

**** FOLLOW UP ** CHART IMPRESSIONS POST MR TRUMPS ACTIONS AS WE AWAIT THE IRANIAN REPRISALS : THERE ISNT GOING TO BE AN EASY SHORT-TERM FIX.**

- 1. BOND YIELDS LOWER? YIELDS OPENED LOWER BUT STEADILY GIVEN BACK FROM THE INITIAL MOVE, WE DO NEED TO SEE YIELD CONTINUE LOWER AGAIN TO ENABLE THE MARKET TO REPLICATE THE 2011-2012 SCENARIO.**
- 2. COMMODITES HIGHER. GOLD HAS BROKEN THE RECENT HIGHS AND REMAINS A FIRM FAVOURITE AS AN INSURANCE POLICY FOR ESCALATING TENSIONS.**

DESPITE LACKING FRESH NEWS-ACTIONS FROM IRAN BOND YIELDS HAVE PRINTED NEW YIELD LOWS WHILST GOLD HAS POPPED, SHOULD STOCKS WEAKEN THEN THE 2011-2012 SITUATION WILL PAN OUT NICELY.

**** THE ONLY REQUIREMENT IS THAT BOND YIELDS CONTINUE WEAKER TOMORROW.****

BONDS :

THERE ARE MANY KEY CHARTS TO BACK UP THE REPLICATION OF THE 2011-2012 SCENARIO ESPECIALLY IN THE US, WHILST GERMANY IS SET TO RE-ENTER THE LONGTERM DOWNTREND CHANNEL.

US BREAKEVENS AND USGGT :

BREAKEVENS COULD BE POISED TO TOP OUT.

COMMODITIES : VERY LITTLE GROUND HAS BEEN GIVEN BACK ON LAST YEARS RALLY WITH GOLD REMAINING IN VERY POSITIVE TERRITORY.

EQUITIES : THESE COULD OFFER SO MUCH TO THE BOND ARGUMENT BUT AS YET HAVE NOT, THAT SAID IRAN WONT TAKE LONG TO REPLY TO MR TRUMP AM SURE.

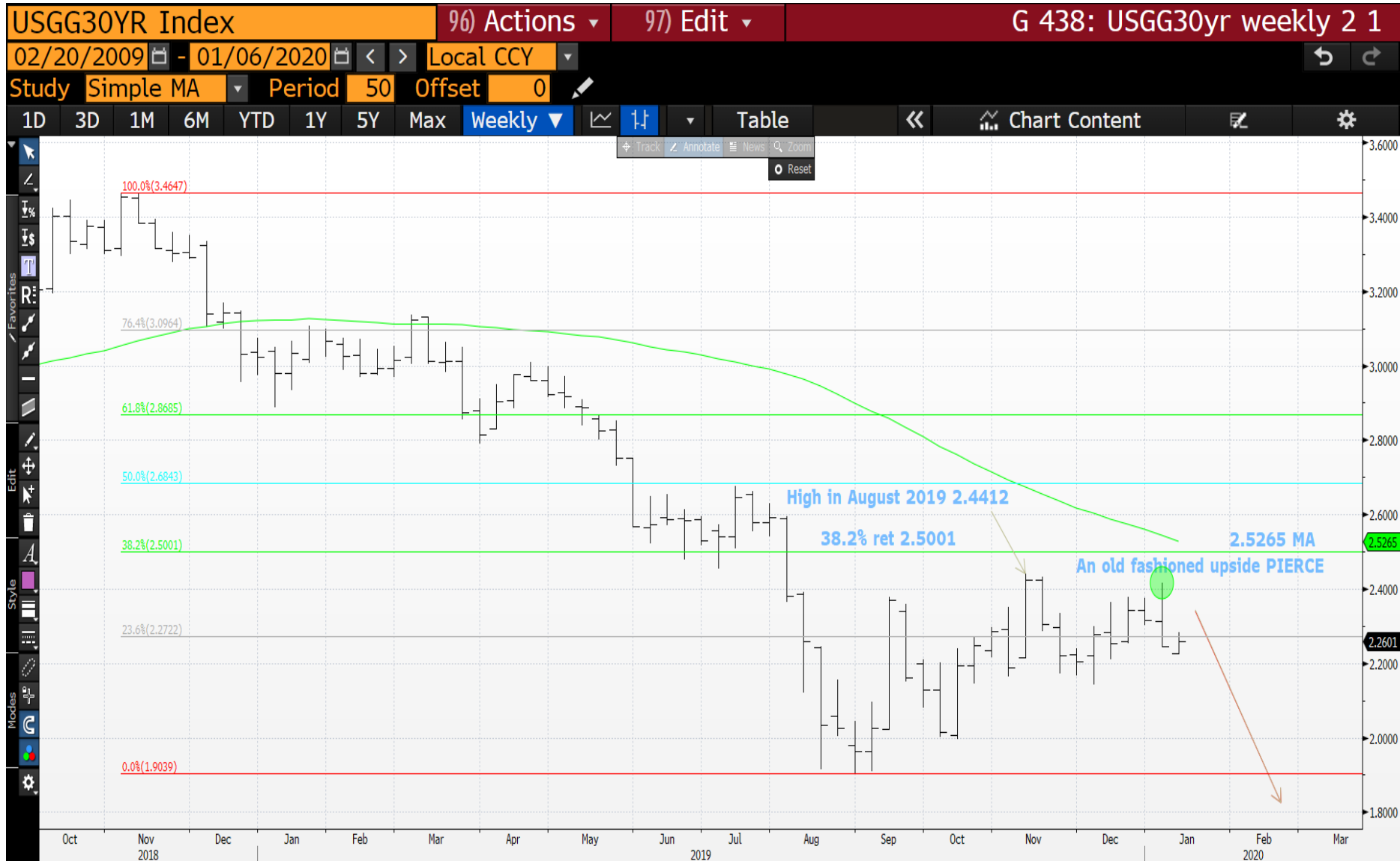
USGG30yr monthly : ** ONE TO WATCH ** We do have a new yield high but despite that we could be poised to EMULATE the next leg lower in yield, as per the example of 2011-2012!



USGG30yr weekly (Taken from Feb 2011 high to July 2012 low) : Hopefully this chart and the following will look similar. That time we failed the 38.2% retracement and 50 day moving average, formulating a new low shortly after.



USGG30yr weekly (Now) : We have opened lower and certainly remain sub last Fridays high. Last Fridays reversal would of created an upside bollinger pierce and signal for yields to head lower.



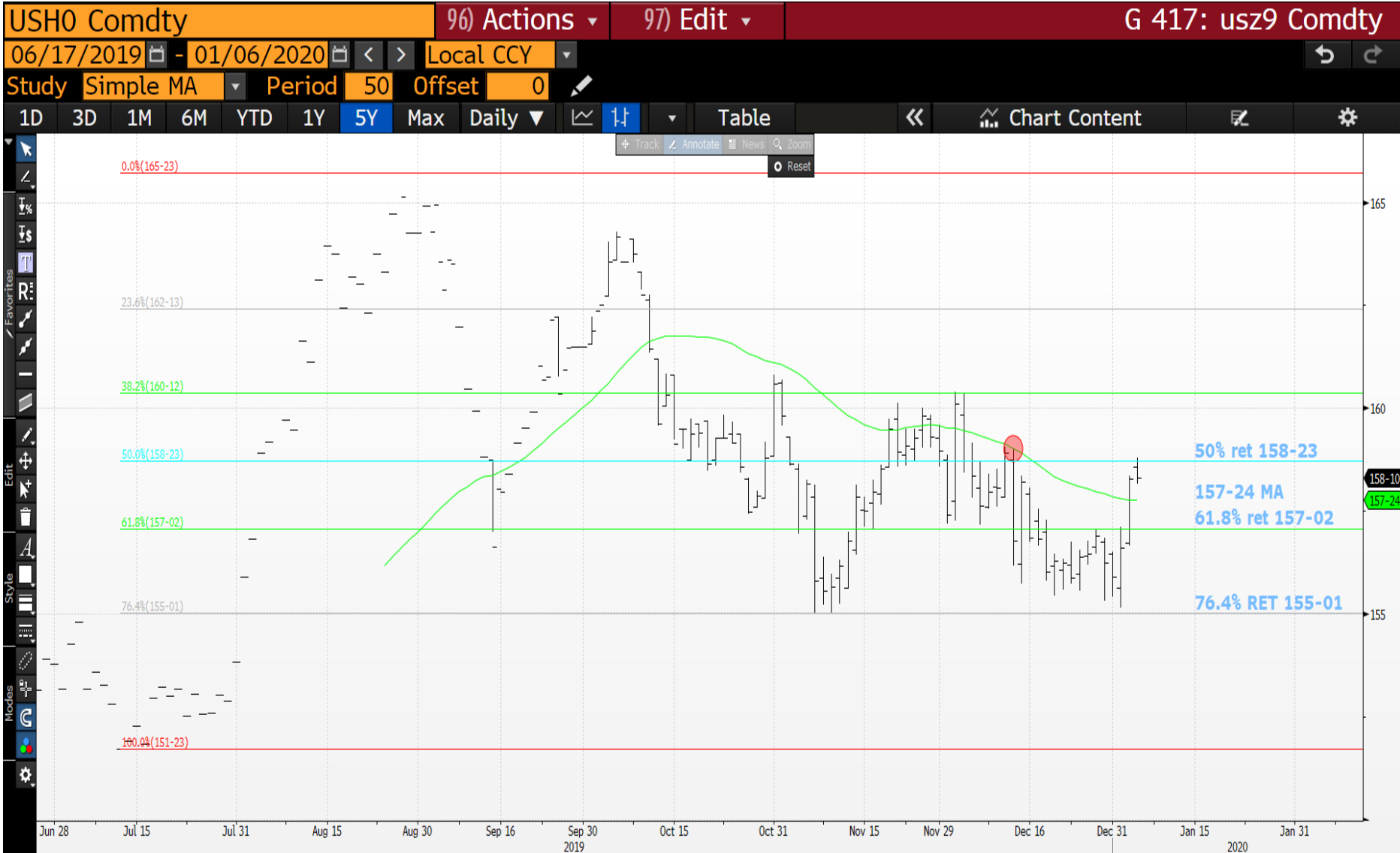
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USGG30yr yield daily : *ONE TO WATCH* We have a new yield low but ultimately need to breach the 2.2022 100 day moving average. Ideally we head lower in yield tomorrow.



