

BOND AND BREAKEVEN : YIELDS TO HEAD HIGHER! AFTER A PAUSE YIELDS ARE LOOKING LIKE HEADING HIGHER AGAIN. THIS TIME BREAKEVENS HAVE BASED. WE ARE VERY CLOSE TO A FULL ON YIELD RALLY.

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. FUTURES LOOK SET TO HEAD LOWER AGAIN LED BY GERMANY.

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 2.3510 is breached then its FULL ON confirmation time. Higher yields will go.



04/11/2019

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.



04/11/2019

USGG30yr yield daily : *ONE TO WATCH* Decision time given we now need to breach the 100 day moving average.



04/11/2019

US 30yr futures daily : The futures have failed perfectly at the 23.6% ret 161-19 so we should head lower through the recent lows.



04/11/2019

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

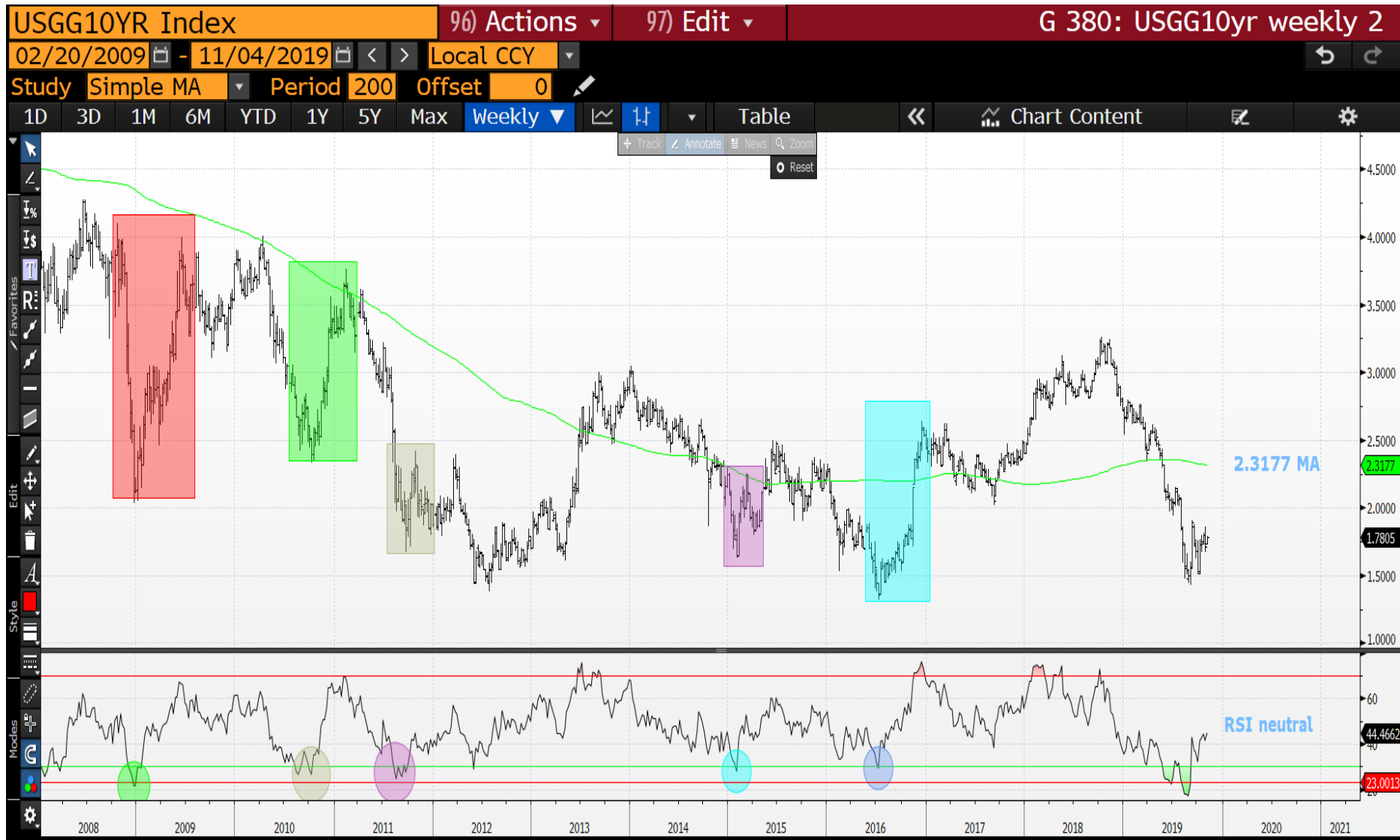


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USFS 10-20 monthly : Similar to the US 30yr yield chart WE HAVE A BASE! The RSI is implying a sizeable reversal and we are close to breaching last months high 2.0992.

