

BONDS, BREAKEVEN AND EQUITIES : TODAY COULD BE A VERY SIGNIFICANT STATEMENT IF YIELDS AND STOCKS CLOSE HIGHER ON THE WEEK. WE HAVE BEEN IN A PERIOD OF STAGNATION BUT FINALLY IT LOOKS LIKE BOND YIELDS WILL HEAD HIGHER.

**** THE ONLY REQUIREMENT IS THAT YIELDS CLOSE THE WEEK ON THEIR HIGHS.****

BONDS :

WE HAVE HAD A PERIOD OF STAGNATION BUT BOND YIELDS SEEM TO BE ON THE MOVING HIGHER, TODAYS EARLY BREAK OUTS NEED TO BE CONFIRMED LATER TODAY. ONE GIVE AWAY HAS BEEN GERMANY AND THAT IS WELL ABOVE ITS 200 DAY MOVING AVERAGE.

US BREAKEVENS AND USGGT :

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

EQUITIES : I THOUGHT EQUITIES MIGHT WANE DURING THE QUITE BOND PERIOD BUT ALL HAVE HELD SOLID SUPPORT AND POISED TO HEAD HIGHER. AGAIN WE NEED STRONG CLOSES TO NEGATE FALSE BREAK!

USGG30yr monthly : ** A VERY KEY CHART. ** Back on track. Yields have recovered well on the month and the hope is the latest yield rally is vindicated by a strong close today. The RSI remains dislocated.



13/12/2019

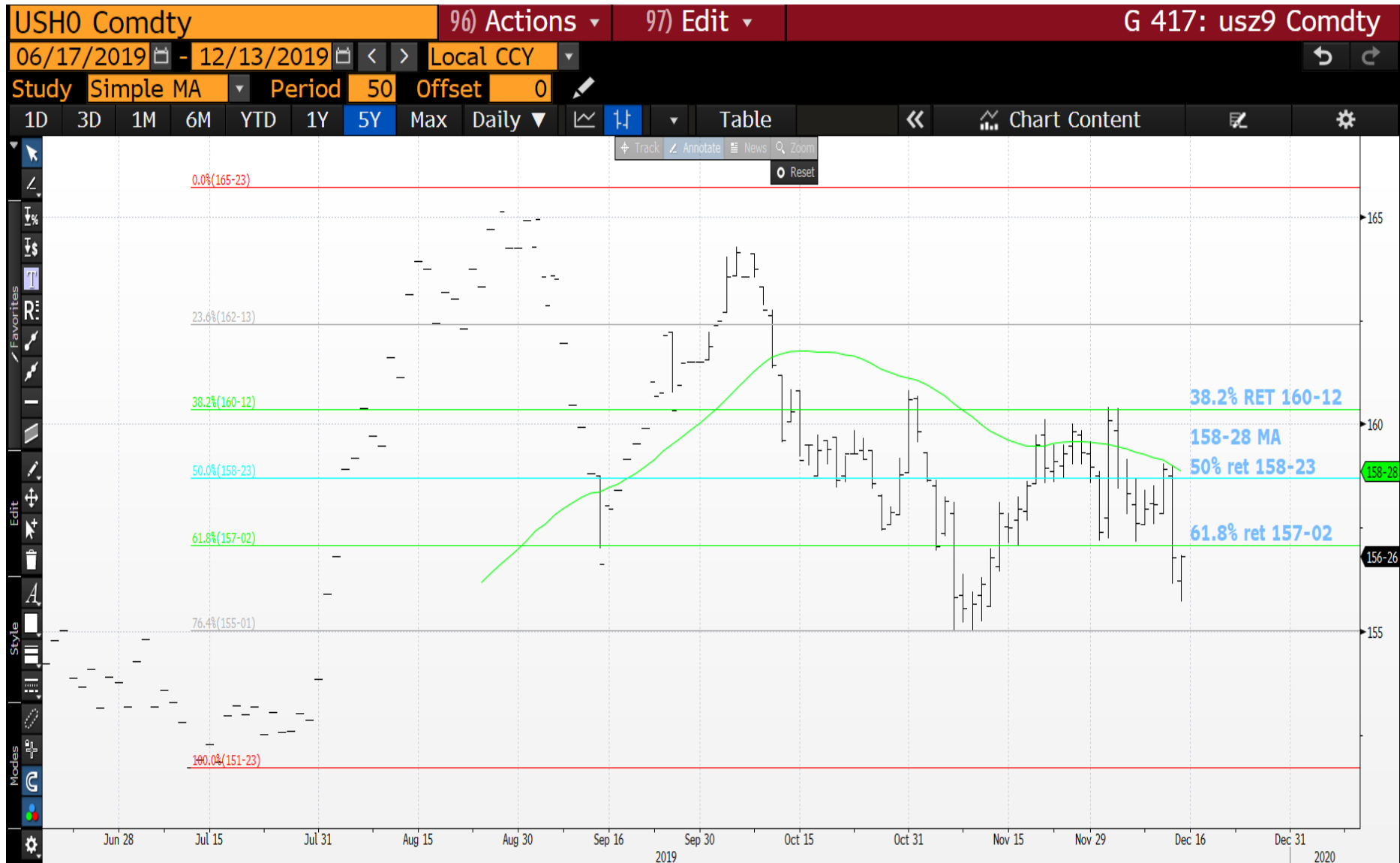
USGG30yr weekly : Immediately the RSI is neutral, much of the “JUICE” has evaporated from the initial dislocation. Its all about the year end close.



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. Ideally we need to close at the days yield highs.



US 30yr futures daily : Yesterday we failed perfectly at the 158-28 moving average so ideally we close back at today's early lows.



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.