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US 30yr futures daily : We have breached the 50 day moving average and hopefully take out the 50% ret 158-23 tomorrow.



06/01/2020

US 10yr yield quarterly : The quarterly RSI is off the lows BUT we are failing the all important 2.00 % yield level.



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USFS 10-20 monthly : Could the 2008 low become relevant here given the RSI is rolling over.



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US 10yr yield weekly (Taken from Feb 2011 high to July 2012 low): That time we fell SHY of the retracement and MOVING AVERAGE.



US 10yr yield weekly (Now) : We have a narrow range today but that said do have a NEW YIELD LOW. Providing we remain sub the 23.6% ret 1.8596 level we should head lower.



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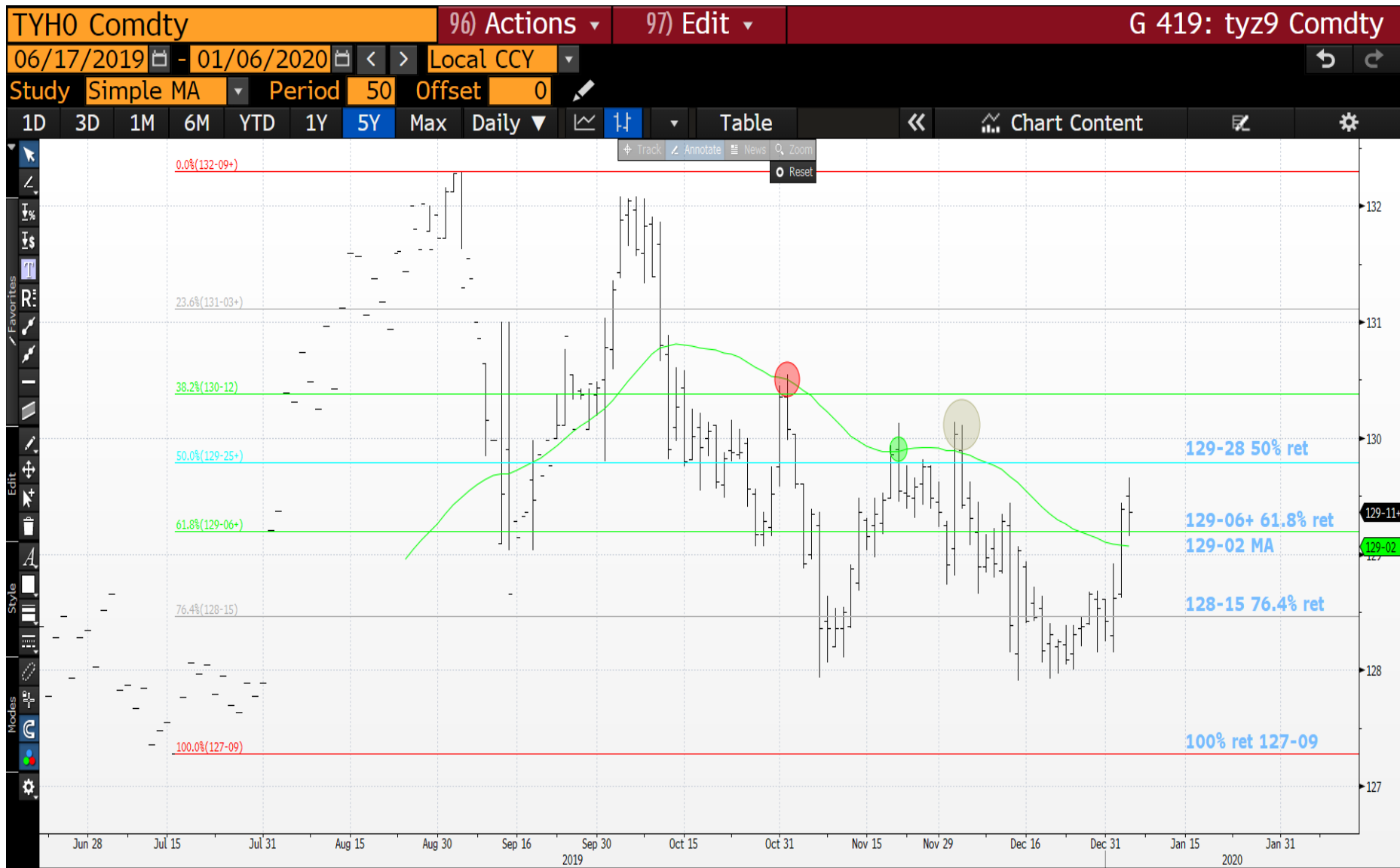
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USGG10yr daily : The RSI is neutral so can be ruled out BUT failing SHY of the 200 day 1.9887 cannot. A close sub the 1.7360 100 day moving average this week will be key.



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US 10yr futures daily : This is the IDEAL performance holding the 129-06+ 61.8% ret, slightly higher close will benefit the next leg higher.



USGG5yr quarterly : ** Critical chart ** The key here is to remain sub the RELIABLE 1.8088 moving average. This could become a very historical rejection and see HISTORY being repeated.



USGG5yr weekly (Taken from Feb 2011 high to July 2012 low) : That time the bounce was ONLY to the 23.6% ret 1.1520 indicating a very LAME bounce.

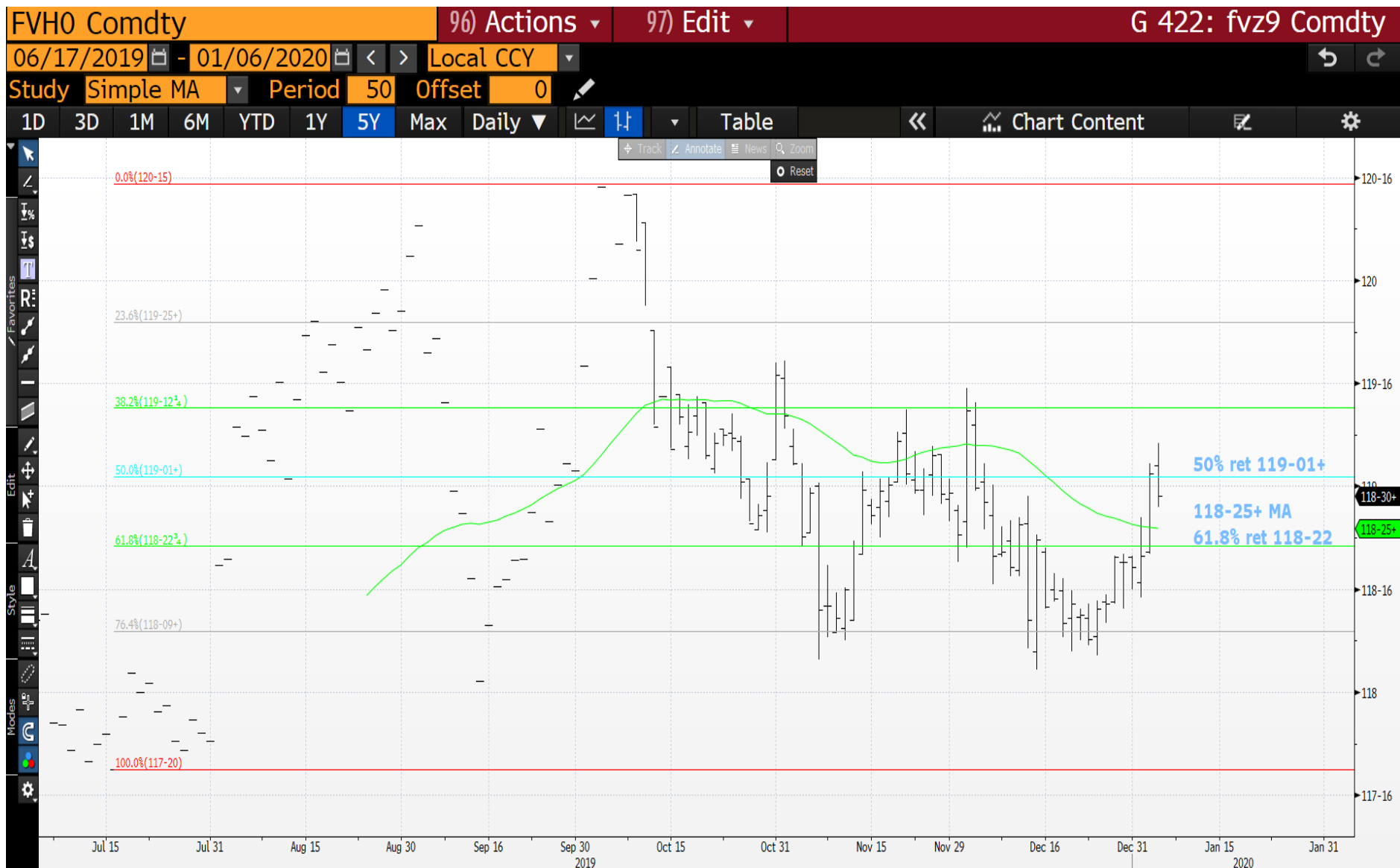


USGG5yr weekly (Now) : No dramatic drop BUT there is a new yield low, a weaker close would assist.



