

**BONDS, BREAKEVEN AND EQUITIES : COULD STOCKS HOLD THE KEY TO THE NEXT MOVE IN BOND YIELDS? AGREED WE HAVE BEEN HERE BEFORE BUT DO KEEP AN EYE ON STOCK PERFORMANCE INTO YEAR END.**

**THIS IS A VERY CRUCIAL MONTH GIVEN NEARLY ALL WEEKLY AND DAILY RSI'S ARE NEUTRAL, DIRECTION IS LIKELY TO BE REFLECTED IN THE MONTHLY CLOSES. AN ADDITIONAL FACTOR IS THAT STOCKS MAYBE TOPPING WHICH SHOULD IN THEORY FORCE BOND YIELDS LOWER, WE SHALL SEE ON BOTH COUNTS.**

**BONDS :**

**THE MARKETS HAVE LOST A LOT OF THEIR AUGUST RSI DISLOCATION AND MANY WEEKLY-DAILY EXTREMES ARE NOPW NEUTRAL. GIVEN THIS FACT THE NEXT MOVE IS LIKELY TO BE REFLECTED IN THE YEAR END CLOSES. THE 2 YR YIELD CHARTS ARE KEY AS THEY LACK ANY BOUNCE AND PREDICT FROM END YIELDS TO HEAD LOWER.**

**US BREAKEVENS AND USGGT :**

**BREAKEVENS DO STILL SEEM TO WANT TO BOUNCE AND MOVE HIGHER.**

**EQUITIES : I HAVE LEFT THESE OF LATE GIVEN THEIR LACK OF INFLUENCE ON THE BOND YIELD BOUNCE BUT THEY MAY NOW BE TOPPING FORCING A POTENTIAL YIELD DROP? FTSE (PAGE 35) LOOK LONGTERM VERY TOPPISH.**

USGG30yr monthly : \*\* A VERY KEY CHART. \*\* Last months close is a big issue given it was at the lows leaving no fresh clues for the yield rally continuation nor direction NOW. A bit of a wait and see situation given the futures rolls are complete.



02/12/2019

USGG30yr weekly : Immediately the RSI is neutral, much of the “JUICE” has evaporated from the initial dislocation. Its all about the year end close.



02/12/2019

USGG30yr yield daily : \*ONE TO WATCH\* Conflicting signals here, on the one hand we are above the 50-100 day moving averages BUT the bounce seems LAME already. Sub the 161.8% ret 2.1187 will be a concern and force yields lower. Neutral RSI.



US 30yr futures daily : We remain below the moving average but would need to breach the 61.8% ret 157-02 to ensure further failure.



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US 10yr yield quarterly : The quarterly RSI is calling for higher yields BUT we have yet to breach the all important 2.00 % yield level.



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USFS 10-20 monthly : Again a great yield bounce from the RSI dislocation but last month close was WEAK.



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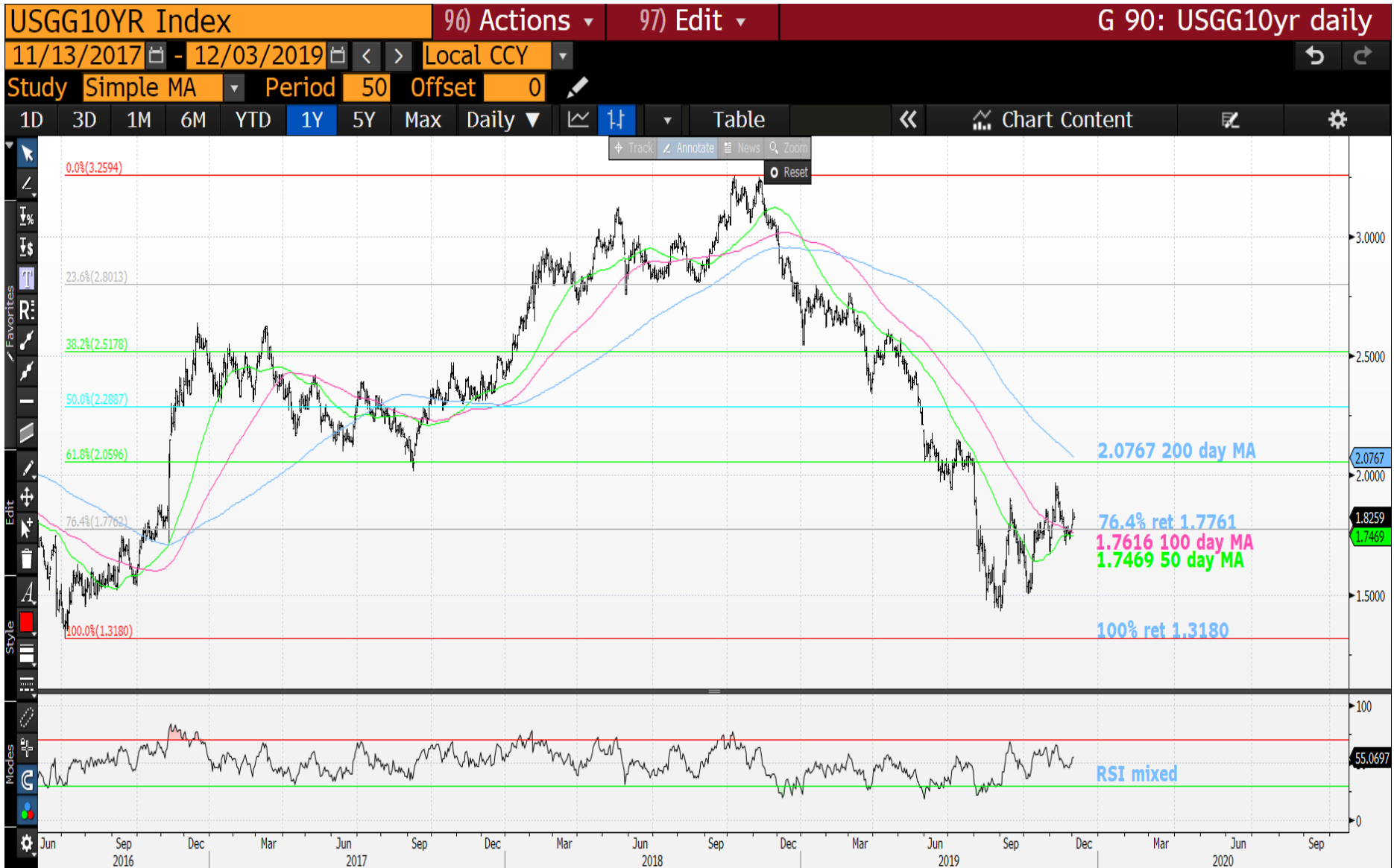
US 10yr yield weekly : The RSI is firmly neutral and the inability to breach the magic 2.00% level is a concern.