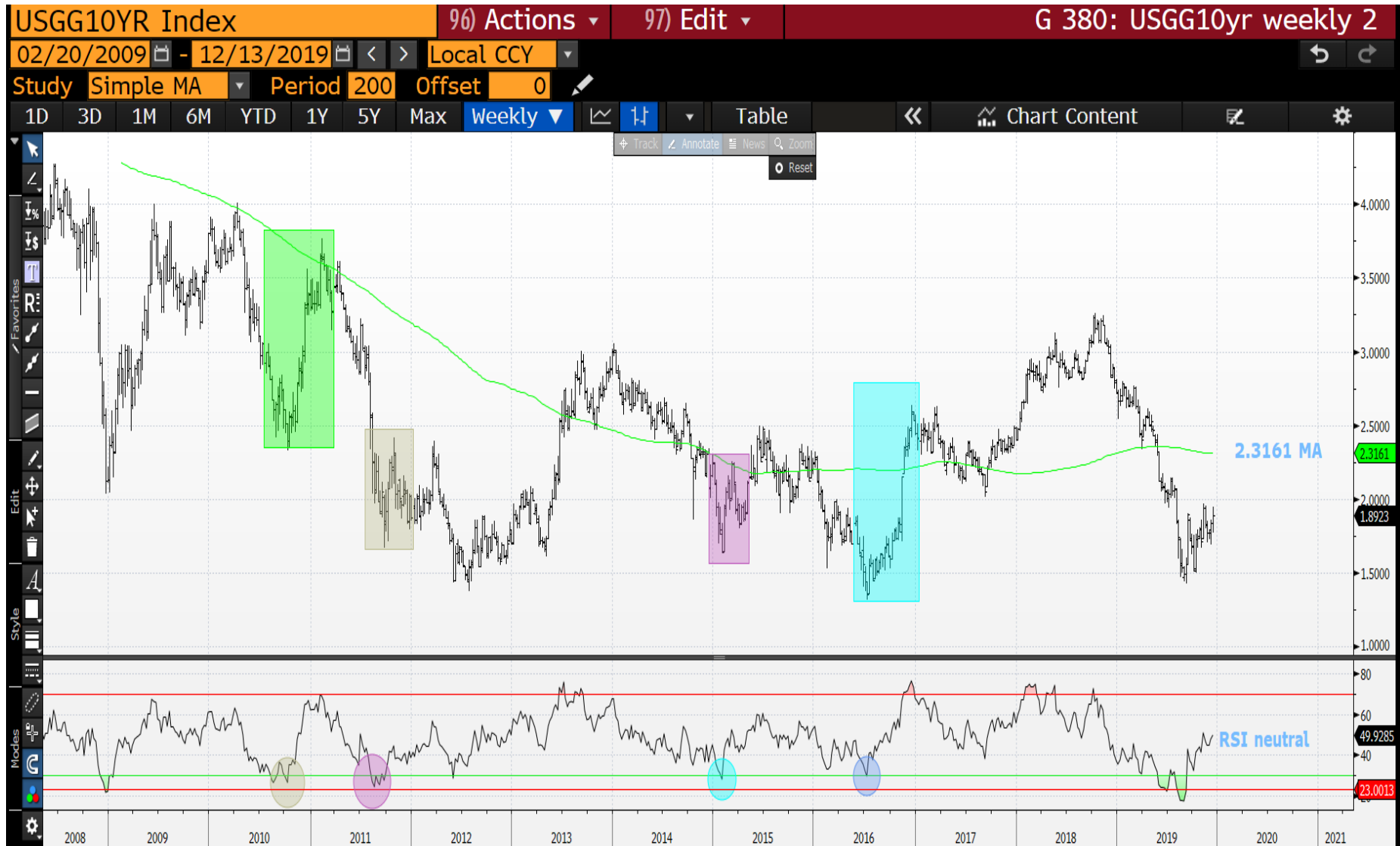


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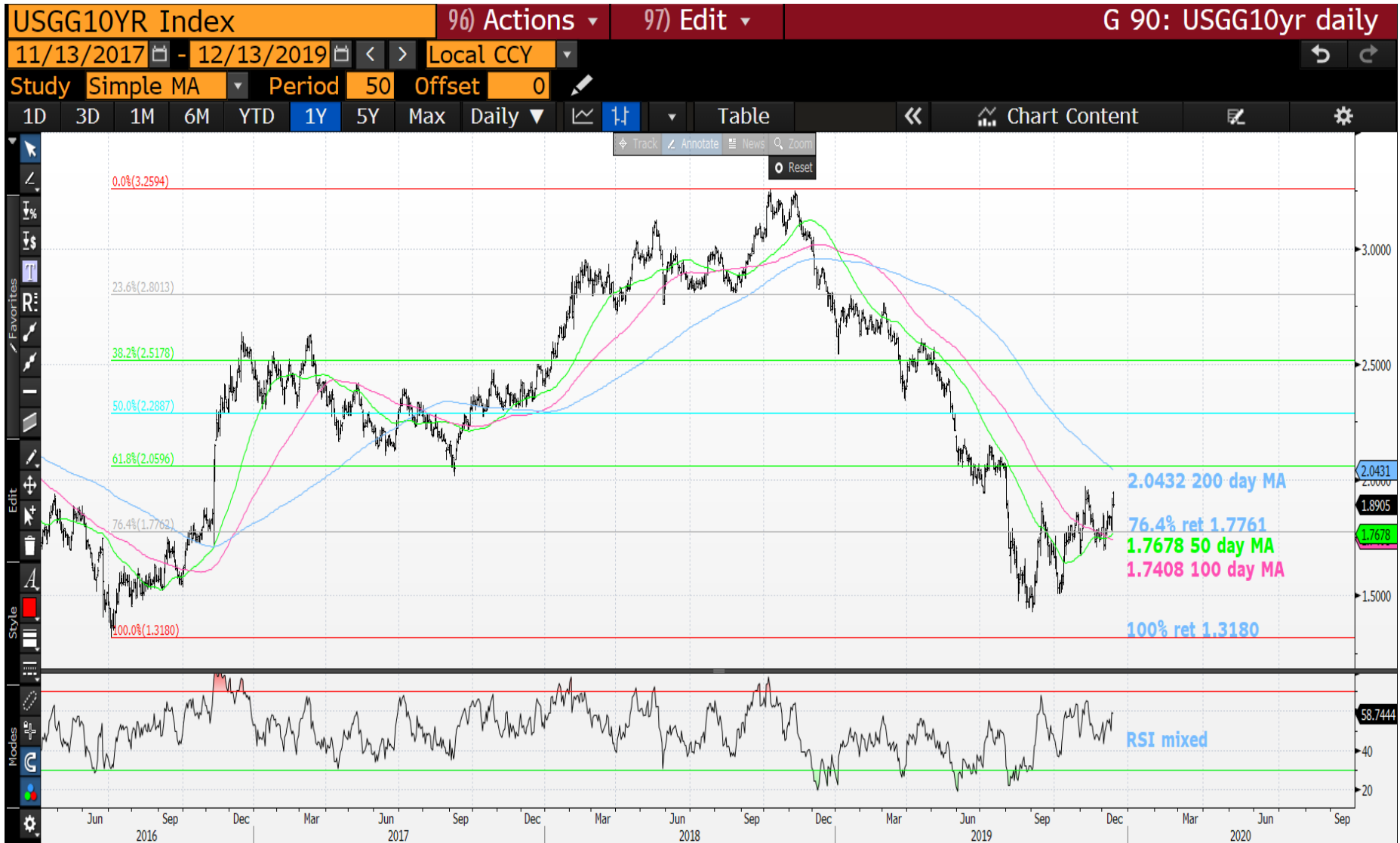
USFS 10-20 monthly : Again a great yield bounce from the RSI dislocation, ideally we have a new yield high by month end.



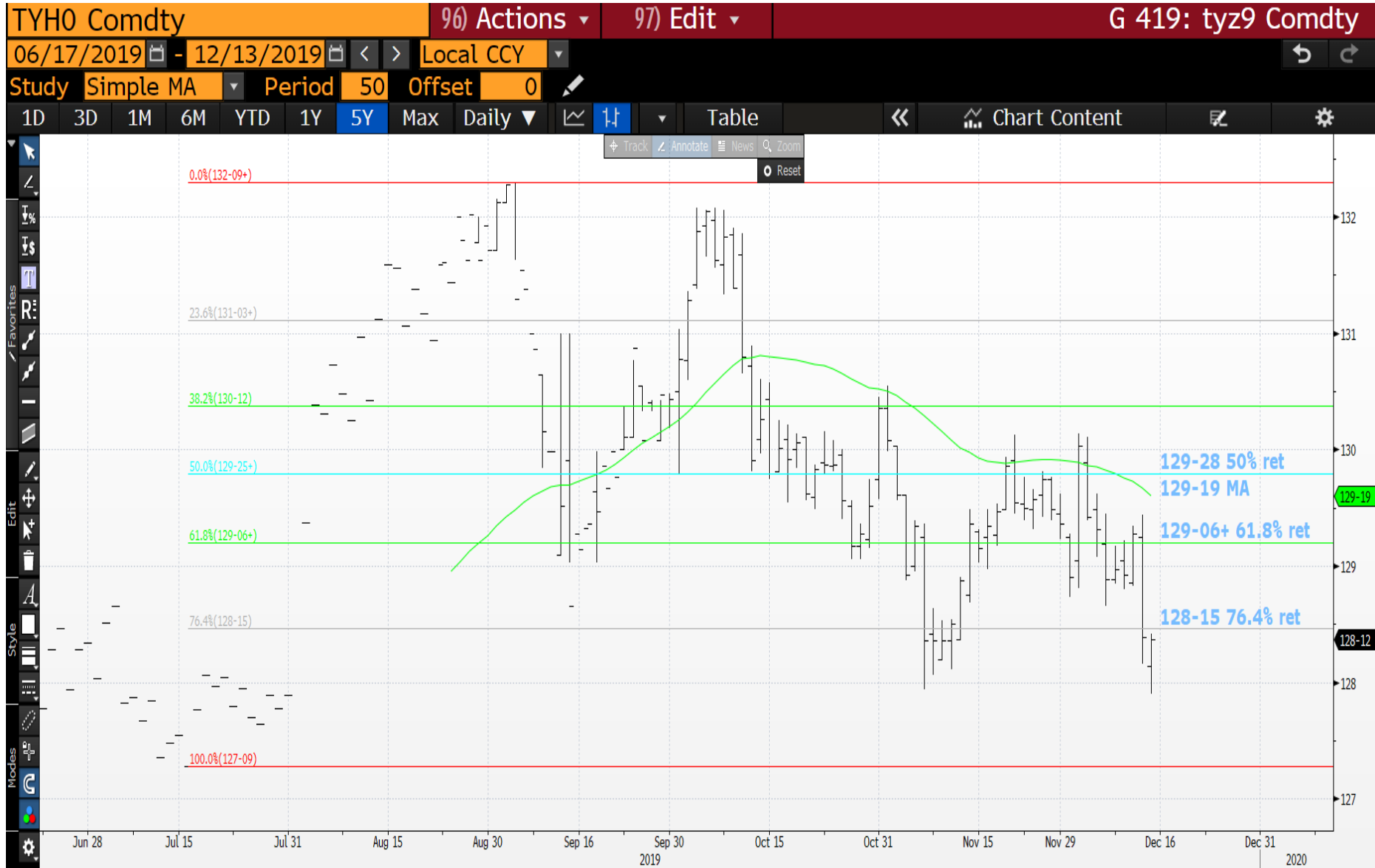
US 10yr yield weekly : The RSI is firmly neutral and the inability to breach the magic 2.00% level is a FRUSTRATING.



USGG10yr daily : The RSI is compliments the weekly i.e neutral but we are close to breaching the 200 day moving average 2.0432.



US 10yr futures daily : Again a sector that failed the moving average whilst making a new low today. We just need to close at those lows.



