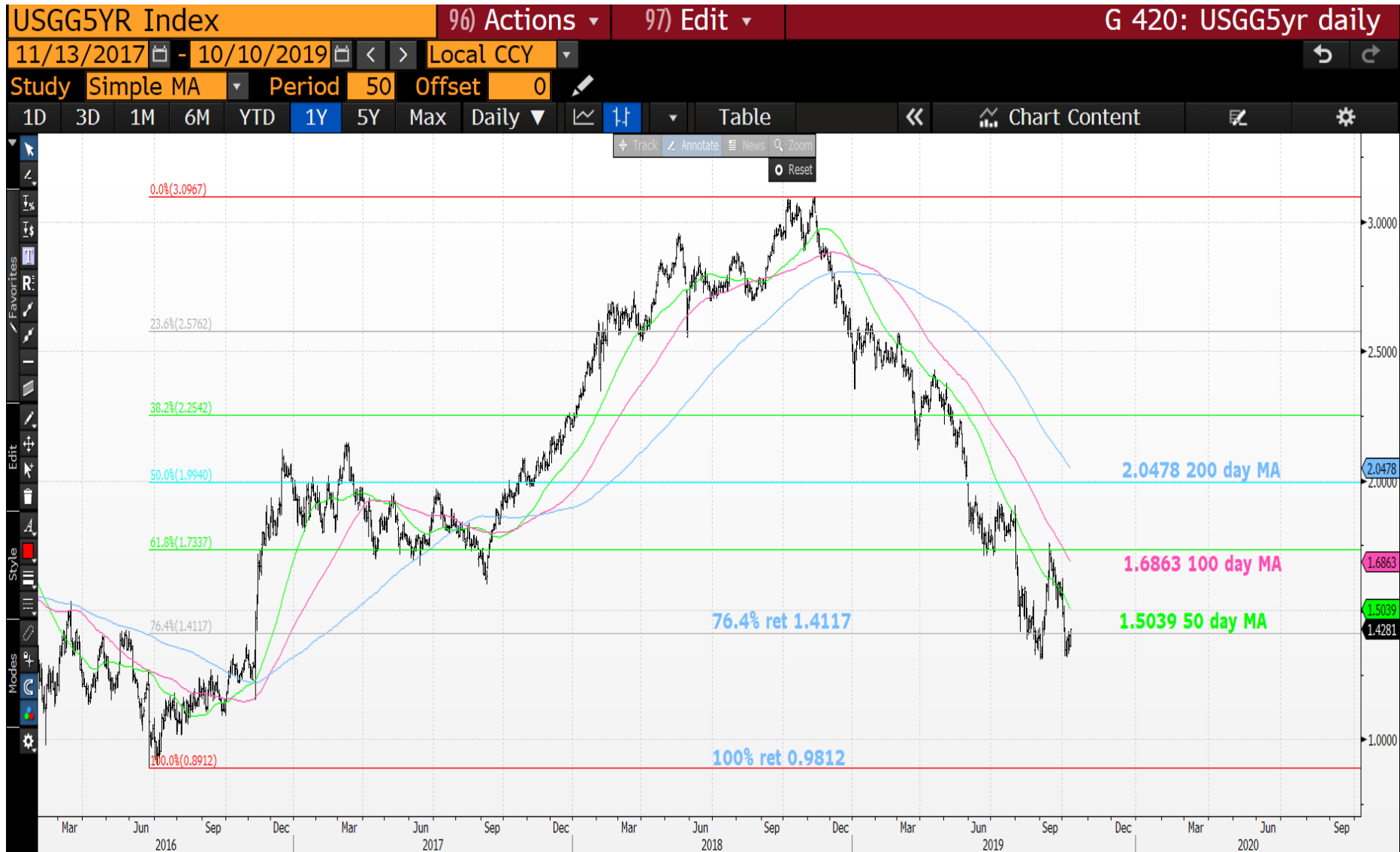
USGG5yr weekly : A possible double bottom has been established.



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USGG5yr weekly : COULD BE A KEY CHART. Providing we hold above the 76.4% ret 1.4117 then this might be a reliable confirmation of a yield BOUNCE.



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US 5yr futures daily : CTA's are probably still long BUT sub the 23.6% ret 119-05 am sure will exit and ENTER SHORT futures positioning.



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



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



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USGG2yr monthly : This seems the last place to see a bounce given the new low and below the all important 1.6700 moving average.



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USGG2yr daily : A long way before this chart sees a reversal given the distance from the 1.5852 50 day moving average.



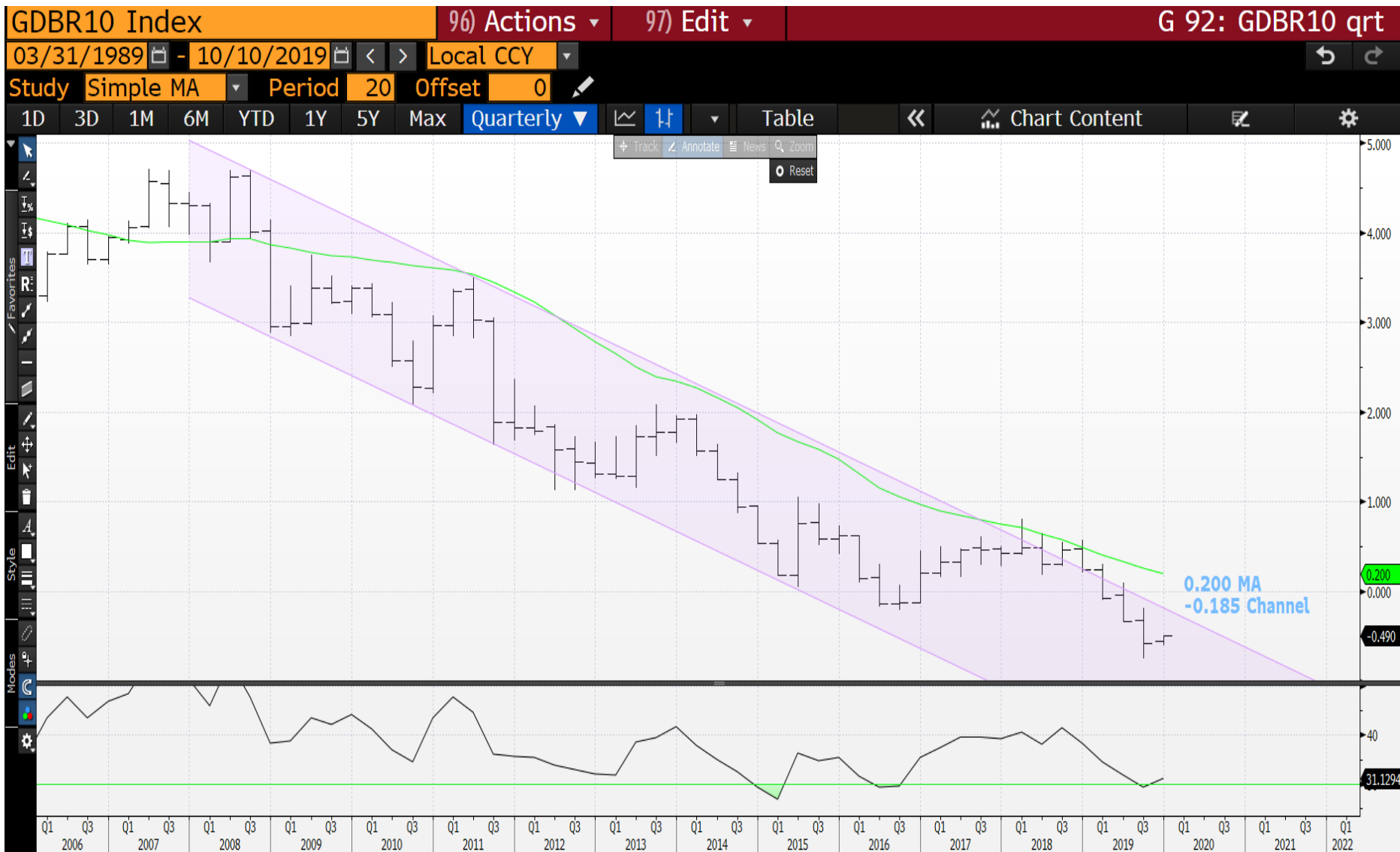
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US 2yr future daily : The one possible signal for a futures sell off is the recent upside pierce.