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US 5yr futures daily : A strong break of the 50% ret 119-01+, ideally we close above this level.



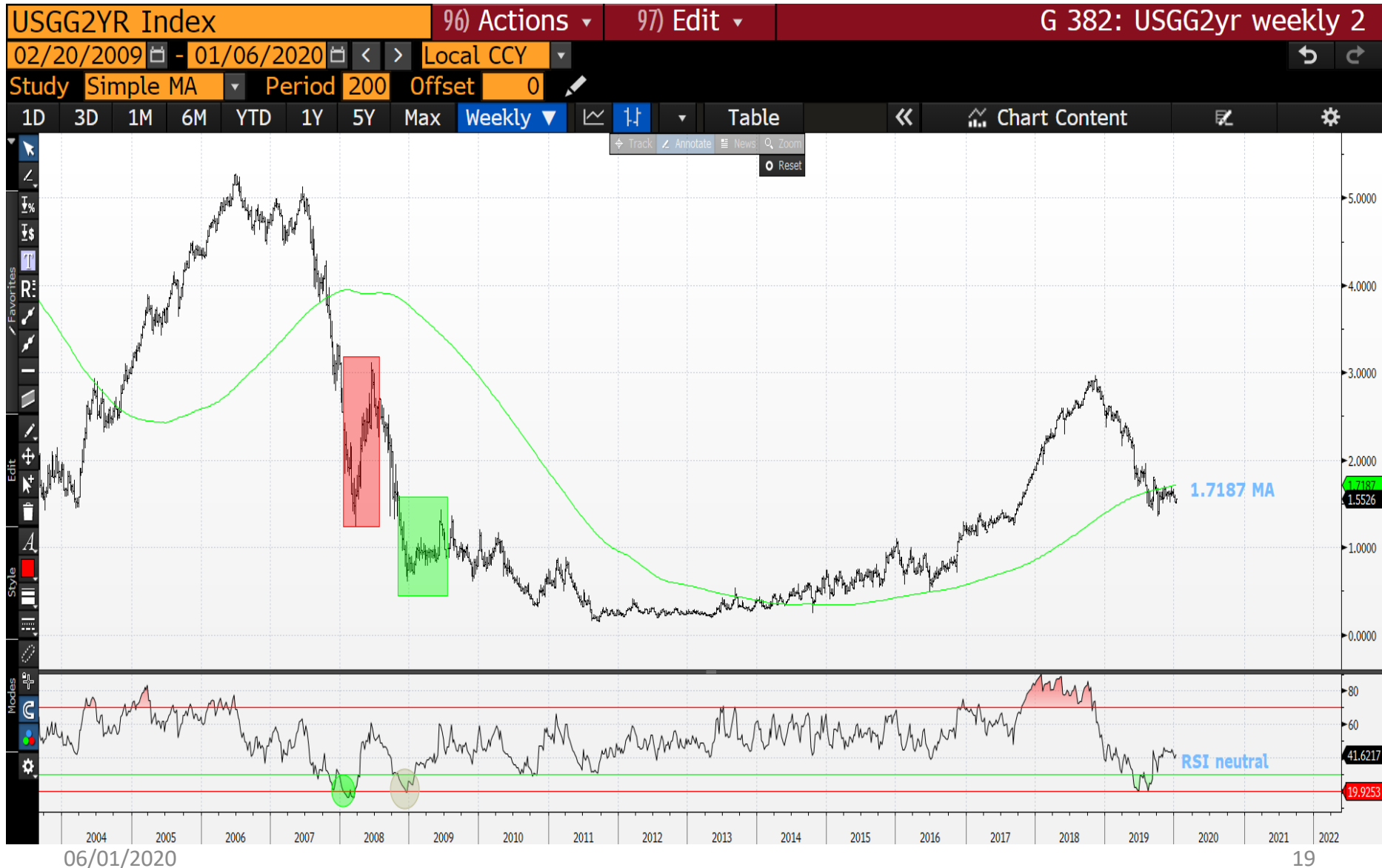
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USGG2yr monthly : This could be another KEY chart given we have not been able to breach the 23.6% ret 1.7448.



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USGG2yr weekly : A real TEASE given we have been UNABLE to breach the prominent 1.7187 moving average. We have had several opportunities and FAILED.



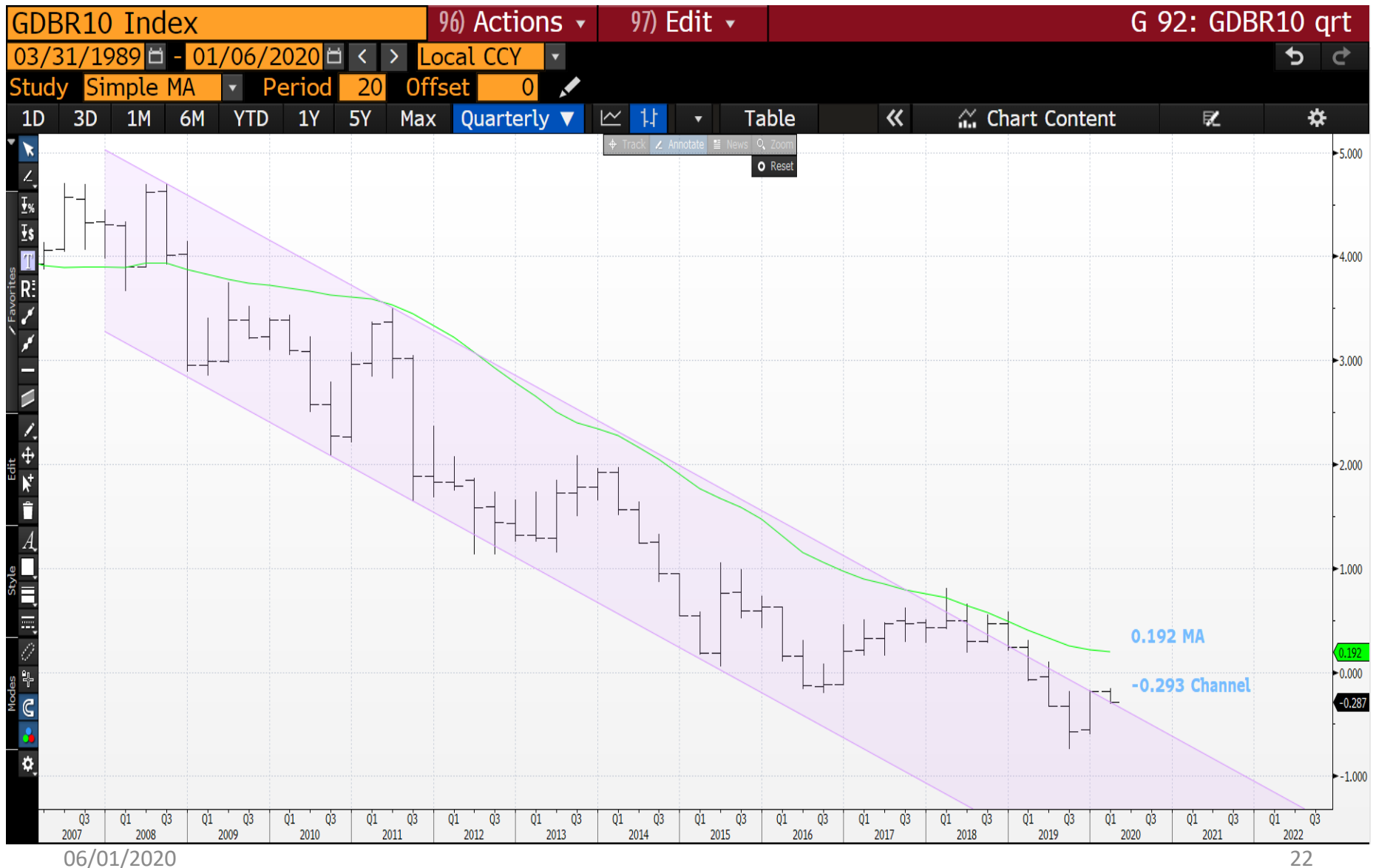
USGG2yr daily : ****Further evidence of the STRUGGLE.**** We are now **BELOW ALL** reliable moving averages.