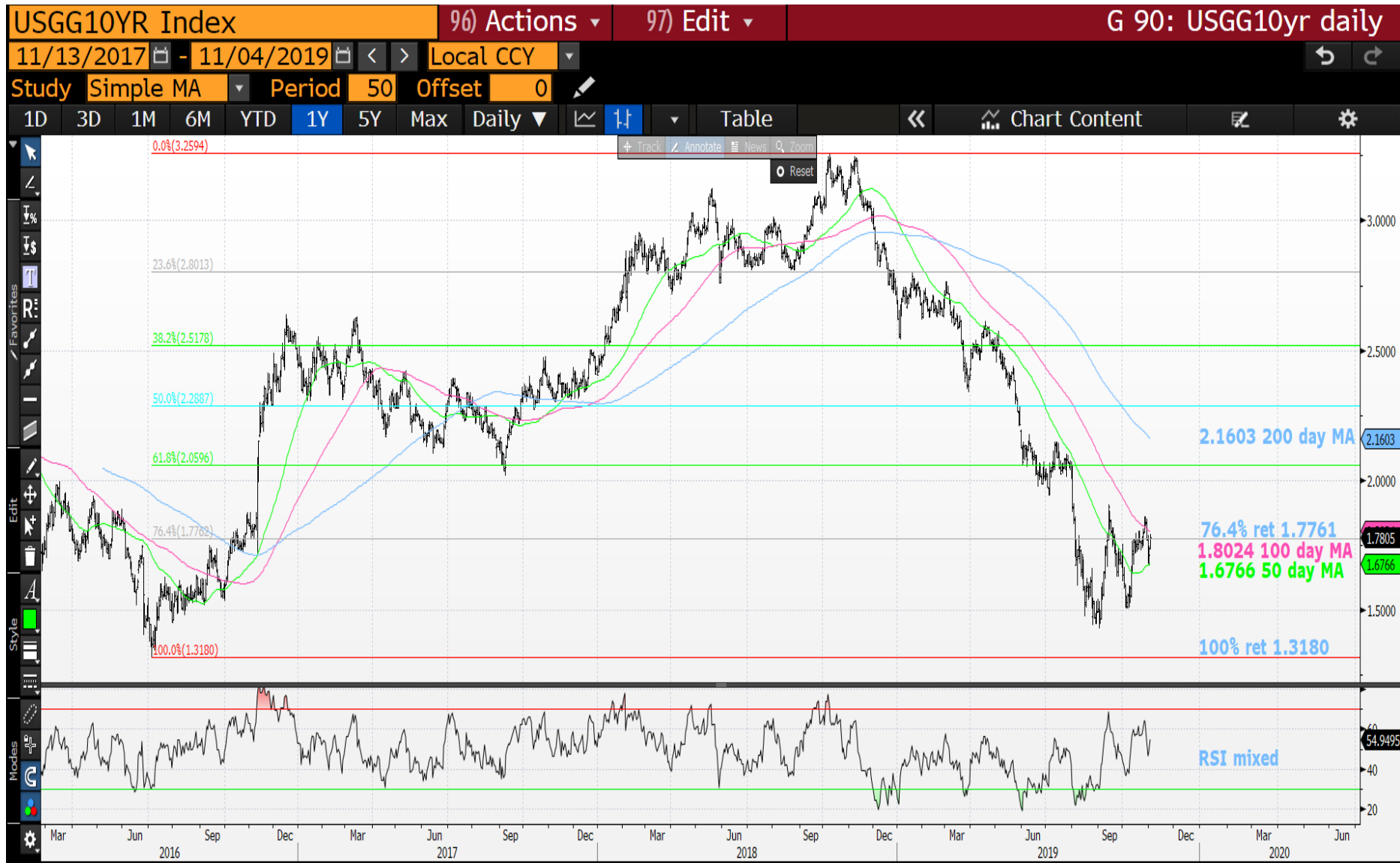


US 10yr yield weekly : Potentially a great BASE developing and once above 2.00 we fly.



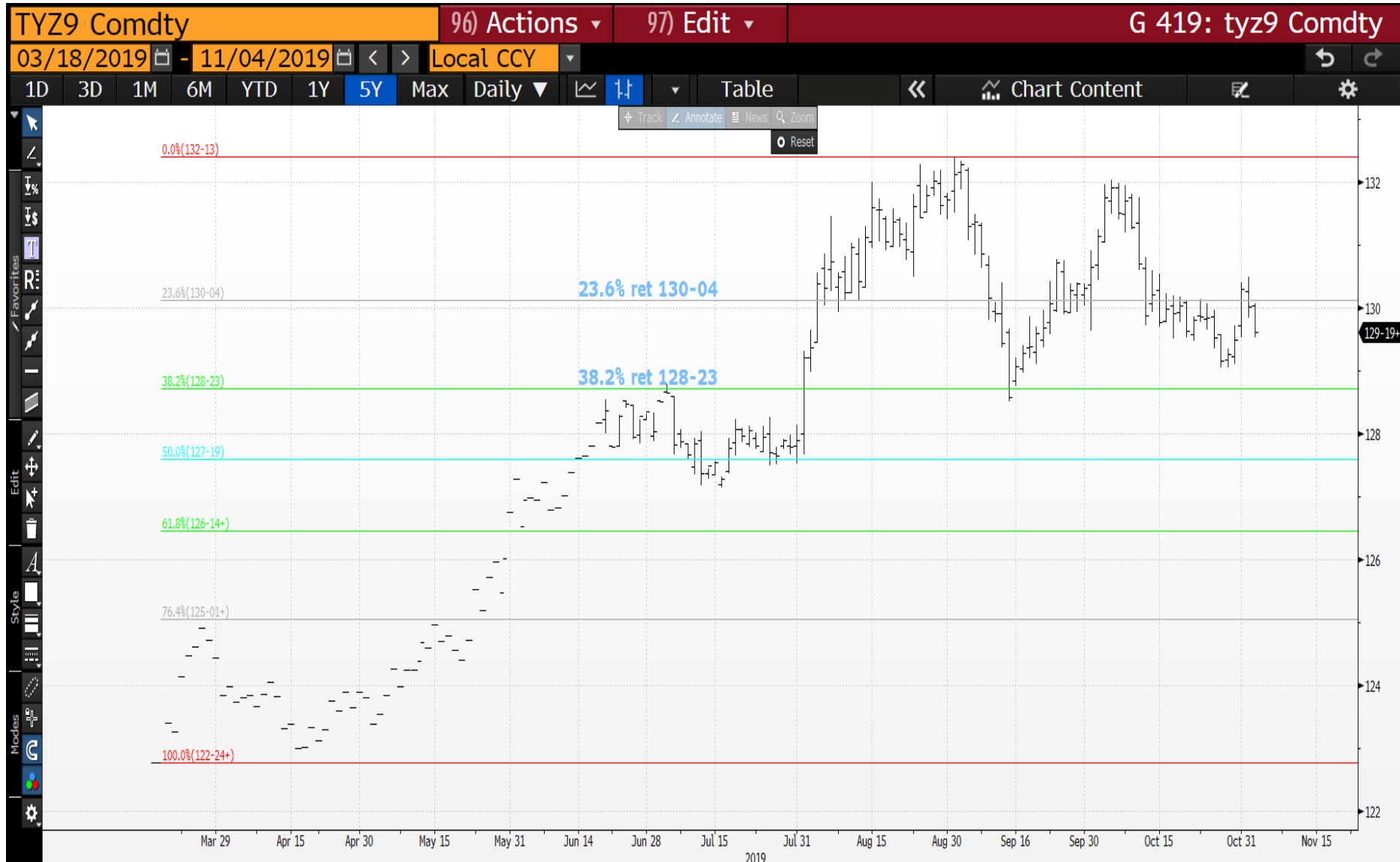
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USGG10yr daily : Given the RSI is mixed ideally we need to break the 76.4% ret 1.7761 to confirm any kind of recovery.



04/11/2019

US 10yr futures daily : Another futures failure at t he 23.6% ret 130-04, next break level is the 38.2% ret 128-23.



USGG5yr quarterly : Again last quarters low has held but this part of the curve hasn't spent much time below the reliable moving average 1.8600, however key if it is breached.