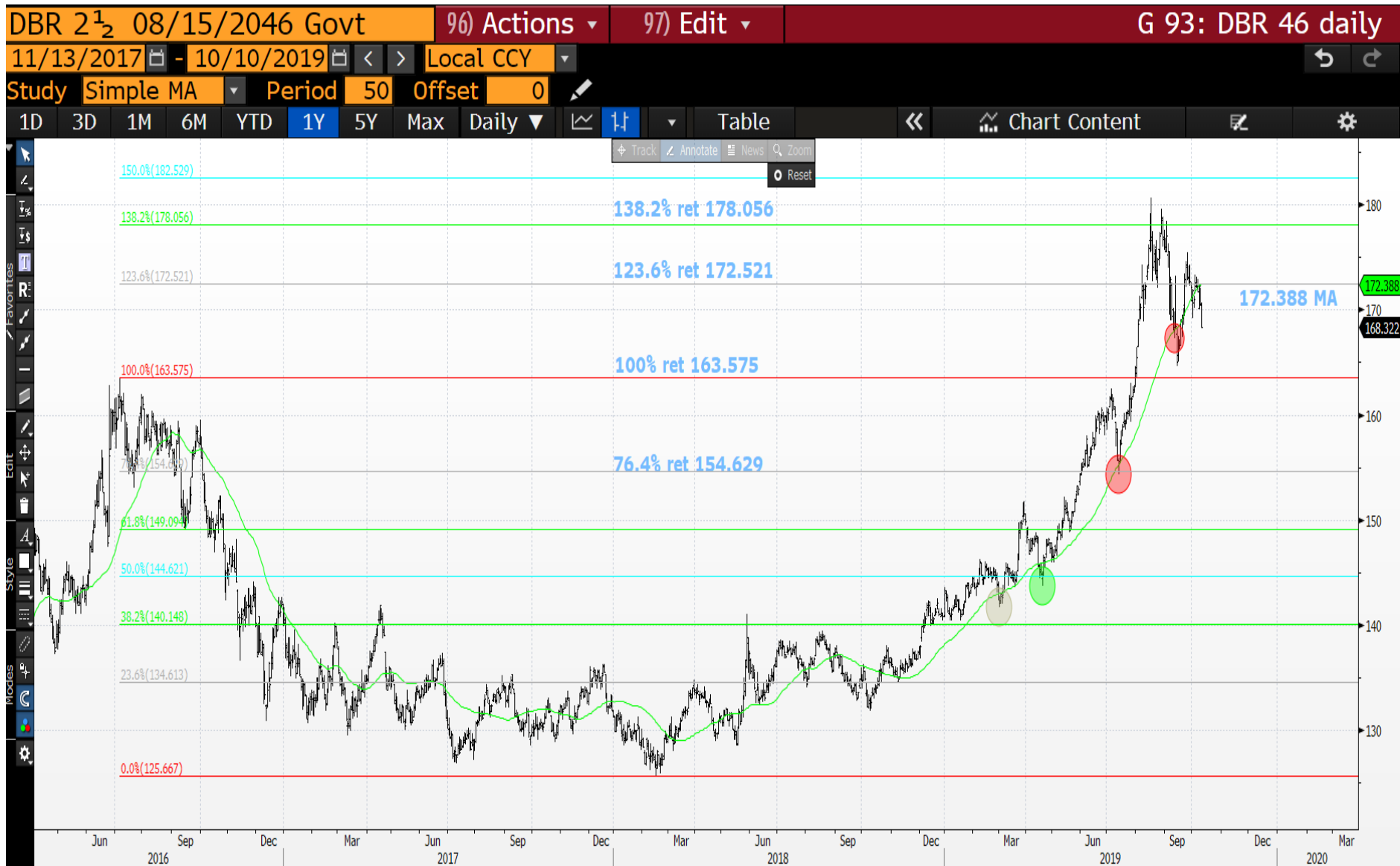
Generic German 10yr quarterly : We have NEW YEAR yield low last quarter but that PIERCE might have formed a yield base.



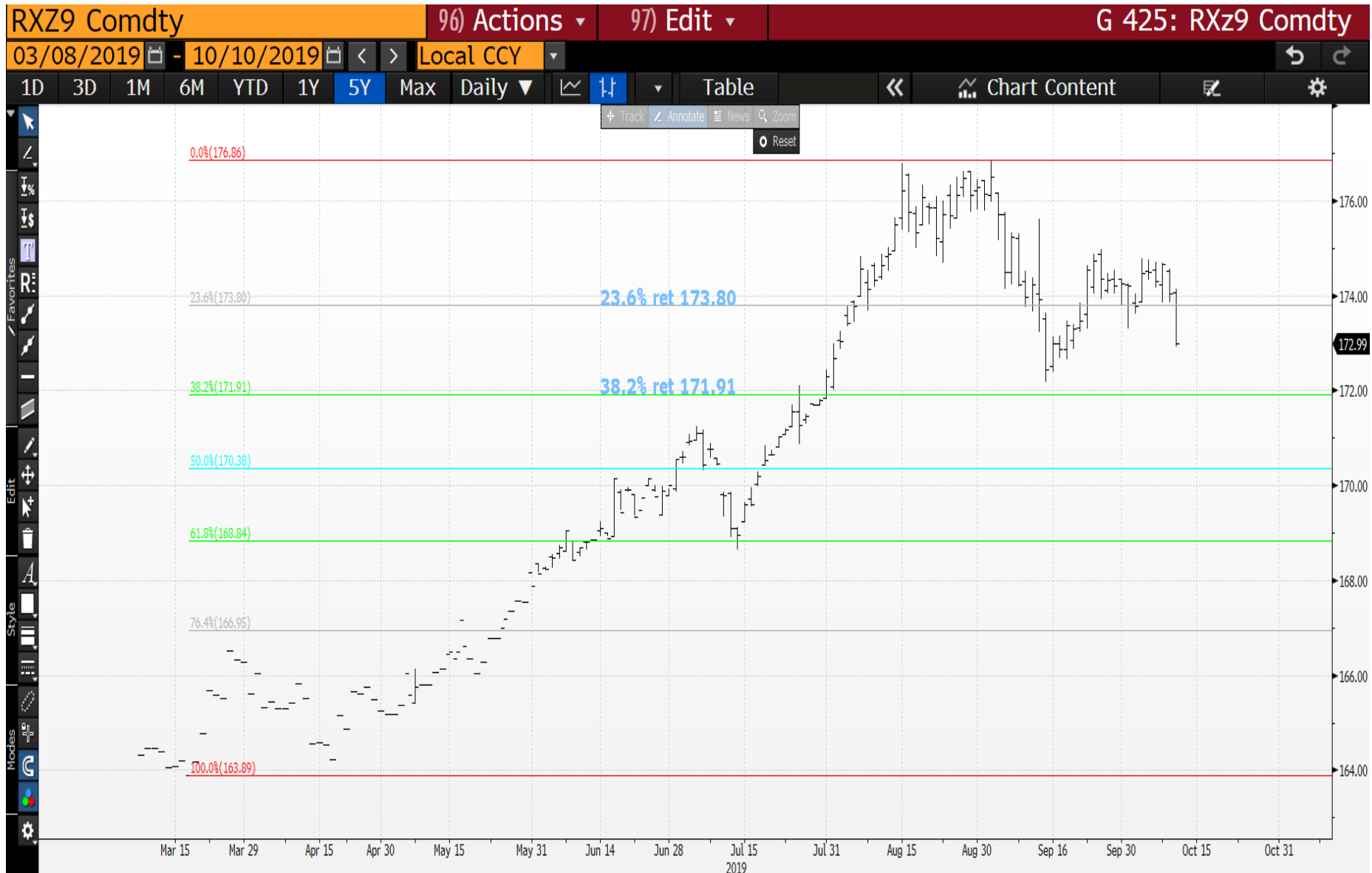
Generic German 10yr daily : This could be where the yield bounce is being forecast. This is the first time in a while that we have breached the -0.595 50 day moving average and close to breaching the 100 day moving average-0.443, last hit a YEAR AGO.



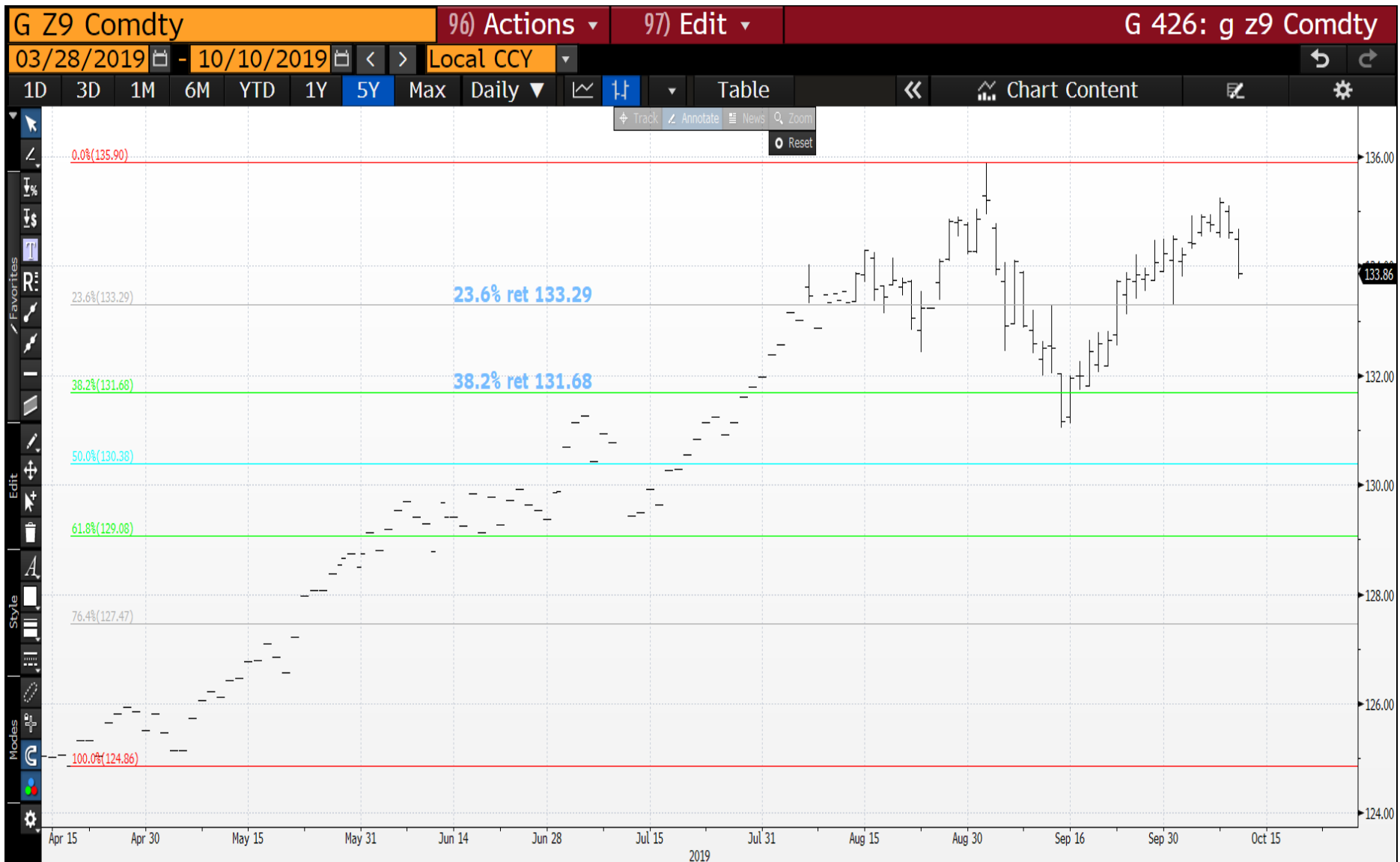
DBR 46 daily : The ever reliable bouncing bond is struggling, we have breached the 172.388 moving average for the first time in a while.



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



Gilt future daily : This has yet to breach any of the longs stops.



