

## **BOND, EQUITY AND BREAKEVEN DILEMA :**

**THE YIELD RALLY IS ABOUT TO STRETCH ITS LEGS, FINALLY LOOKING LIKE CAPITULATION DAY.**

**I'LL SEND OUT A VOLUME PIECE TOMORROW TO ASSIST IN ASSESSING THE DAMAGE DONE.**

### **BONDS :**

**IT HAS BEEN A MAJOR TURN AROUND BUT YIELDS CAN NOW GO A LOT HIGHER LED BY GERMANY, INTERESTING THIS IS THE FIRST TO TEST A MAJOR 200 DAY MOVING AVERAGE.**

### **EQUITY :**

**GIVEN THE YIELD RALLY STOCKS HAVE FINALLY PERFORMED BUT SOME AREAS REMAIN SLUGGISH.**

### **US BREAKEVENS AND USGGT :**

**GIVEN THE HIGH CORRELATION WITH YIELDS ALL ARE NOW BASING AND LIKE YIELDS POISED TO STRETCH THEIR LEGS.**

USGG30yr monthly : \*\* A VERY KEY CHART. \*\* We have breached last months high and looking now like a FULL on recovery.



07/11/2019

# USGG30yr weekly : We have plenty of room left in the RSI.



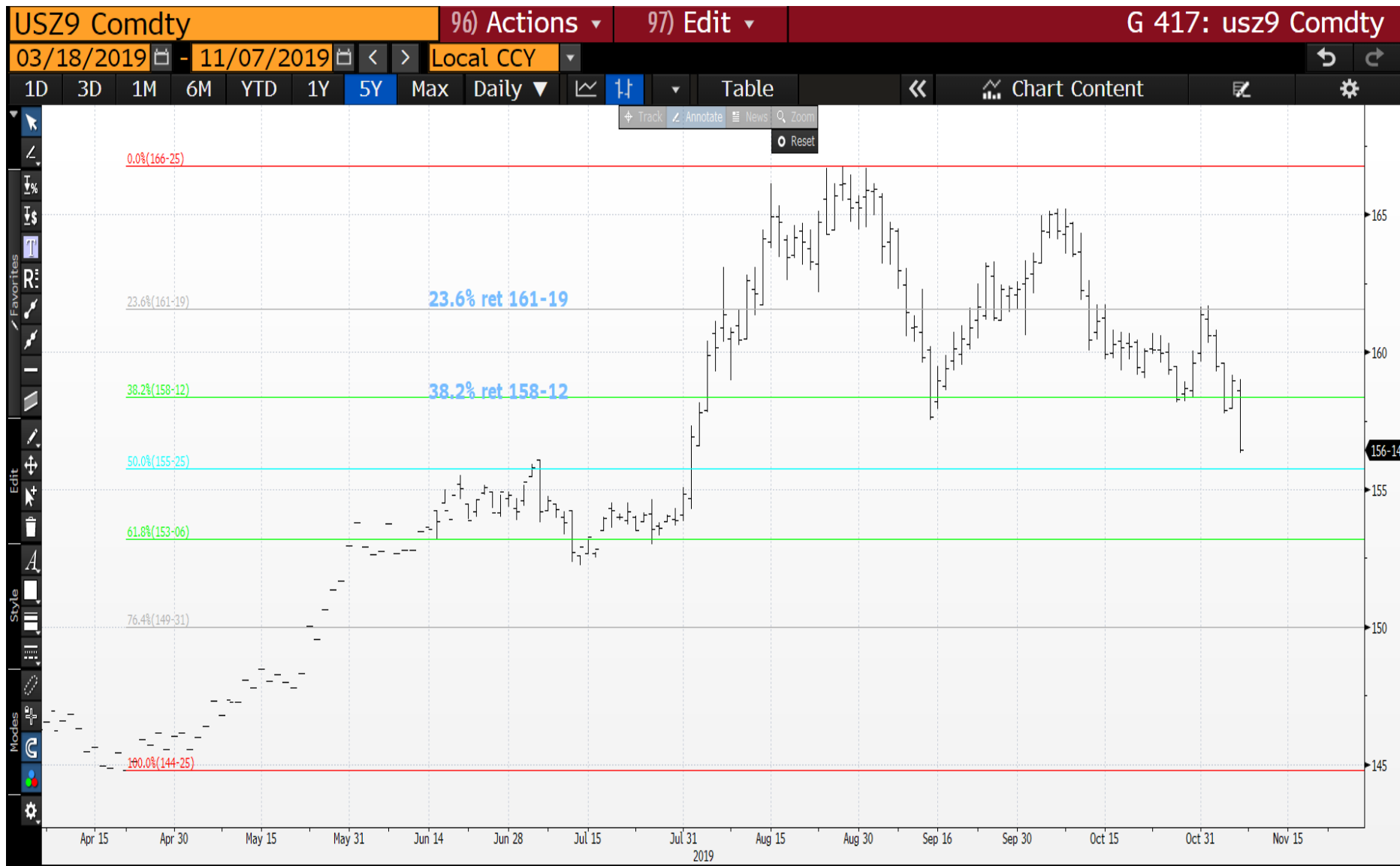
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USGG30yr yield daily : The RSI has yet to reflect ANY kind of over bought state, but we have easily cleared the 100 day moving average. The next big test is the 100% ret 2.6332.



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# US 30yr futures daily : The LAST BIG SUPPORT has been breached and a full on liquidation is taking place.



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# US 10yr yield quarterly : Yields have held well and the RSI reflects a sizeable correction.



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USFS 10-20 monthly : Upside there is plenty given the RSI has only just moved off the lows.



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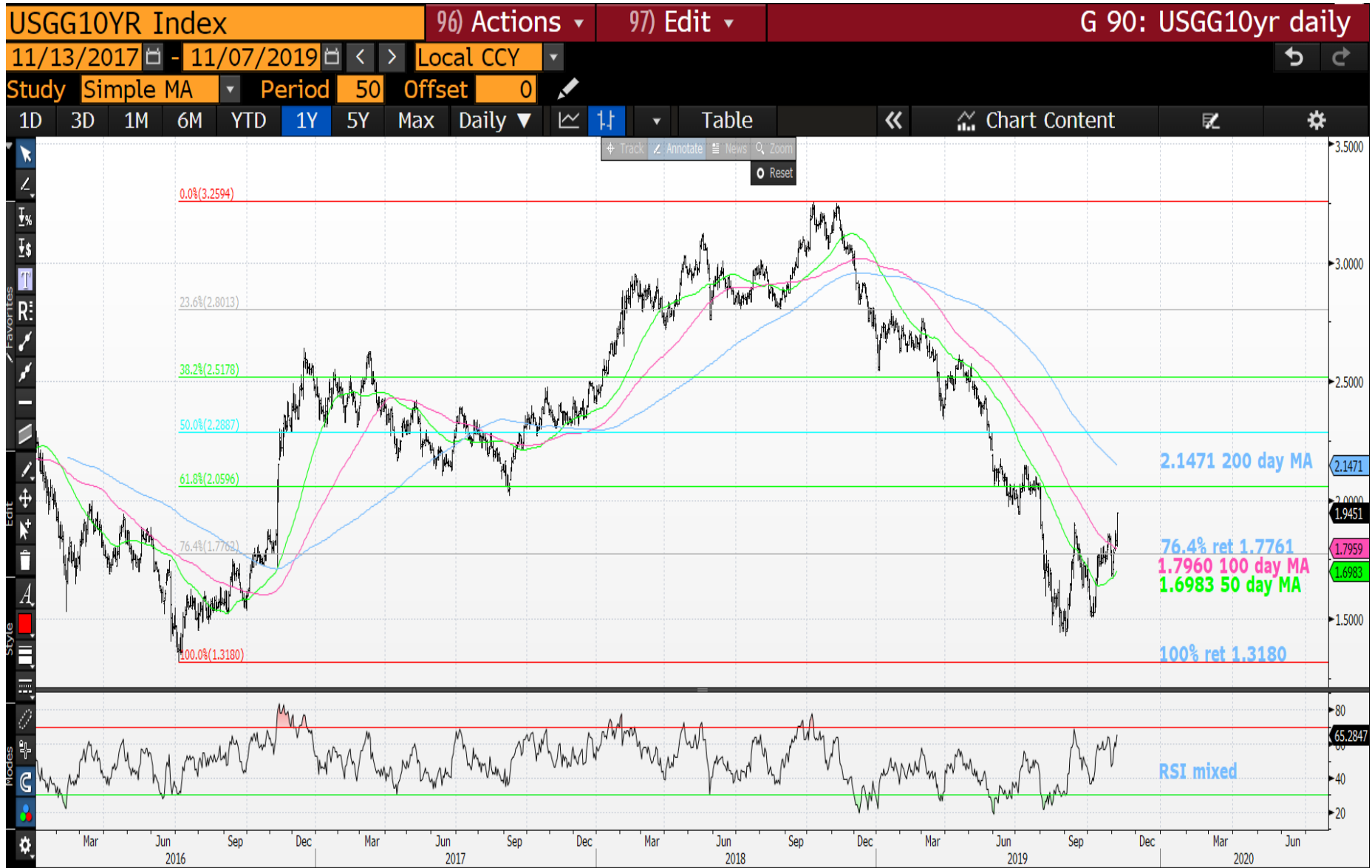
# US 10yr yield weekly : The RSI has plenty of upside as do yields, next stop-test the 2.3186 moving average.