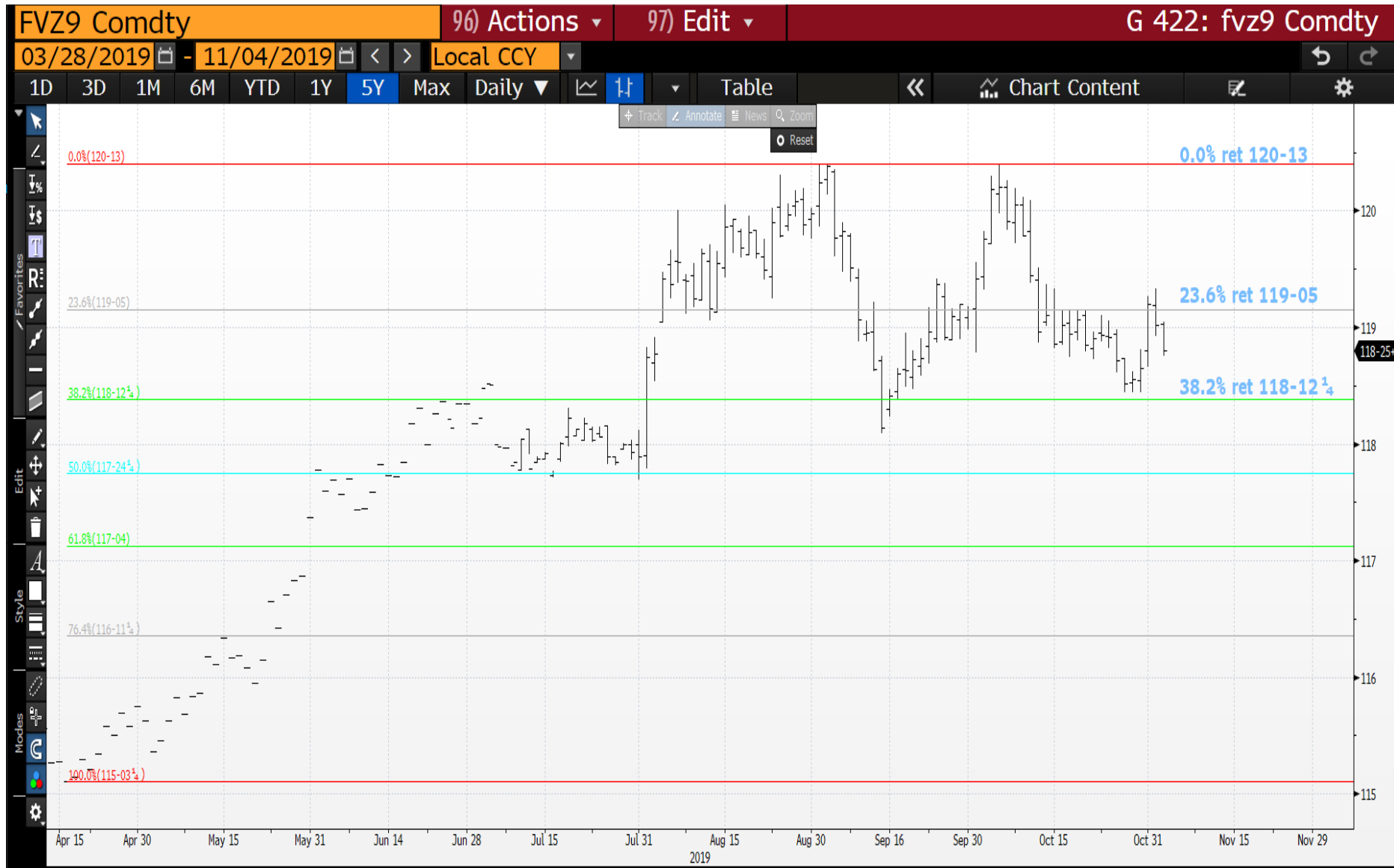


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USGG5yr weekly : COULD BE A KEY CHART. We need to breach the 100 day moving average 1.6238, next major breach level is the 61.8% ret 1.7337.



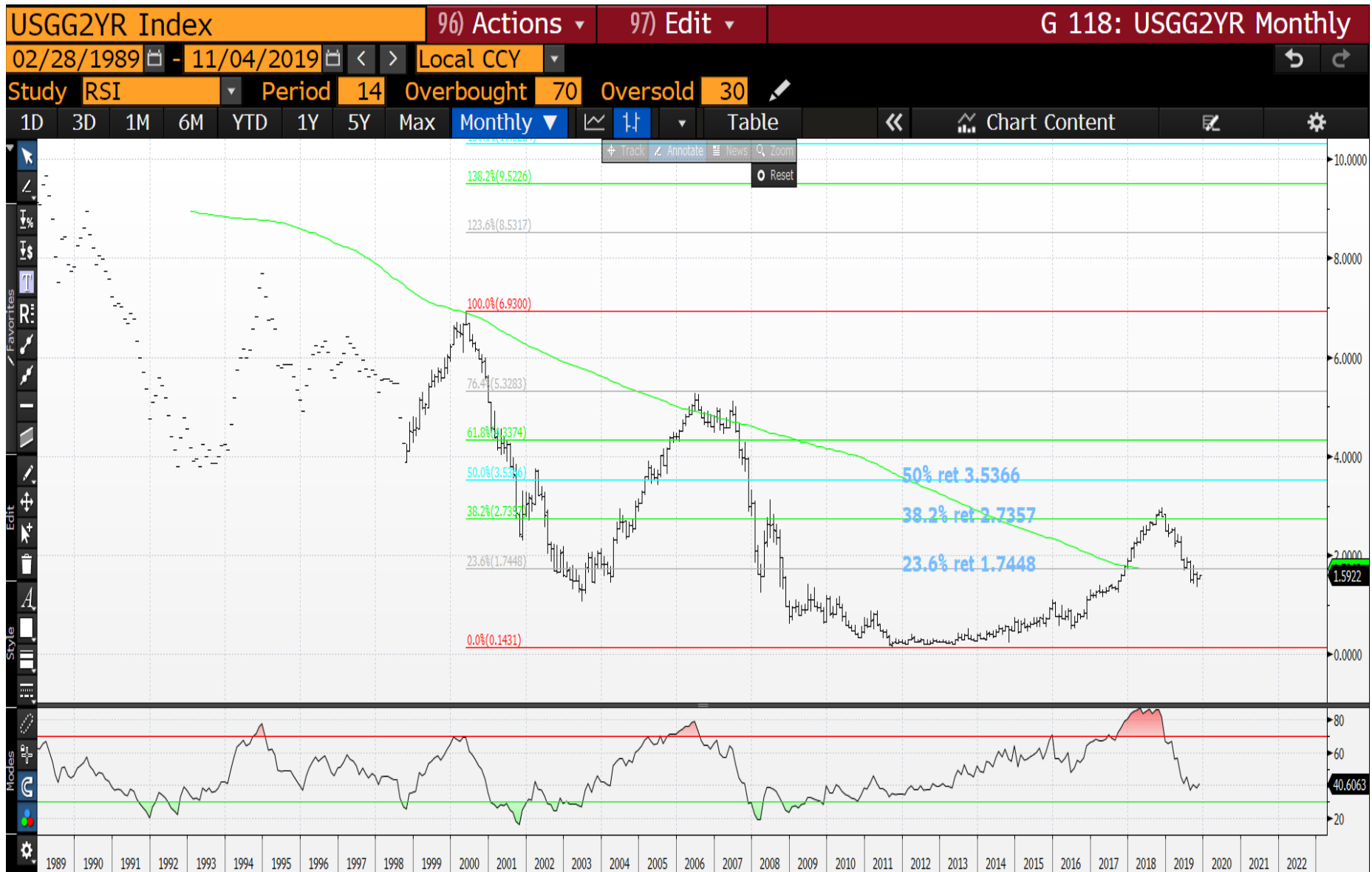
US 5yr futures daily : We continue to fail the 23.6% ret 119-05 thus should head a lot lower, obviously it will be aided by a breach of the 38.2% ret 118-12 1/4.