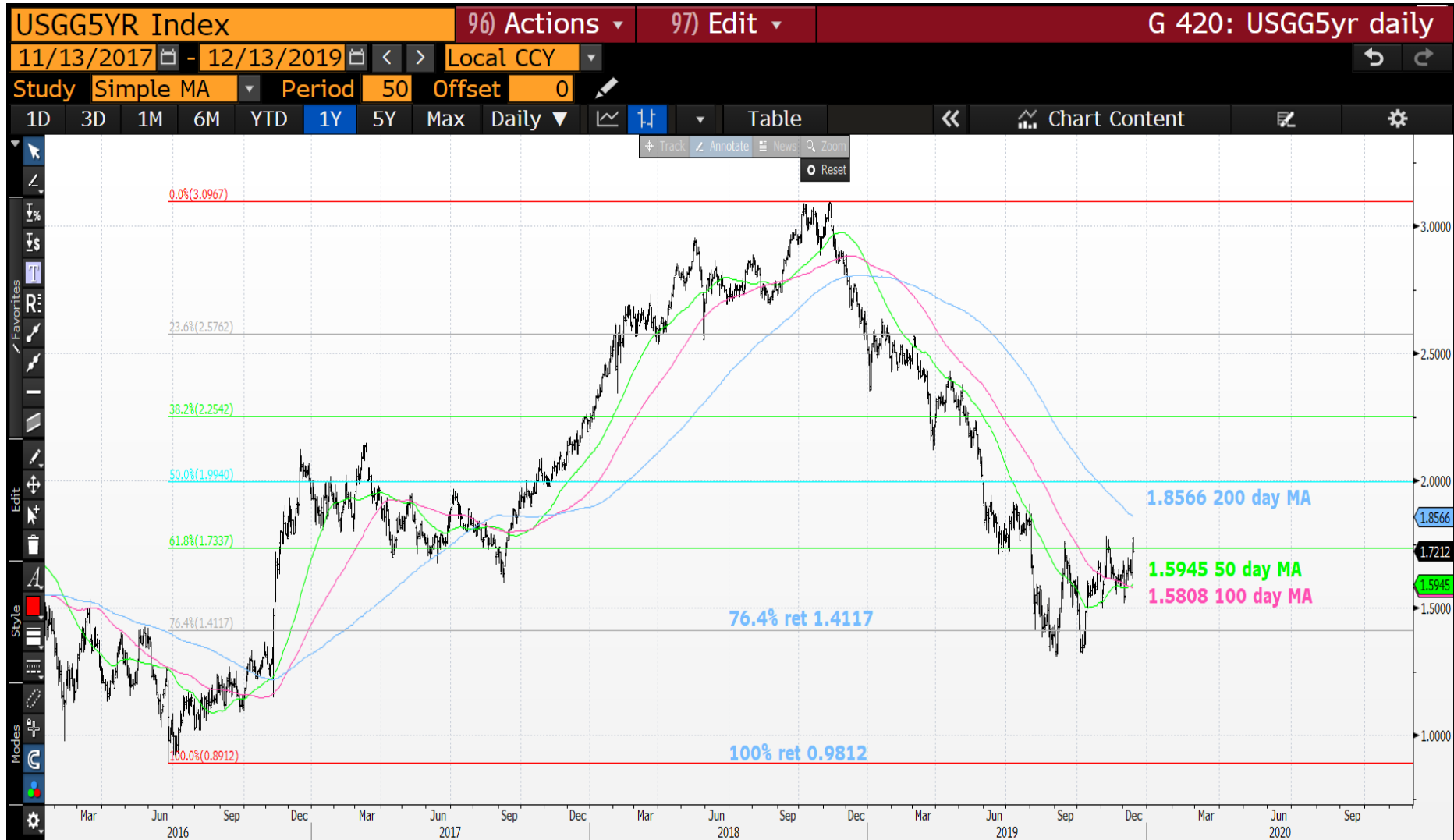
USGG5yr quarterly : This could be a KEY chart if we breach the 1.8624 moving average. The RSI has plenty of room.



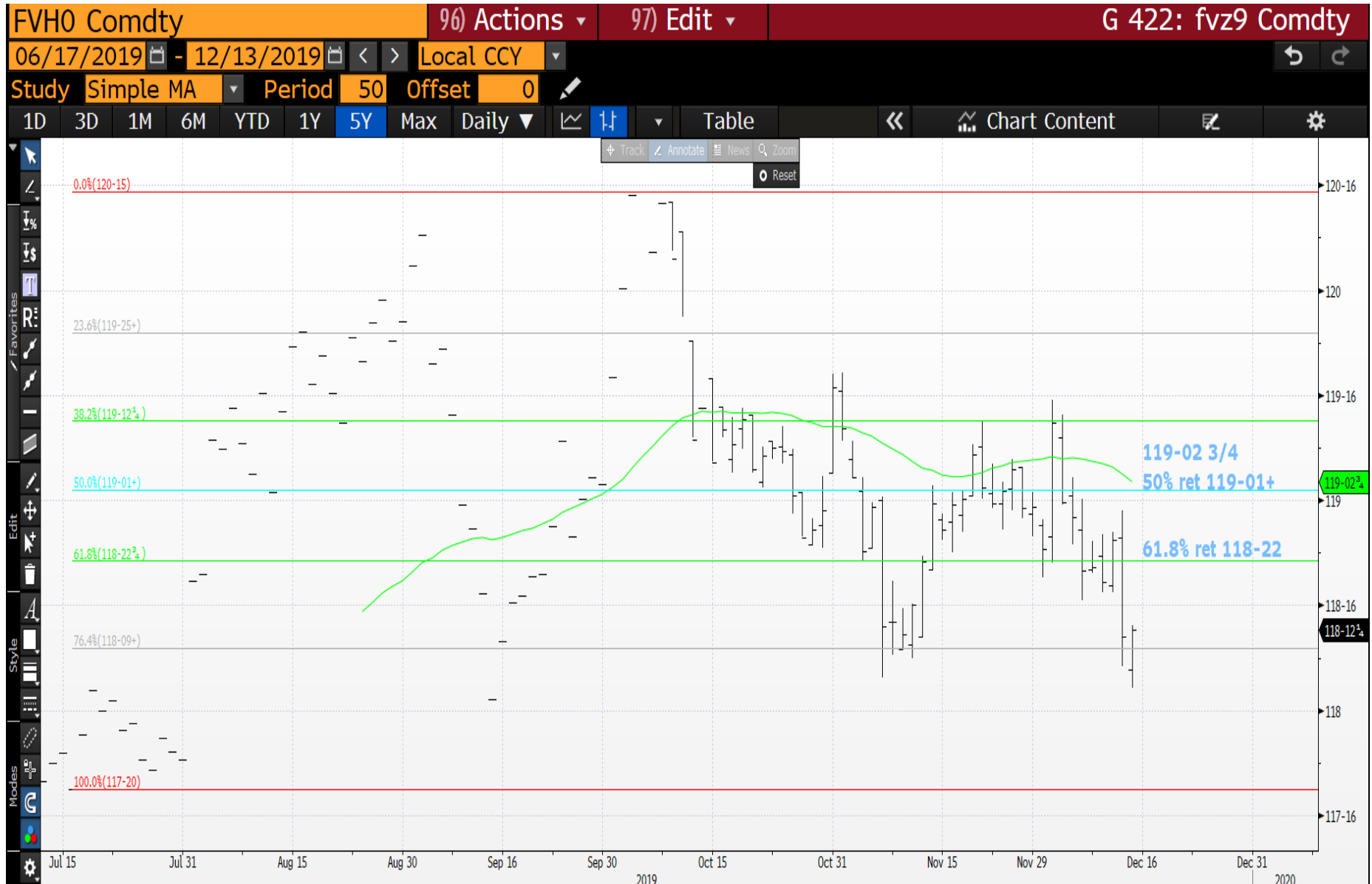
USGG5yr weekly : A very sideways performance and RSI. We need direction.