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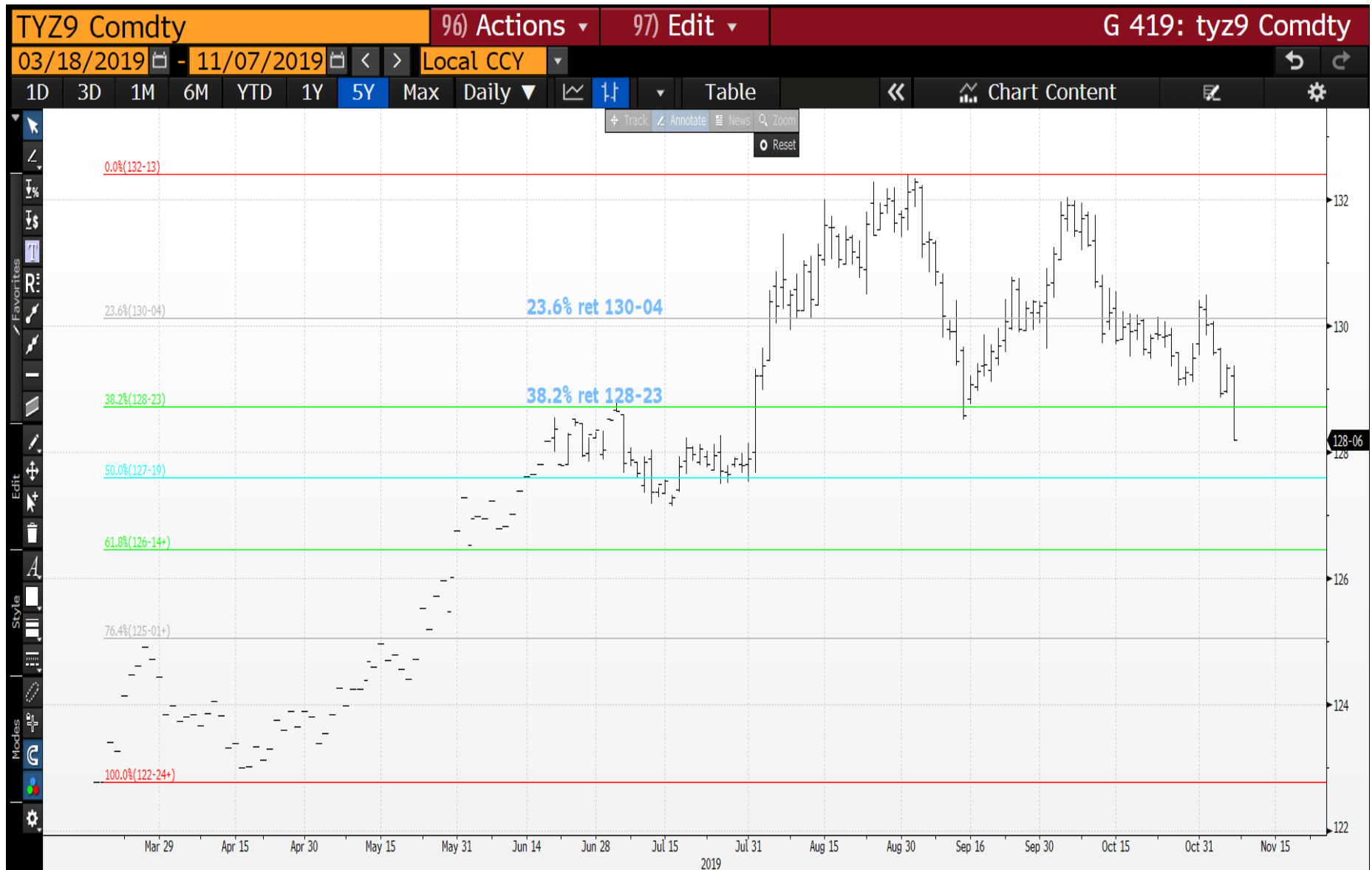


USGG10yr daily : Again the RSI seems pretty unaffected by the latest moves, thus plenty more upside.



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# US 10yr futures daily : Capitulation day, next stop the 50% ret 127-19.



USGG5yr quarterly : This is a good chart given we are ALREADY so close to the 1.8631 moving and a sign (if broken) that the yield rally will be BIG.

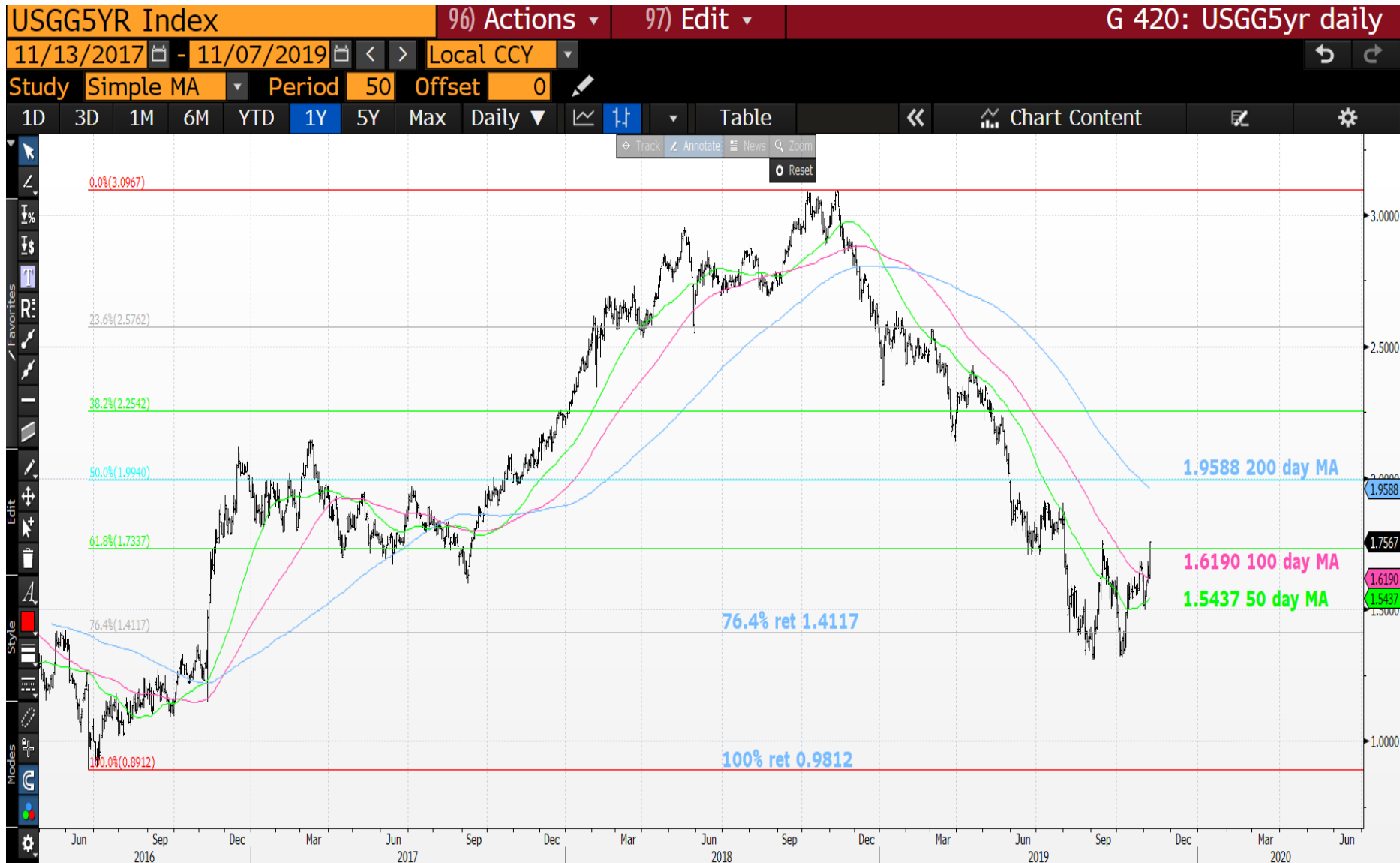


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USGG5yr weekly : We are well on the way to hitting the 1.9972 moving average soon.