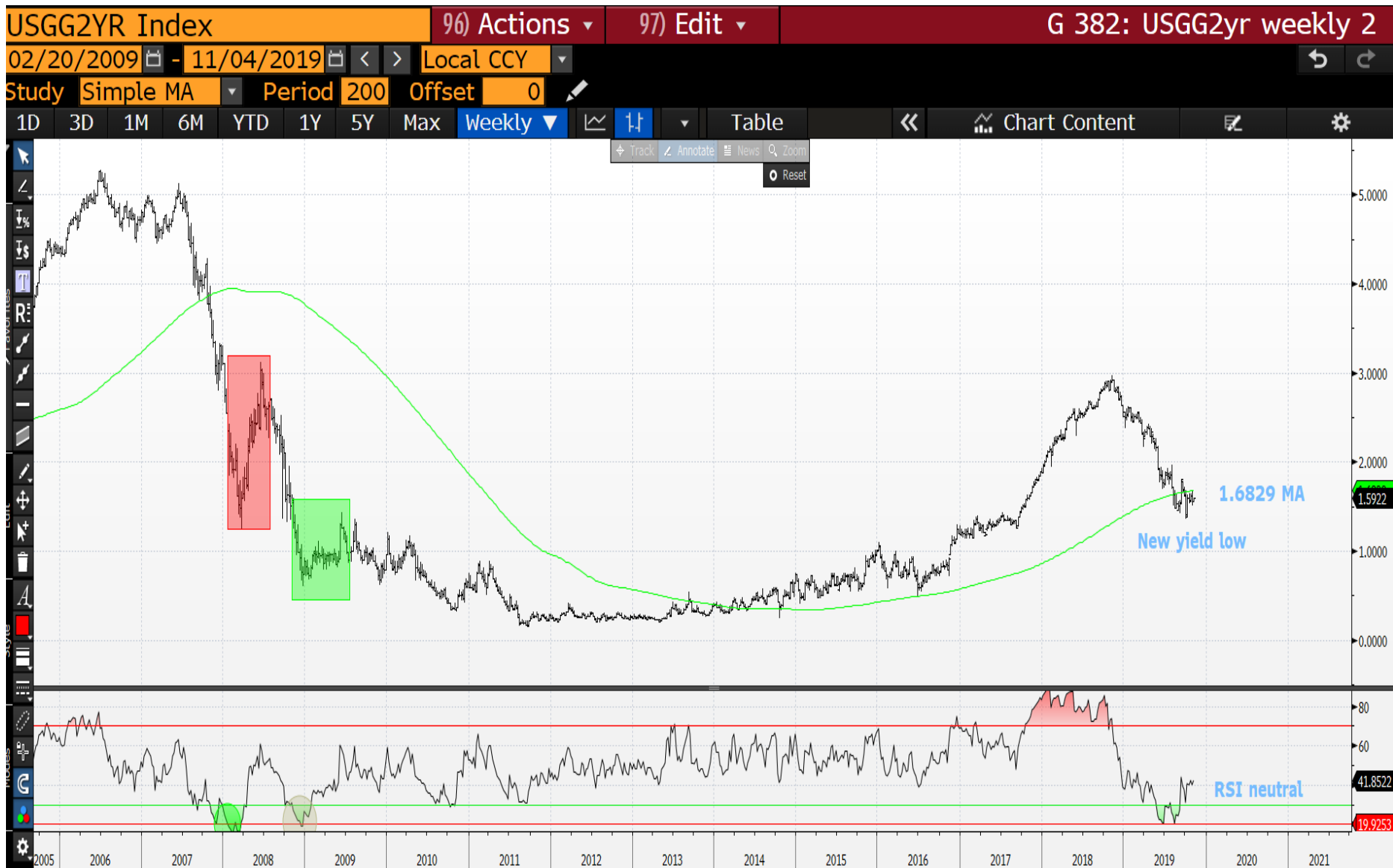
USGG2yr quarterly : We have posted a new yield low this quarter.



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

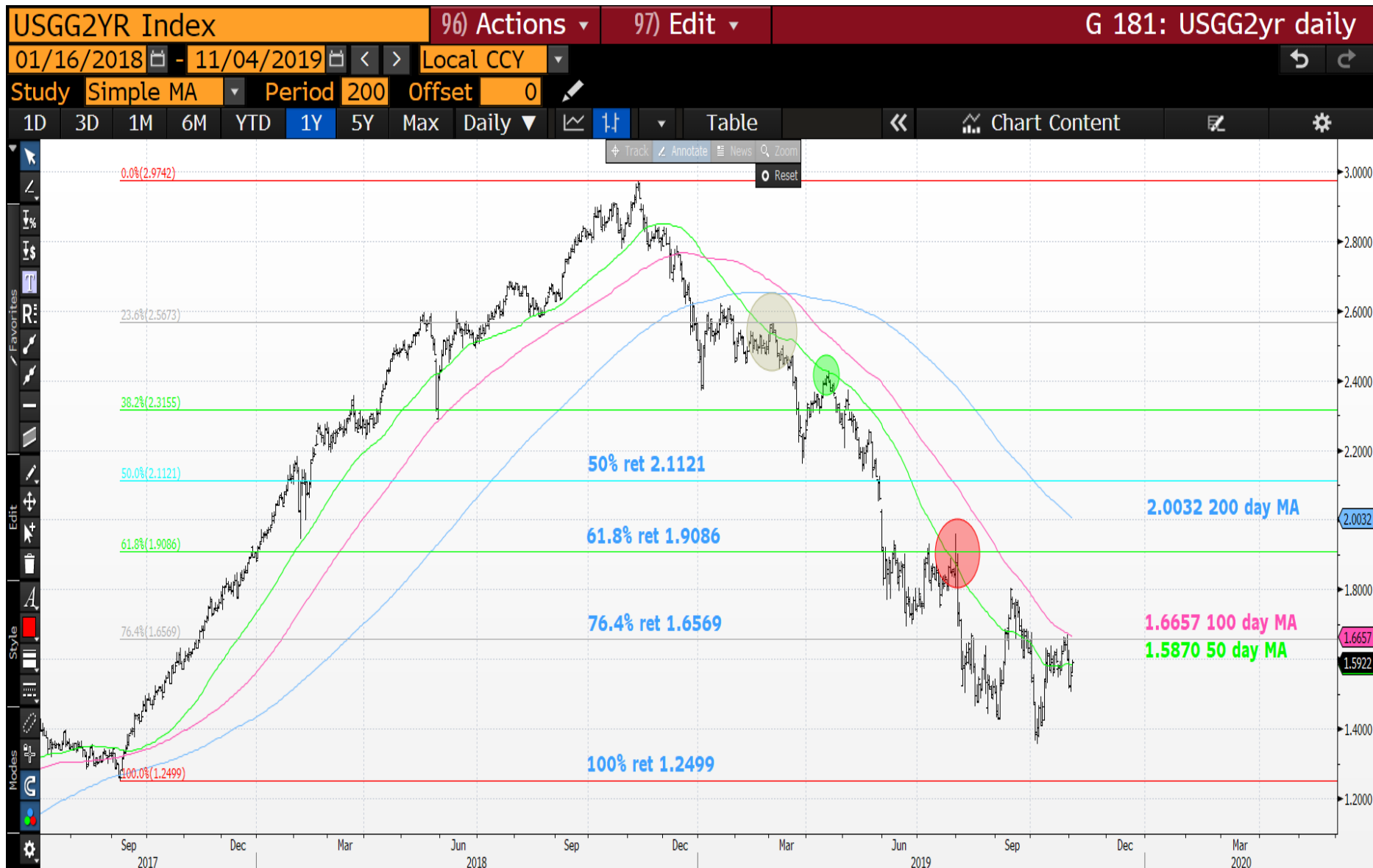


USGG2yr monthly : A real TEASE here given we are close to the prominent 1.6829 moving average.