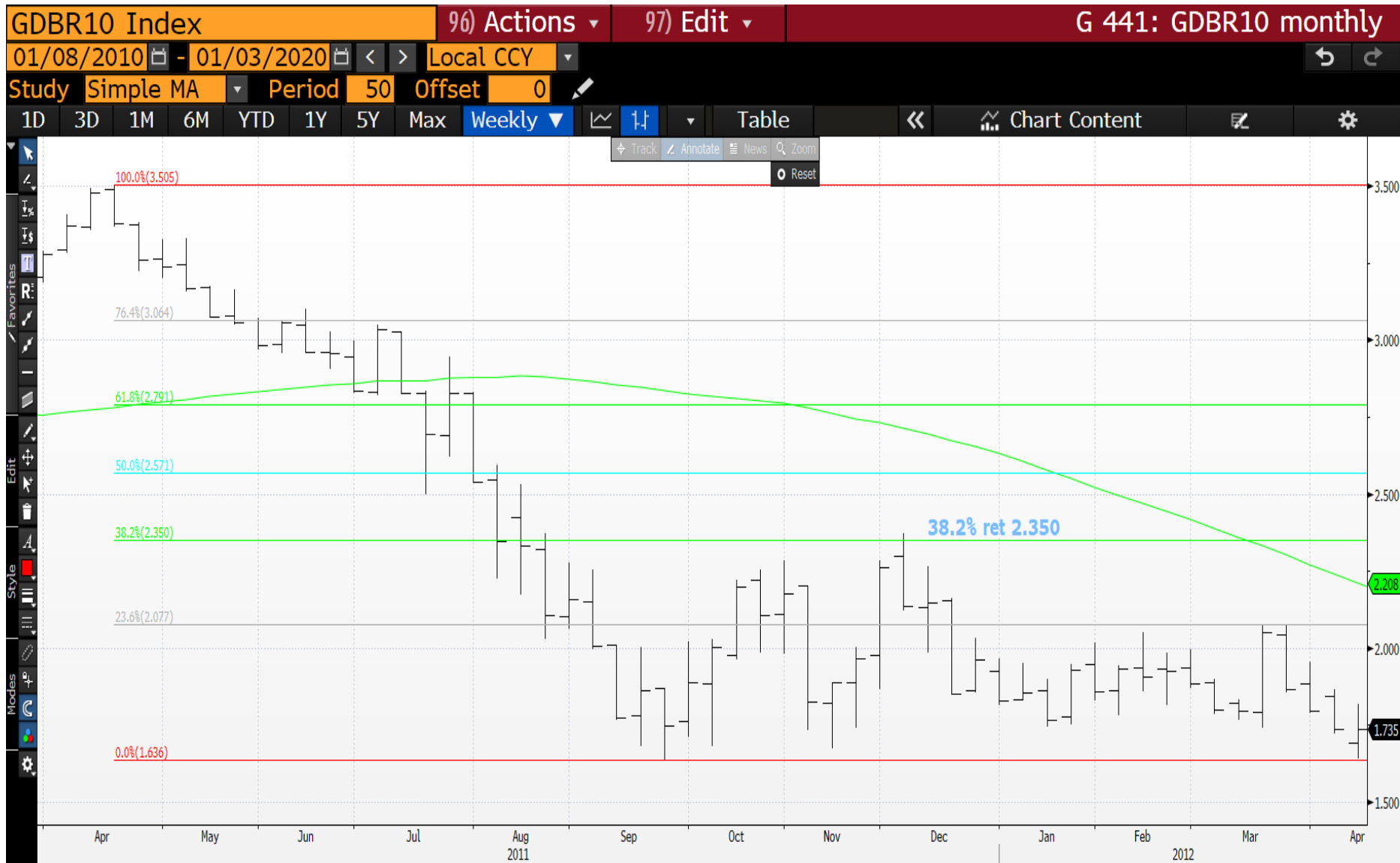
US 2yr future daily : A new futures high, preference a slightly better close.



Generic German 10yr quarterly : A VERY KEY chart if we RE-ENTER the channel -0.293.



Generic German 10yr weekly (Taken from April 2011 high to April 2012 low) : That time we hit the 38.2% ret 2.350 and failed.

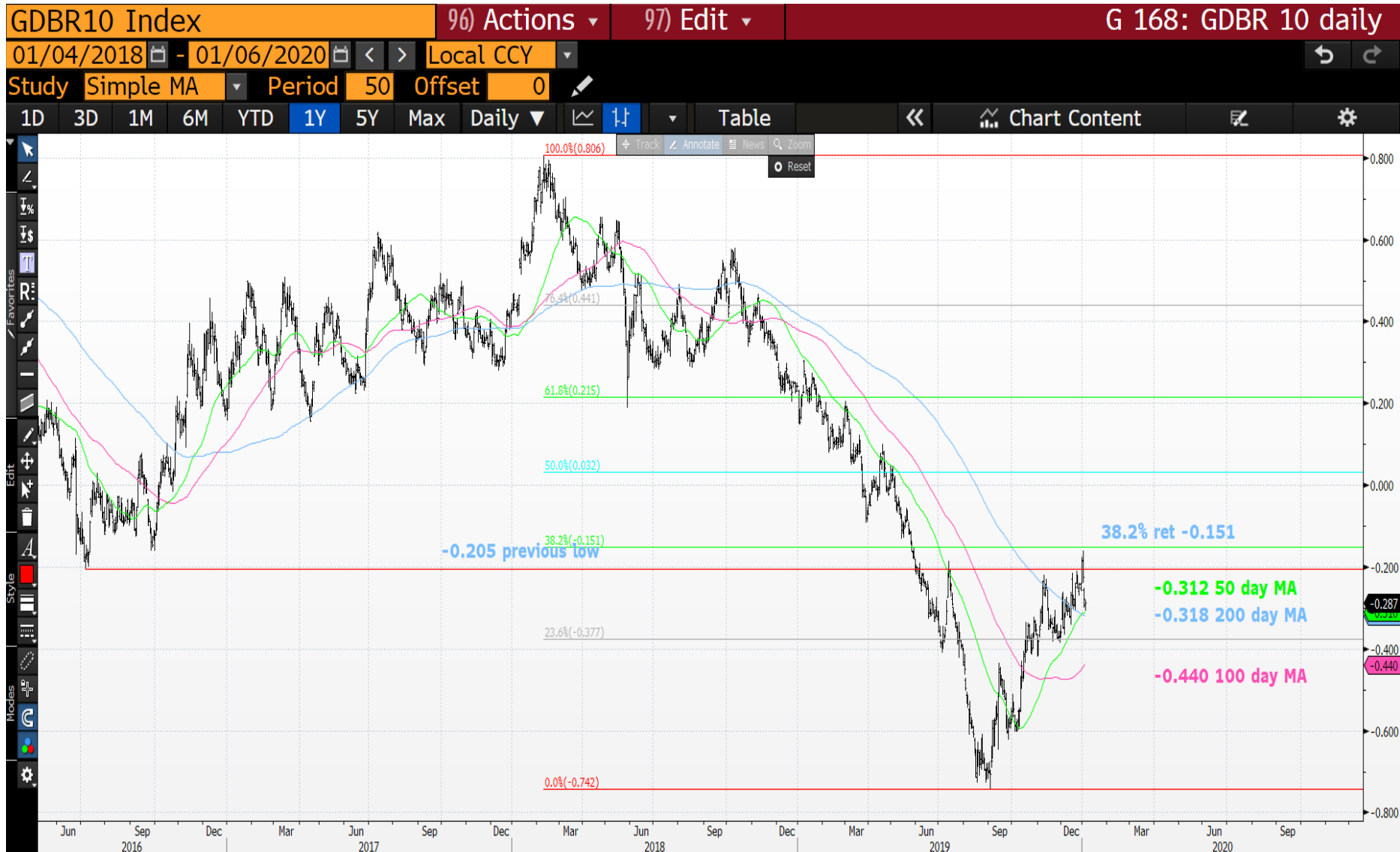


Generic German 10yr weekly (Now) : We have a NASTY upside pierce in play that failed at the 38.2% ret -0.151. Ideally we continue lower over the next few days.