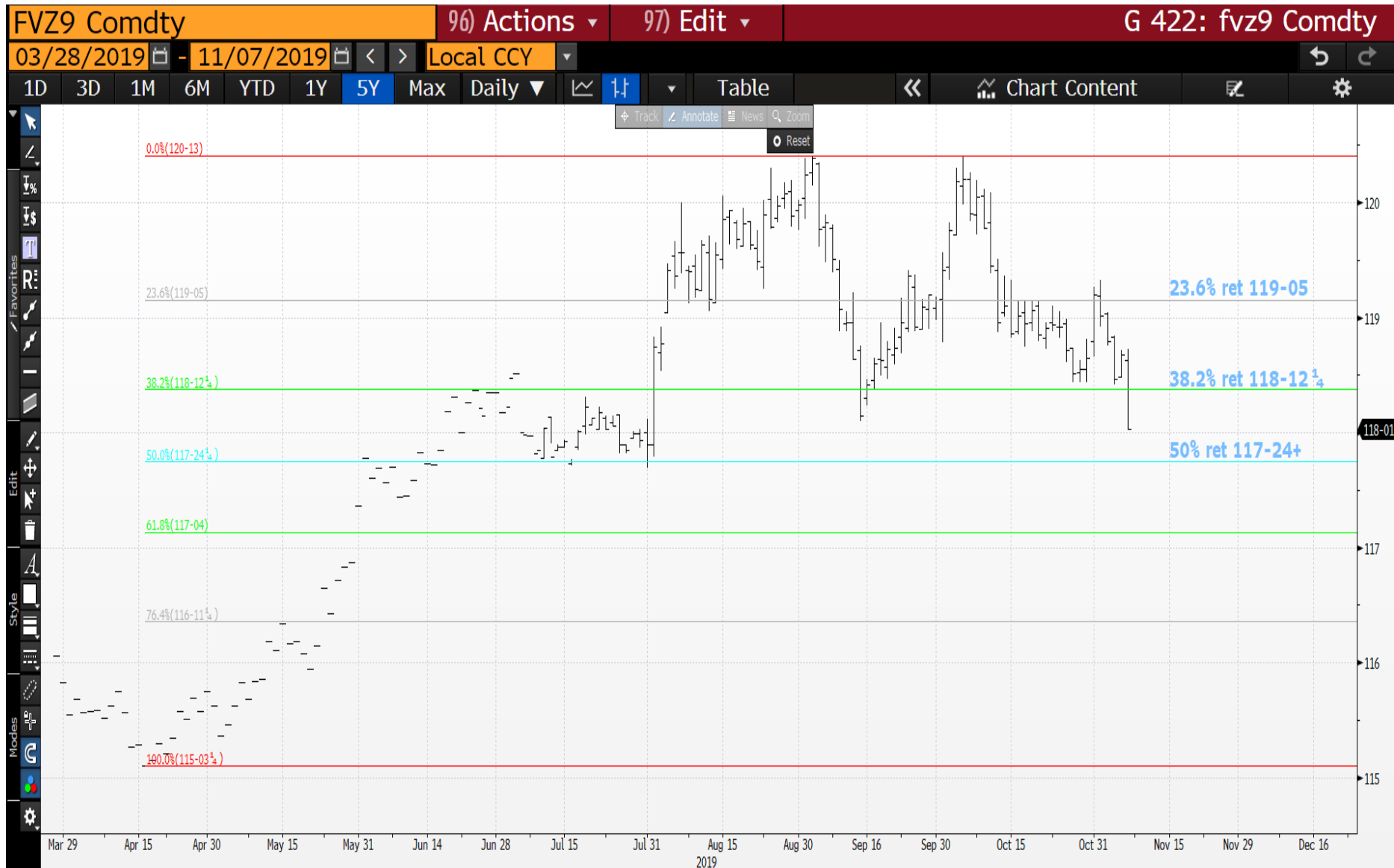


USGG5yr weekly : We have now created a sizeable base and see little time in hitting the 1.9588 200 day moving average.



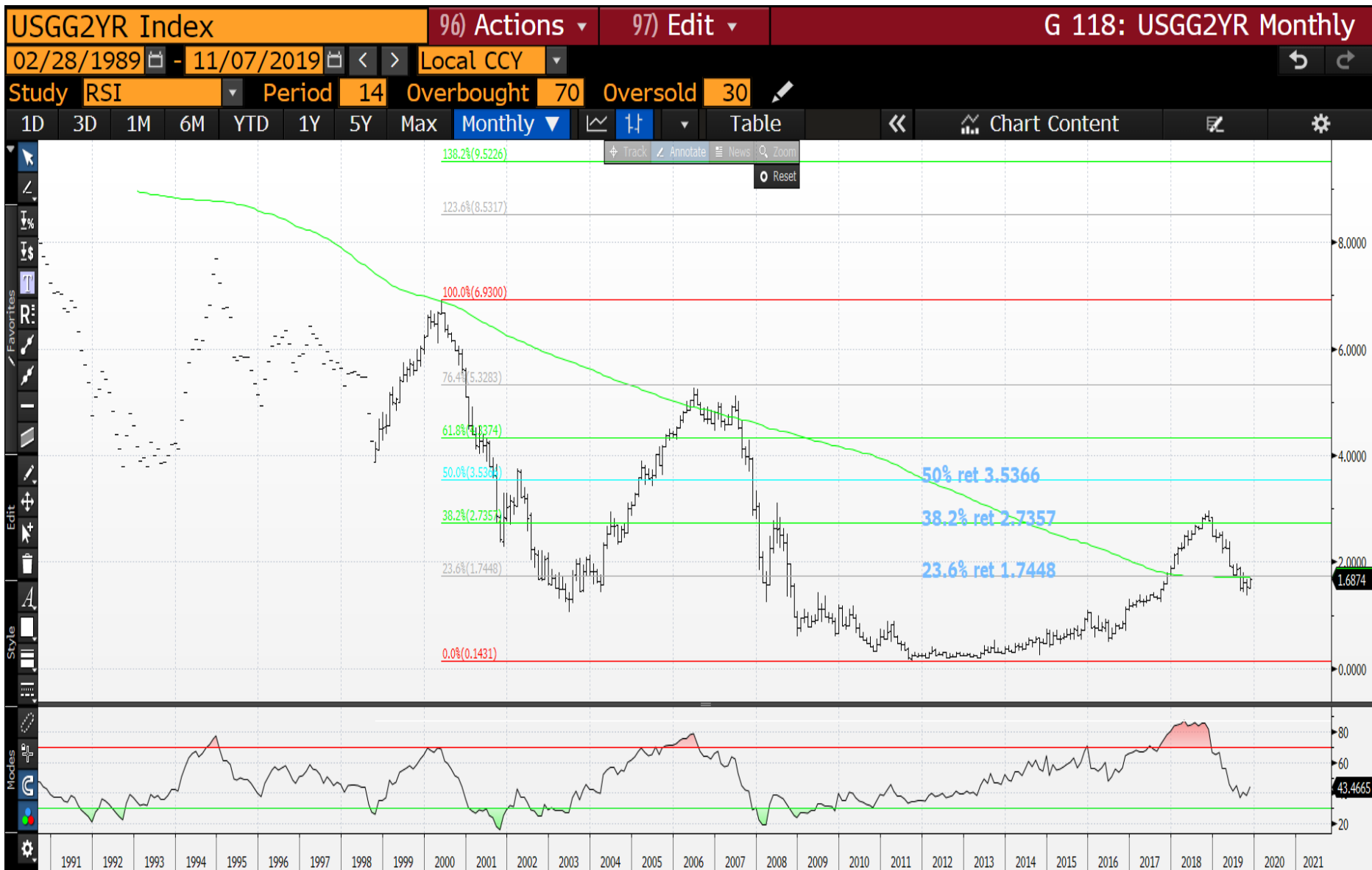
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US 5yr futures daily : We should now be in free fall, it should be a few aggressive down days.



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USGG2yr monthly : We have the BASE and next key break will be that of the 23.6% ret 1.7448.

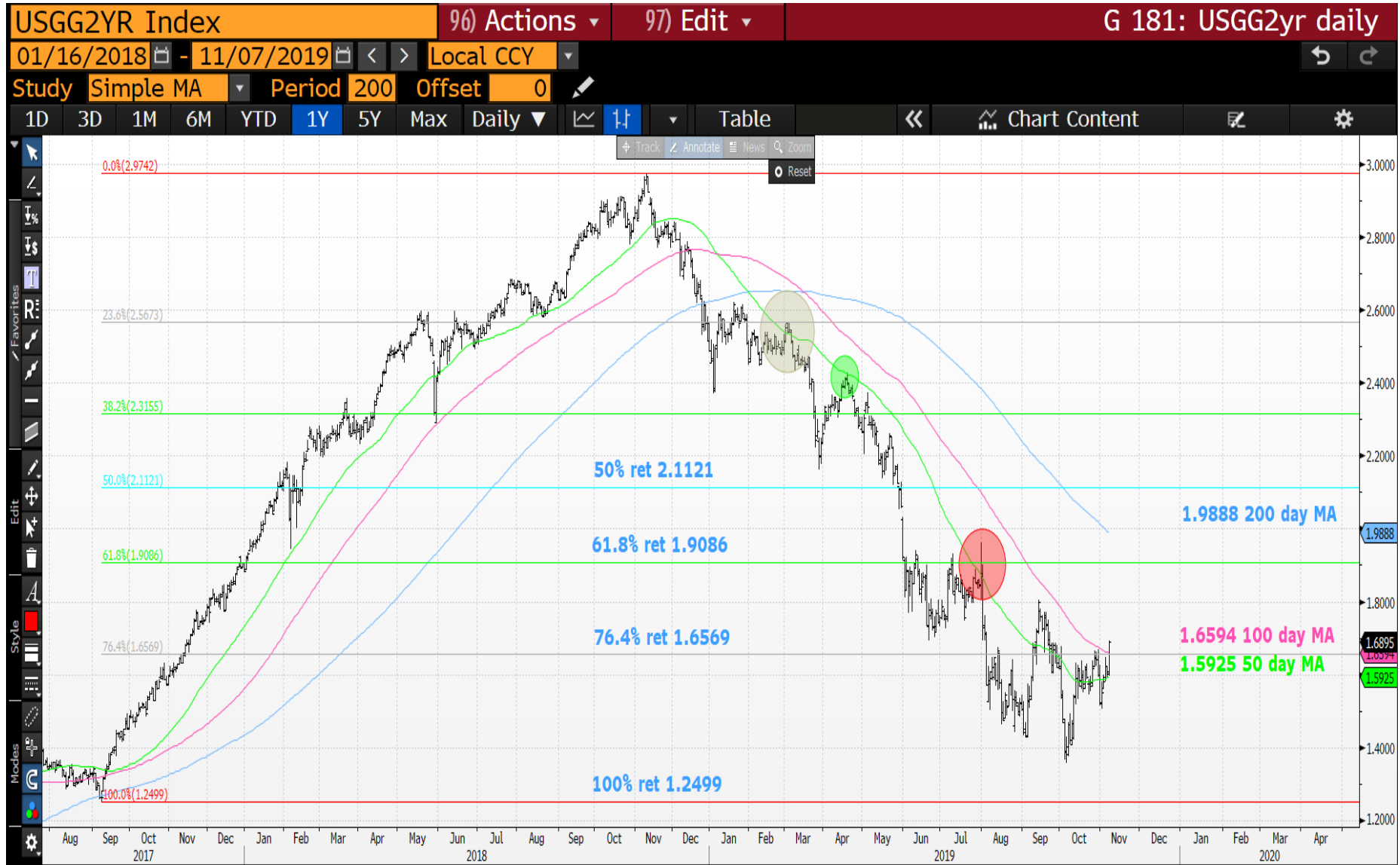


USGG2yr monthly : We have breached the 1.6834 moving average so poised for a big yield rally.