02/12/2019

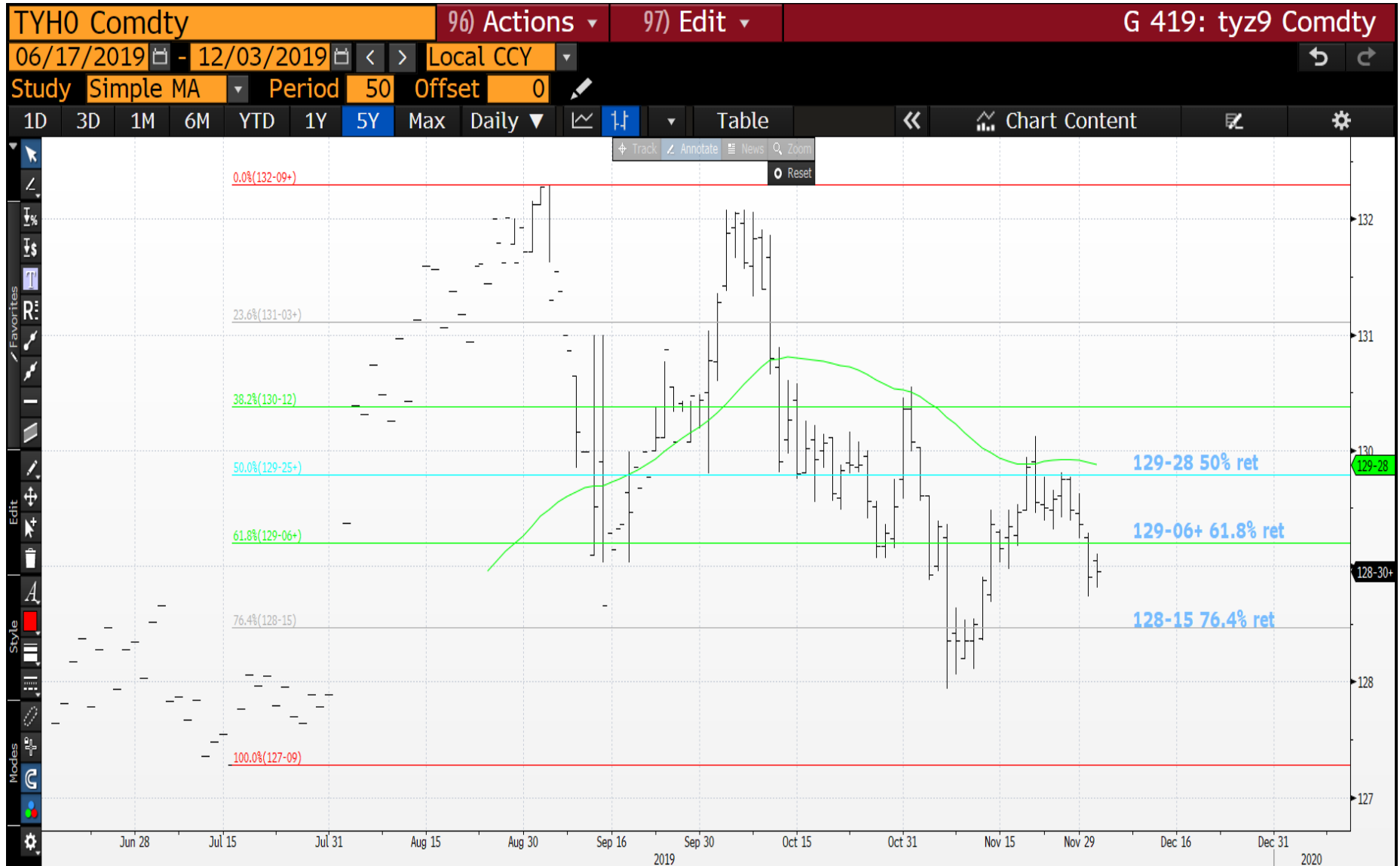


USGG10yr daily : The RSI is compliments the weekly i.e neutral but UPSIDE progress is limited. Lets see where the year end close is.



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US 10yr futures daily : We witnessed a dramatic break lower in price yesterday but this MAY NOT follow through especially if stocks TOP.

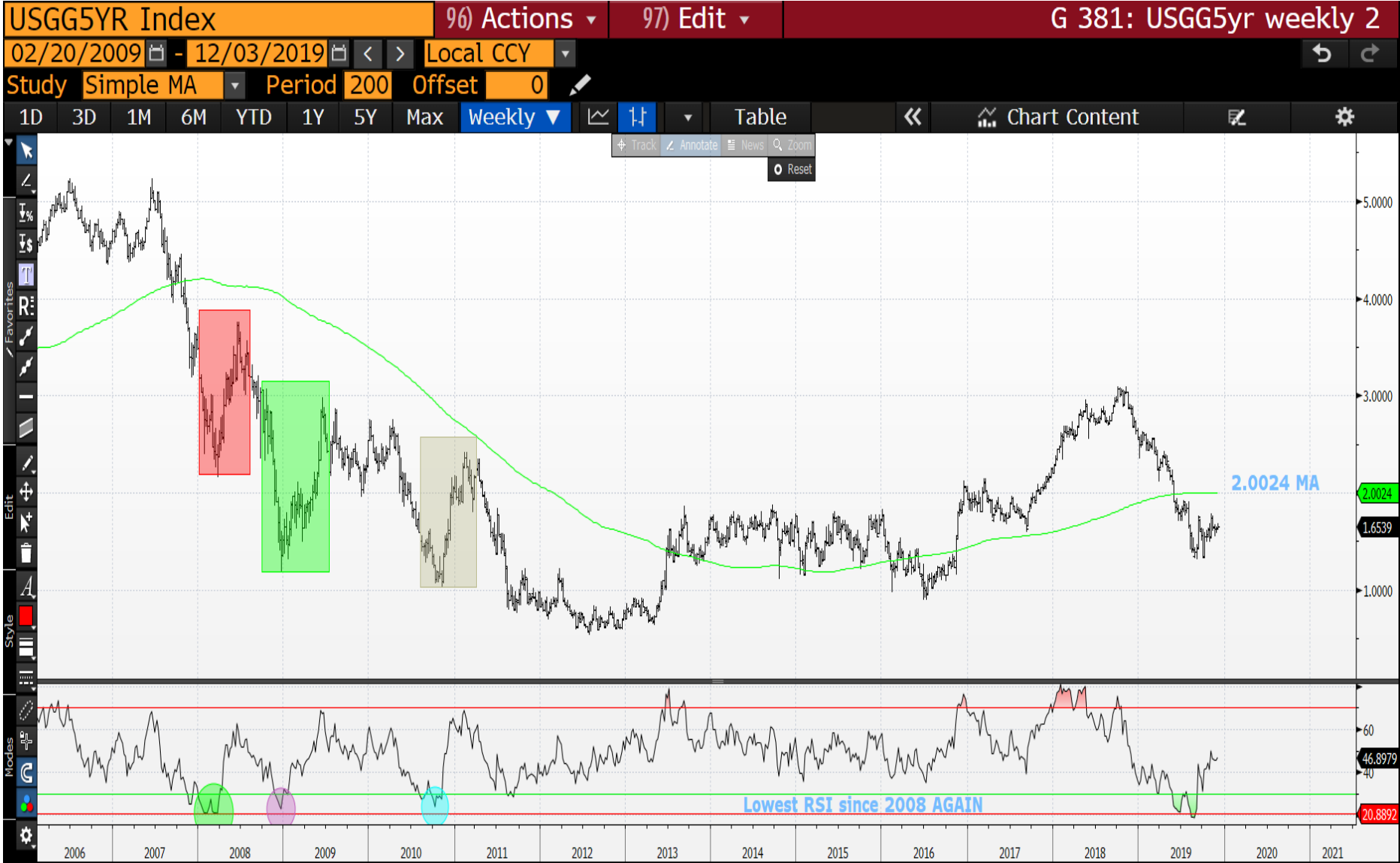


USGG5yr quarterly : This RSI remains low but we have yet to breach the 1.8611 moving average.



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USGG5yr weekly : A very sideways performance and RSI. We need direction.