10/10/2019

EQUITIES

EQUITY UPDATE : THEY REMAIN PRETTY MIXED GIVEN THAT ASIA REMAINS A FIRM DRAG GLOBALLY.

DAX monthly : Currently a very positive chart given the downside pierce and hold of the channel-moving average.



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Dax daily : A very sideways performance but whilst below the 61.8% ret 12086.92 it remains slightly negative.



Eurostoxx monthly : Very little movement of late but we are JUST below the 3507 trend line.



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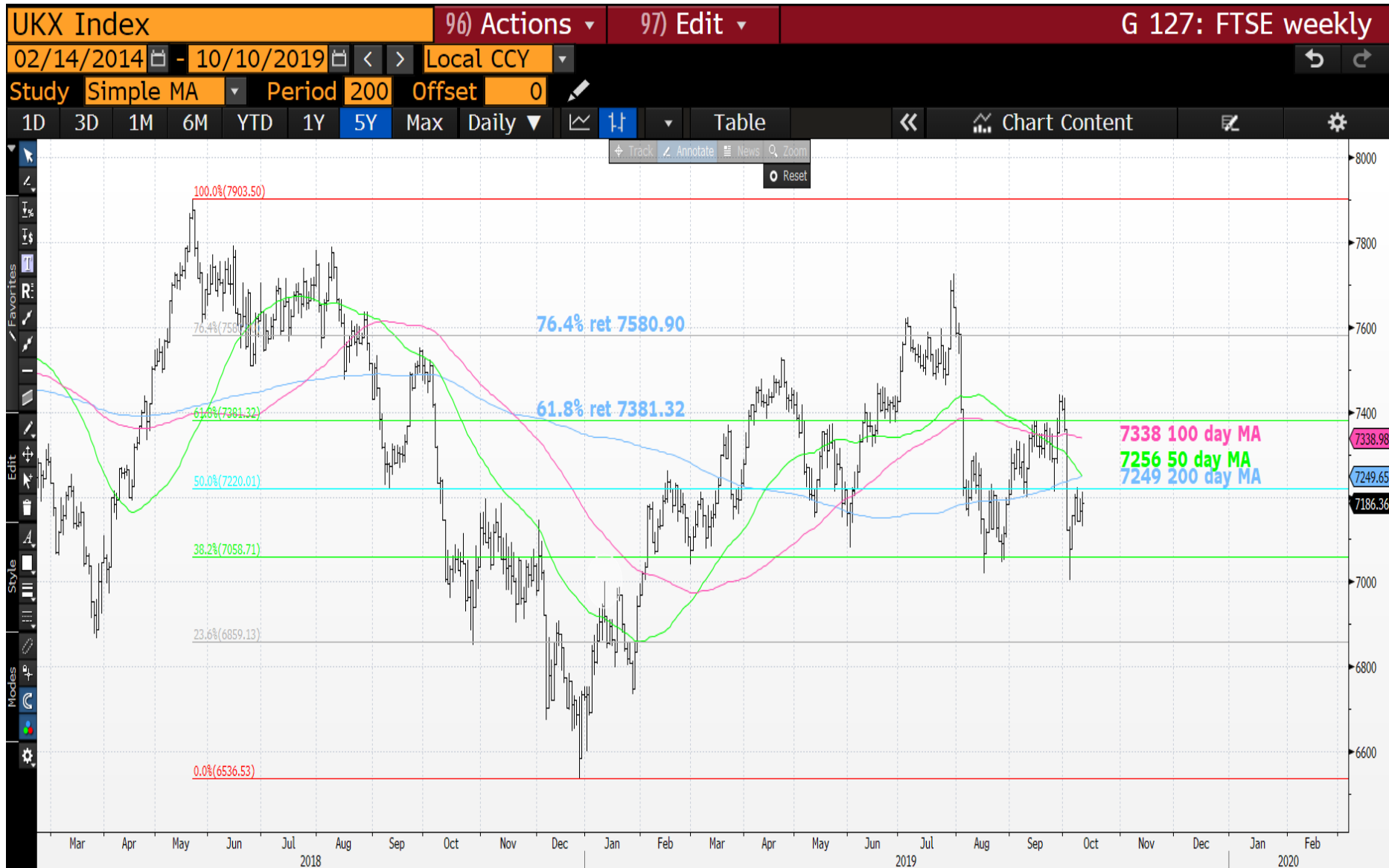
Eurostox daily : We are now above ALL moving averages awaiting fresh news.



FTSE monthly : We remain stuck between 2 major levels 7527 and 7038, we need to see further price action.

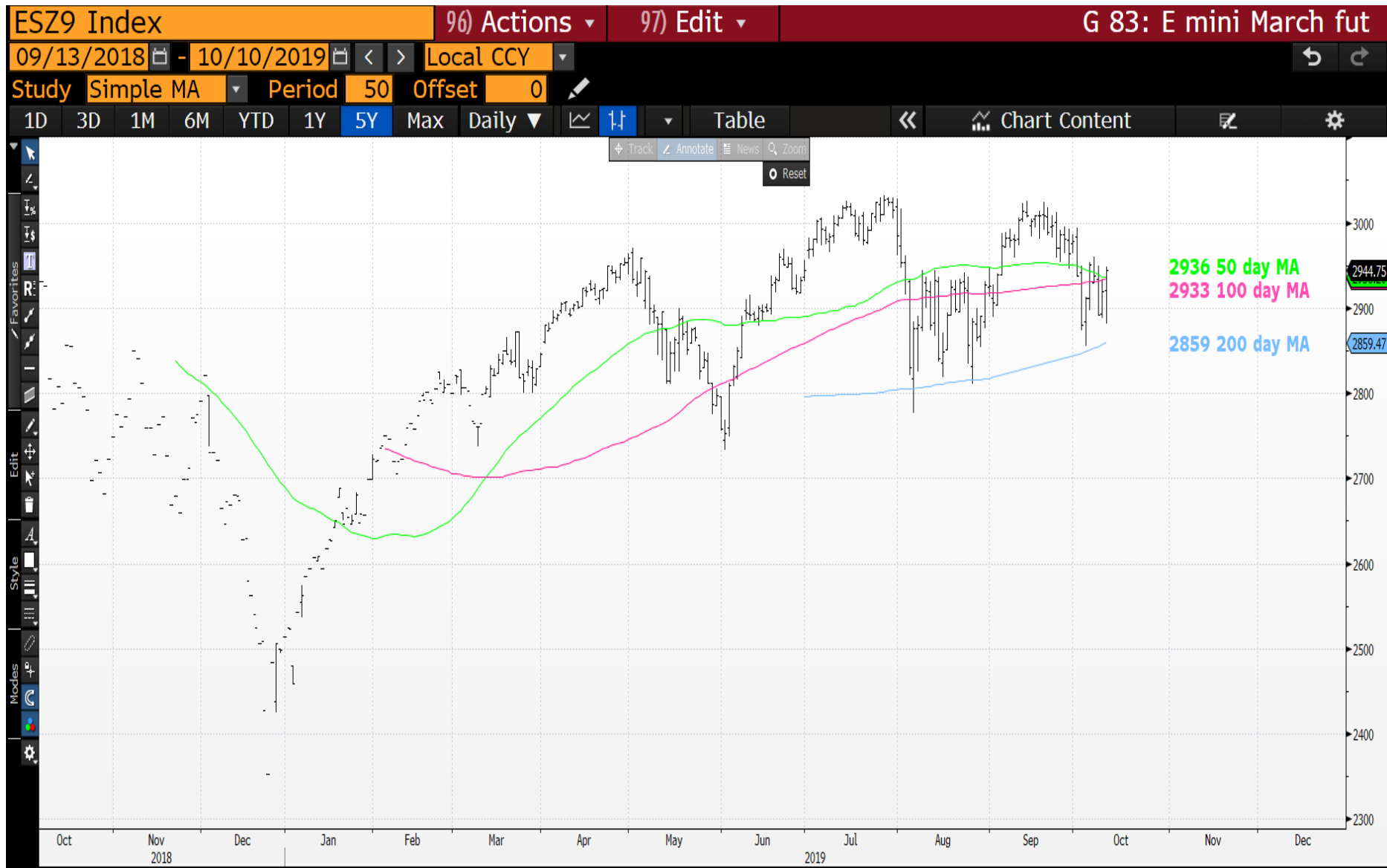


FTSE daily : Despite other markets doing well this continues to remain sub the 50-100-200 day moving averages.



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S&P (future) daily : We are now back above ALL moving averages of note.