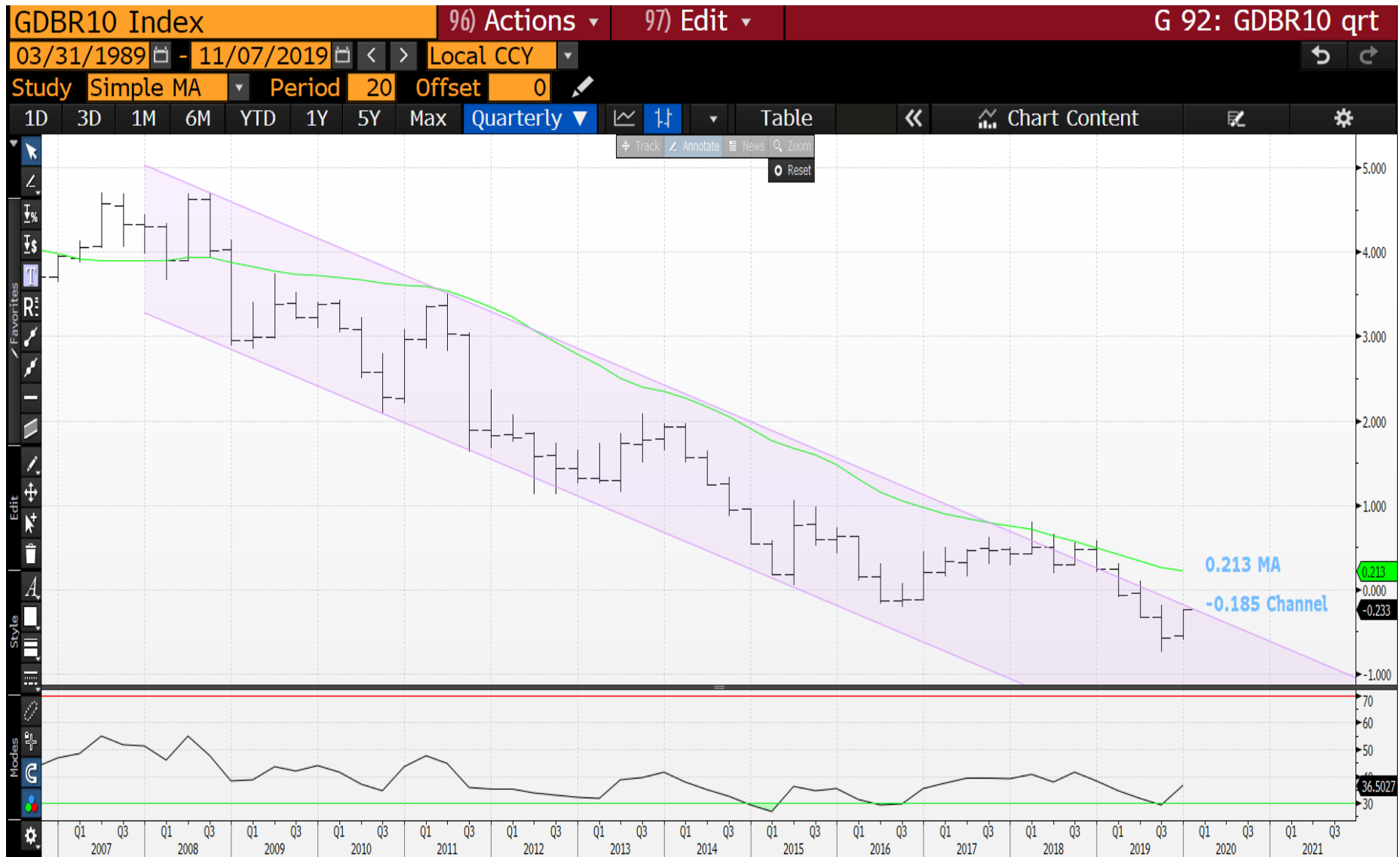
USGG2yr daily : On paper this has only just BASED so could have an even sharper POP, we are now above the RELIABLE 100 day moving average 1.6594.



US 2yr future daily : This is the part of the curve that I think will have a RAPID catch up.



Generic German 10yr quarterly : Germany has led the yield recovery aided by a perfect RSI dislocation. If the channel is breached -0.185 then we accelerate into positive territory and 0.213.



Generic German 10yr daily : A KEY CHART. This is the first chart to hit its 200 day moving average -0.233 so where do we go from here.



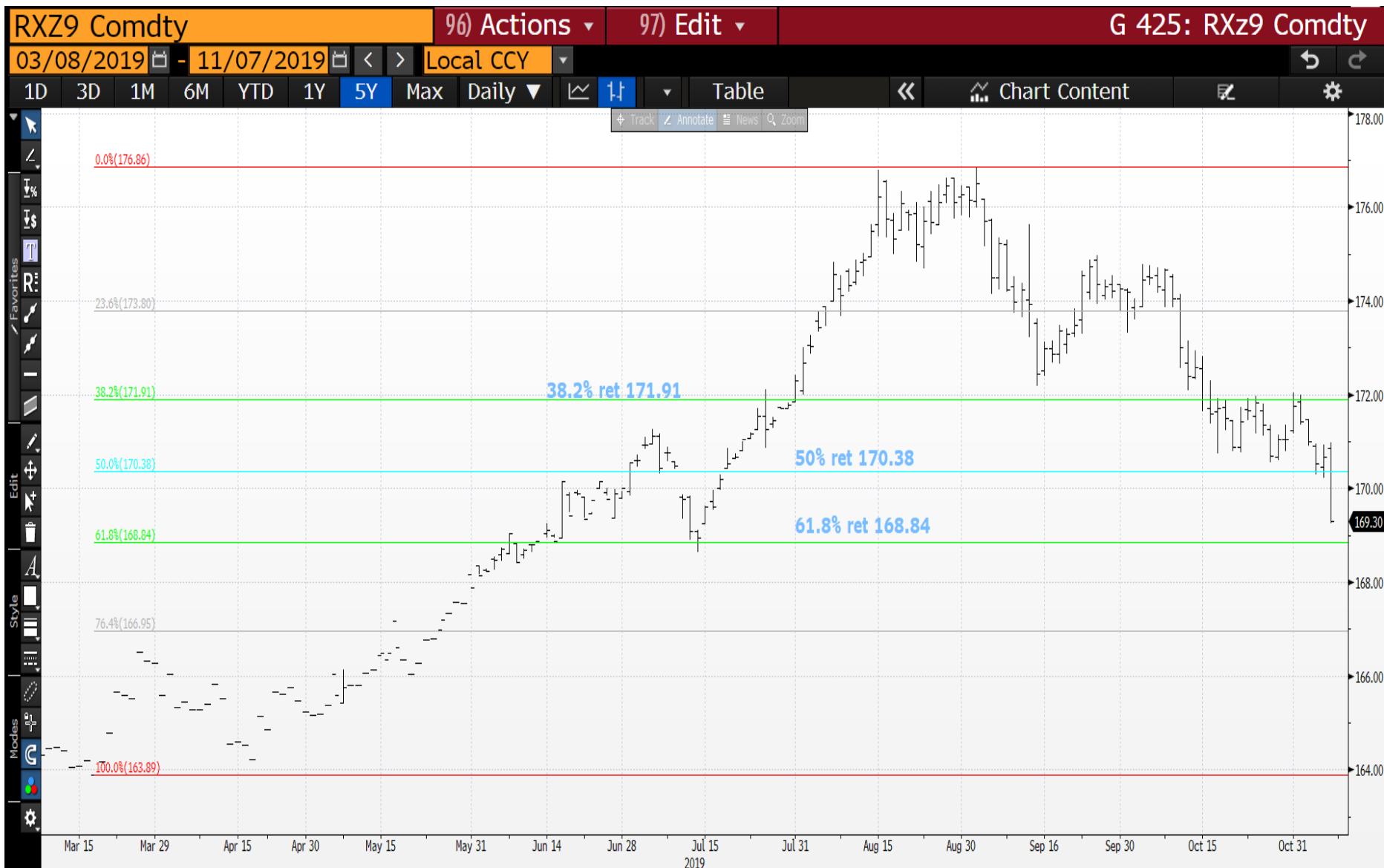
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DBR 46 daily : This has always been a reliable bond but now it is BROKEN given its breach of the 100% ret 163.575.