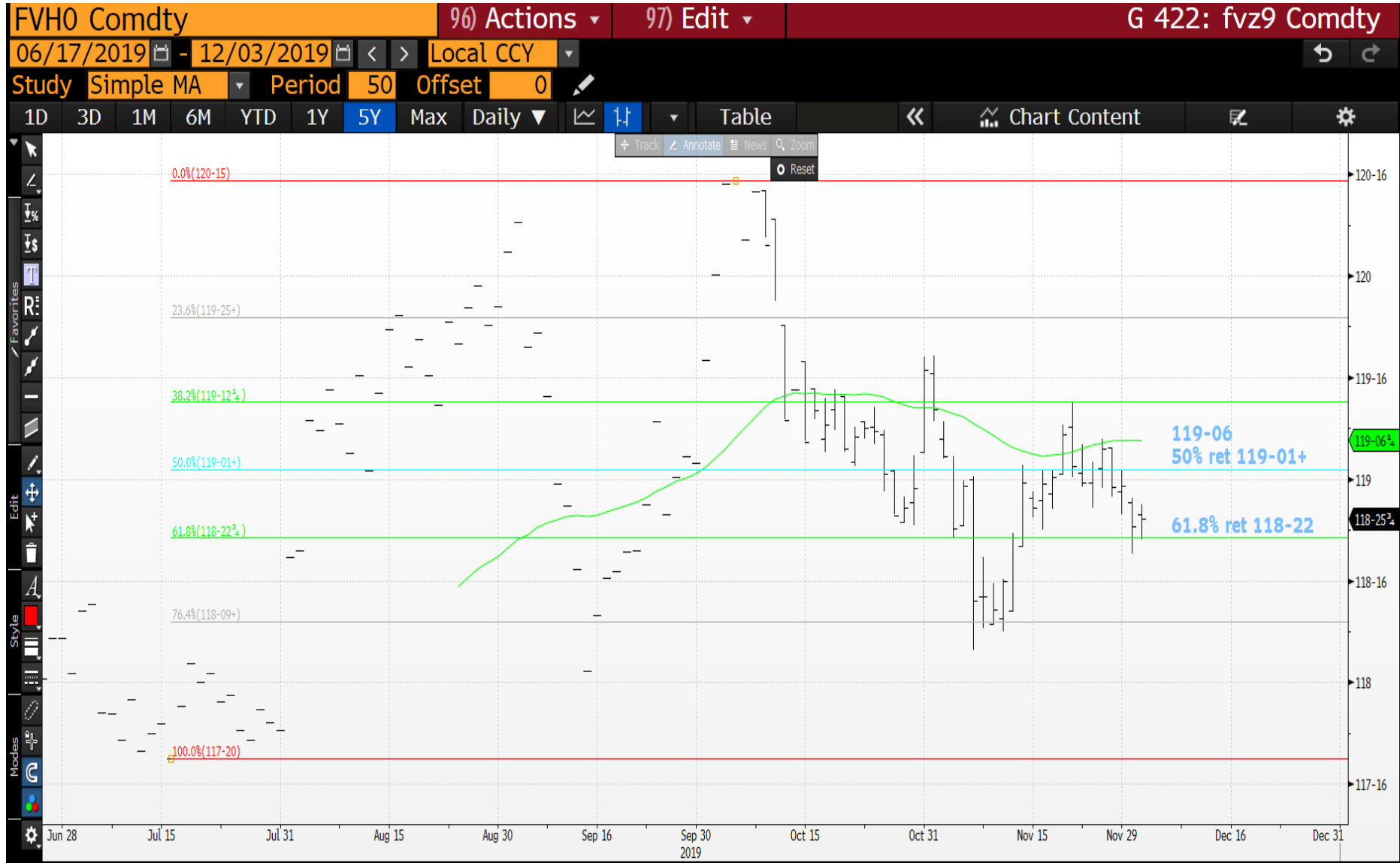


USGG5yr weekly : We have held the 50-100 day moving average BUT not a massive performance since.



02/12/2019

# US 5yr futures daily : A sharp down day yesterday but zero follow through.



USGG2yr quarterly : We have posted a new yield low this quarter and the RSI is neutral.



USGG2yr monthly : This could be a KEY chart given we have not managed to breach the 23.6% ret 1.7448.



02/12/2019

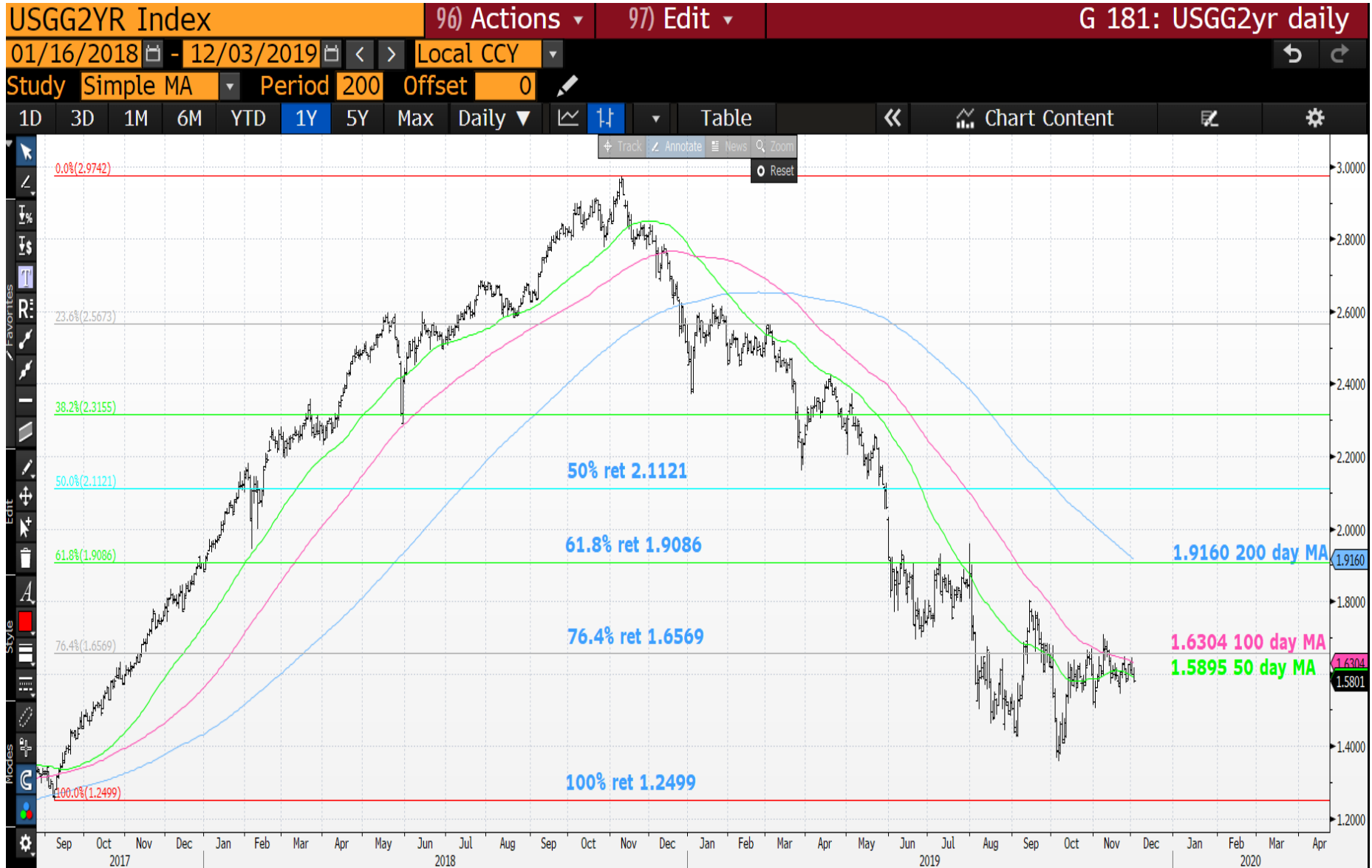


USGG2yr monthly : A real TEASE here given we are close to the prominent 1.6994 moving average, BUT failing thus far.