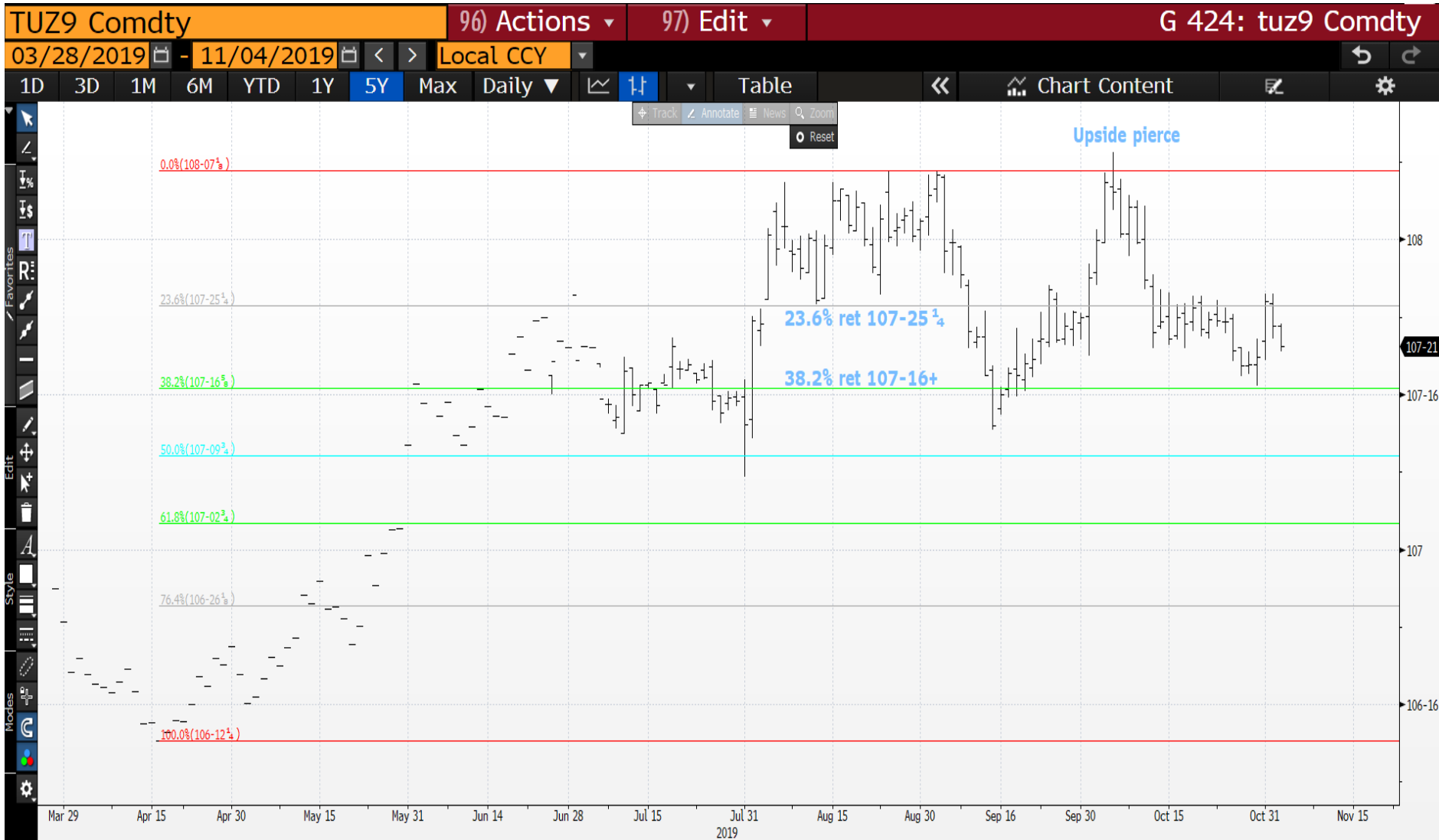


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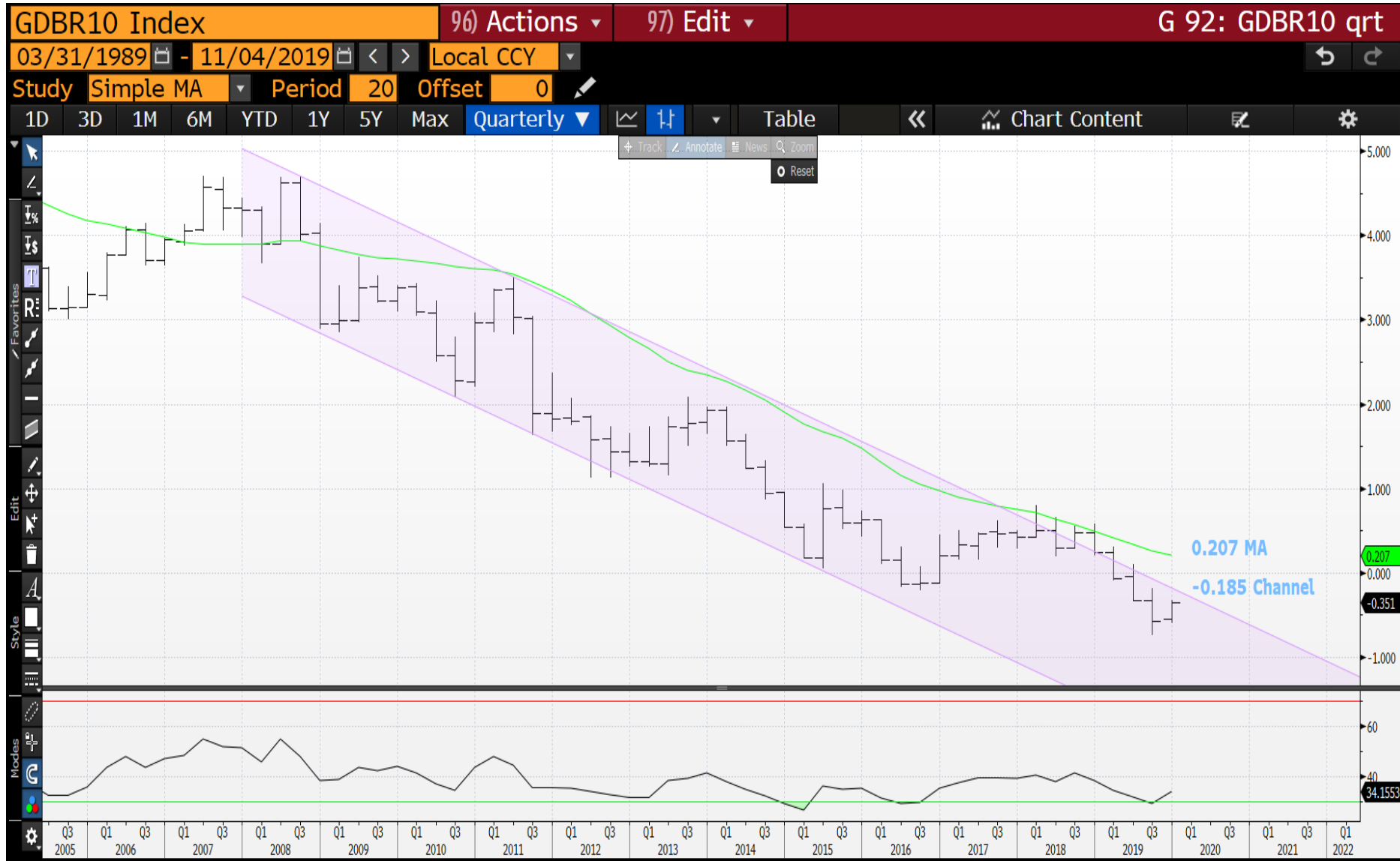
USGG2yr daily : Key breach will be the 1.6657 100 day moving average, once above this we fly, given the last breach was back in December 2018.