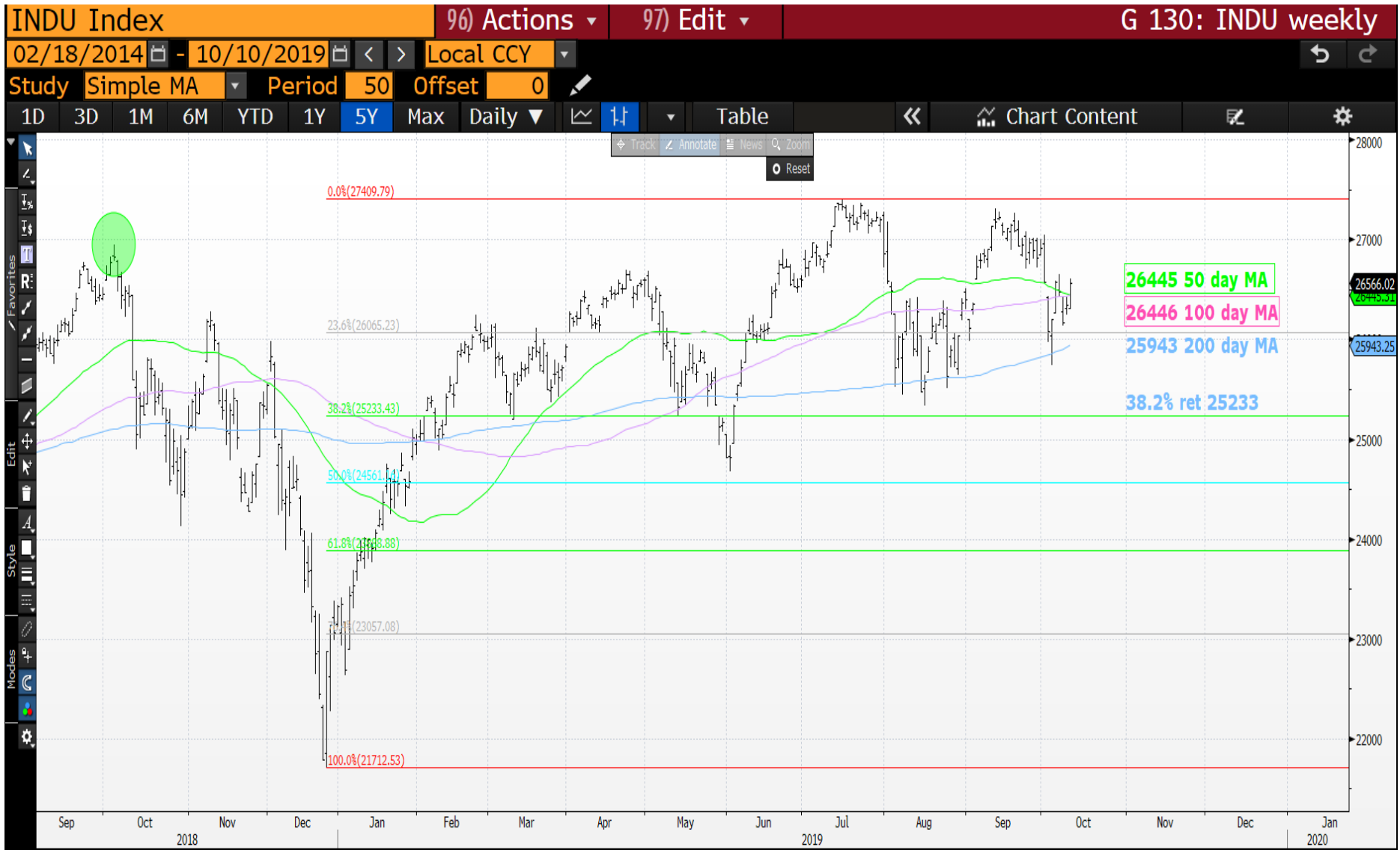


DOW weekly : A serious juncture given we are TEASING the 25767 moving average and sub the TREND line TOP.



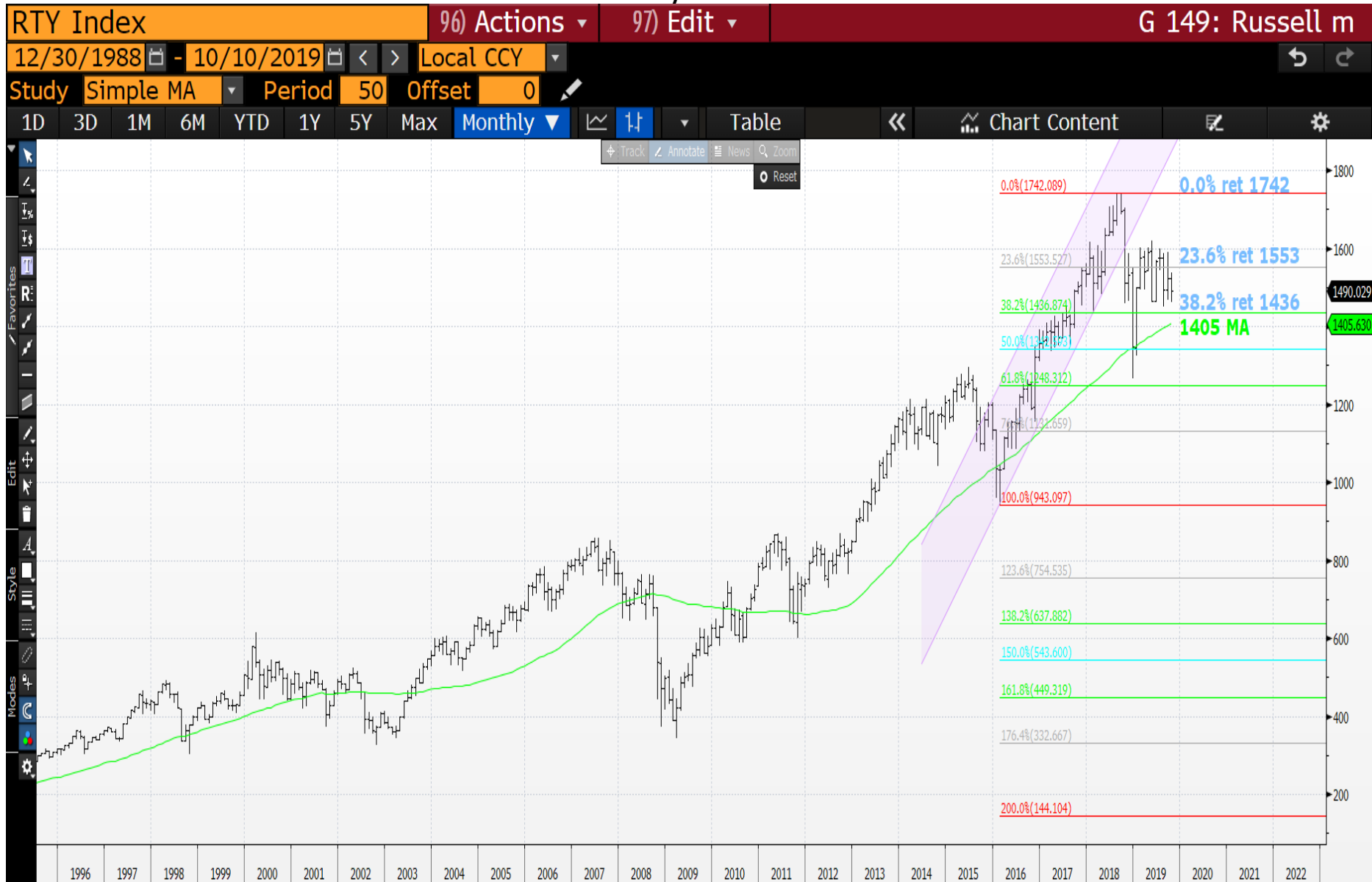
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DOW daily : A pretty neutral chart and location.



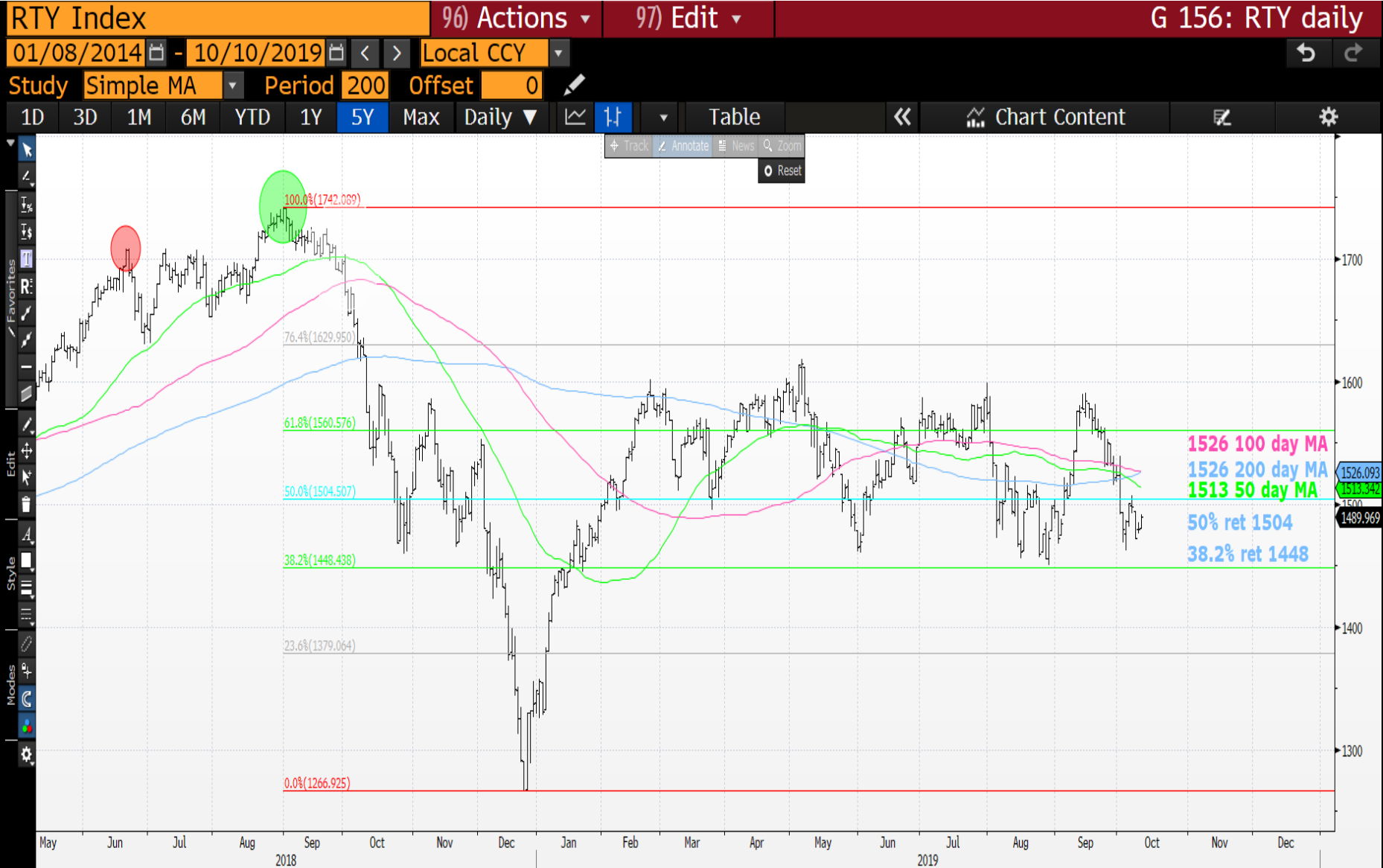
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Russell monthly : An rangebound Russell but a breach of the 38.2% ret 1436 would be key.



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RTY daily : This continues to be a VERY LAME market, sub ALL moving averages.