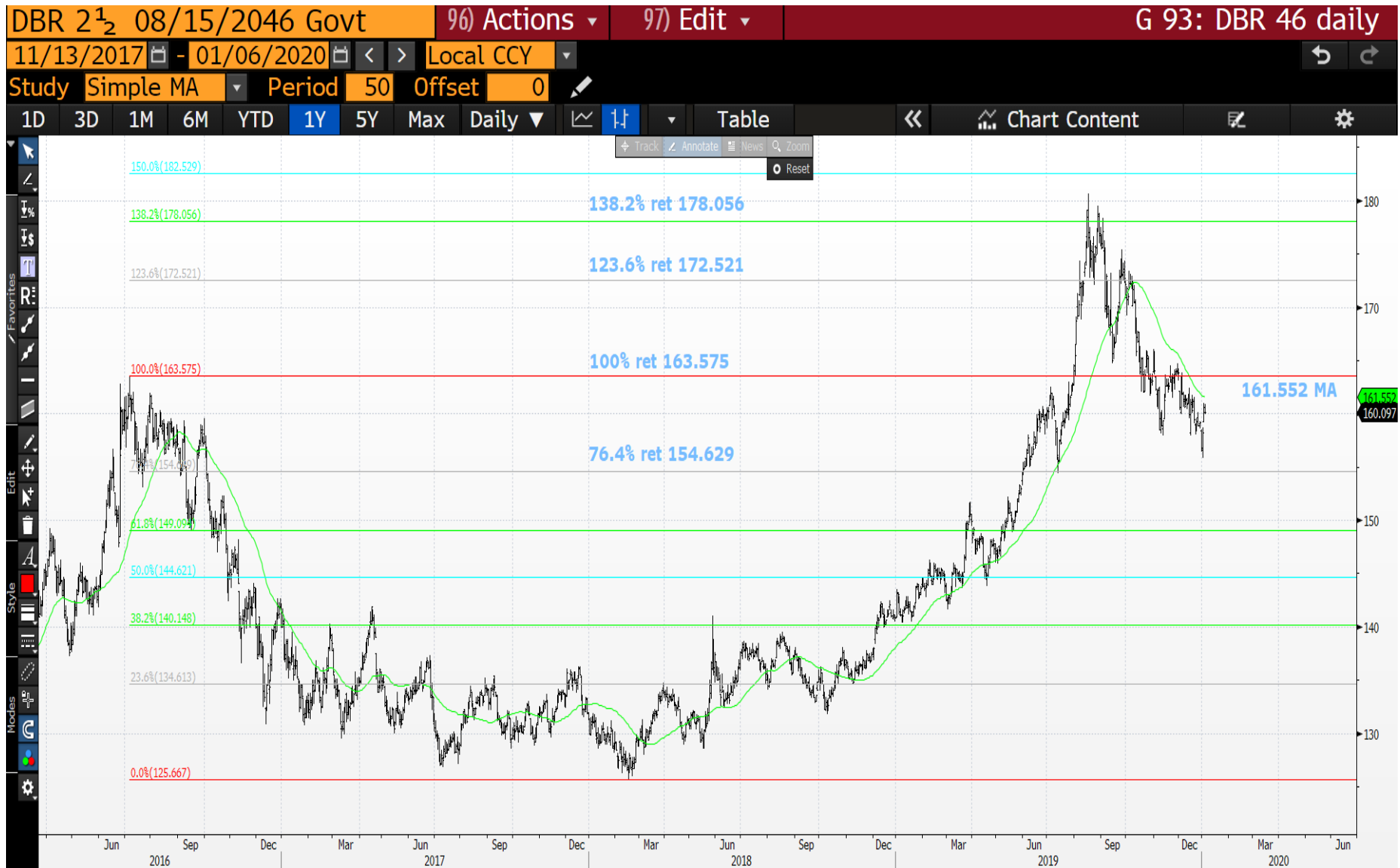


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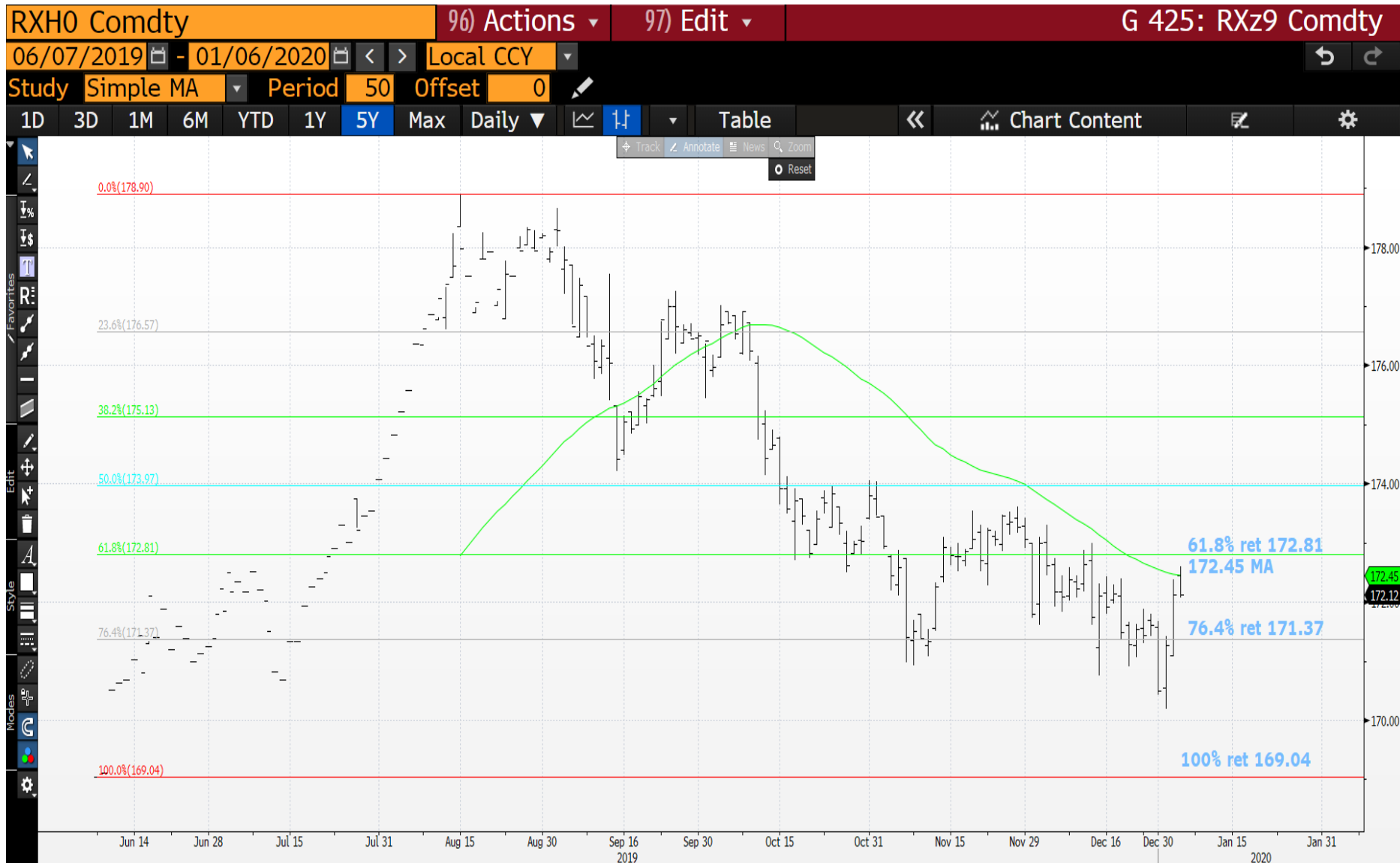
Generic German 10yr daily : Given we have failed the 38.2% ret and previous low -0.205 things look pretty negative and supporting lower yields! Also the 200 and 50 day are about to CROSS.



DBR 46 daily : Only help here will be if this bond breaches the reliable 161.552 moving average.



Bund future daily : We have a new futures high but as yet have not breached the 61.8% ret 172.81. Hopefully this will happen soon.



Gilt future daily : We have a new futures high but slight disappointment is failing the 61.8% ret 132.55.



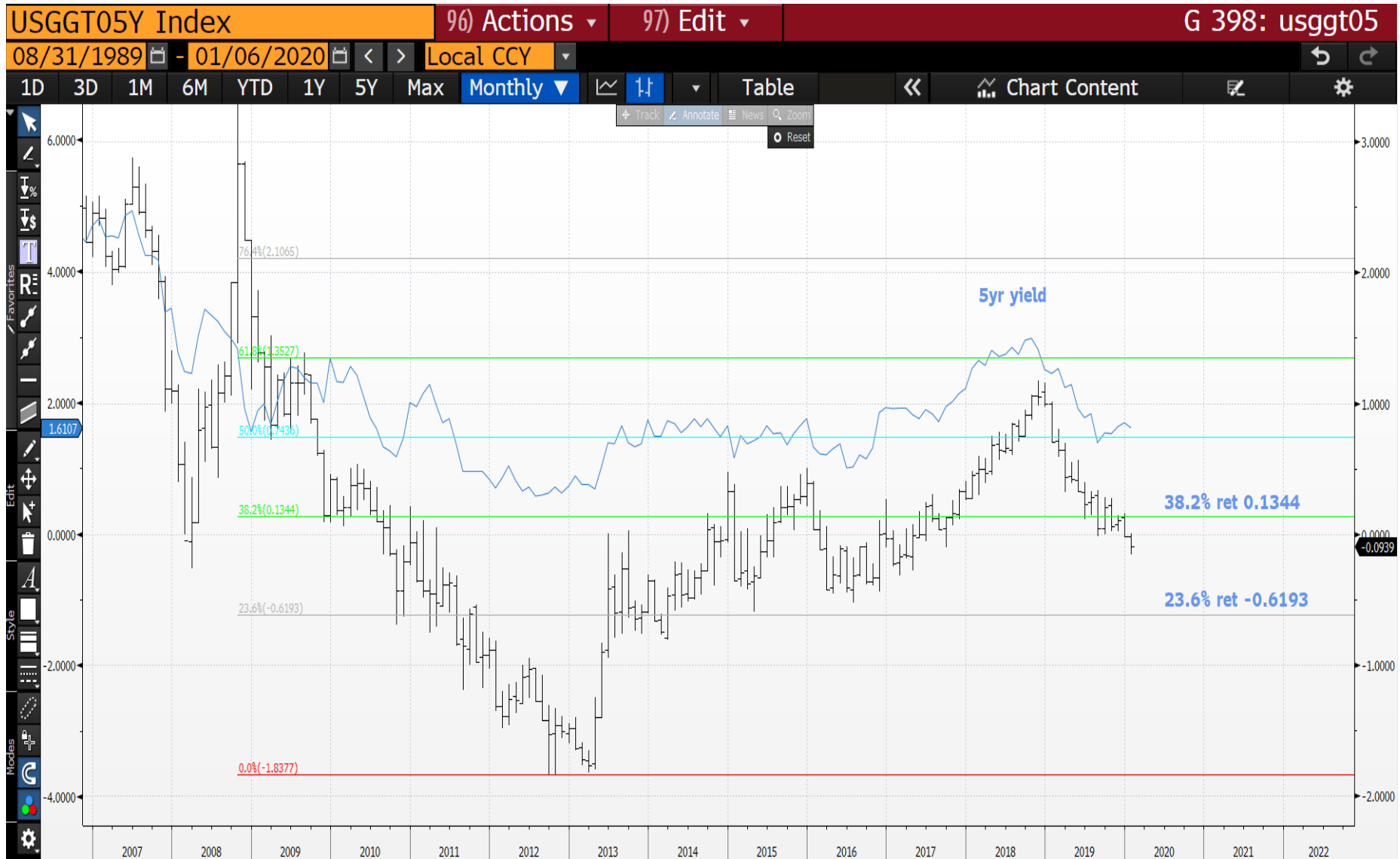
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US BREAKEVENS AND USGGT :