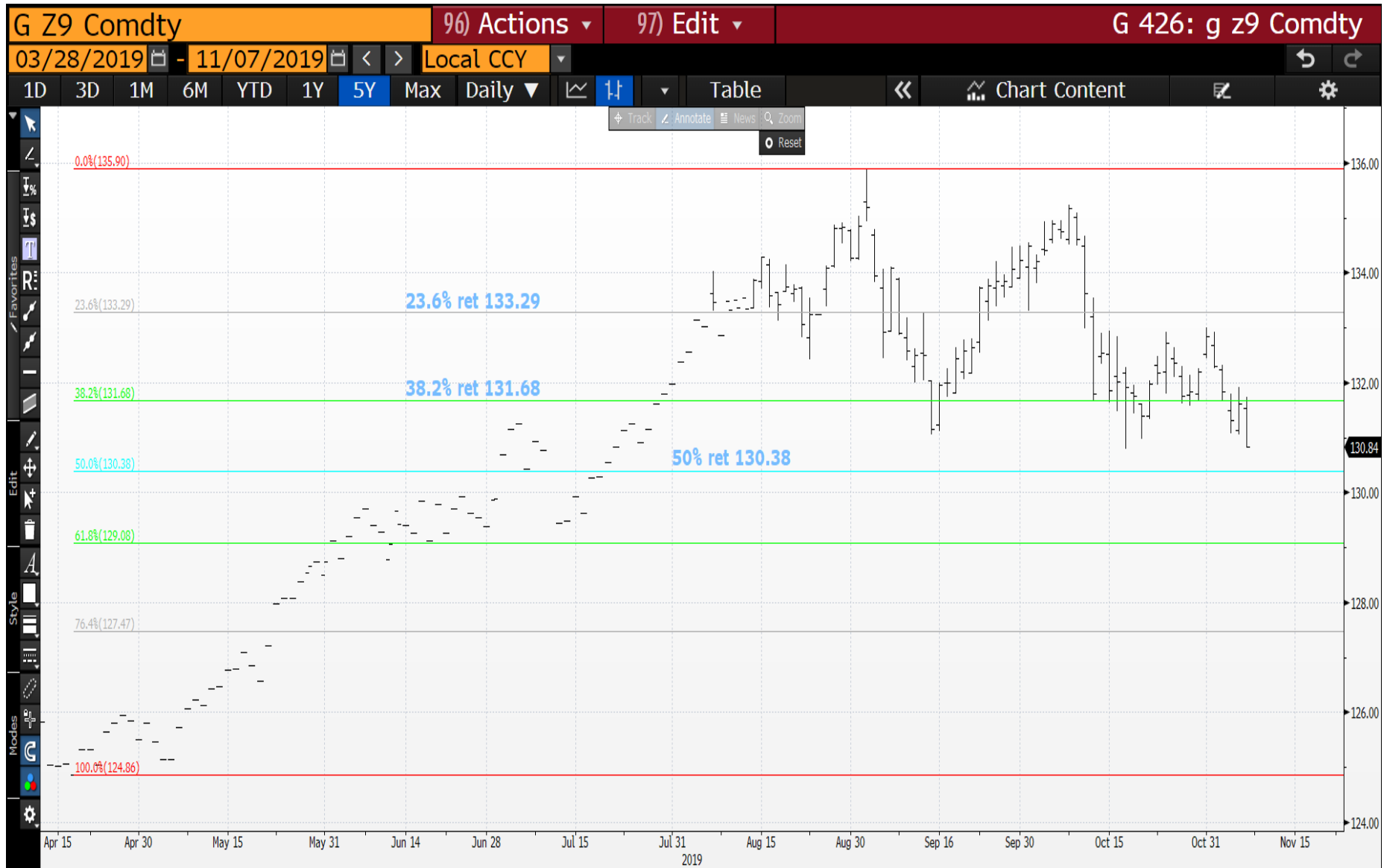


Bund future daily : A painful break and even the 61.8% ret 168.84 looks vulnerable.



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Gilt future daily : They have yet to break but am sure will.



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23

# EQUITIES

**EQUITIES : GIVEN THE YIELD RALLY STOCKS ARE RALLYING TOO BUT AT DIFFERENT RATES OF CHANGE ACROSS COUNTRIES.**



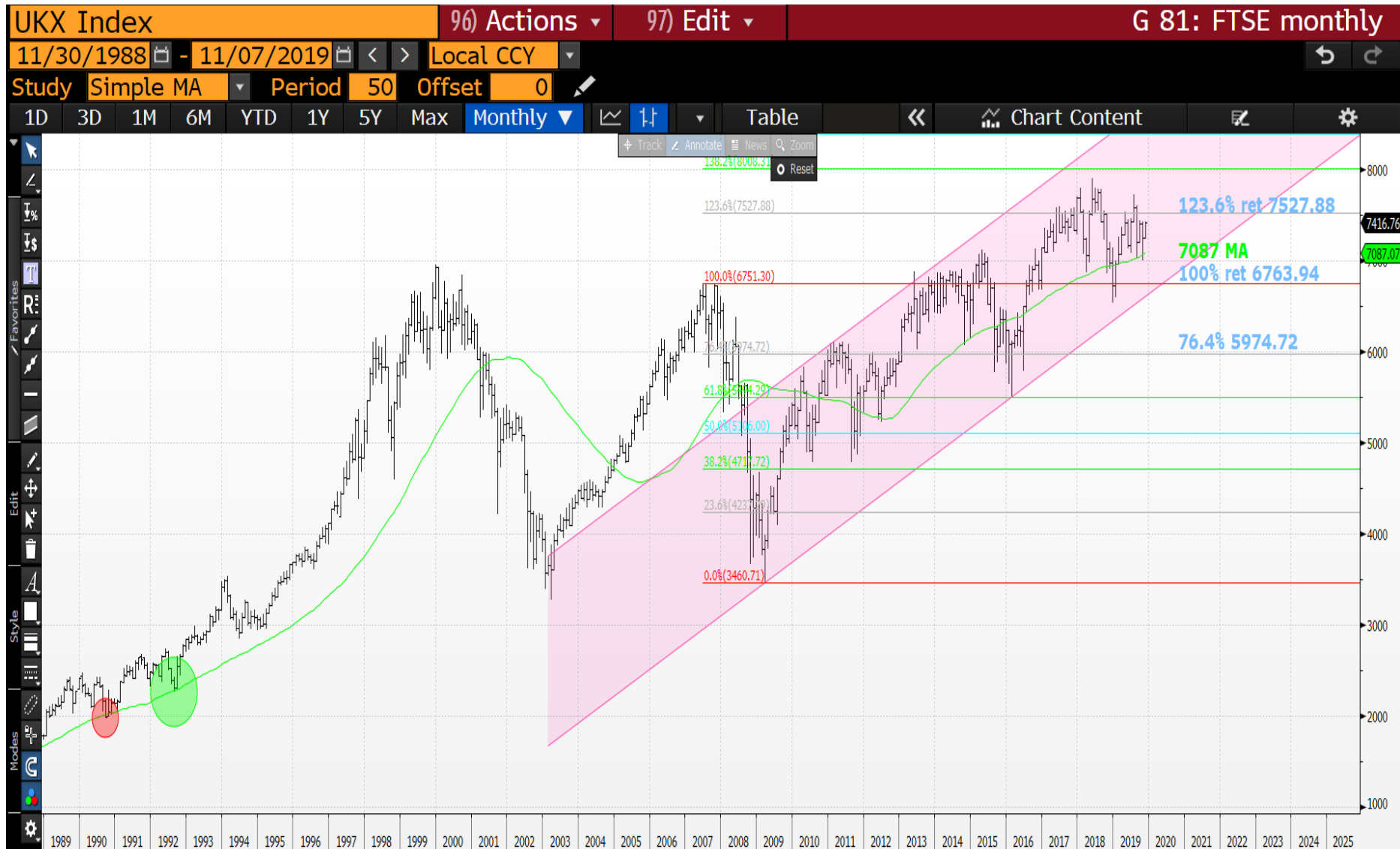
DAX monthly : The false channel break has proved it s worth and the market has rallied with German yileds.



Eurostoxx monthly : We have breached the 2000 trendline and will follow higher with yields.



FTSE monthly : We have hit and held the 7087 moving average but thus far the recovery has been limited.

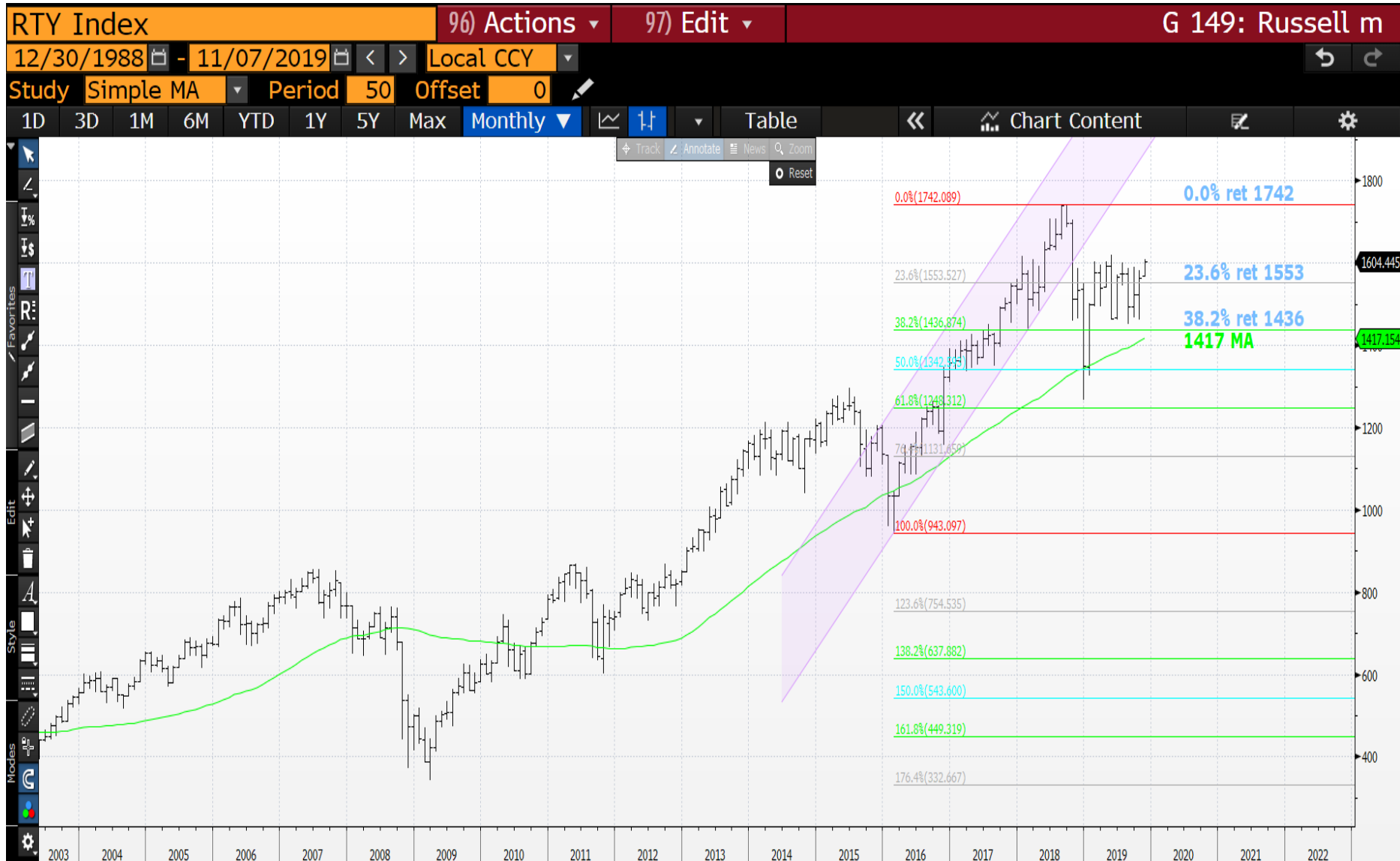


DOW weekly : We held the 25928 moving average numerous times and now have a major upside breakout.