US 2yr future daily : Once again it's the 23.6% ret 107-25 offers resistance, time to head lower.



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.



04/11/2019

20

Generic German 10yr daily : The leader of the yield bounce. We have sailed through the 50 and 100 day moving average -0.473. The RSI is now getting lofty but we MAY visit the previous low-moving average first -0.205.



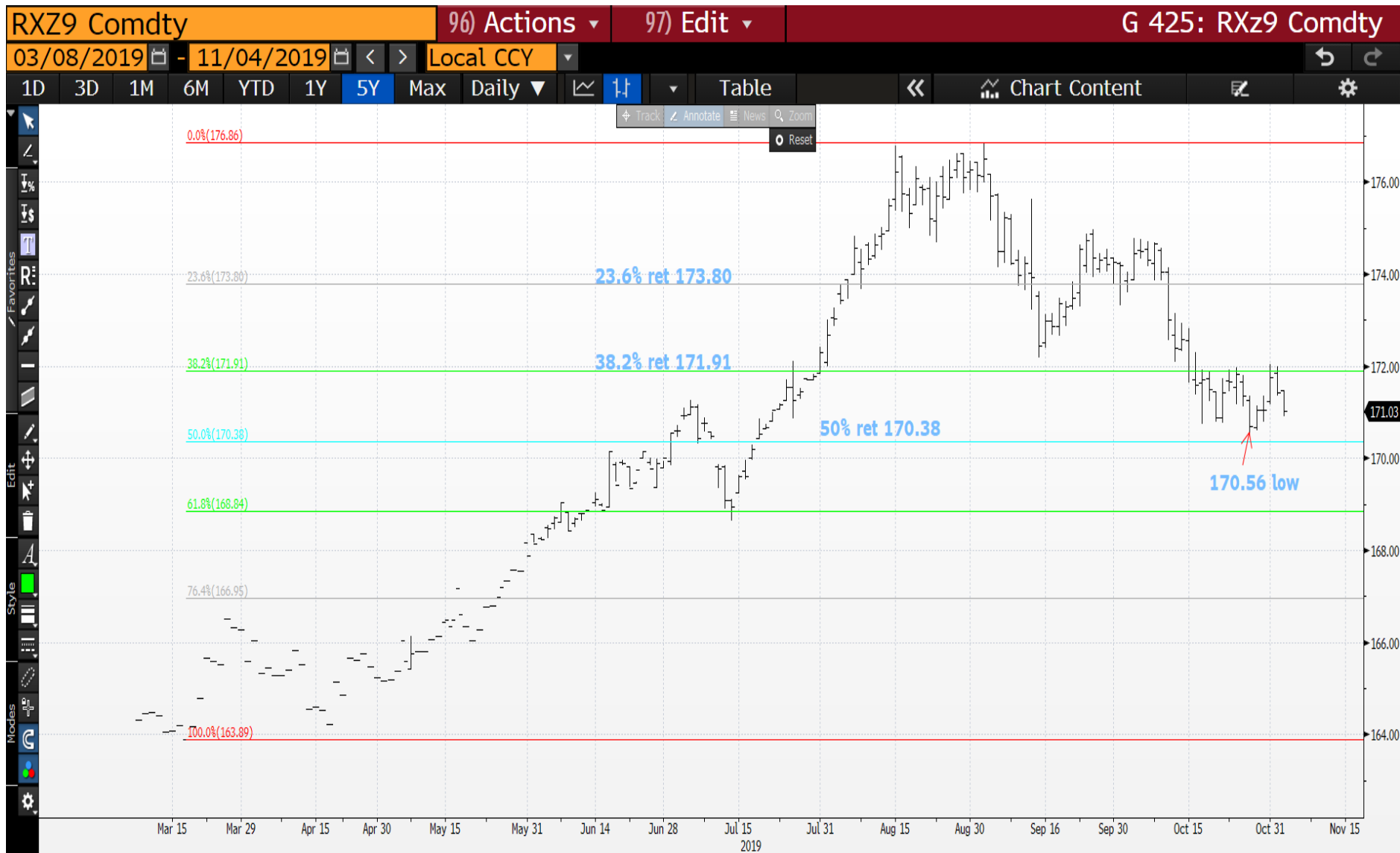
04/11/2019

21

DBR 46 daily : Usually this bond would be the one to HOLD but sub the 100% ret 163.575 poses a problem, next stop the 76.4% ret 154.629.



Bund future daily : We are close to a major break and then CTA's will ADD or create shorts!
Sub the 170.56 will be a killer blow.