USGG5yr weekly : We have held the 50-100 day moving average and yields progressing higher. A close above the 61.8% ret 1.7337



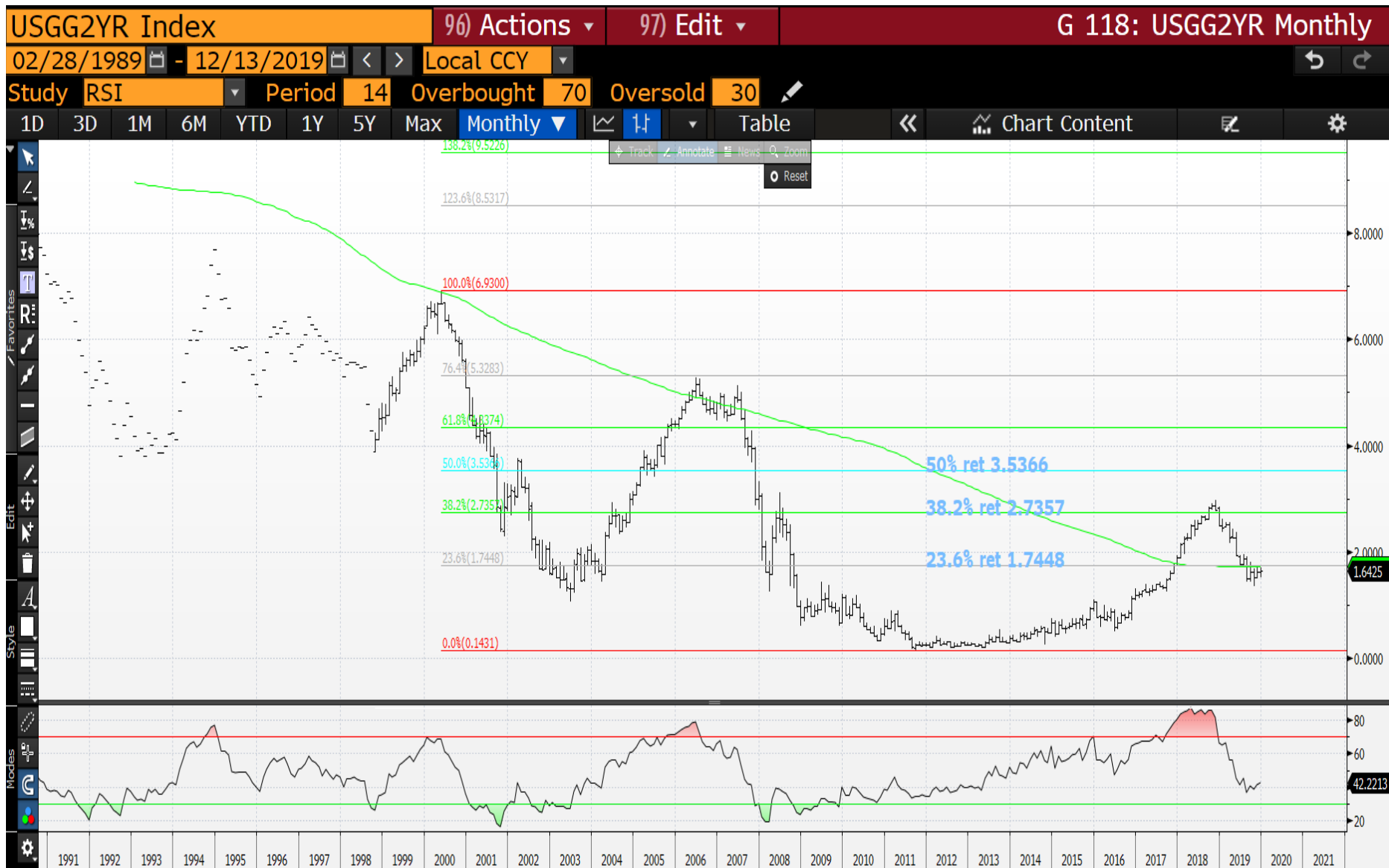
US 5yr futures daily : Today we have a new low so hopefully we can close there!



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



USGG2yr monthly : This could be a KEY chart if we manage to breach the 23.6% ret 1.7448.



13/12/2019

16

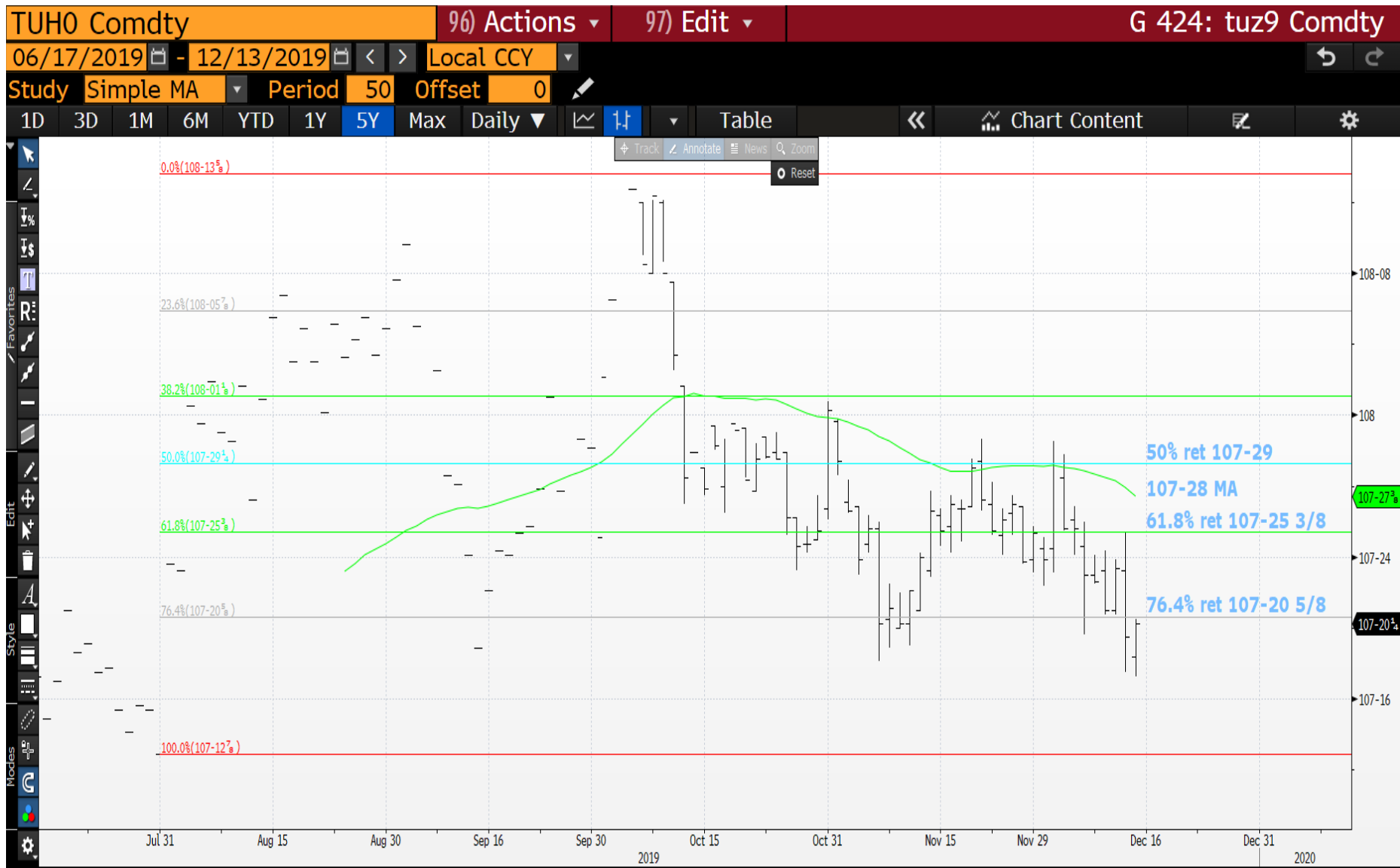
USGG2yr monthly : A real TEASE here given we are close to the prominent 1.7024 moving average, we need to breach it.