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Russell monthly : No real bounce here YET but the lows have held numerous times.



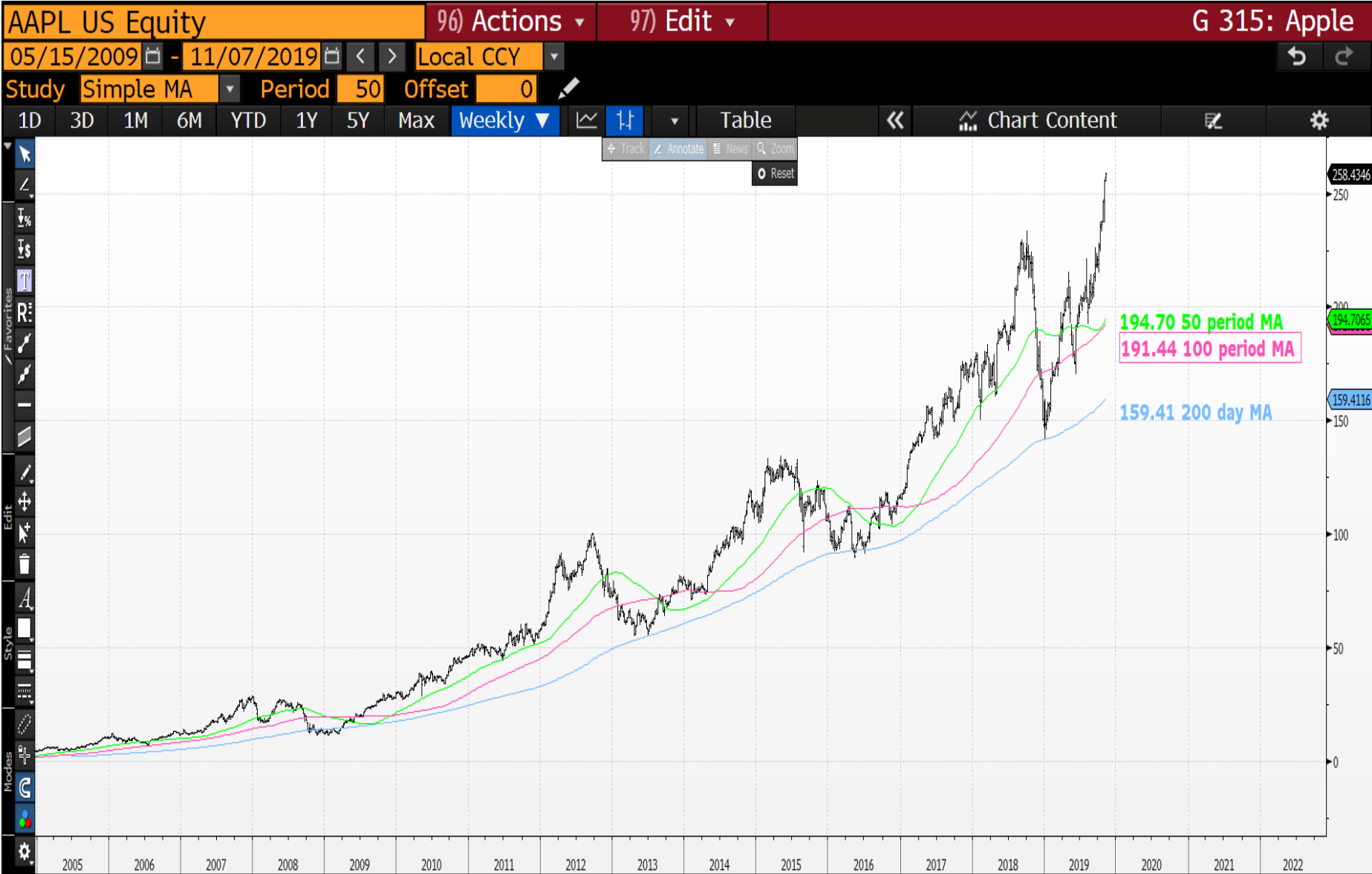
CCMP monthly : We have popped back in the channel so should head higher.



Hang Seng monthly : The 23.6% ret 25601.22 proved to be invaluable support and should now head higher.



APPLE weekly : Very little resistance now we have posted a new high.





INTEL weekly : ONE TO WATCH! This stock suffered BADLY thus will be KEY if the recent high is breached.



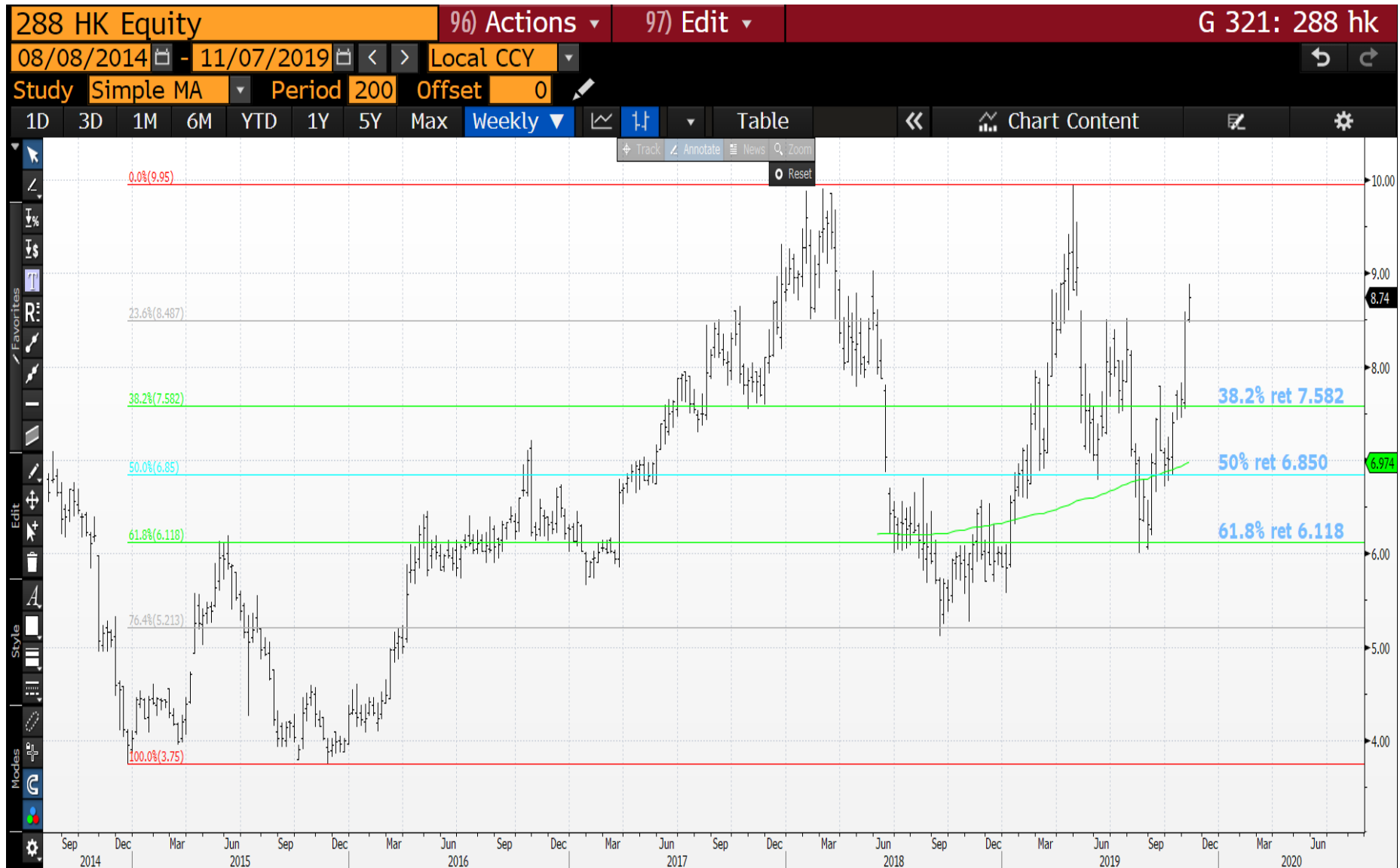
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UNITED TECHNOLOGIES weekly : We have new high thus negating all previous attempts at a triple top.



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WH GROUP weekly : A sizeable bounce so far and poised to test the recent highs.



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TECHTRONIC INDUSTRY weekly : We are back above the 2005 trend line and grinding higher.