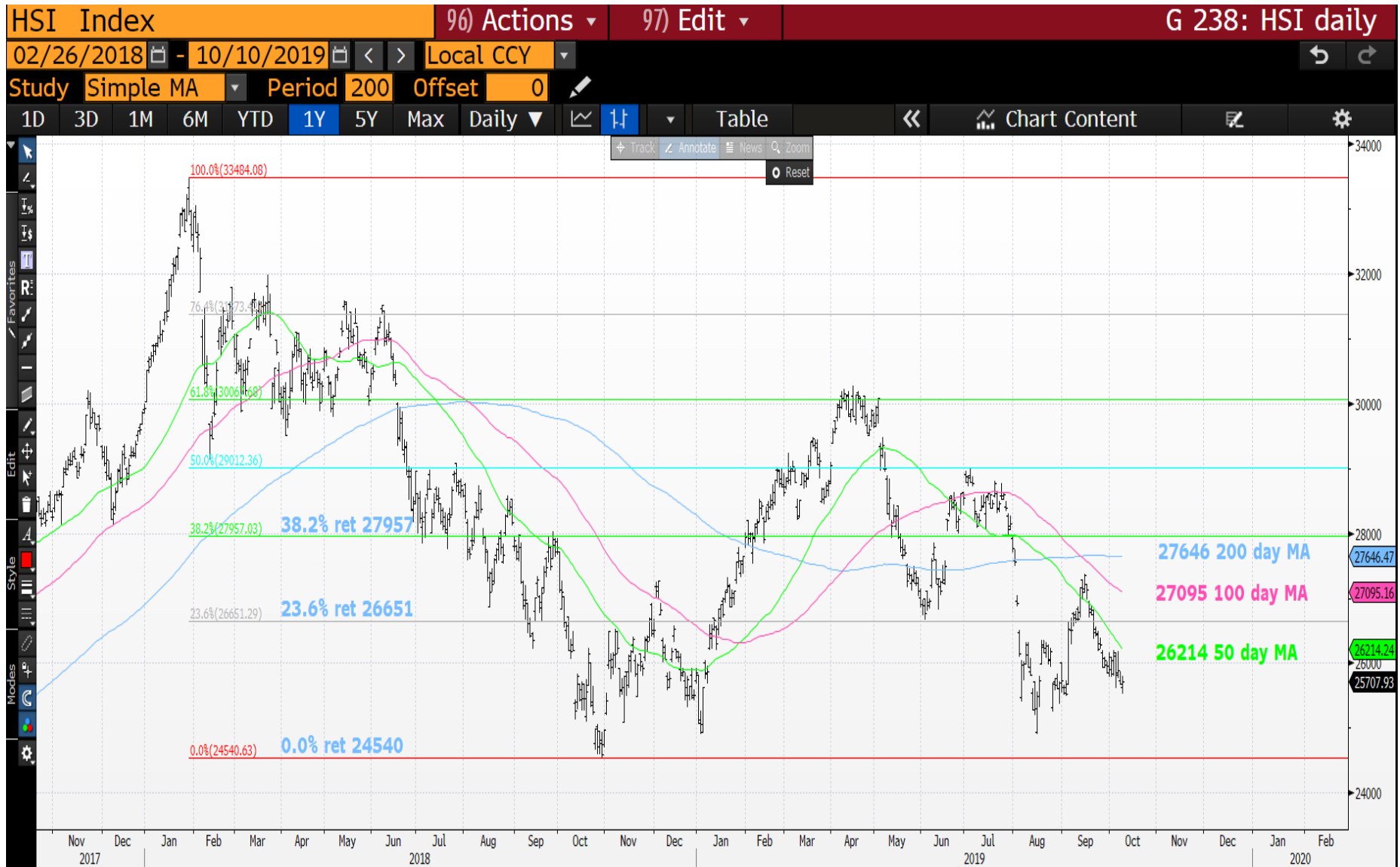
CCMP monthly : Outside the channel and ominous!



Hang Seng monthly : We are currently holding the all important 23.6% ret 25601.22 BUT any subsequent breach will give every chance to see the 38.2% ret 20724.54.



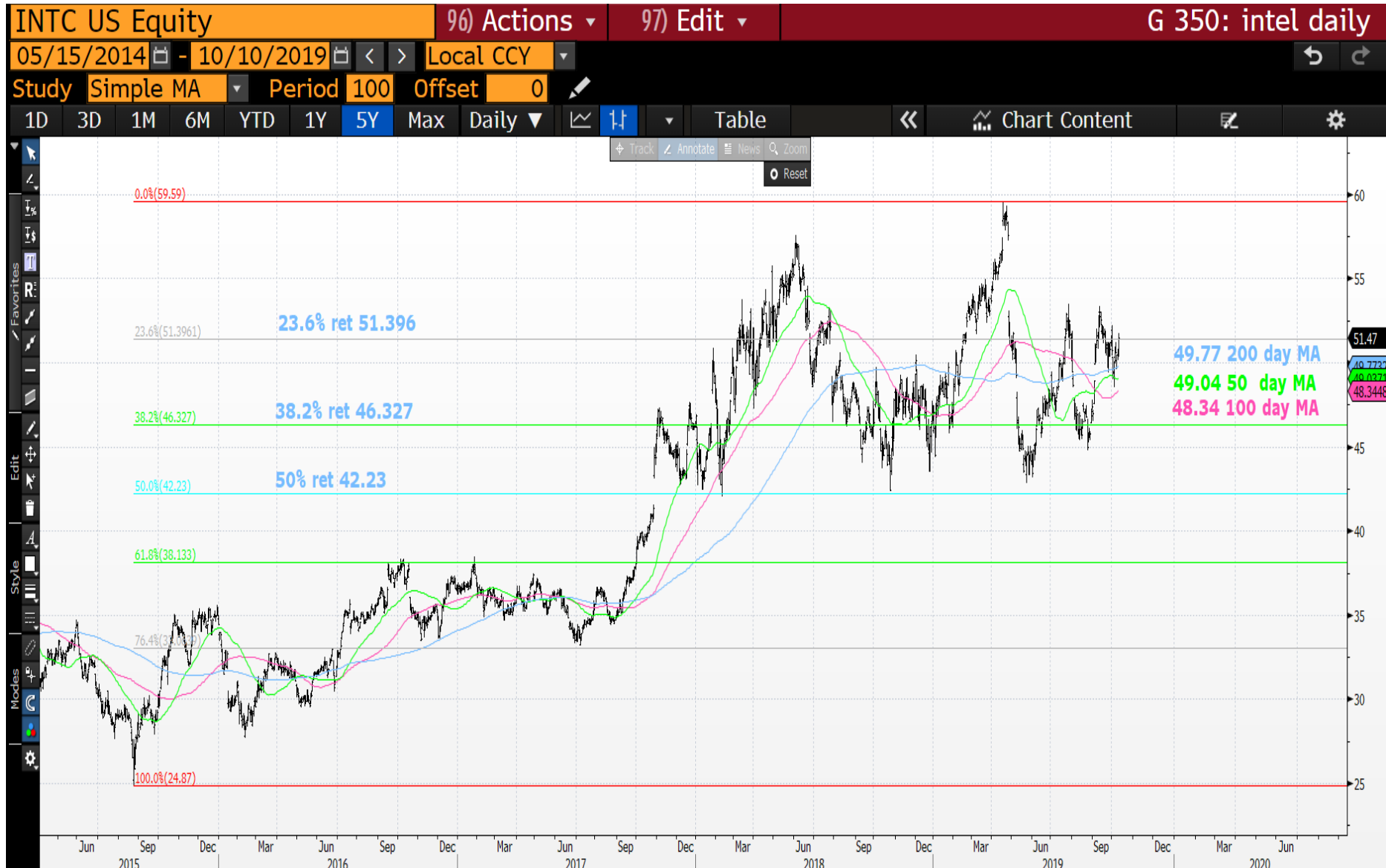
Hang Seng daily : NO BOUNCE HERE. We continue to REMAIN sub all the moving averages and the 23.6% ret 26651.



INTEL weekly : ONE TO WATCH! A VERY nasty top formed and once below the 38.2% ret 47.0033, spells danger.



INTEL daily : We are above ALL moving averages so lets see.



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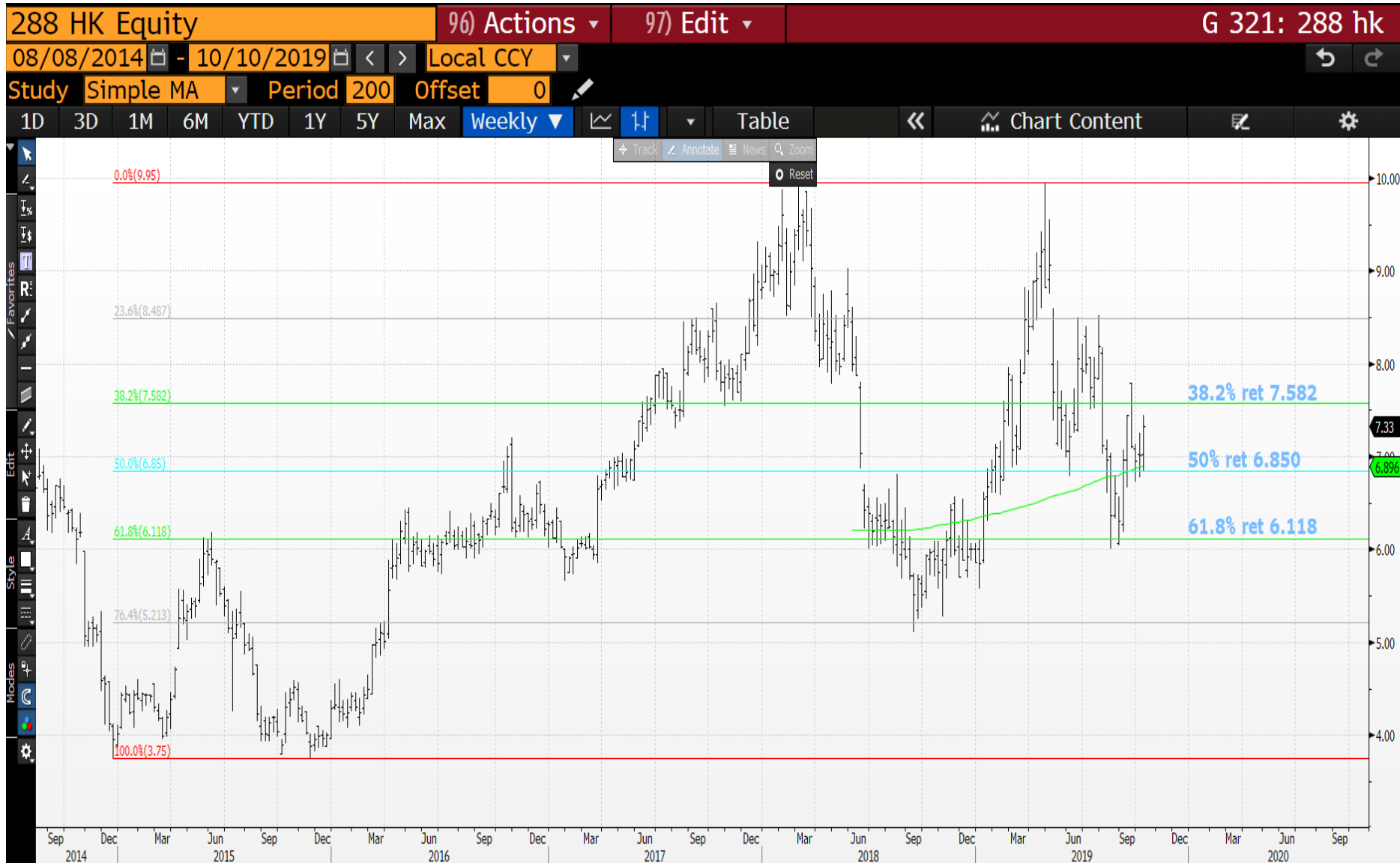
UNITED TECHNOLOGIES weekly : A TERMINAL TOP IS FORMING! A series of tops to be confirmed by a close sub the 127.63 50 period moving average. Sub 120 there will be NO argument.