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

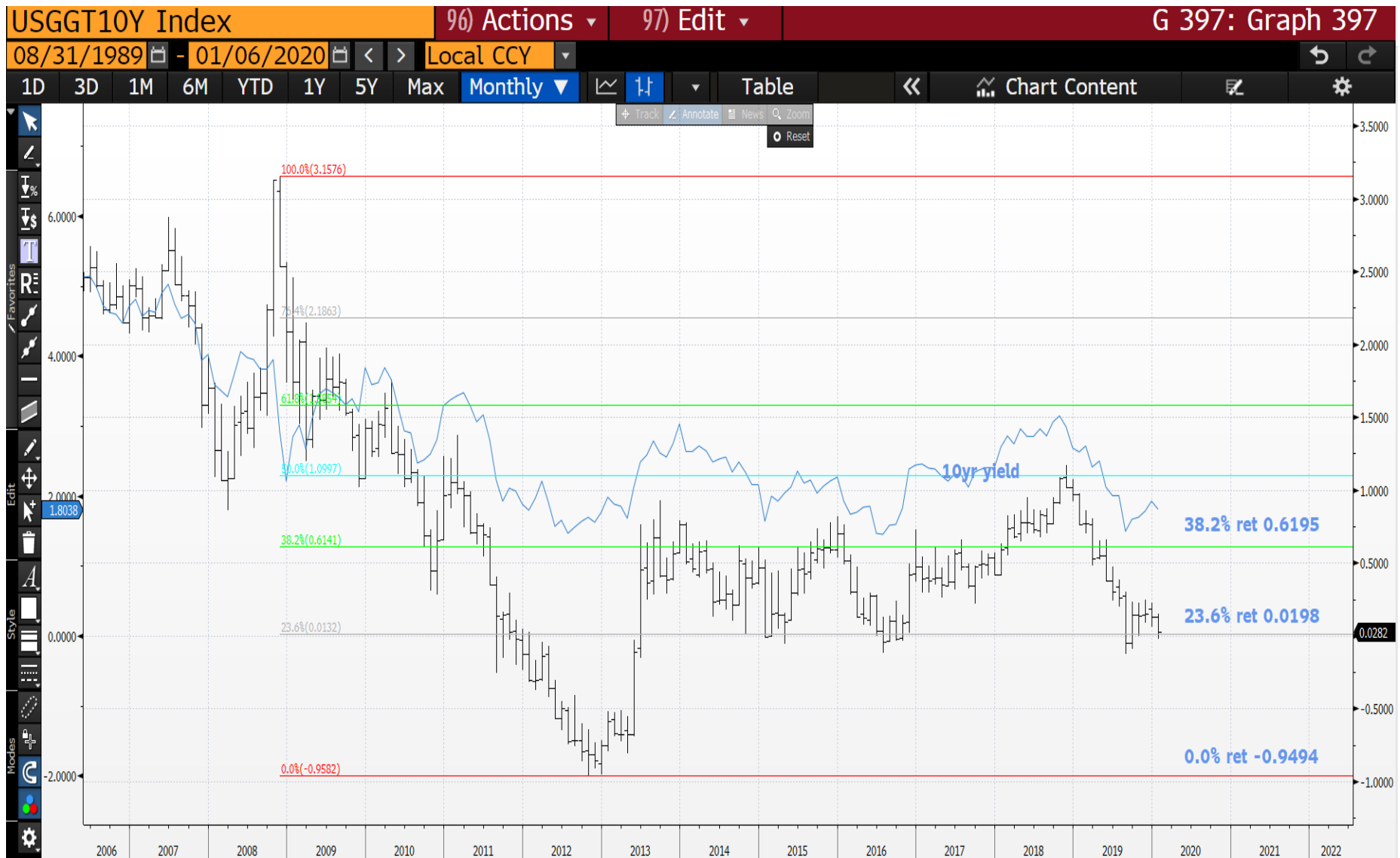
MANY CHARTS HAVE BOND YIELD OVERLAYS.

USGGT05Y and 5yr yield monthly : This has struggled to pop back above the 38.2% ret 0.1344 and as a result could be letting us know that bond yields are heading lower.



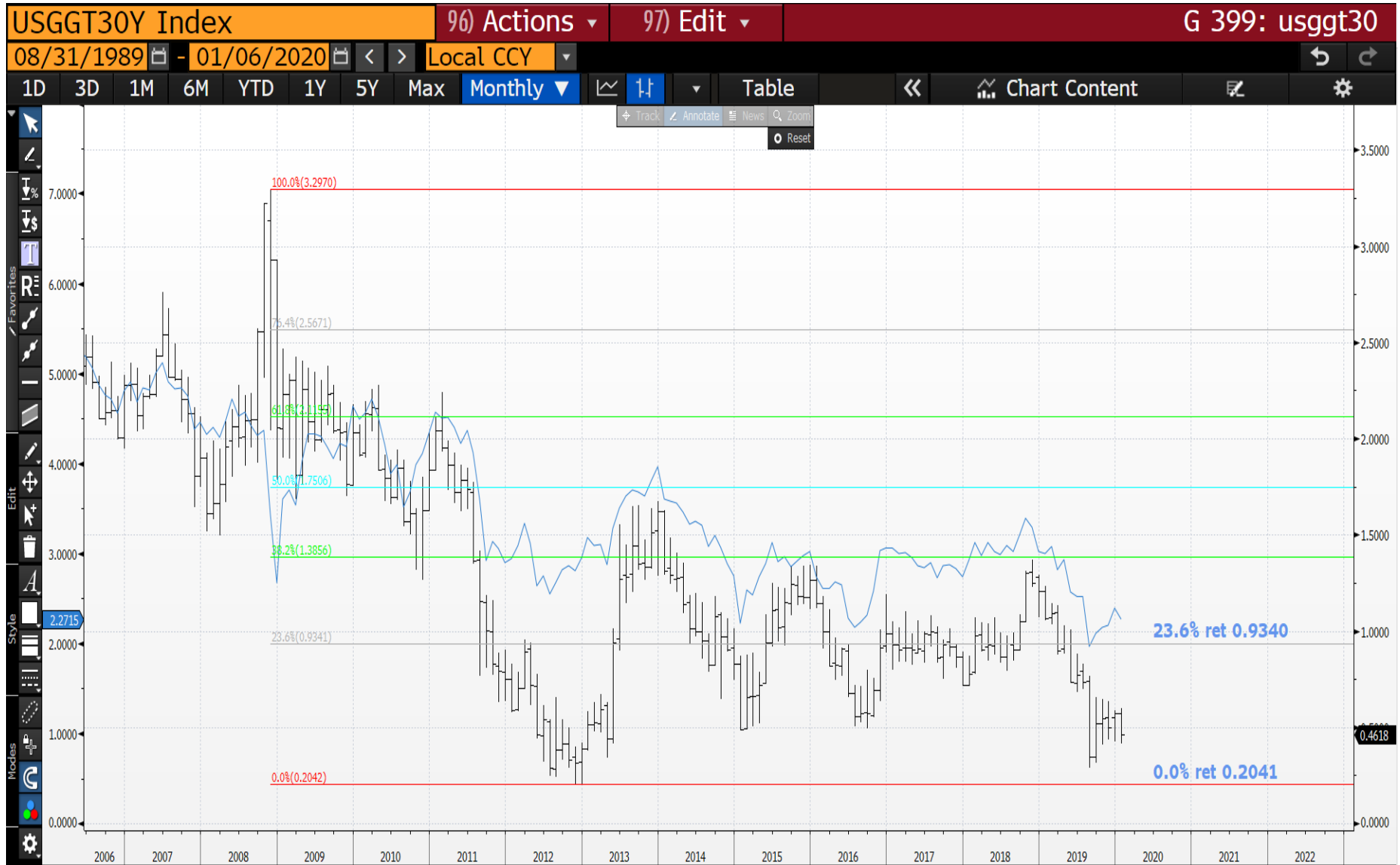
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USGGT10 and 10yr yield monthly : A breach of the familiar 23.6% ret 0.0198 should tell us all we need to know.