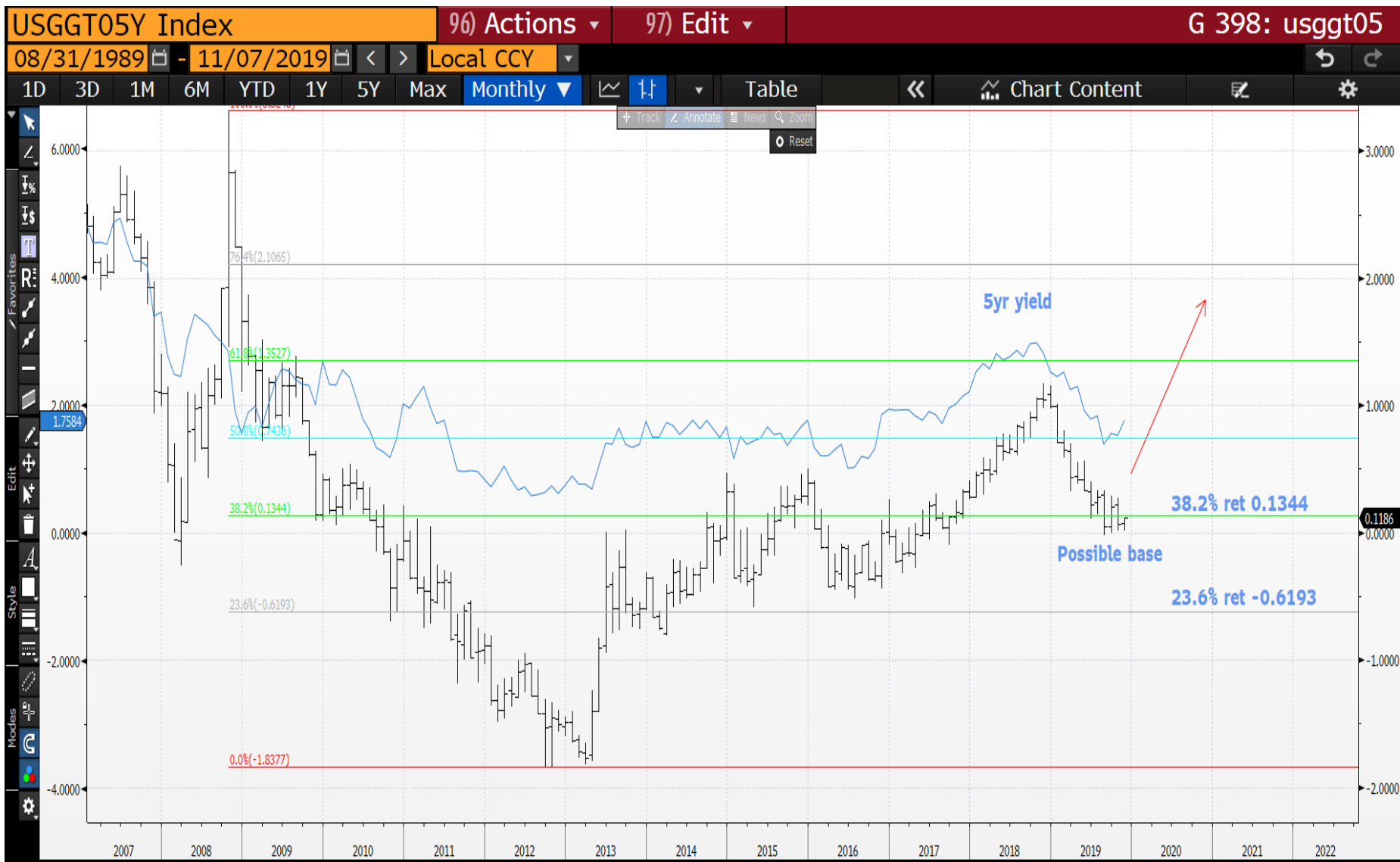


## US BREAKEVENS AND USGGT :

GIVEN THE NATURAL CORRELATION WITH CORE YIELDS THEN MANY BREAKEVENS ARE POISED FOR A BIG BOUNCE.

MANY CHARTS HAVE BOND YIELD OVERLAYS.

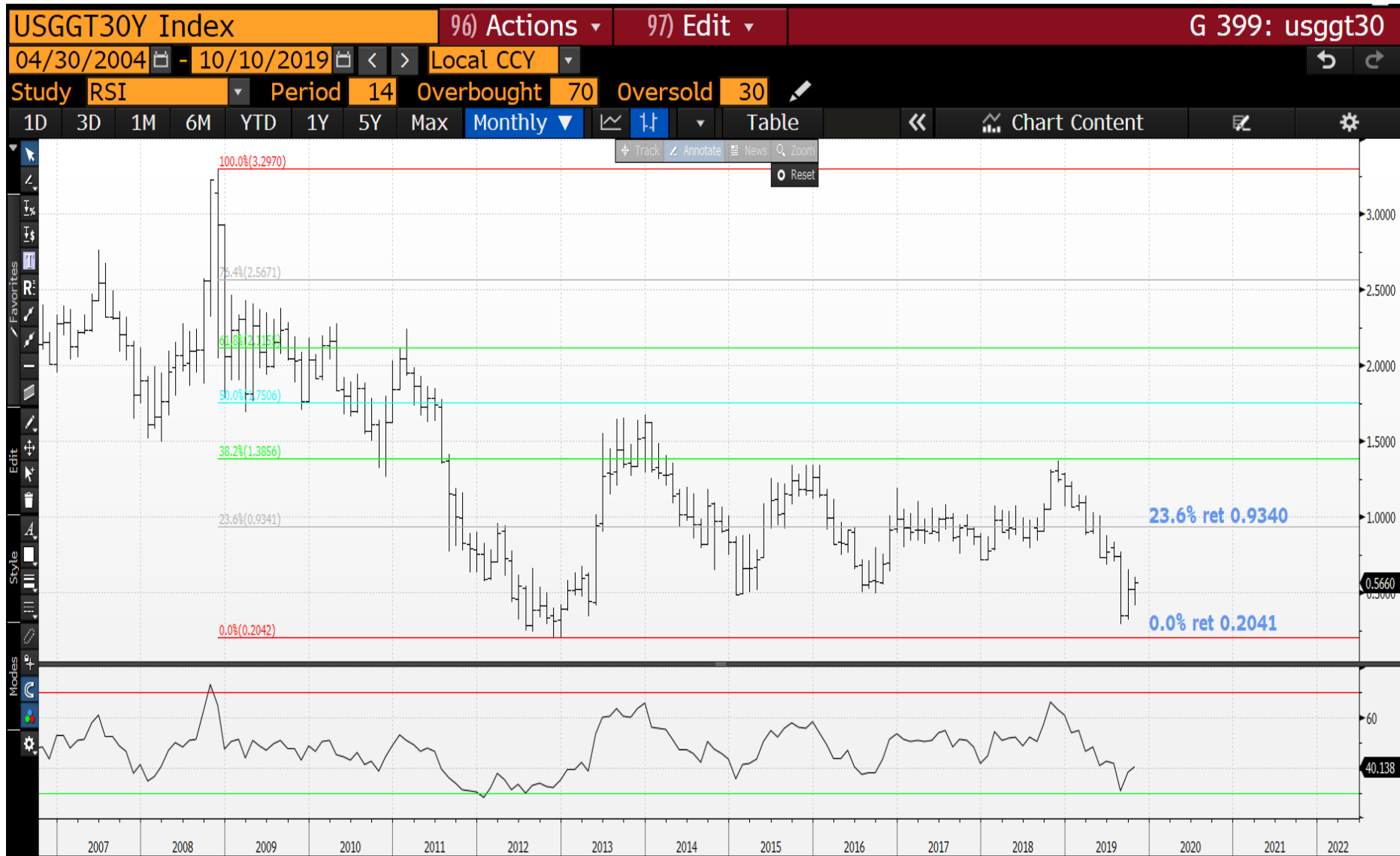
USGGT05Y and 5yr yield monthly : We ARE poised to breach the 38.2% ret 0.1344. This could be the late runner.



USGGT10 and 10yr yield monthly : The RSI is a LOT lower and is starting to reflect in the recovery. Next stop the 38.2% ret 0.6195.



USGGT30 weekly : The RSI remains low thus a lot of UPSIDE potential.