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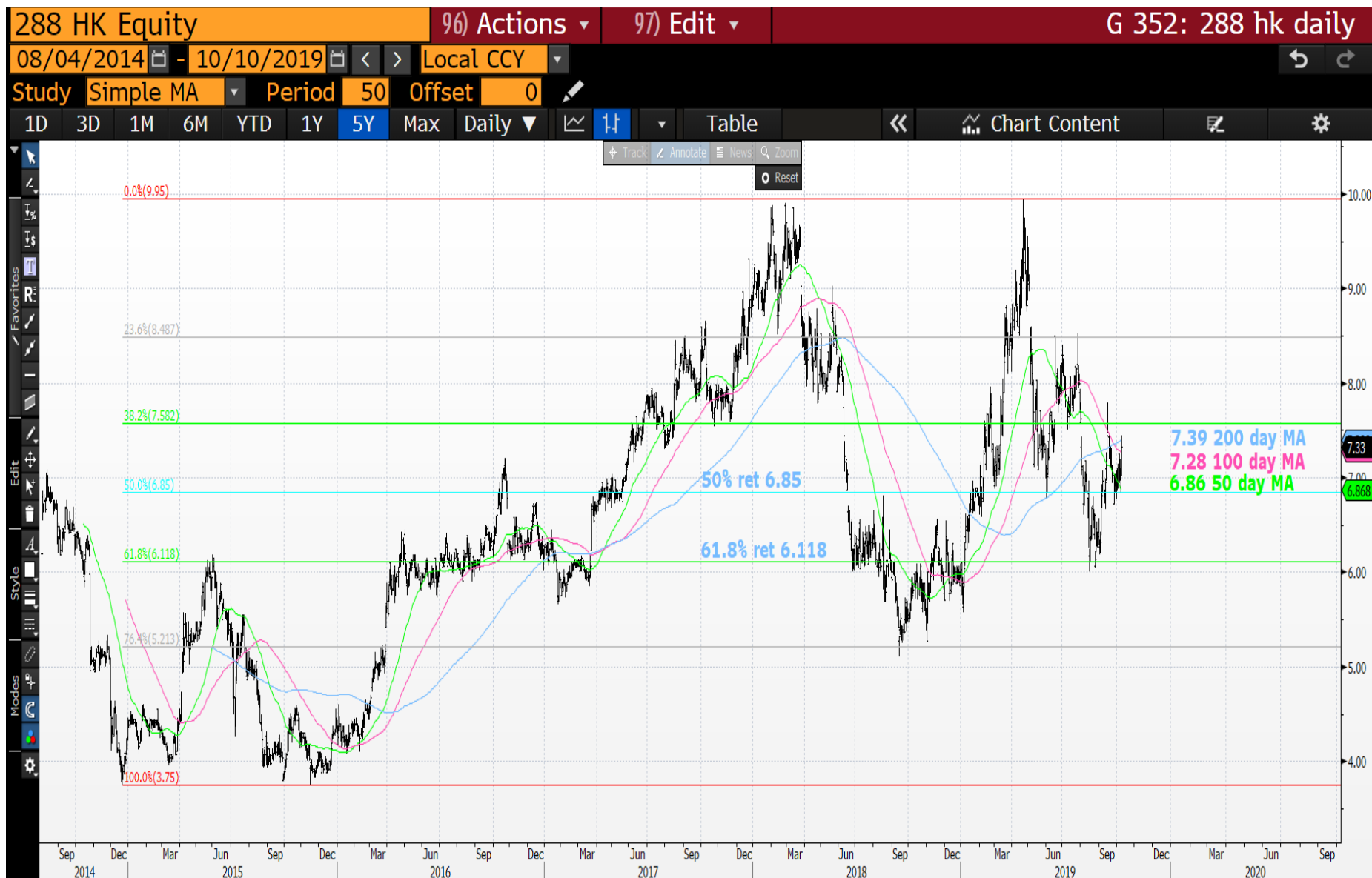
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WH GROUP weekly : Asia not taking things very well. A pretty negative response overall as we await some sort of trade resolution. Currently neutral at the 50% ret 6.850.



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WH GROUP daily : We continue to remain AROUND ALL moving averages BUT holding the 50% ret 6.85.



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TECHTRONIC INDUSTRY weekly : TERMINAL TOP. All we need to do now is BREACH the 51.29 50 period moving average.



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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.



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USGGT05 weekly : The RSI is “BUMPING” along the lows but we are HOLDING the 38.2% ret 0.1344.



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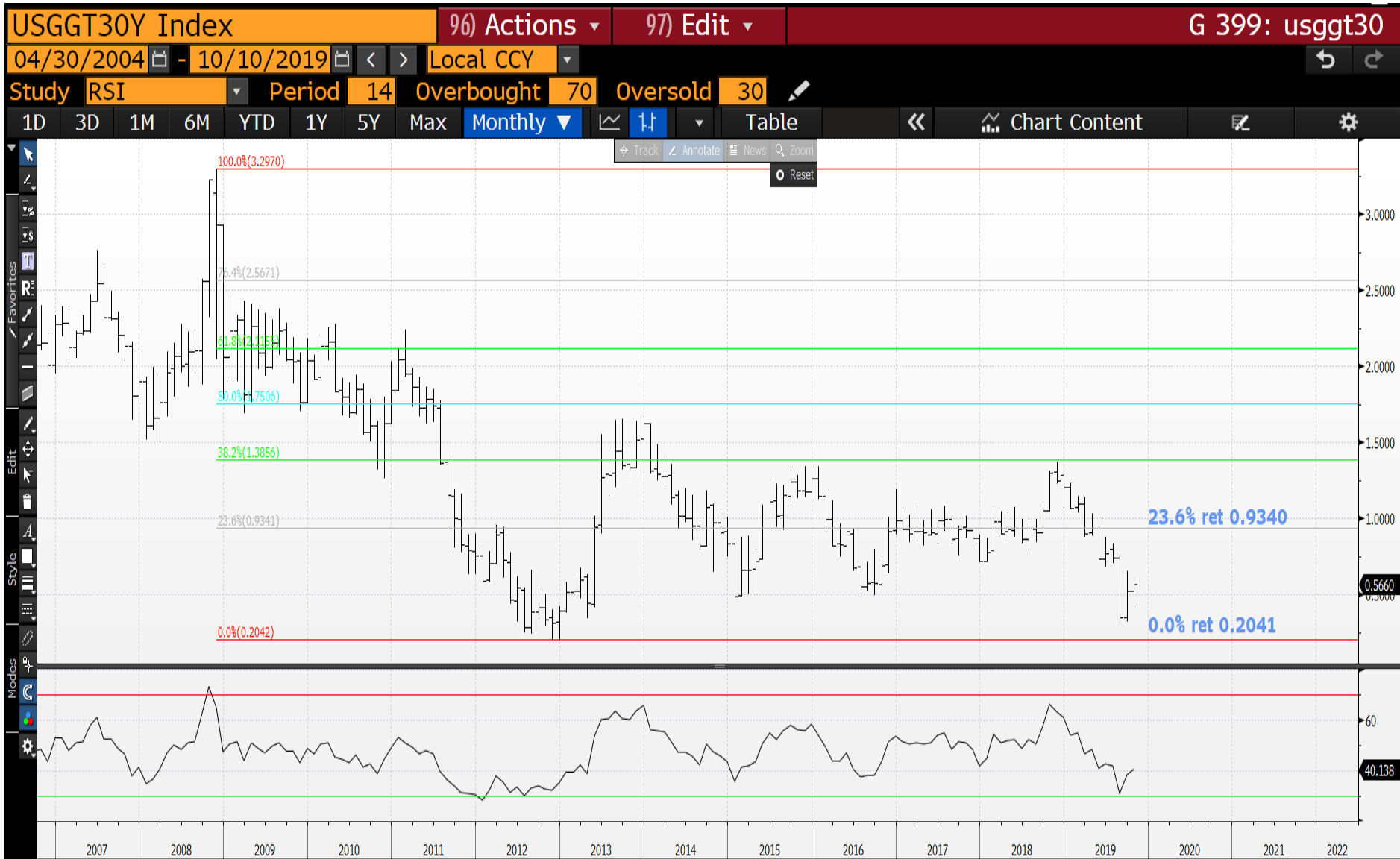
USGGT10 and 10yr yield monthly : The RSI has BASED just as we hit the familiar 23.6% ret 0.0198 support. This looks like the best to enter a position on.