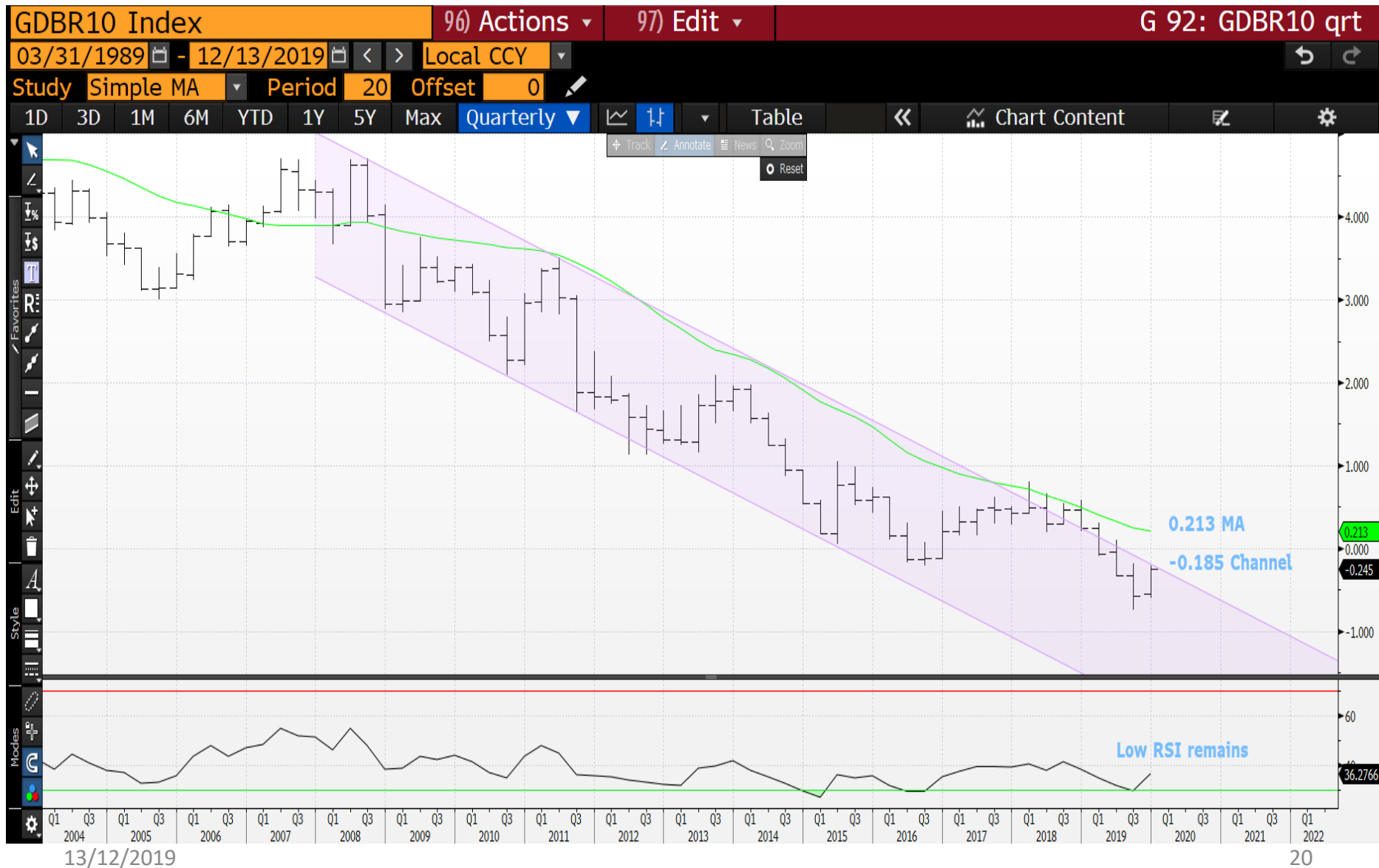
USGG2yr daily : **We have finally popped above the 50 and 100 day moving averages.**



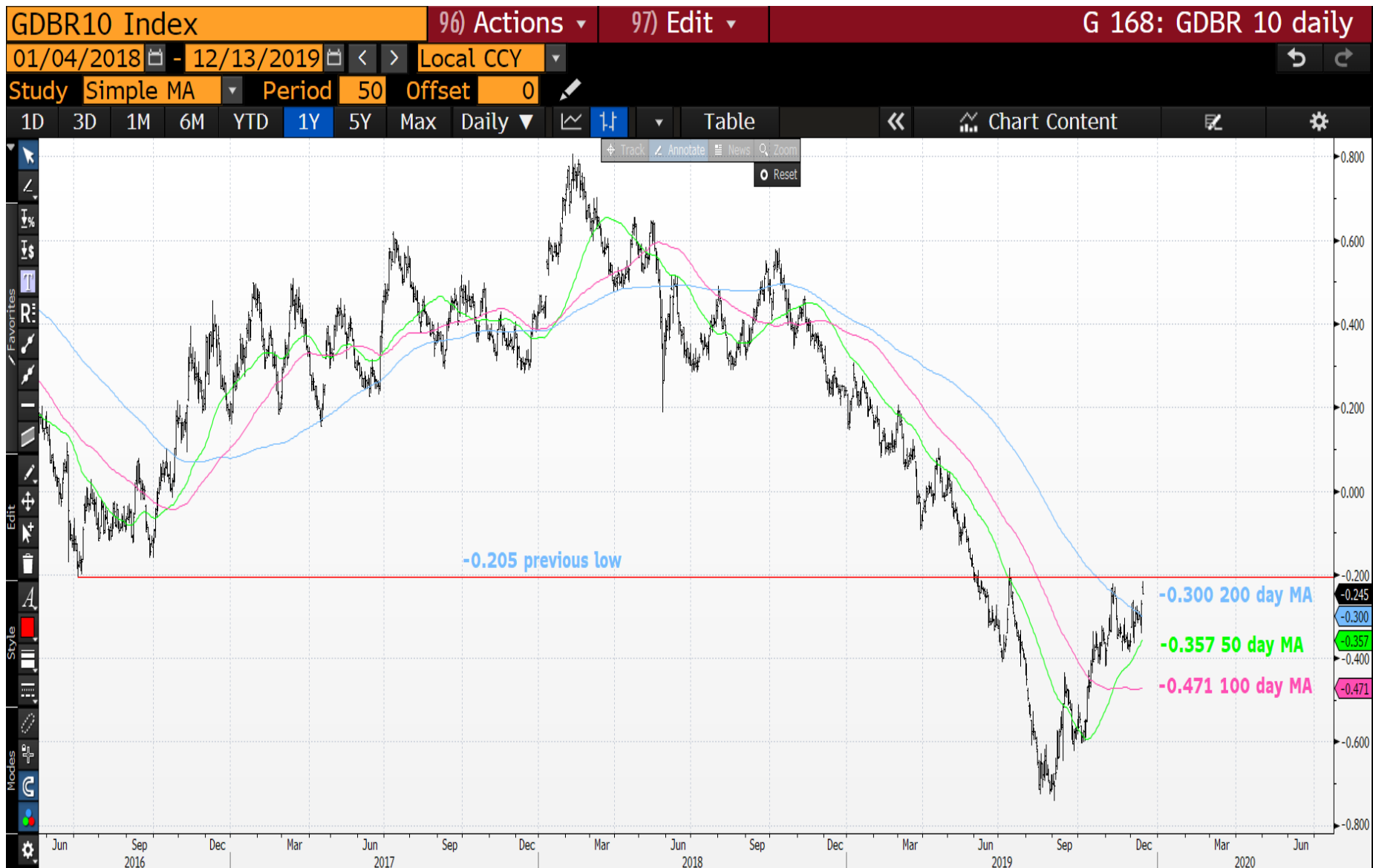
US 2yr future daily : Another NEW bond low on the US curve so hopefully it is revisited at the close.



Generic German 10yr quarterly : A MAJOR test is looming i.e. do we breach the 2008 channel, the RSI has room?



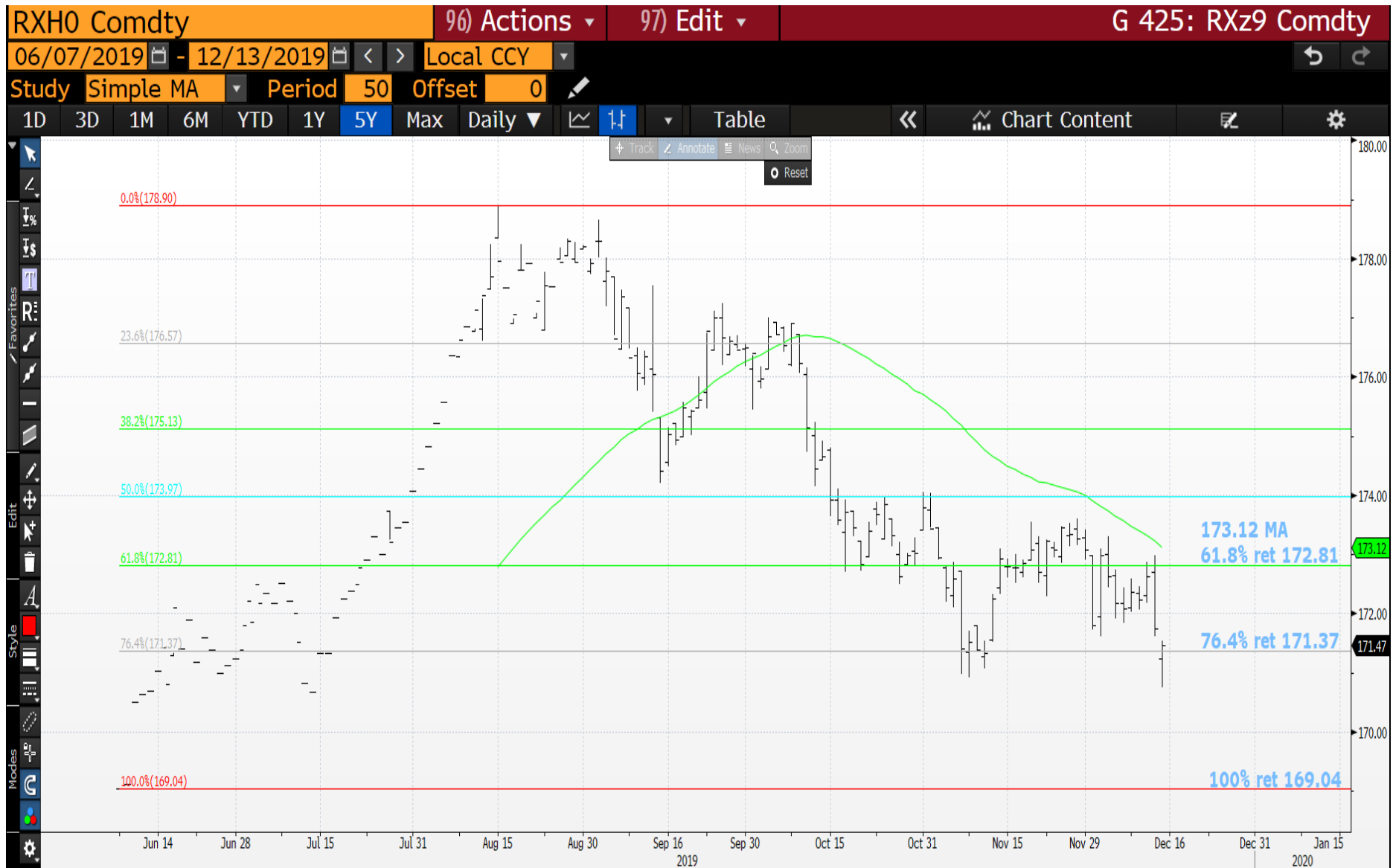
Generic German 10yr daily : The leader of the yield bounce, therefore could it be the first to signal HIGHER yields? We have POPPED the 200 day moving average -0.300 and close to by passing the previous low -0.205. We should see German yields head a lot higher.