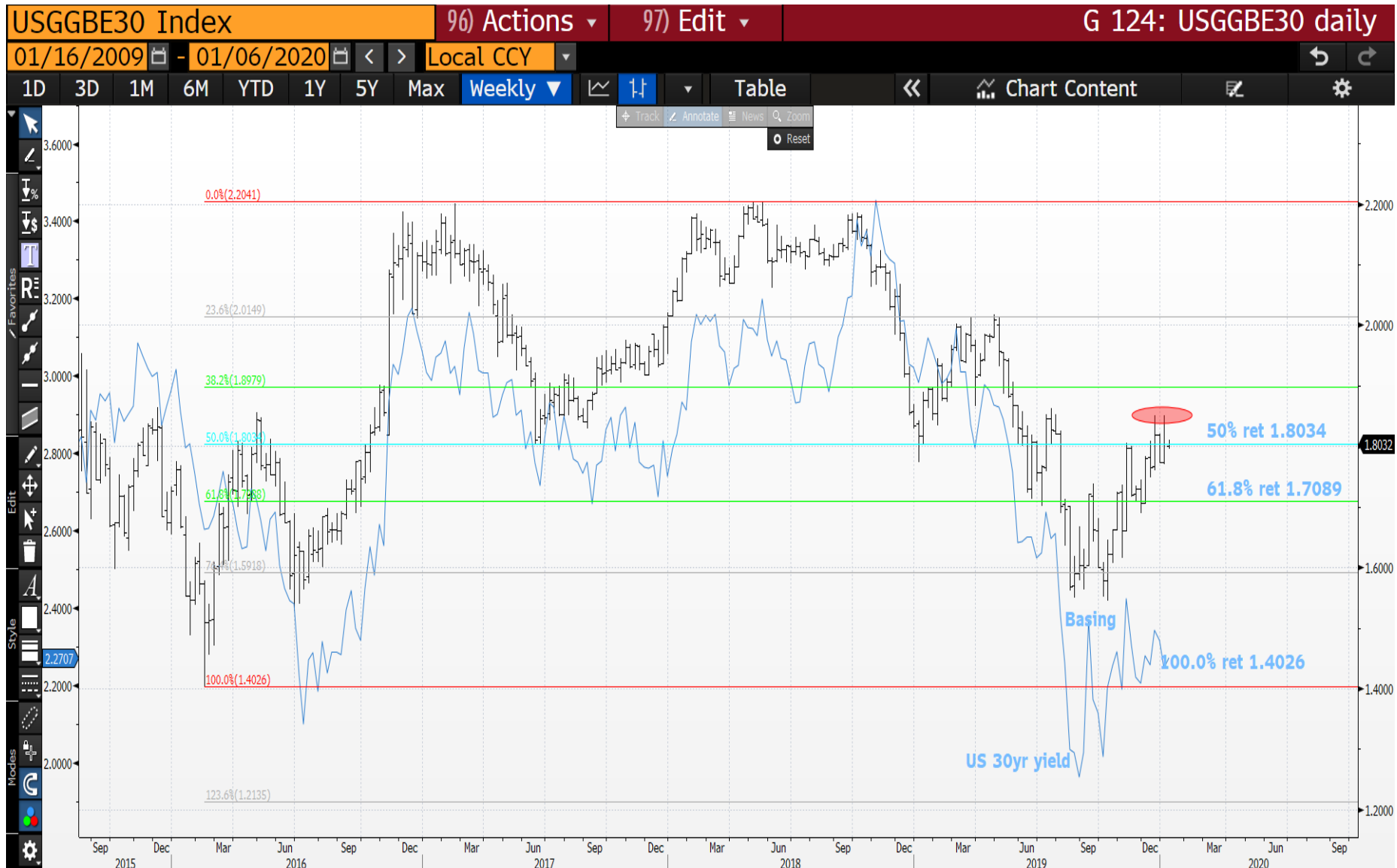


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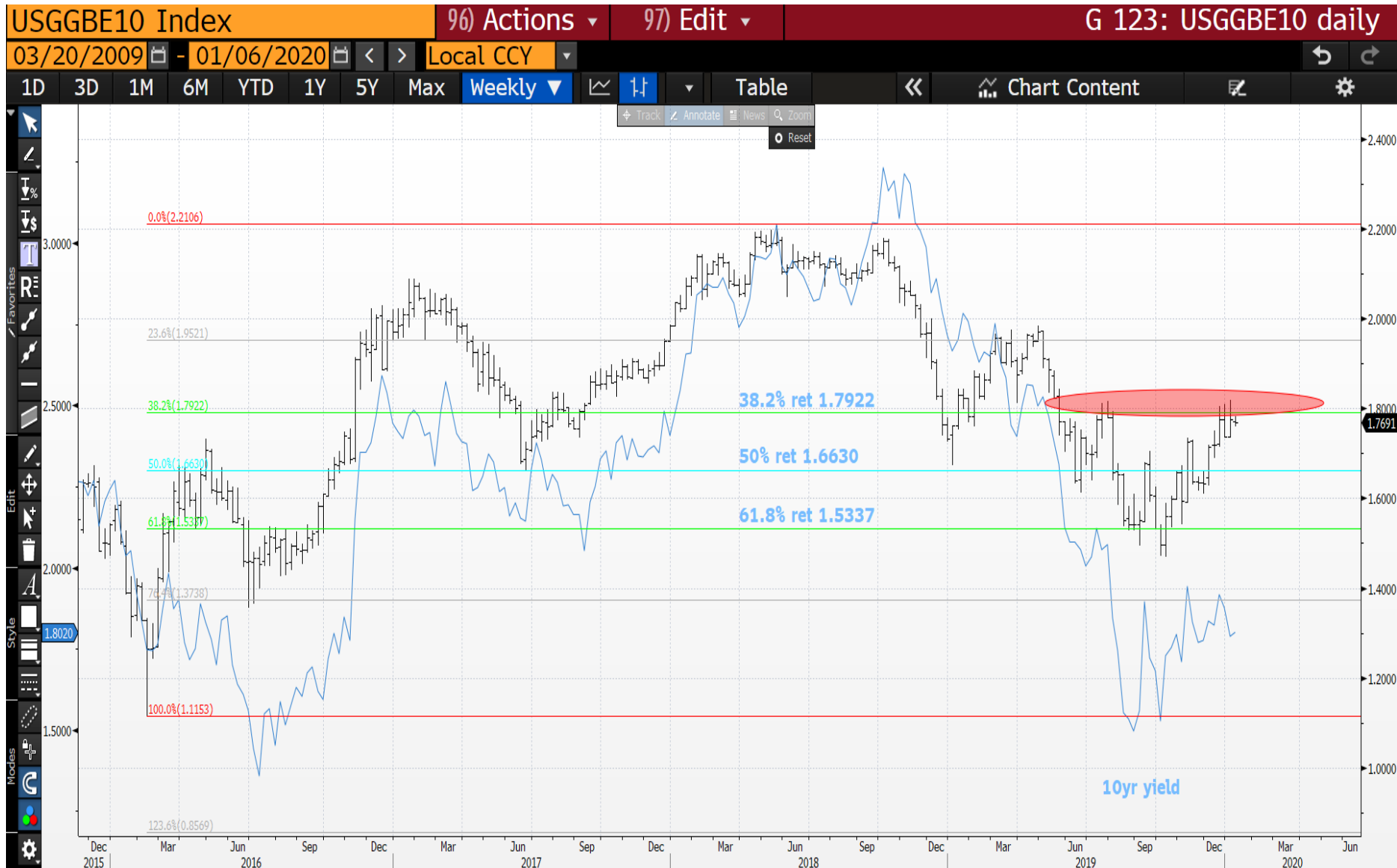
USGGT30 weekly : A very sideways series of months.



UKGGBE30 and 30yr yield weekly : We look like creating a nasty DOUBLE TOP! A close sub the 50% ret 1.8034 will confirm a STALL.

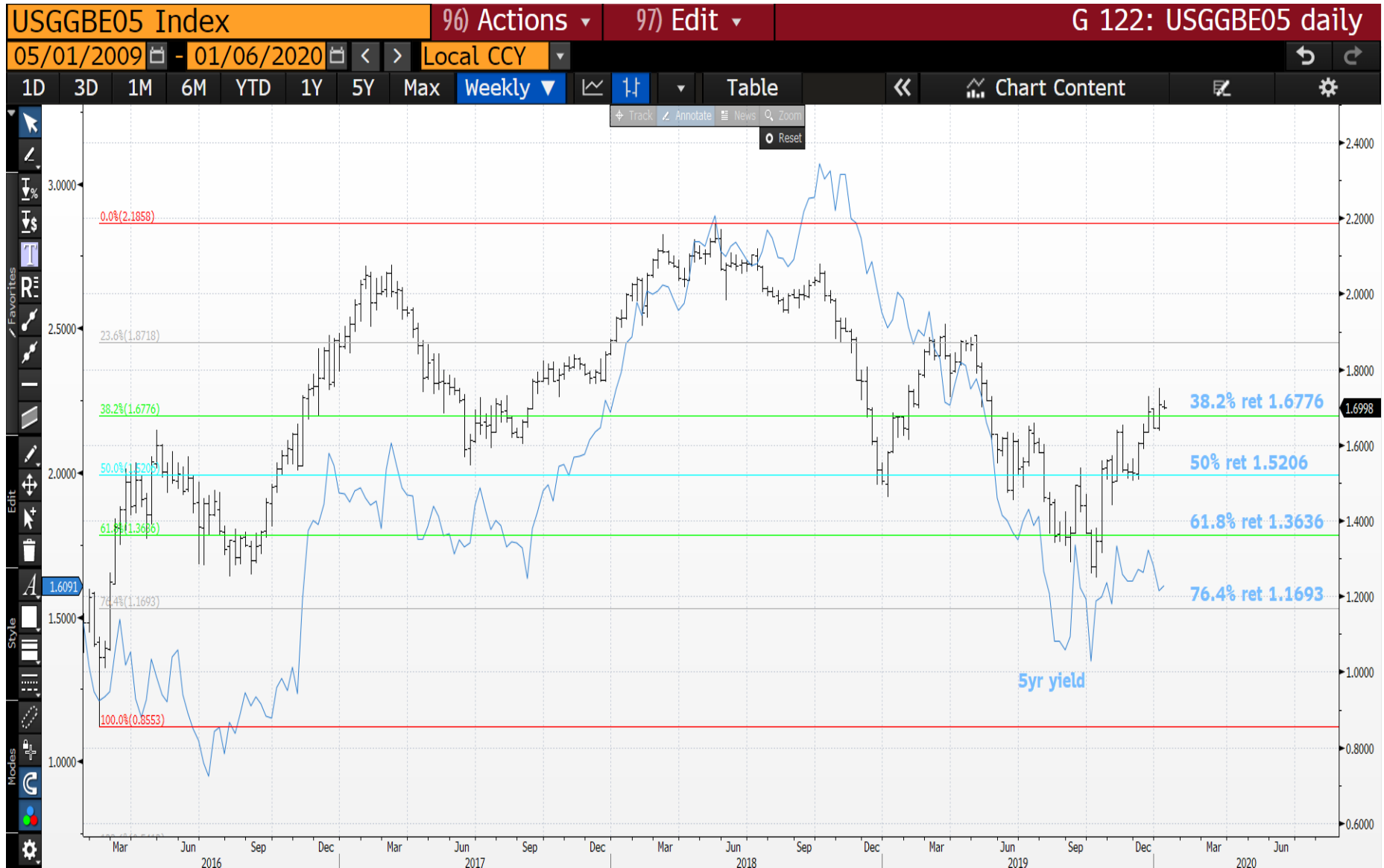


USGGBE10 and 10yr yield weekly : A POTENTIAL TOP if we close sub the 38.2% ret 1.7992.