USGGT10 and 10yr yield weekly : Similar to the 10yr yield weekly (Page 7) we have a VERY dislocated RSI! Thus one to watch! This chart highlights the HISTORICAL support associated with the 23.6% ret 0.0198.



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

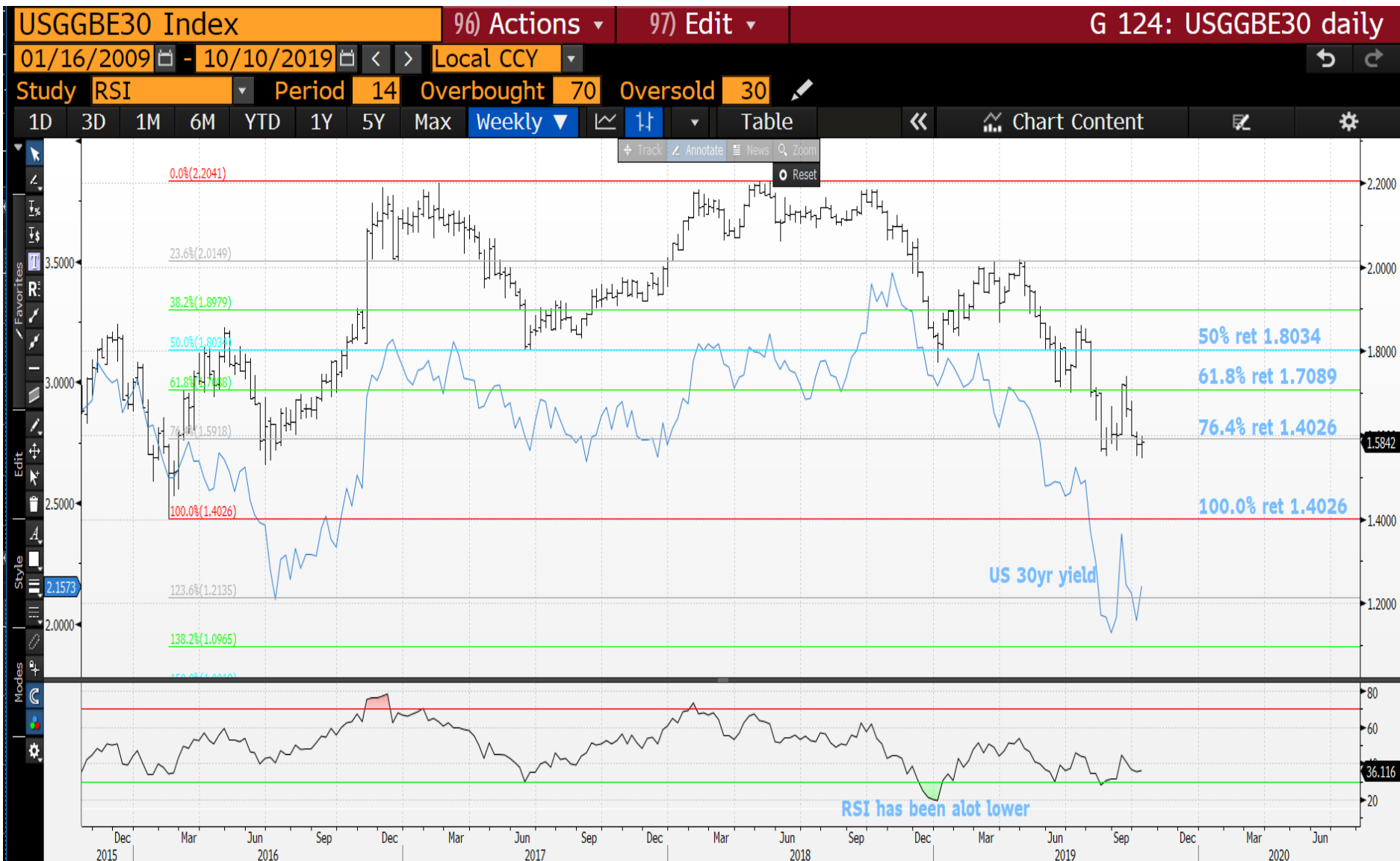


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USGGT30 and 30yr yield weekly : Again no level but the RSI is dislocated and we have a DOWNSIDE pierce.



UKGGBE30 and 30yr yield weekly : We have breached the MULTI year retracement 76.4% ret 1.4026 aided by a FLAKY RSI. Back above the 76.4% ret 1.4026 should help any recovery.

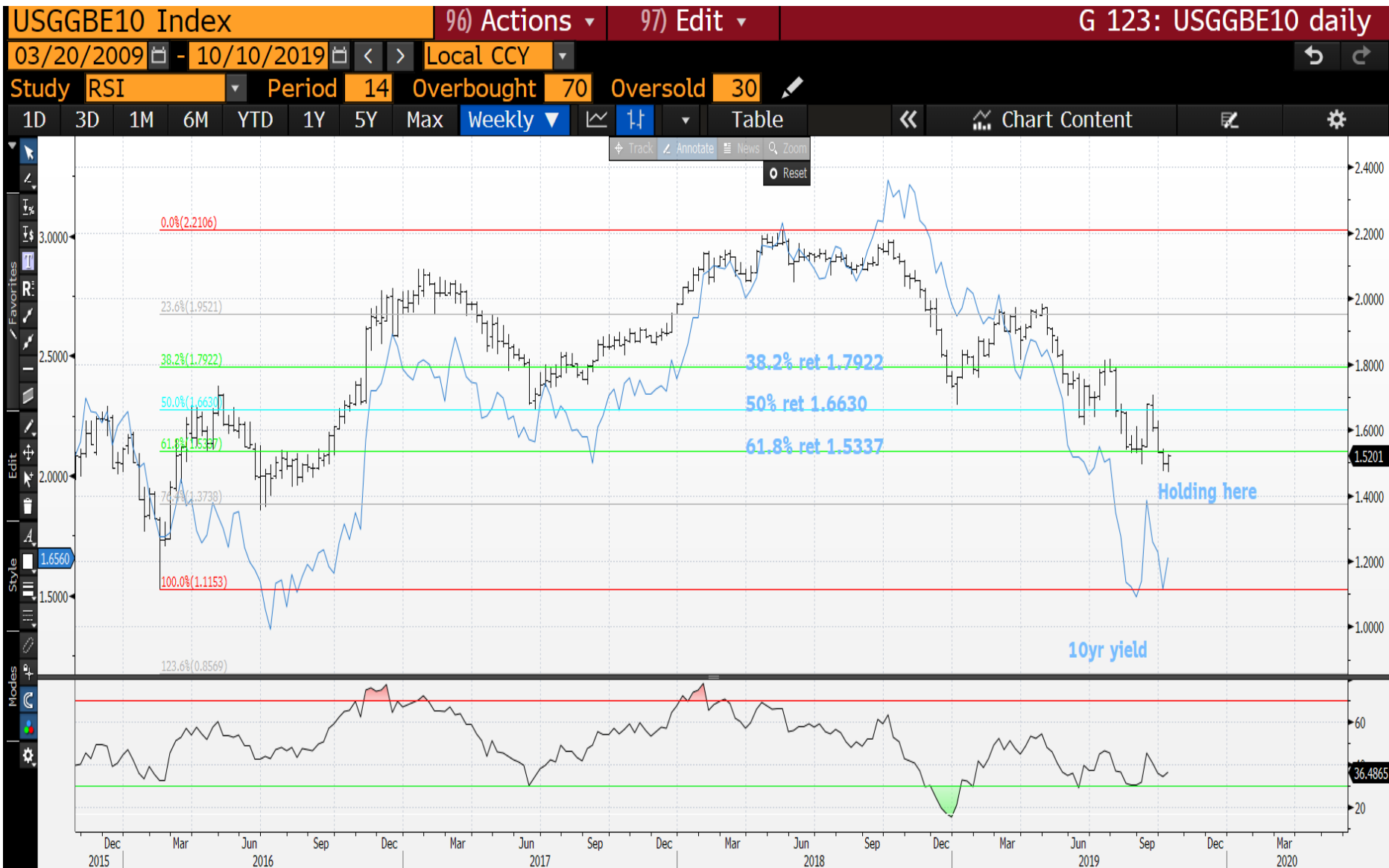


USGGBE30 daily : We need to breach the 76.4% ret 1.4026 before any bounce can be discussed.