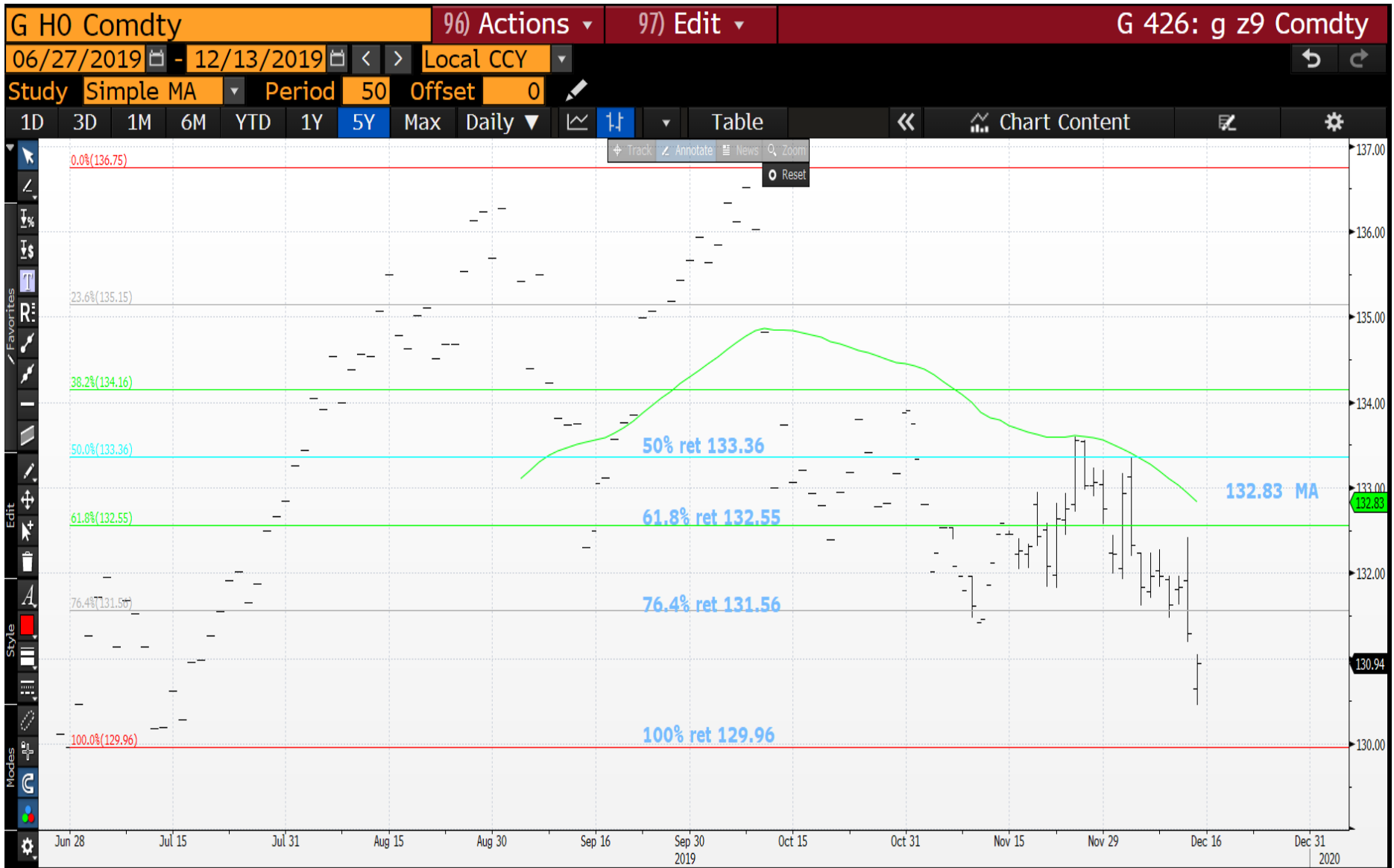
DBR 46 daily : This bond has persistently remained below the moving average and now looks VERY HEAVY, next stop the 76.4% ret 154.629.



Bund future daily : A nasty new low today that we should revisit later in the day.



Gilt future daily : A nasty GAP opening but again all about the close.



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.



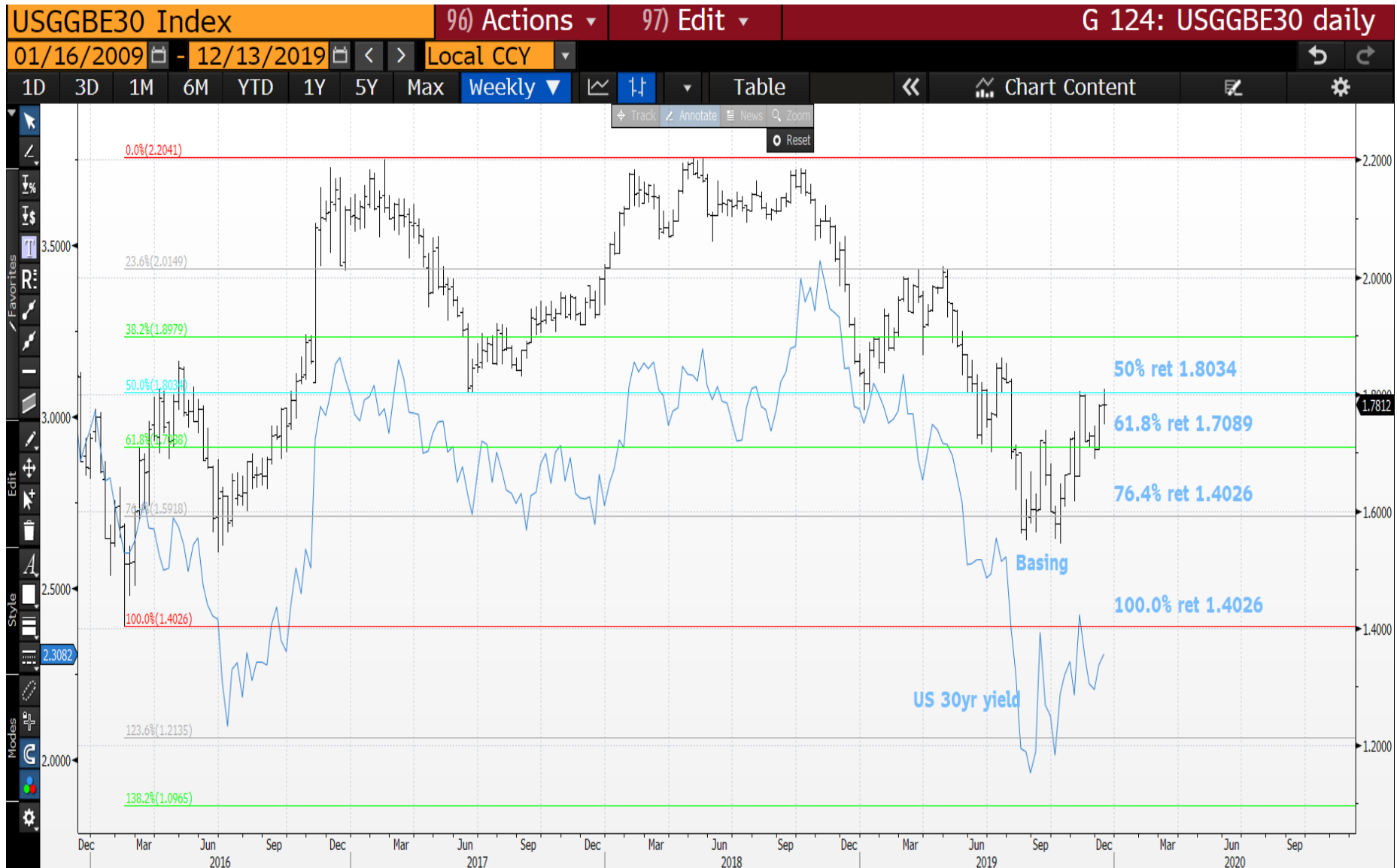
USGGT10 and 10yr yield monthly : The RSI has BASED just as we hit the familiar 23.6% ret 0.0198 support. We need to head higher.