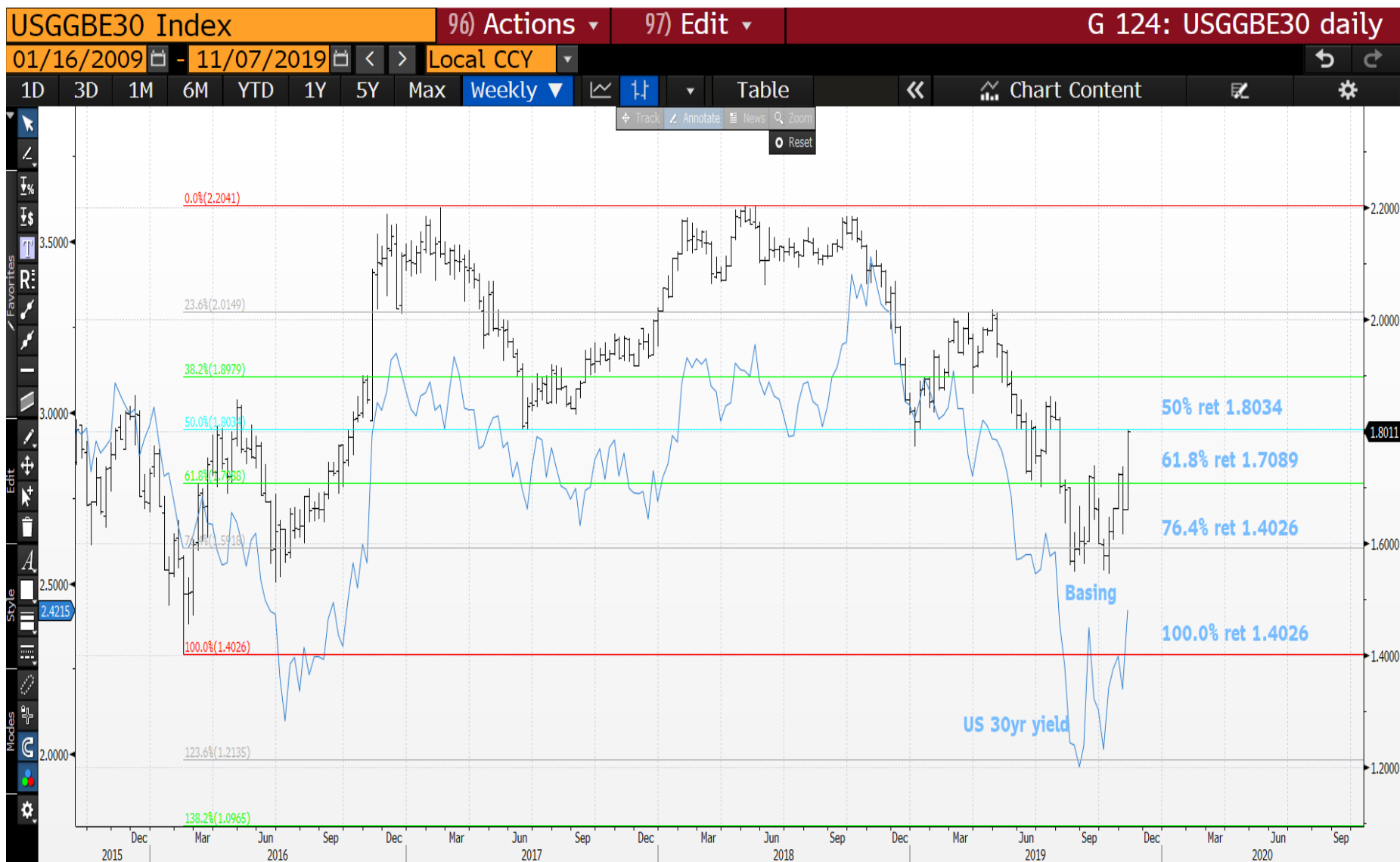


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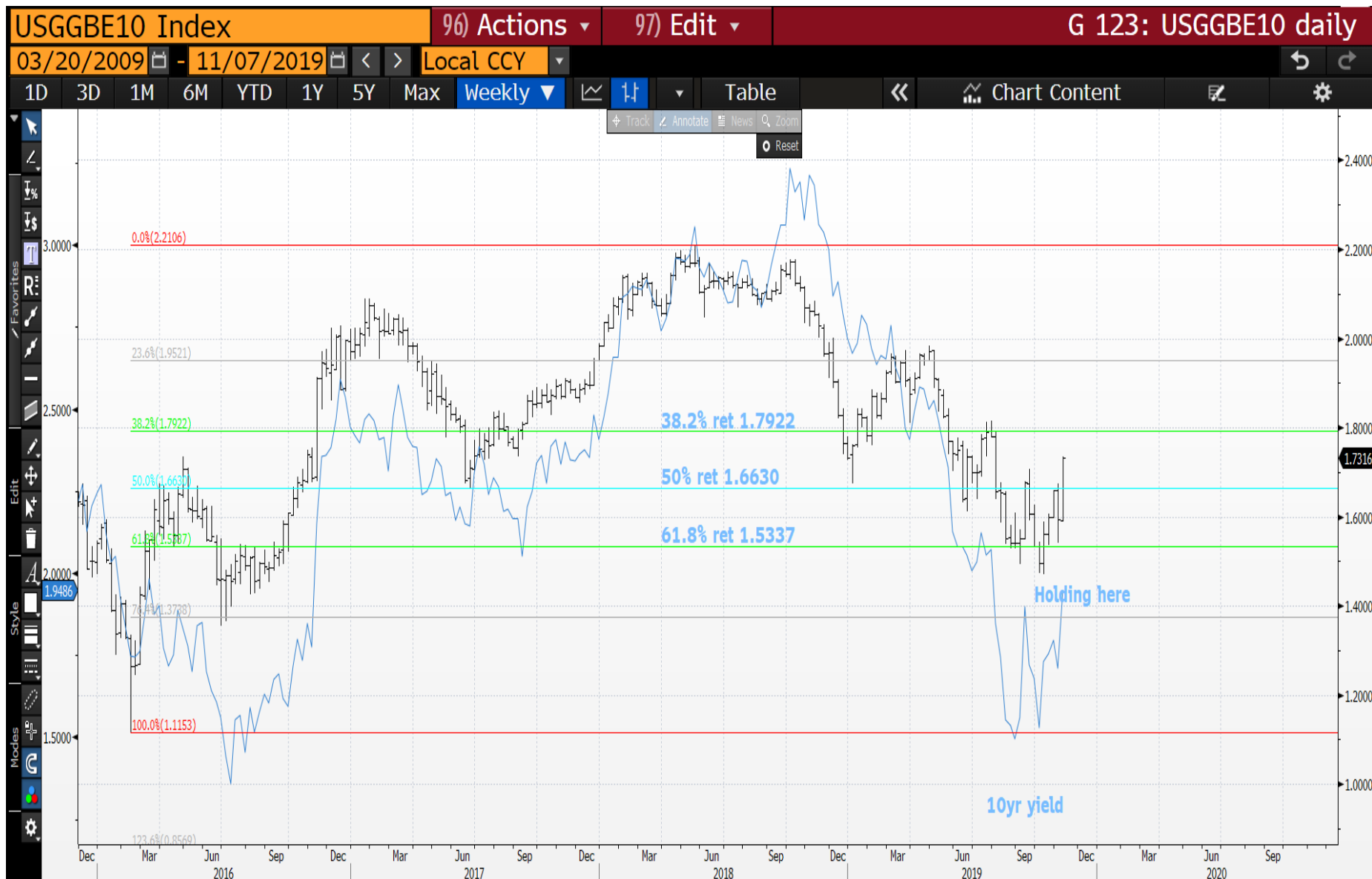
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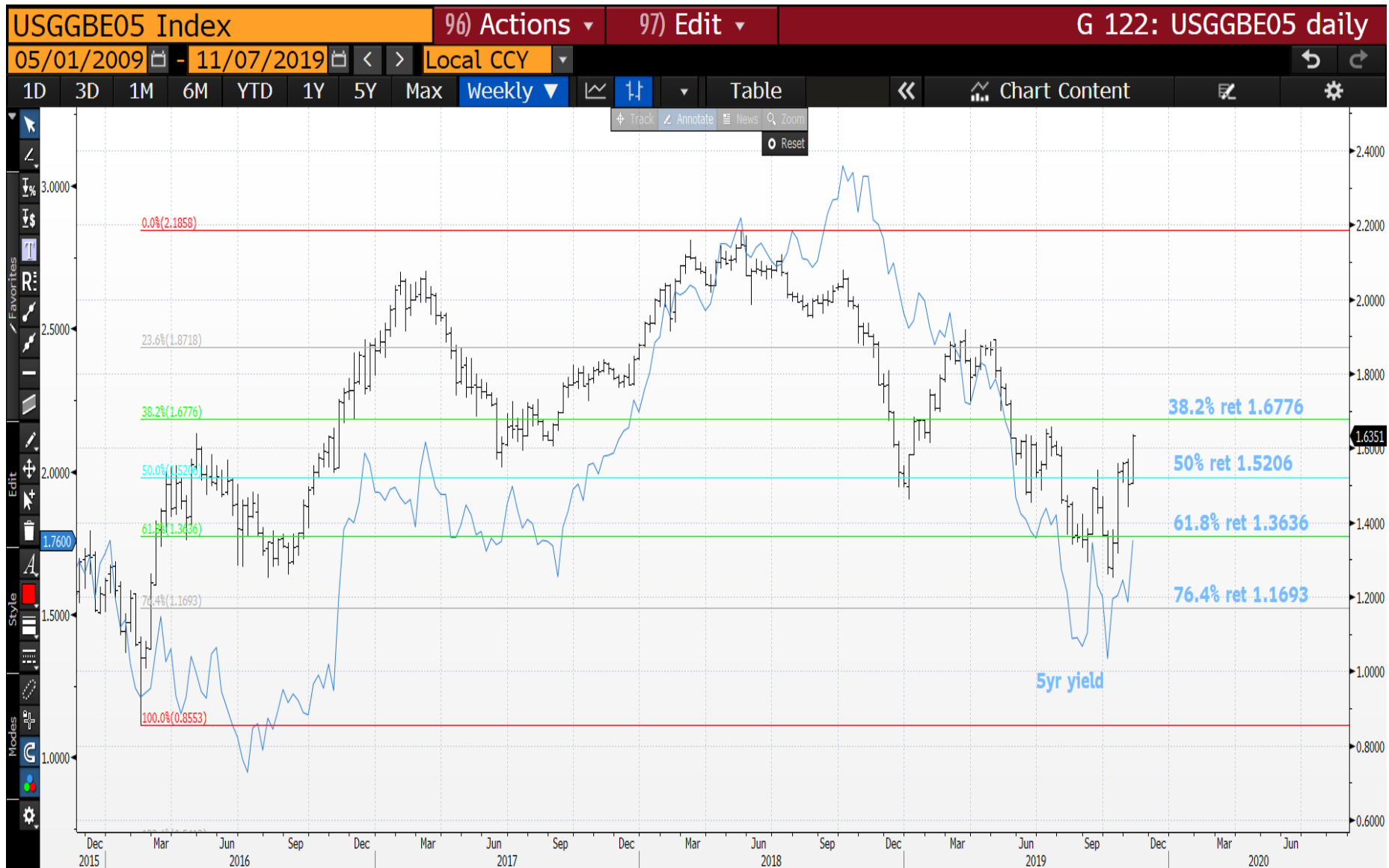
UKGGBE30 and 30yr yield weekly : This has led the break higher and should happily continue.



USGGBE10 and 10yr yield weekly : A very good BASE established at the 61.8% ret 1.5337  
next stop the 38.2% ret 1.7922.



USGGBE05 and 5yr yield weekly : Key level to breach will be the 38.2% ret 1.6776.



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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