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

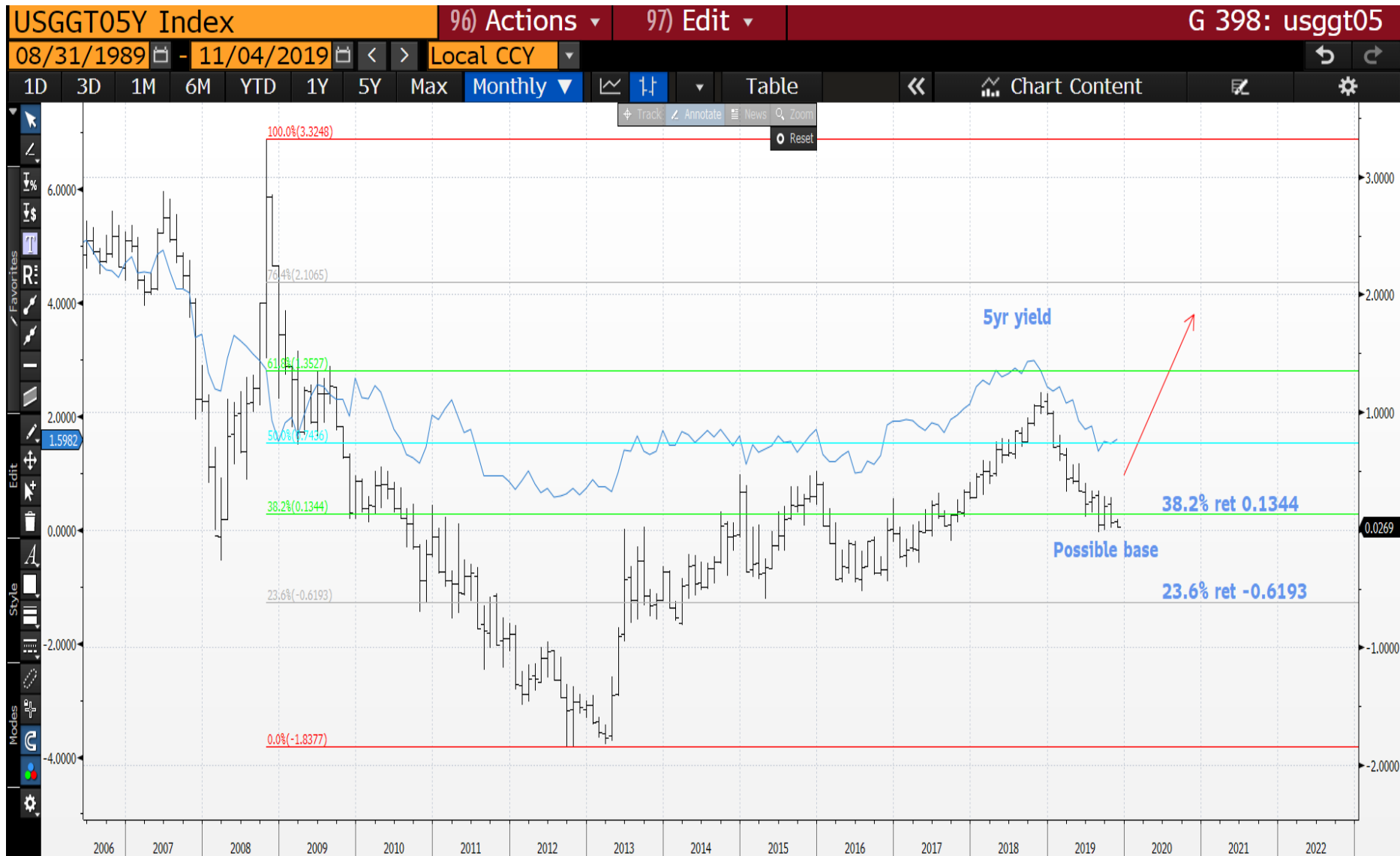


US BREAKEVENS AND USGGT :

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



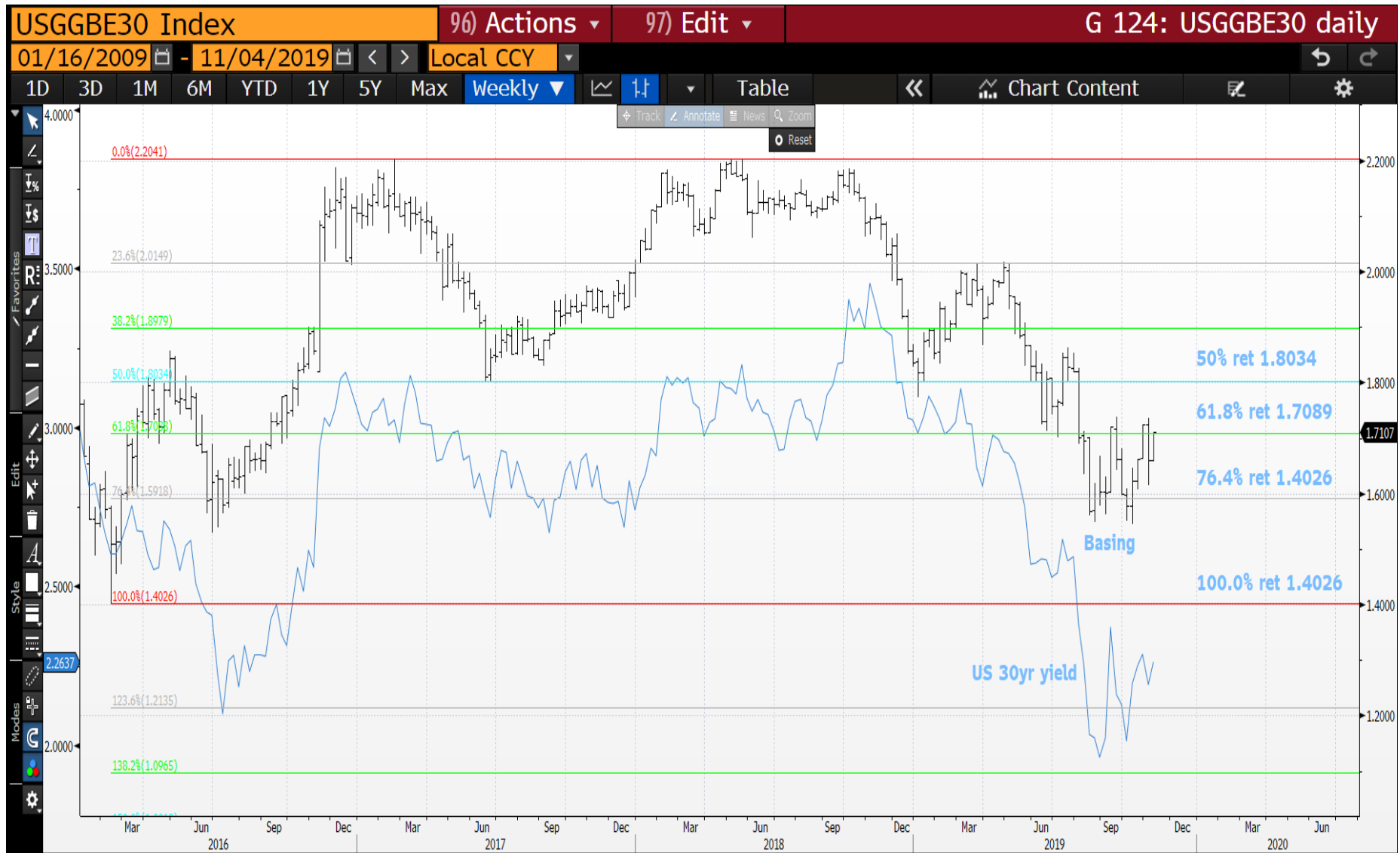
USGGT10 and 10yr yield monthly : The RSI has BASED just as we hit the familiar 23.6% ret 0.0198 support. Higher we go given the new high this month.