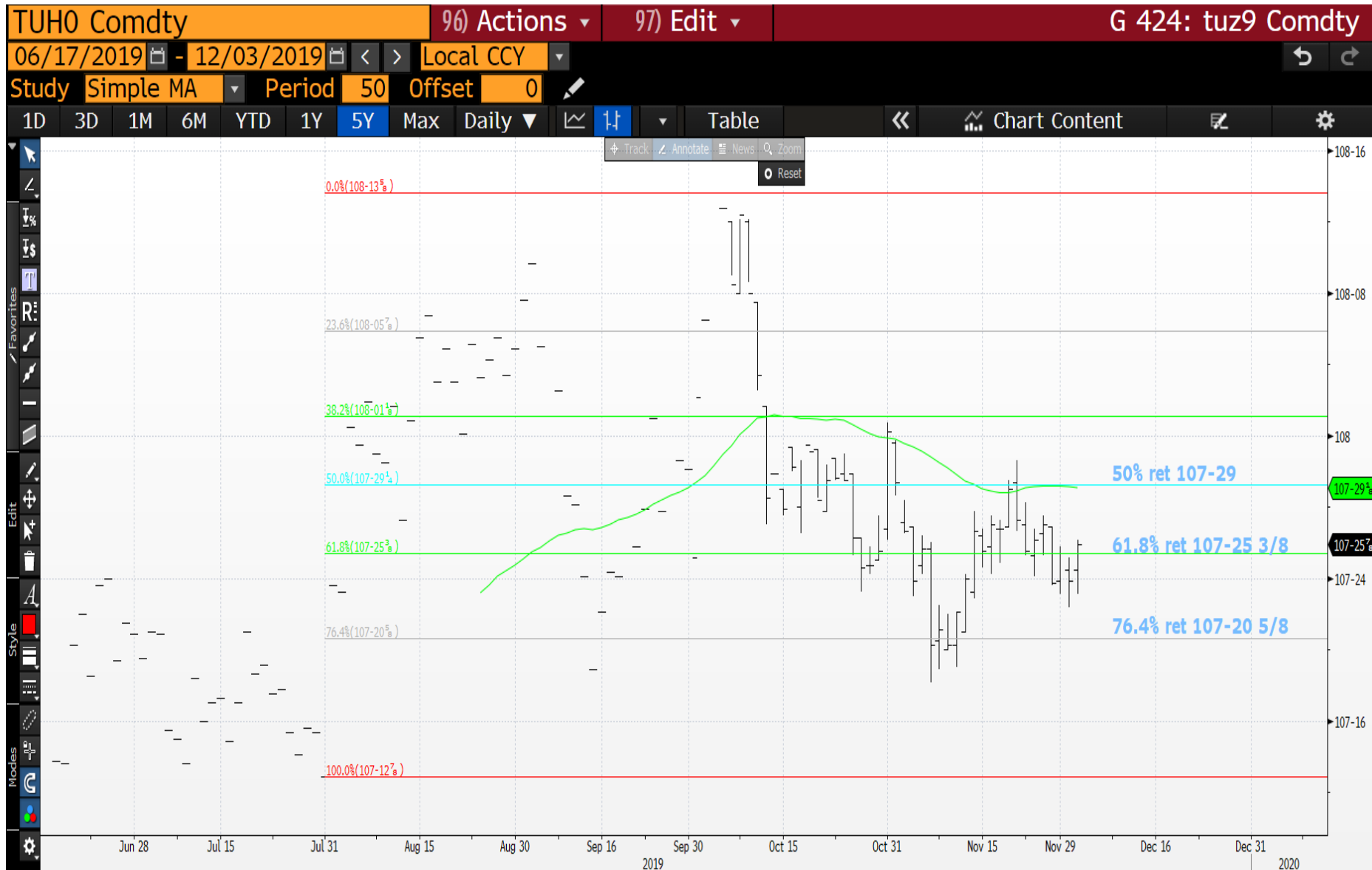


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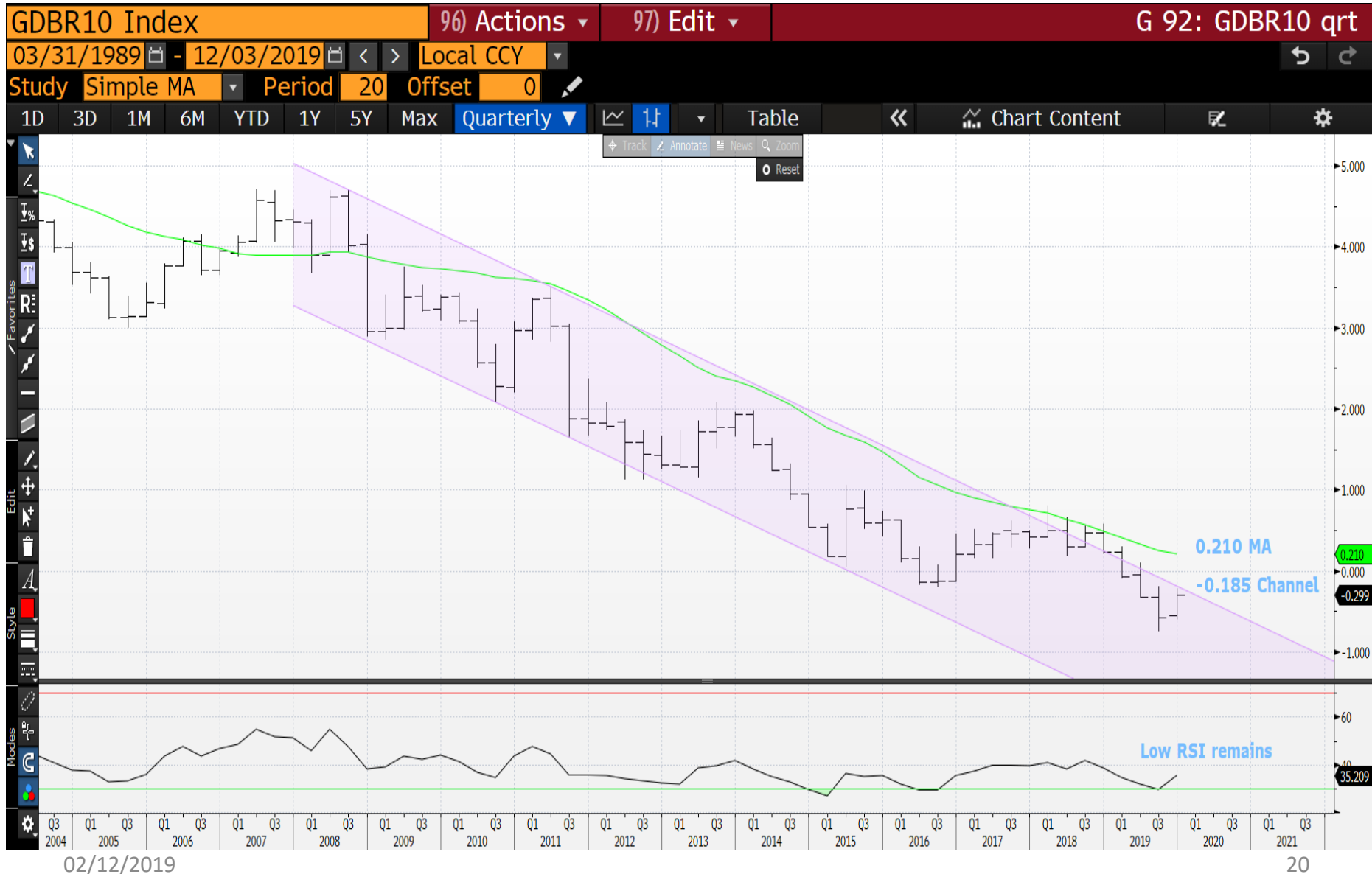
USGG2yr daily : \*\*This part of the curve has NO desire to see yields rise, FAILING as we are at the 50 and 100 day moving averages.