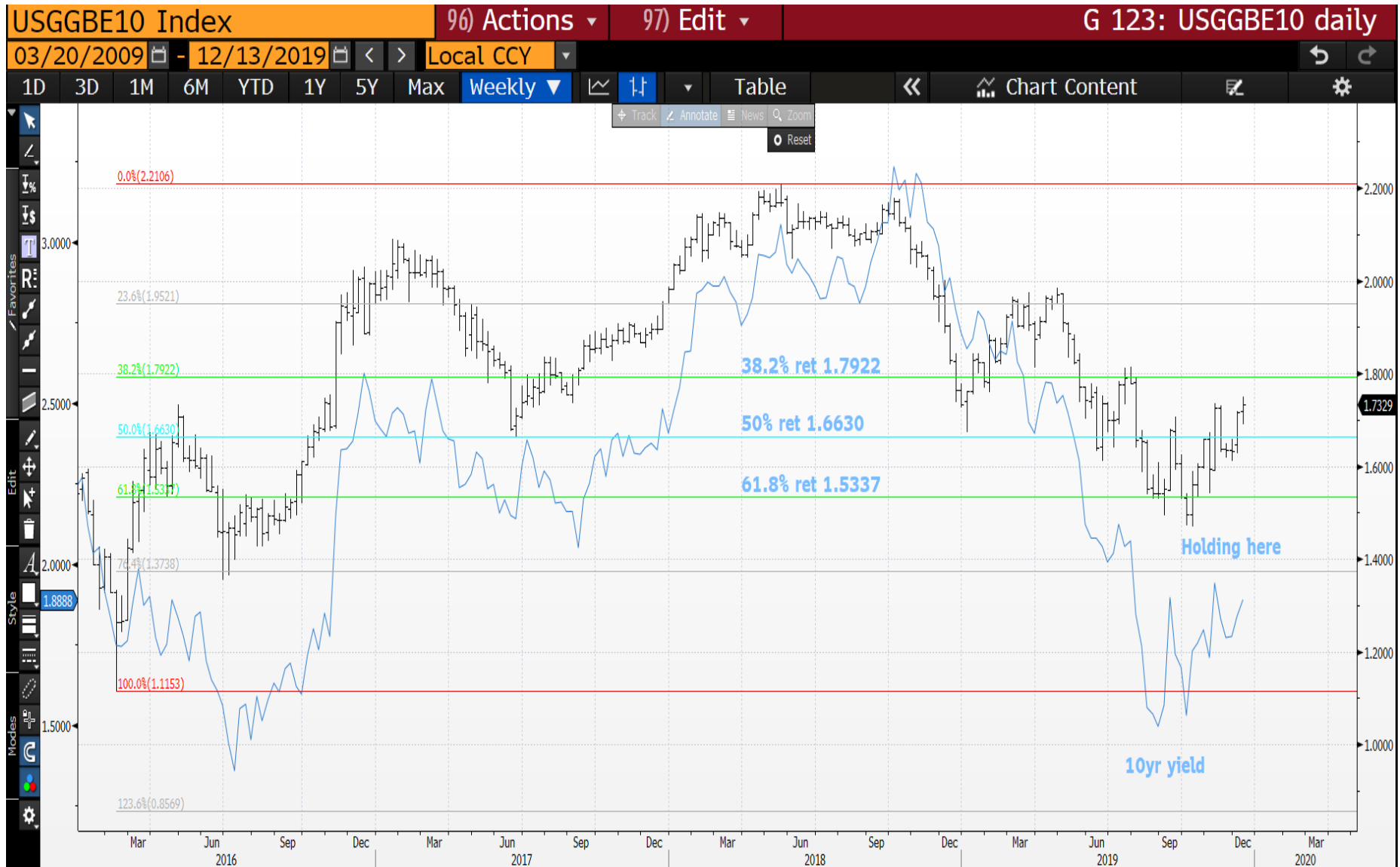
USGGT30 weekly : We have a low but need firstly to make a new high and hold the all important 23.6% ret 0.0198.



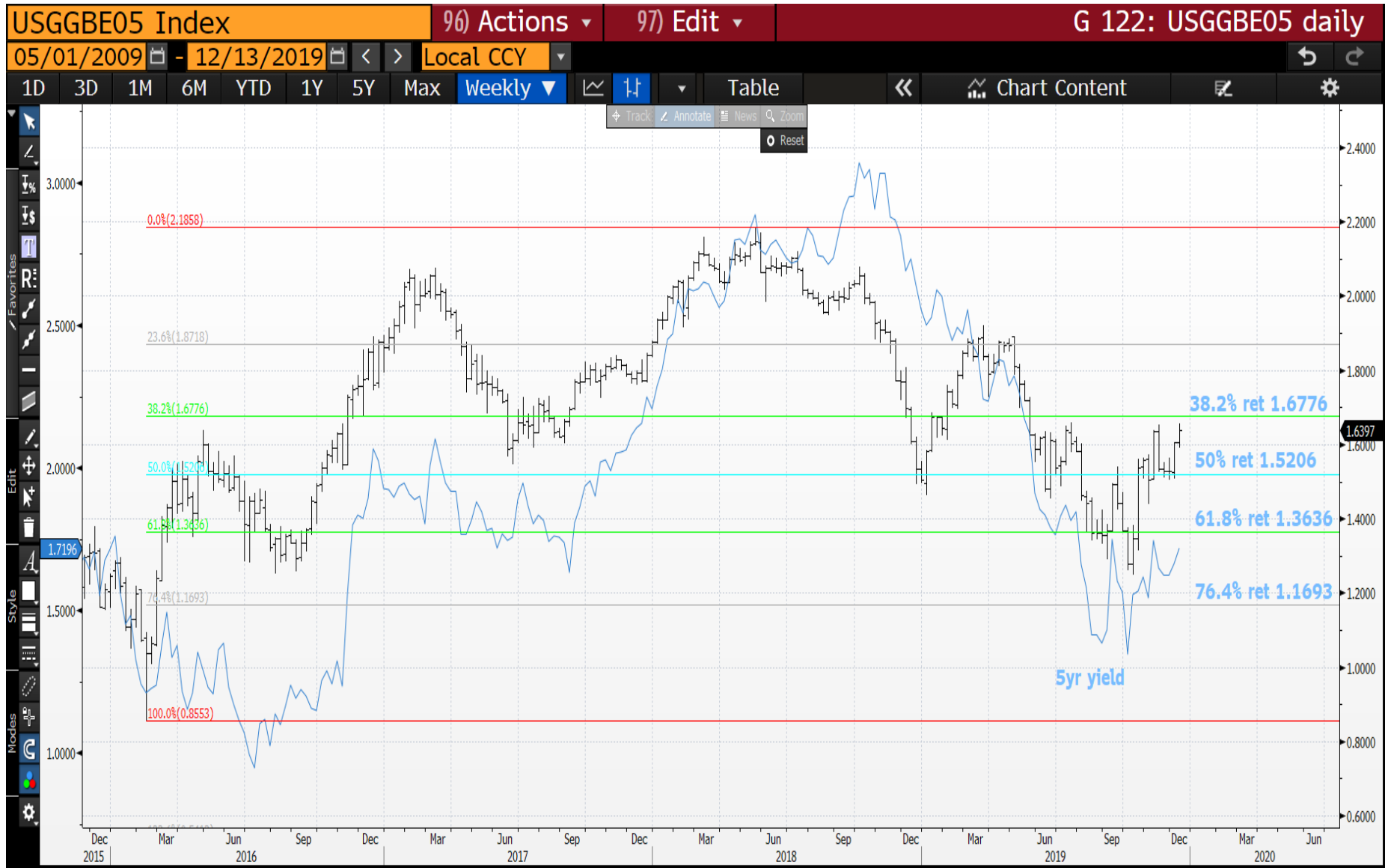
UKGGBE30 and 30yr yield weekly : We have BASED with full confirmation coming once above the 1.8034 50% ret!