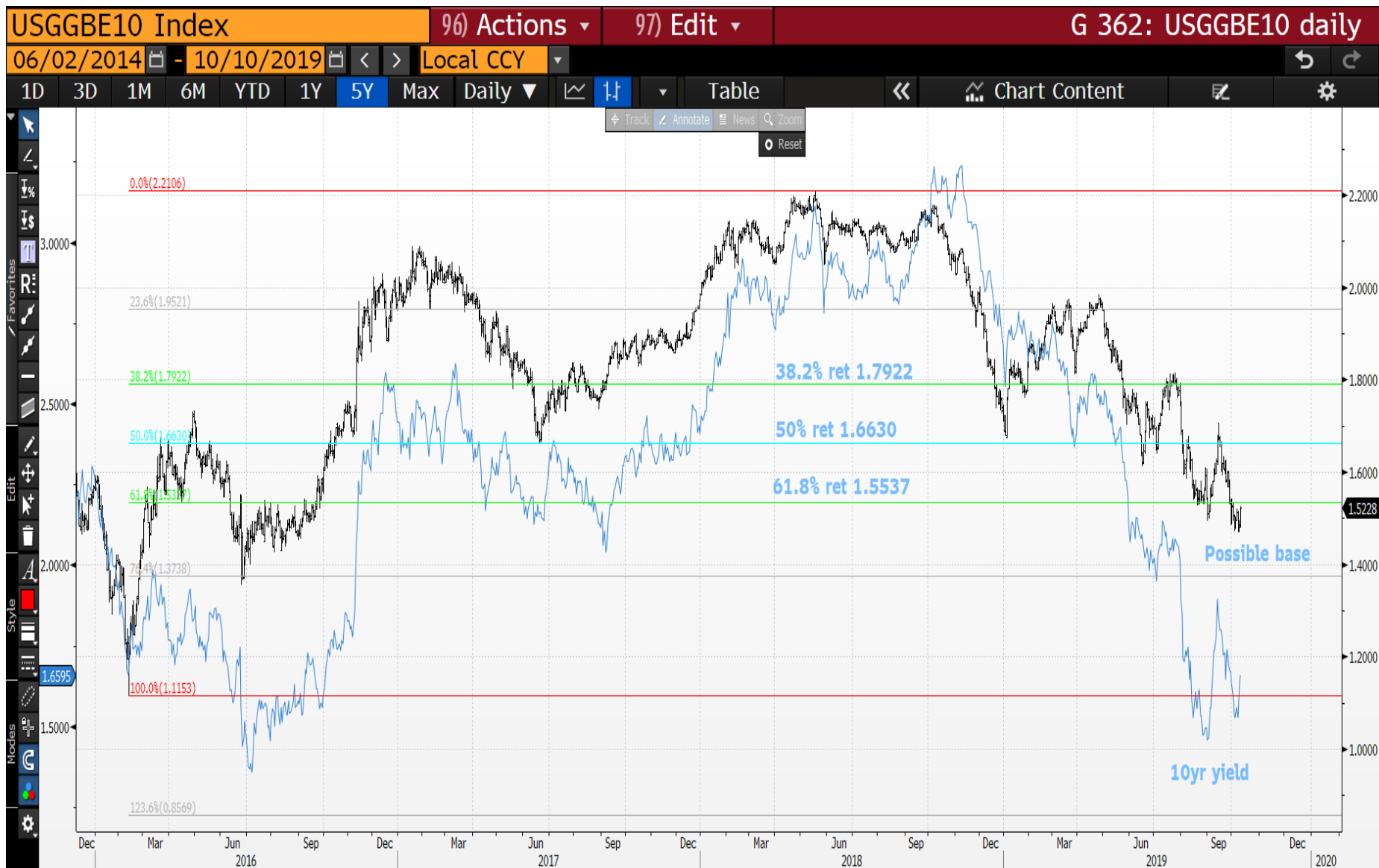


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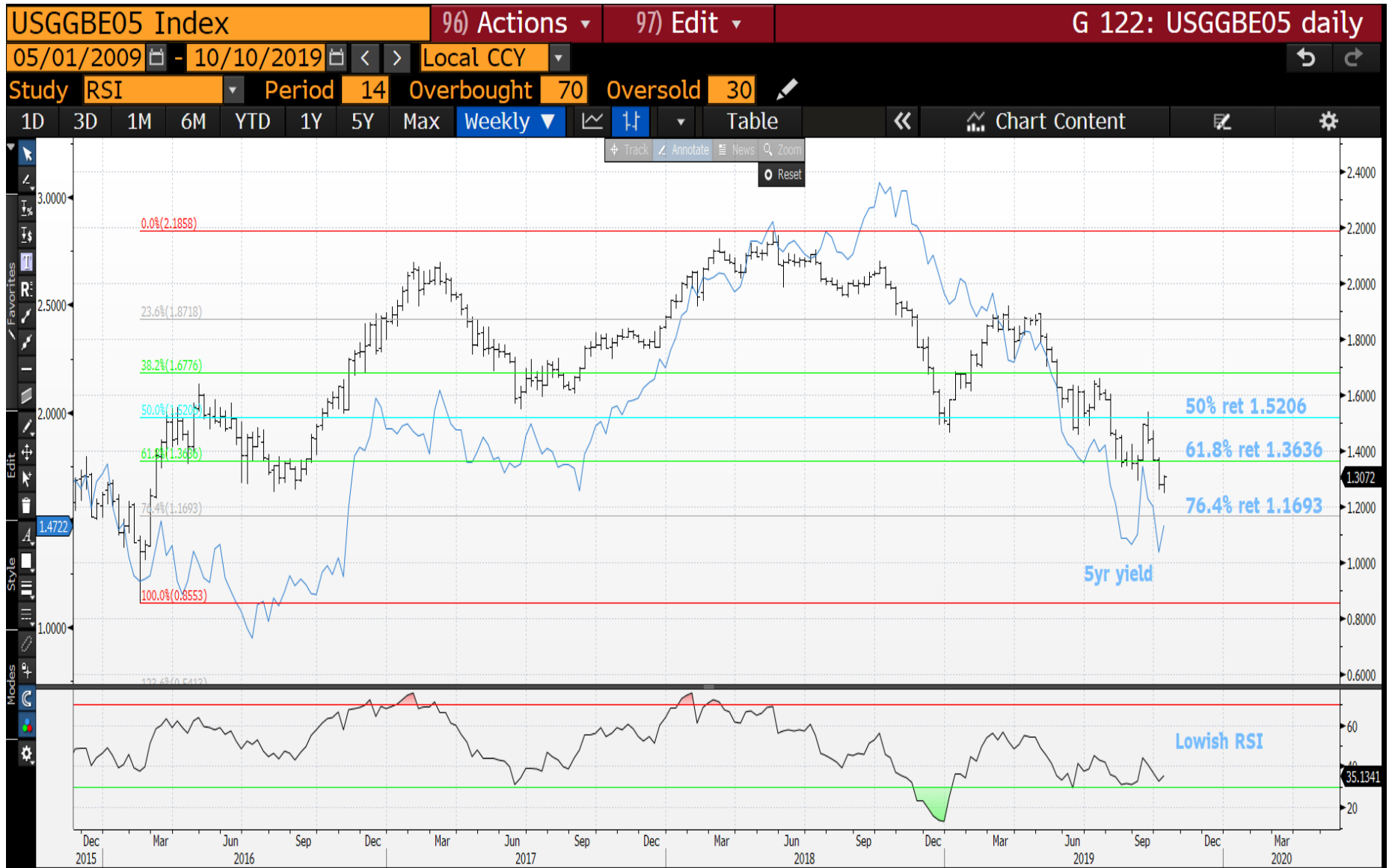
USGGBE10 and 10yr yield weekly : A close above the 61.8% ret 1.5337 will assist any bounce.



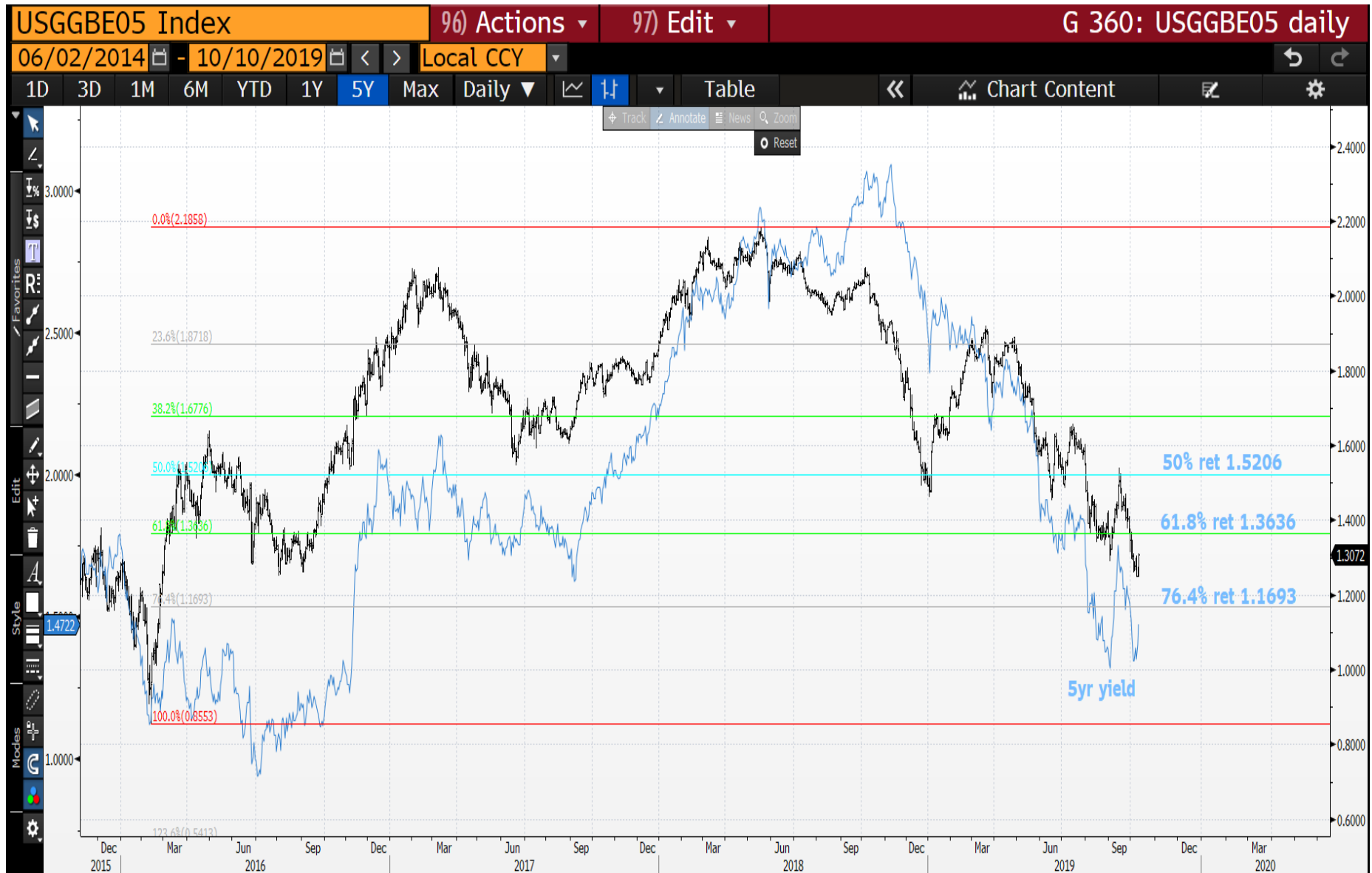
USGGBE10 and 10yr yield daily : Again we remain JUST sub the all important 61.8% ret 1.5537.



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



USGGBE05 and 5yr yield daily : If we correlate with the US 5yr yield then this bounces too.



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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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