US 2yr future daily : We have already reversed yesterdays loses.



Generic German 10yr quarterly : As with all quarterly charts the RSI remains low but the channel is proving difficult to breach.



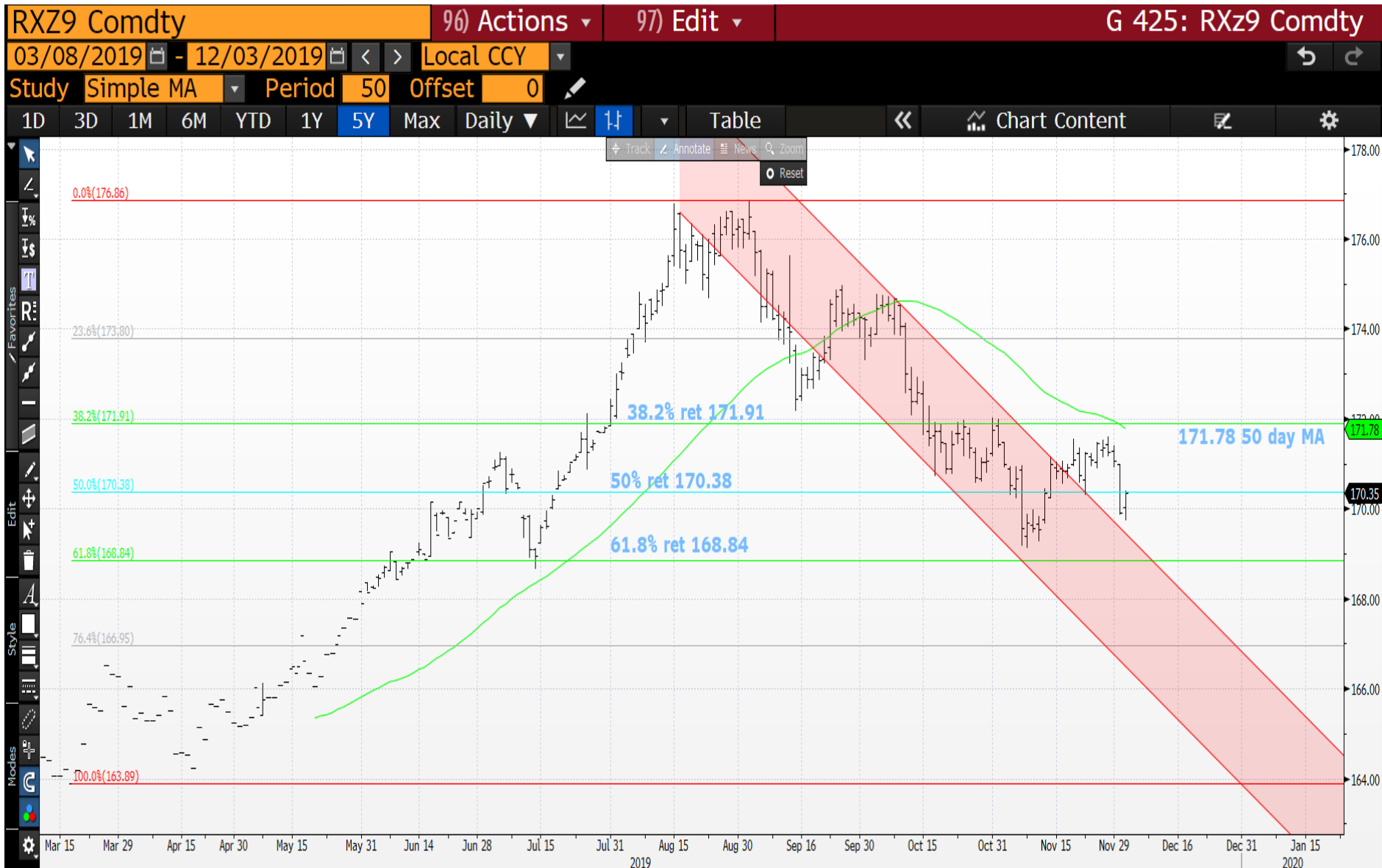
Generic German 10yr daily : The leader of the yield bounce, therefore could it be the first to signal lower yields? We really are failing to breach the 200 day moving average -0.282, thus yields could head lower.



DBR 46 daily : We have managed to HOLD Novembers low but ideally need to breach the 100% ret 163.575.



Bund future daily : A nasty reversal on yesterday and a close above the 50% ret 170.38 will be positive.



Gilt future daily : Not too much in this chart as yet.





## US BREAKEVENS AND USGGT :

DESPITE THE YIELD LOWER CALL MANY BREAKEVEN CHARTS ARE STILL INDICATION FOR A MOVE HIGHER, WE SHALL SEE.

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.



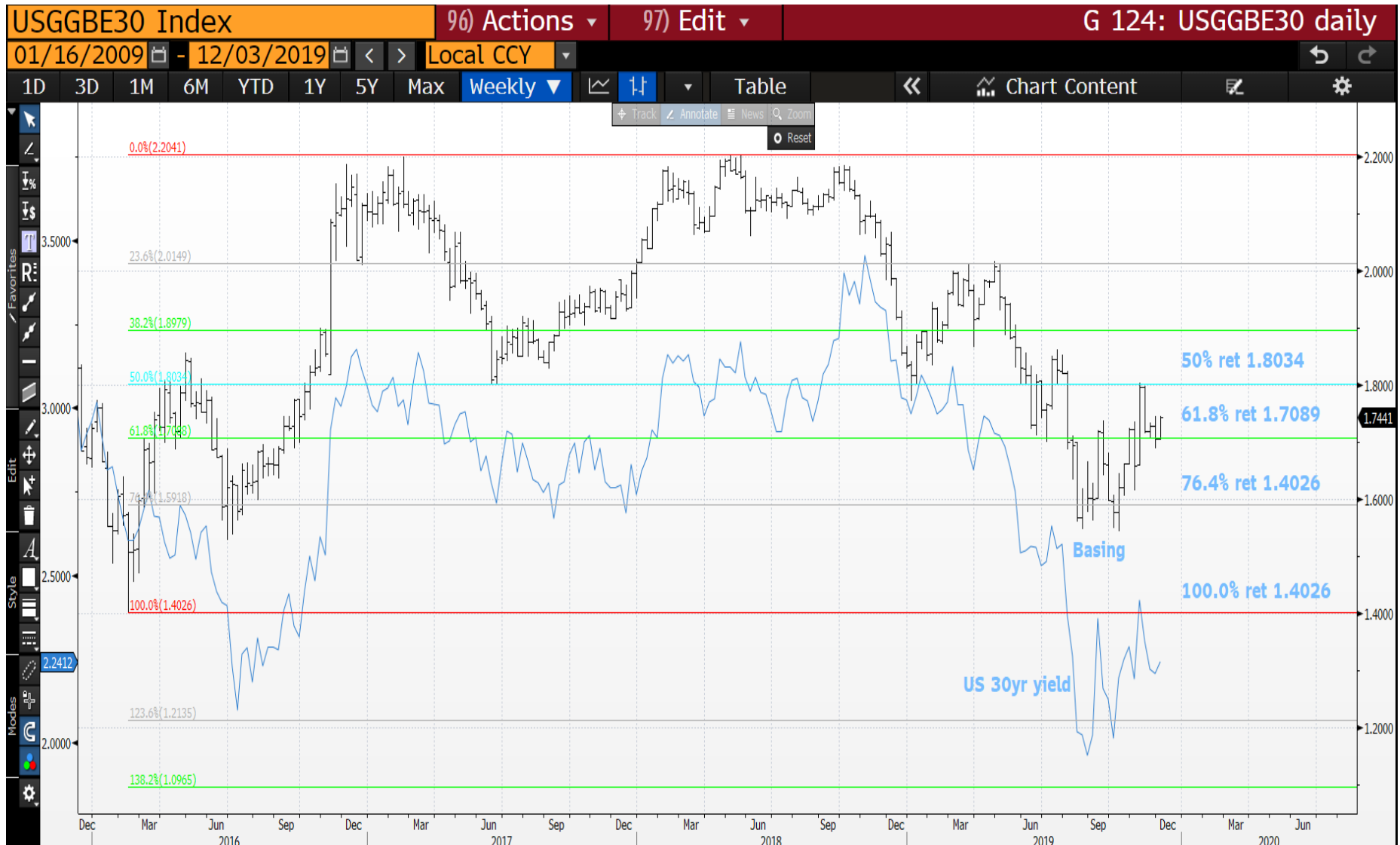
USGGT10 and 10yr yield monthly : The RSI has BASED just as we hit the familiar 23.6% ret 0.0198 support. We need to head higher or else.