USGGBE10 and 10yr yield weekly : Another decent BASE that will be aided by a breach of the 38.2% ret 1.7922.



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 reversal level will a breach of the 38.2% ret 1.6776.



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, this is now a VERY SOLID performance.

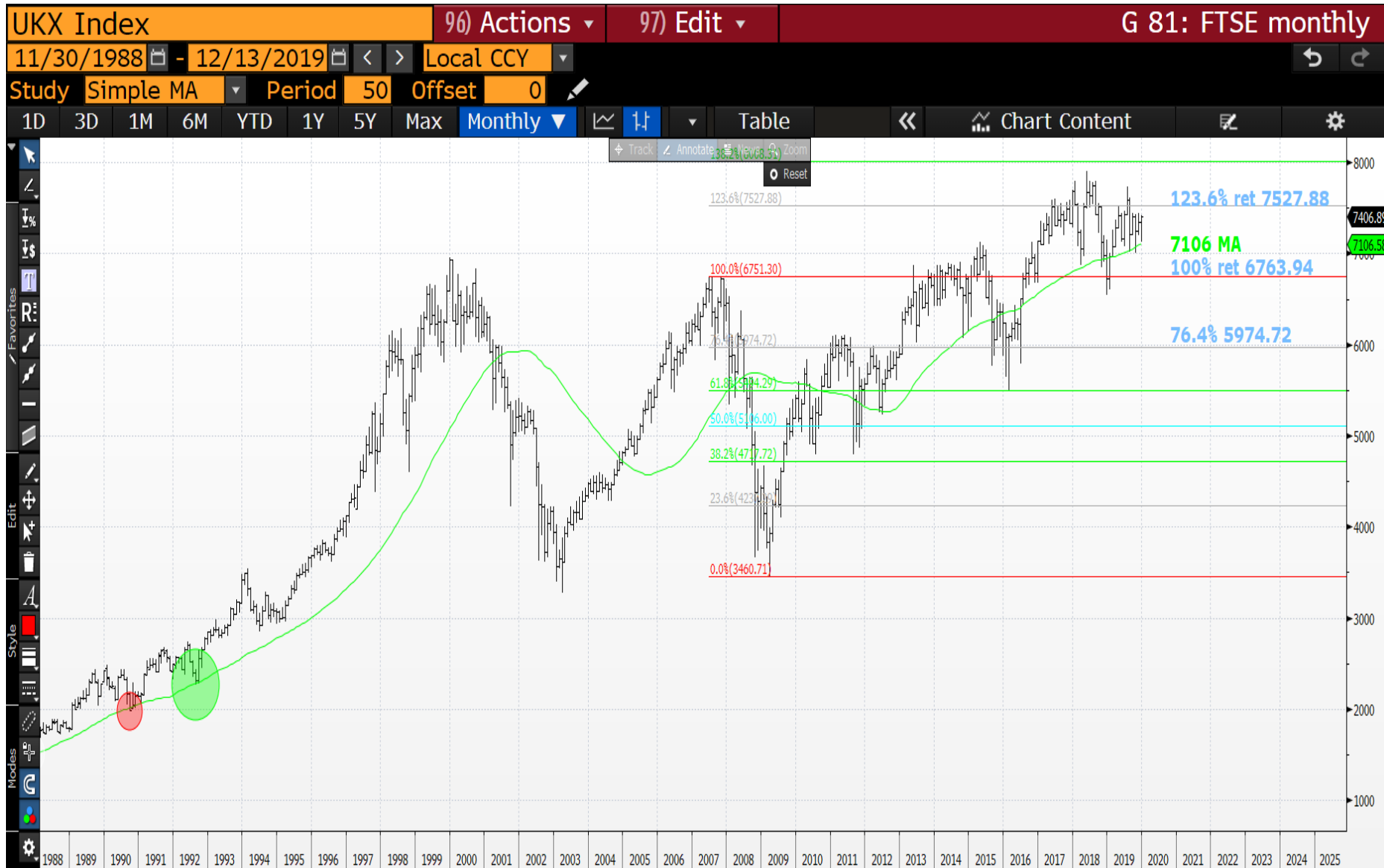


Eurostoxx monthly : We are well on our way higher especially since we have a new high on the month.



13/12/2019

FTSE monthly : YET AGAIN the moving average proves it WORTH, we have held it and held it well. Key breach will be that of the 123.6% ret 7527.88.



DOW weekly : A very quick reversal from the trend support, higher we go.



Russell monthly : This could not be the sector to POP given the numerous attempts to breach the 38.2% ret 1436.



CCMP monthly : This remains a positive chart whilst in the channel 8424.



Hang Seng monthly : The 23.6% ret 25601.22 proved to be invaluable support and continues to be SO.



APPLE weekly : A decent rally of late but we are stretching things a little on the RSI, that said a solid hold of the trend line.



13/12/2019

40

INTEL weekly : ONE TO WATCH! We are struggling up here against 23.6% ret 58.0142.

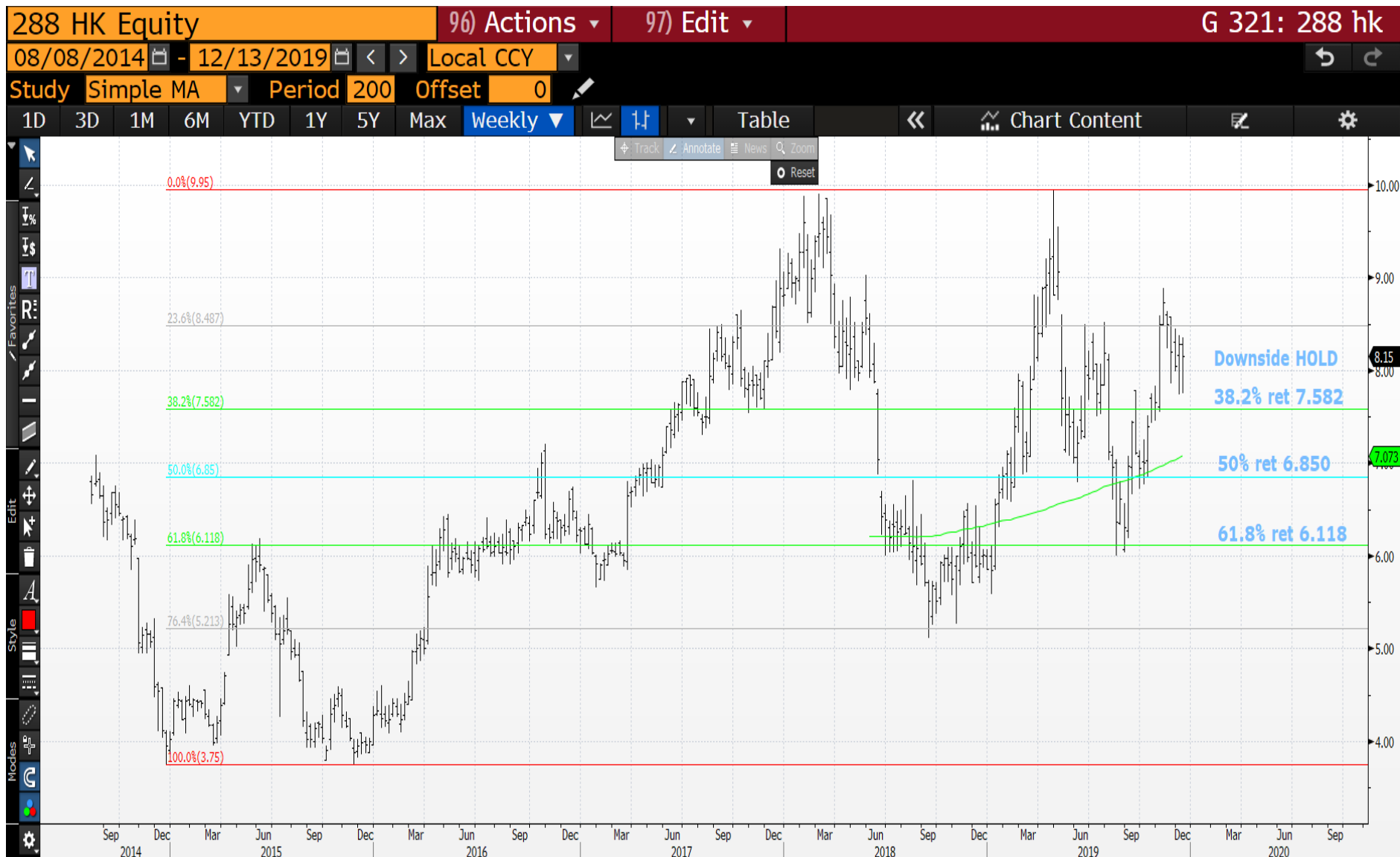


13/12/2019

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



WH GROUP weekly : The last 2 weeks have seen a strong set of closes thus a base could now be in.



13/12/2019

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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