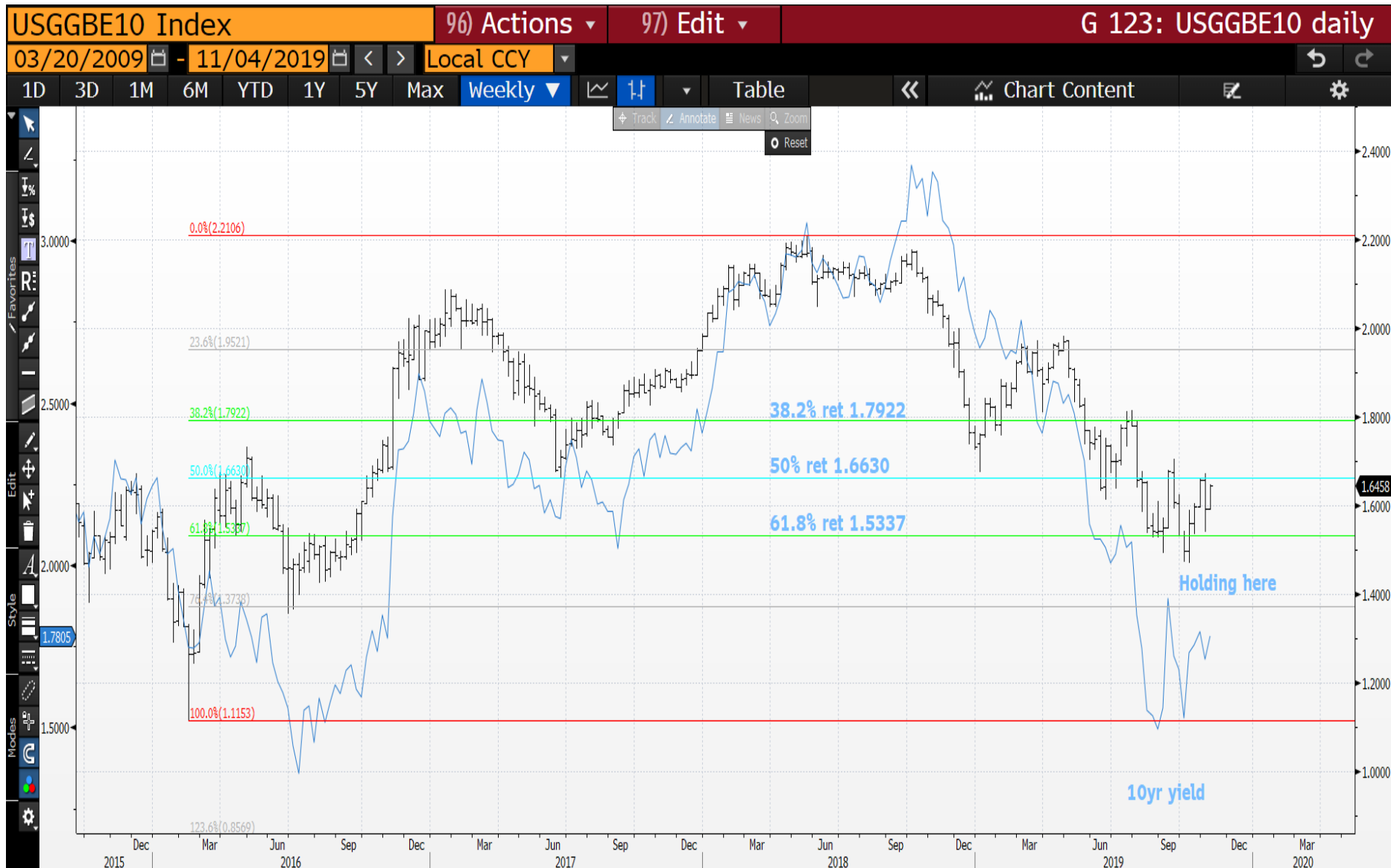
USGGT30 weekly : This looks very much like a LOW to ME and will hopefully be endorsed by a reasonably strong close at monthend.



UKGGBE30 and 30yr yield weekly : We have BASED with full confirmation coming once above the 1.7389 recent high!



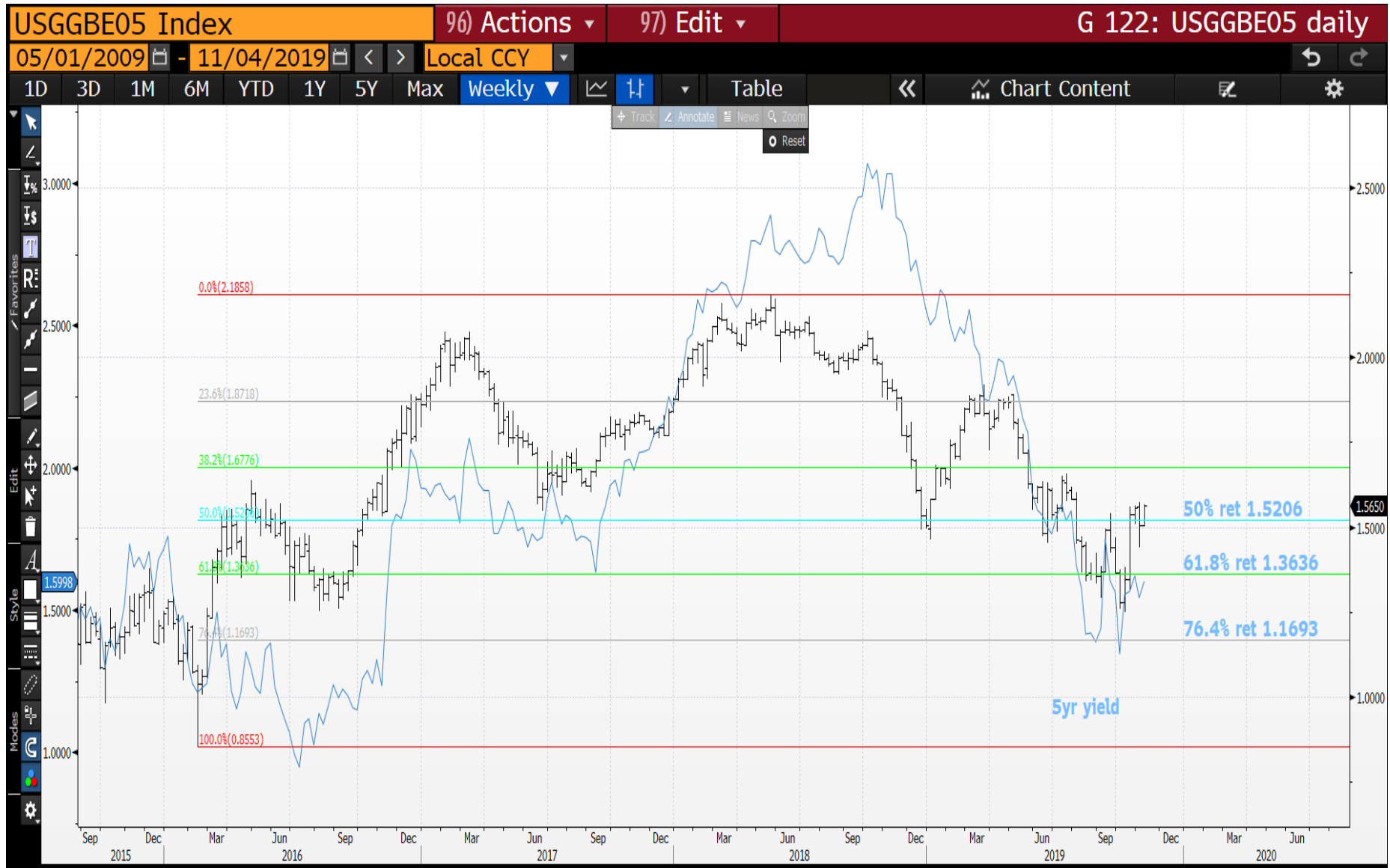
USGGBE10 and 10yr yield weekly : Another decent BASE that will be aided by a breach of the 50% ret 1.6630.



04/11/2019

30

USGGBE05 and 5yr yield weekly : **** ONE TO WATCH **** 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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