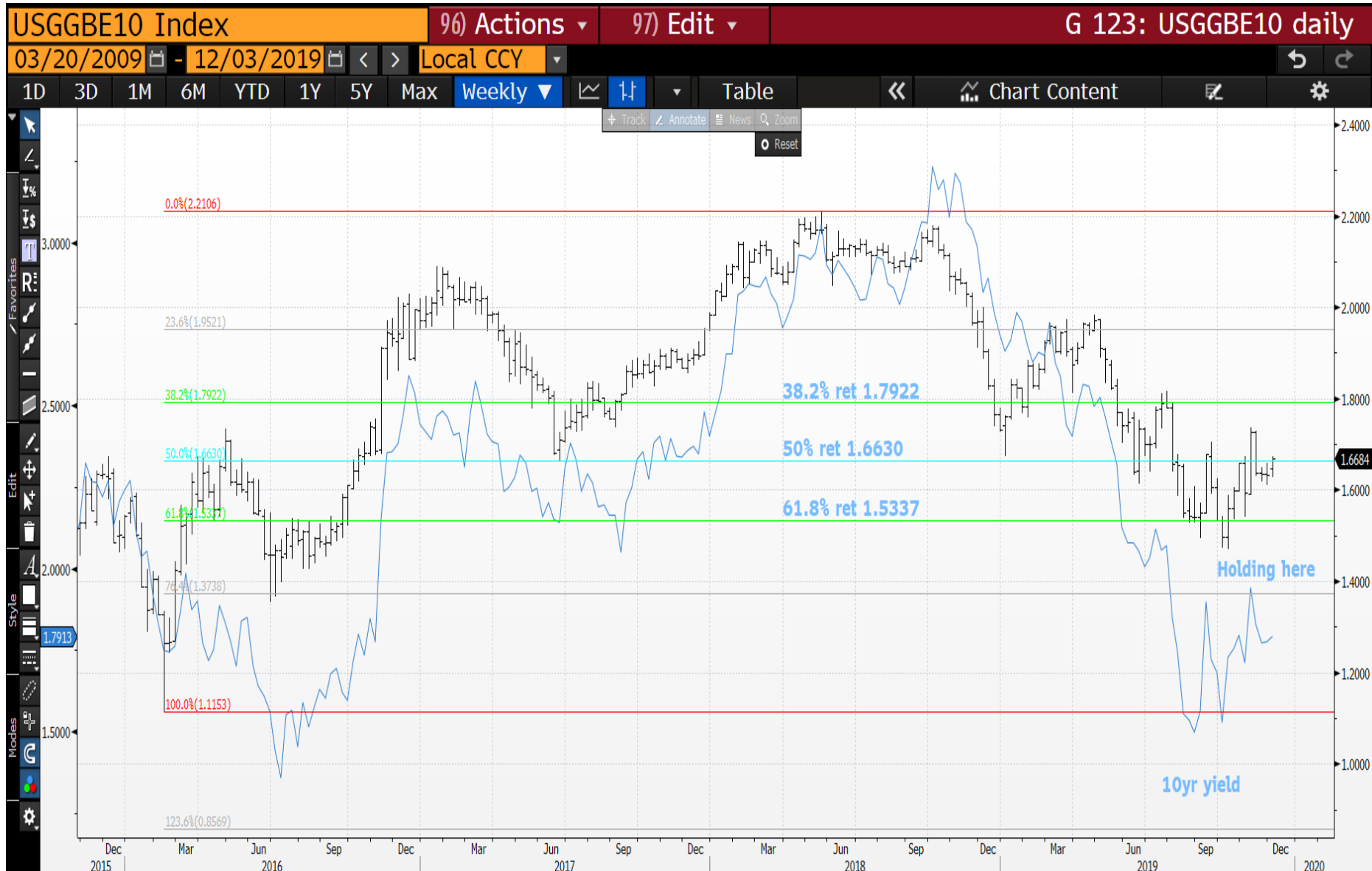
USGGT30 weekly : We have a low but need firstly to make a new high and hold the all important 23.6% ret 0.0198.



UKGGBE30 and 30yr yield weekly : We have BASED with full confirmation coming once above the 1.8034 50% ret!



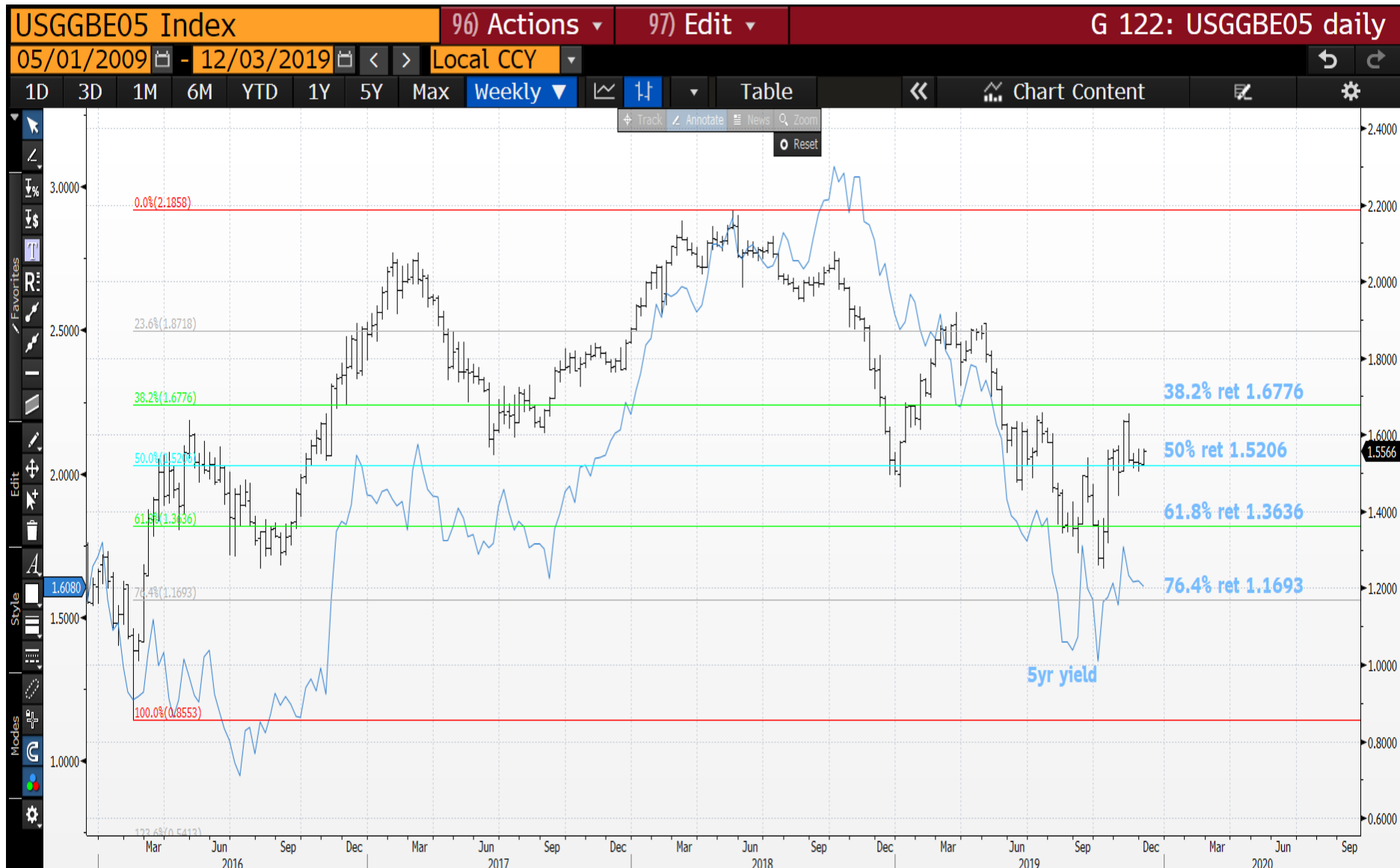
# USGGBE10 and 10yr yield weekly : Another decent BASE that will be aided by a breach of the 50% ret 1.6630.



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USGGBE05 and 5yr yield weekly : \*\* ONE TO WATCH \*\* This part of the breakeven curve is ready to fly given we are above most levels. That said KEY we hold the 50% ret 1.5206.



# EQUITIES

**EQUITIES : THESE COULD BECOME A CONCERN GIVEN MANY LOFTY RSI'S.**

**FTSE COULD BE THE CHART TO WATCH GIVEN THE HISTORICAL TOP BEING ESTABLISHED.**



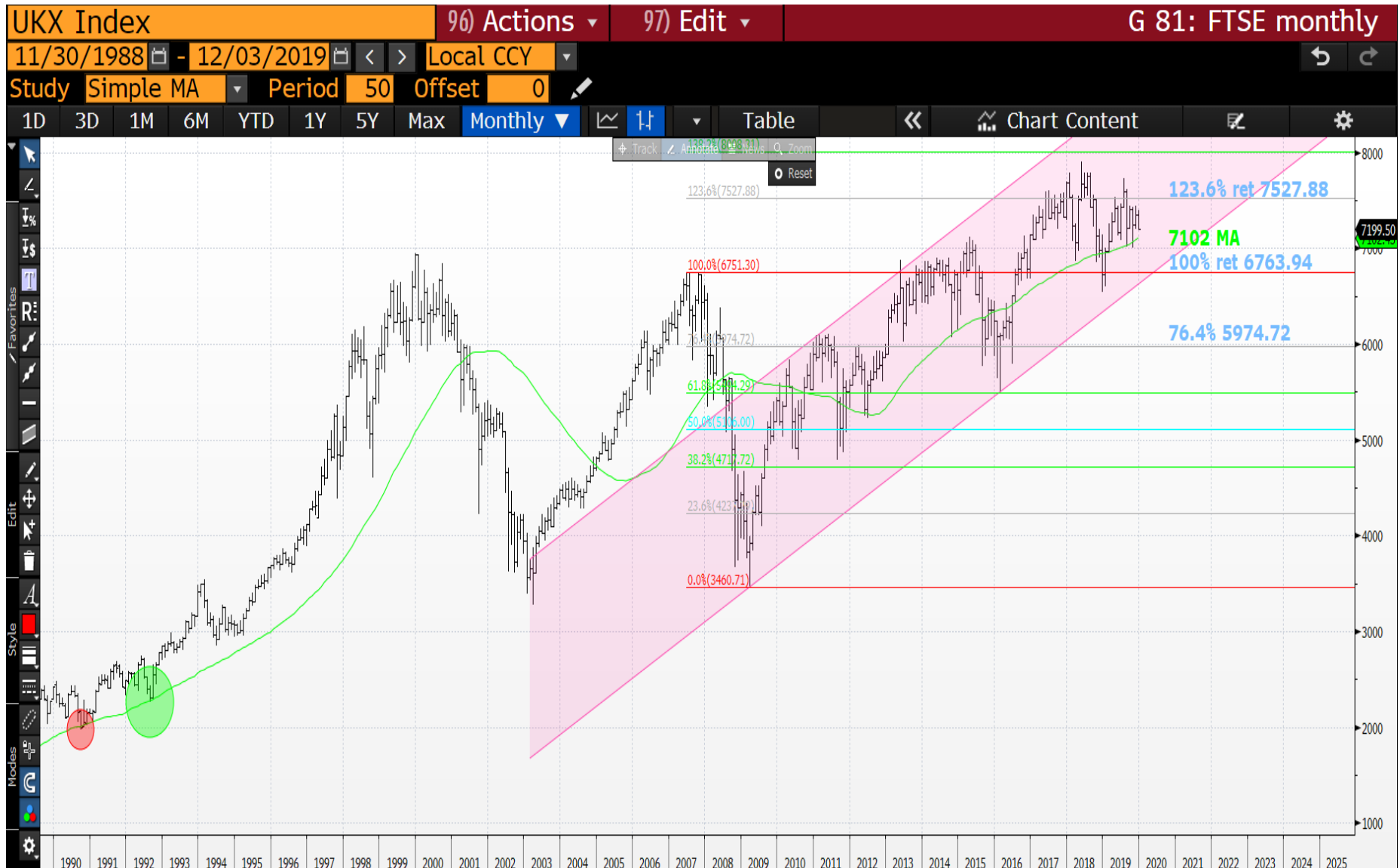
DAX monthly : A solid RALLY and still in the CHANNEL but could we have a short term top.



Eurostox monthly : We have breached the trend line but the multi year 38.2% ret 3648.13 is proving a tough level to breach.

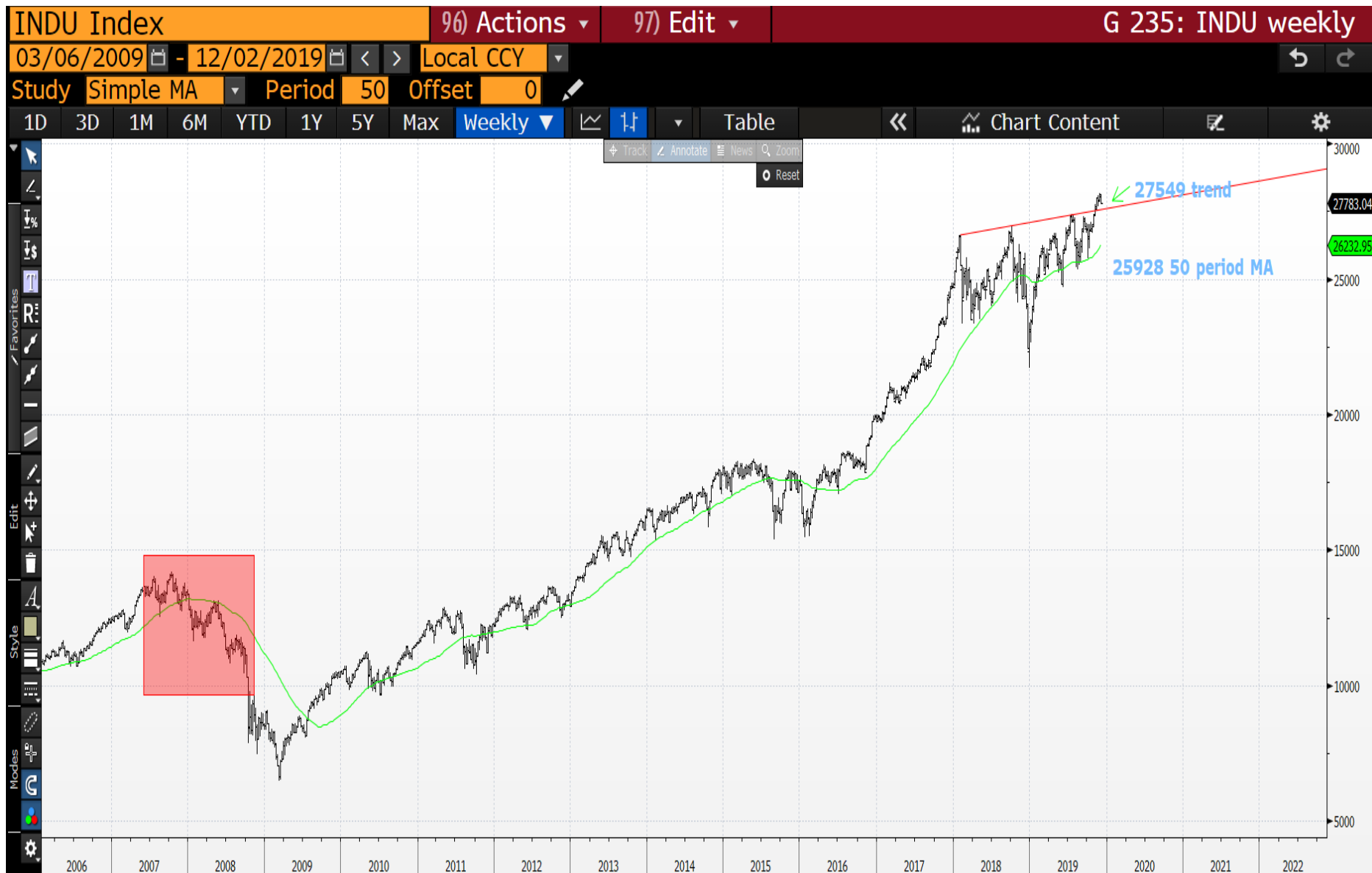


FTSE monthly : We STRUGGLED against the 123.6% ret 7527.88, key question is do we subsequently breach the 7102 moving average.



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DOW weekly : This is potentially rolling over and would be more SERIOUS if the 27549 trend line is breached.



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



03/12/2019

CCMP monthly : This remains a positive chart whilst in the channel however sub the 8424 level with be alarming.



Hang Seng monthly : The 23.6% ret 25601.22 proved to be invaluable support, lets hope it isn't breached.



APPLE weekly : A decent rally of late but we are stretching things a little too much, one to watch if the 259.17 trend is breached.





INTEL weekly : ONE TO WATCH! We are struggling up here against 23.6% ret 58.0142 thus failure could be TERMINAL!



03/12/2019

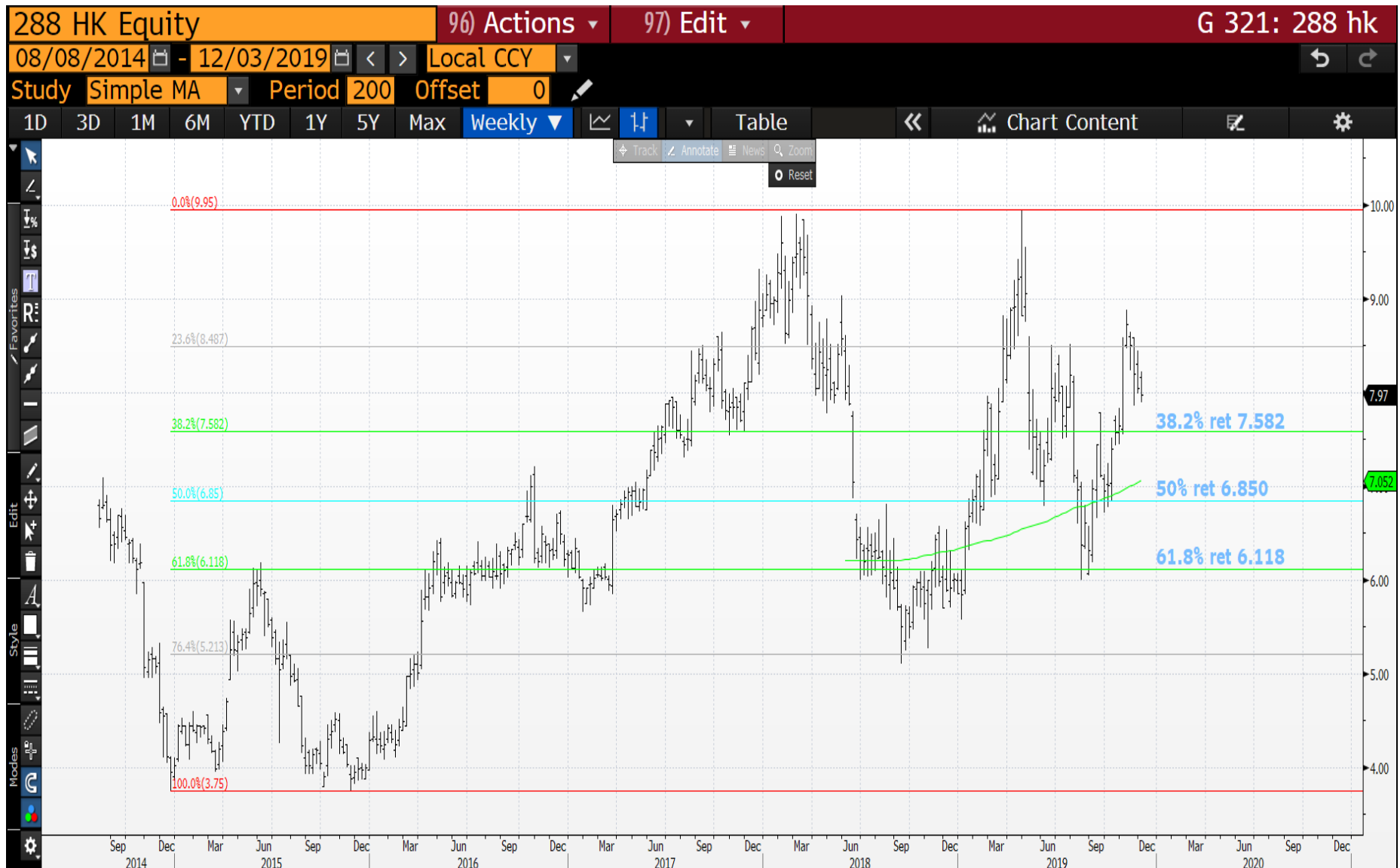
UNITED TECHNOLOGIES weekly : Although the RSI isn't high the market does feel stretched!



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WH GROUP weekly : Not the most prominent chart but one that is failing the top of its range.



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TECHTRONIC INDUSTRY weekly : This trendline could be VERY key given we are failing, ultimate failure sub the 54.12 moving average.



03/12/2019

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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