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USGGBE05 and 5yr yield weekly : As with the previous charts its all about closing SUB the 38.2% ret 1.6776.



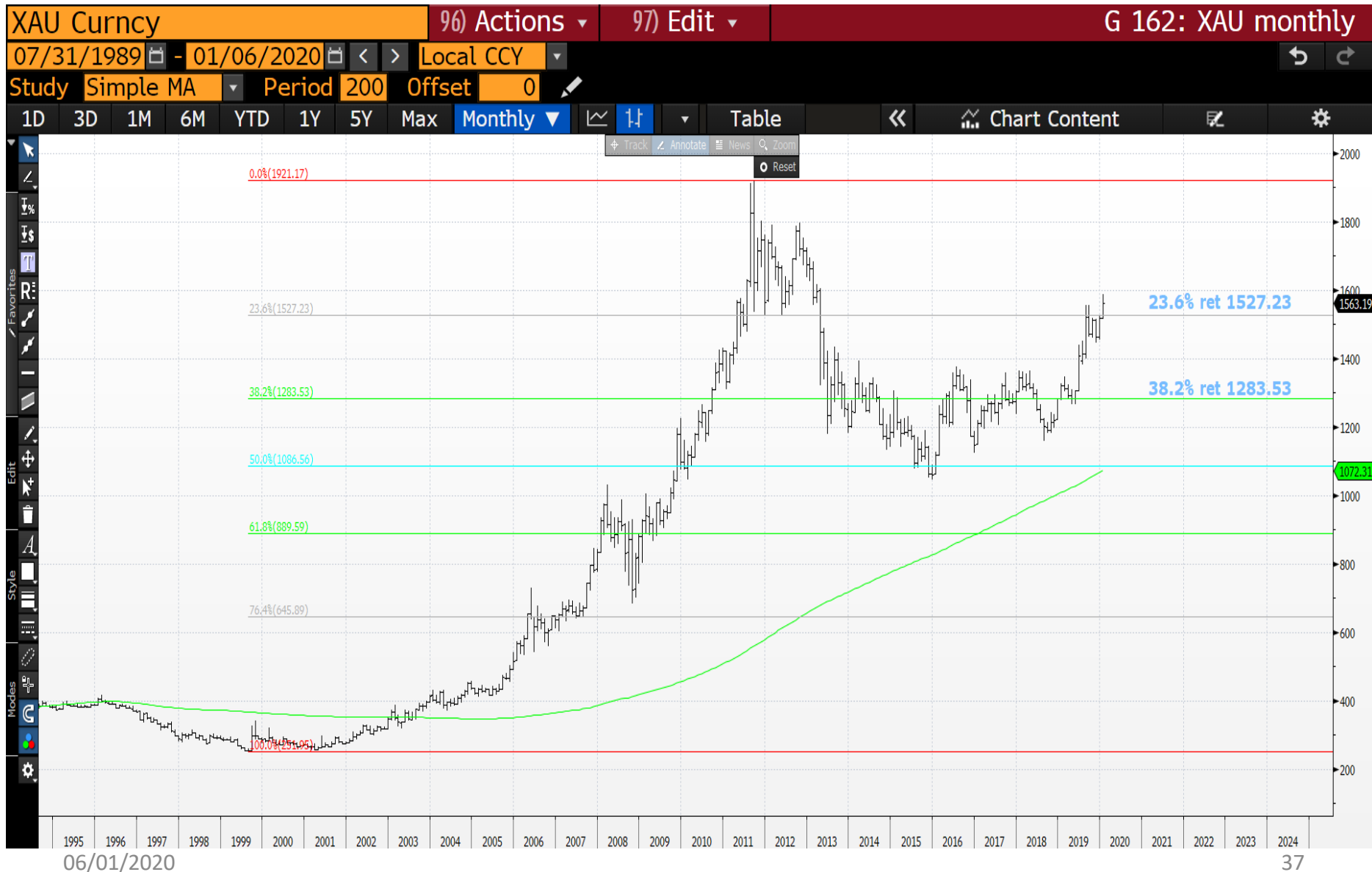
COMMODITIES

This could be time for them to fly given the middle east situation.

Very little of the recent performance in Gold and Oil has been taken back, they have held in WELL. They continue to be a SAFE HAVEN.

Gold has made a new high and seems to be the protection trade for many if the middle east tensions increase.

GOLD monthly : We have breached the recent high and this seems to be the best insurance policy for many, when tensions-hostilities increase.



SILVER monthly : Am sure this will play catch up, certainly if the 61.8% ret 19.4783-moving average 19.767 is breached.



OIL monthly : Given this is not a MINOR infringement on the middle east then OIL should spike higher, above the 69.21 moving average will help.



EQUITIES

EQUITIES : LITTLE FOLLOW THROUGH FROM LAST WEEK BUT IN MANY CASES WE REMAIN SUB THOSE RECENT HIGHS.

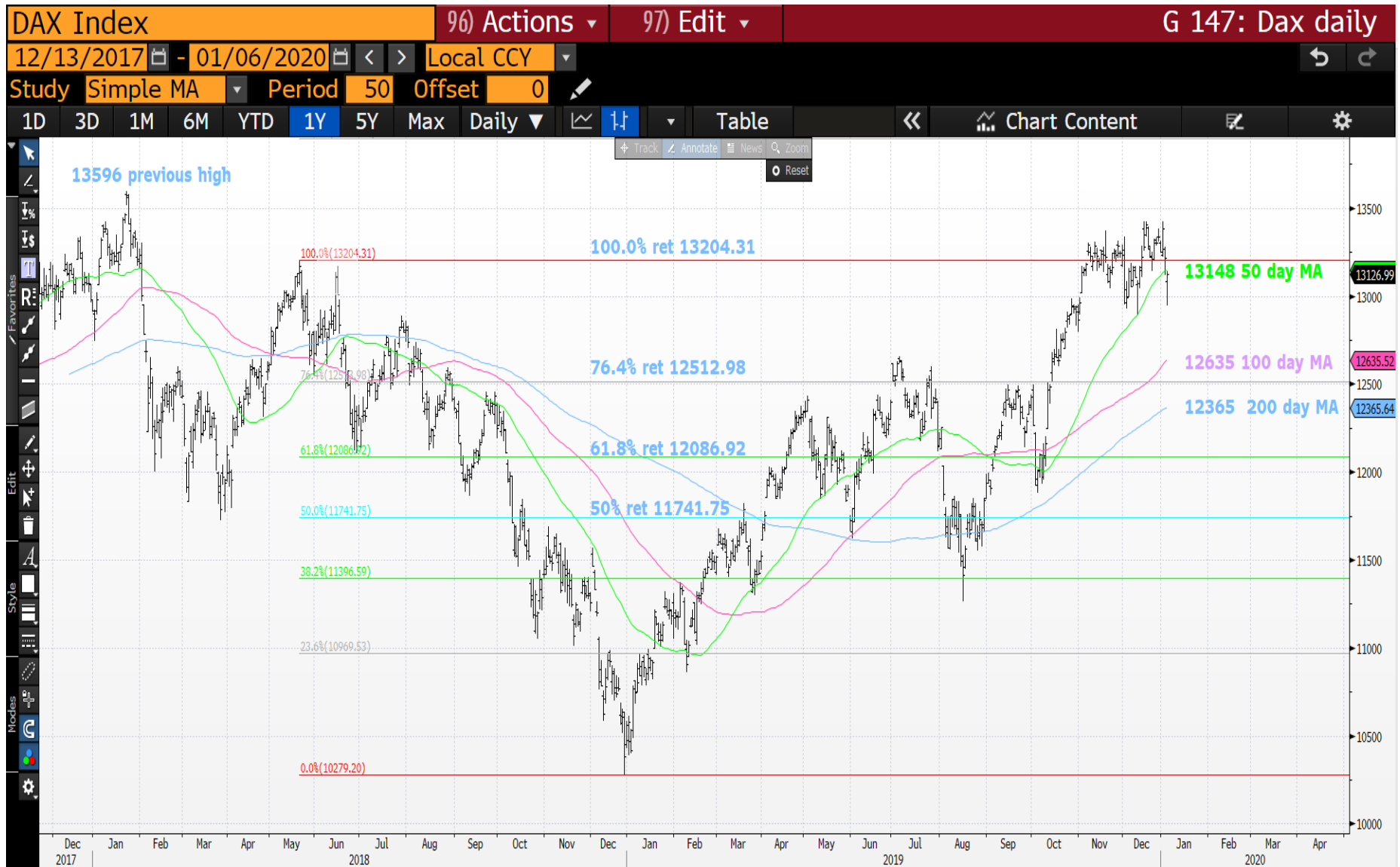
THESE COULD BECOME A CONCERN GIVEN MANY LOFTY RSI'S.

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

DAX monthly : Question is do leverage against failing last months HIGH? Time will tell.



DAX daily : We have breached the reliable 50 day moving average 13148, just a disappointing close.

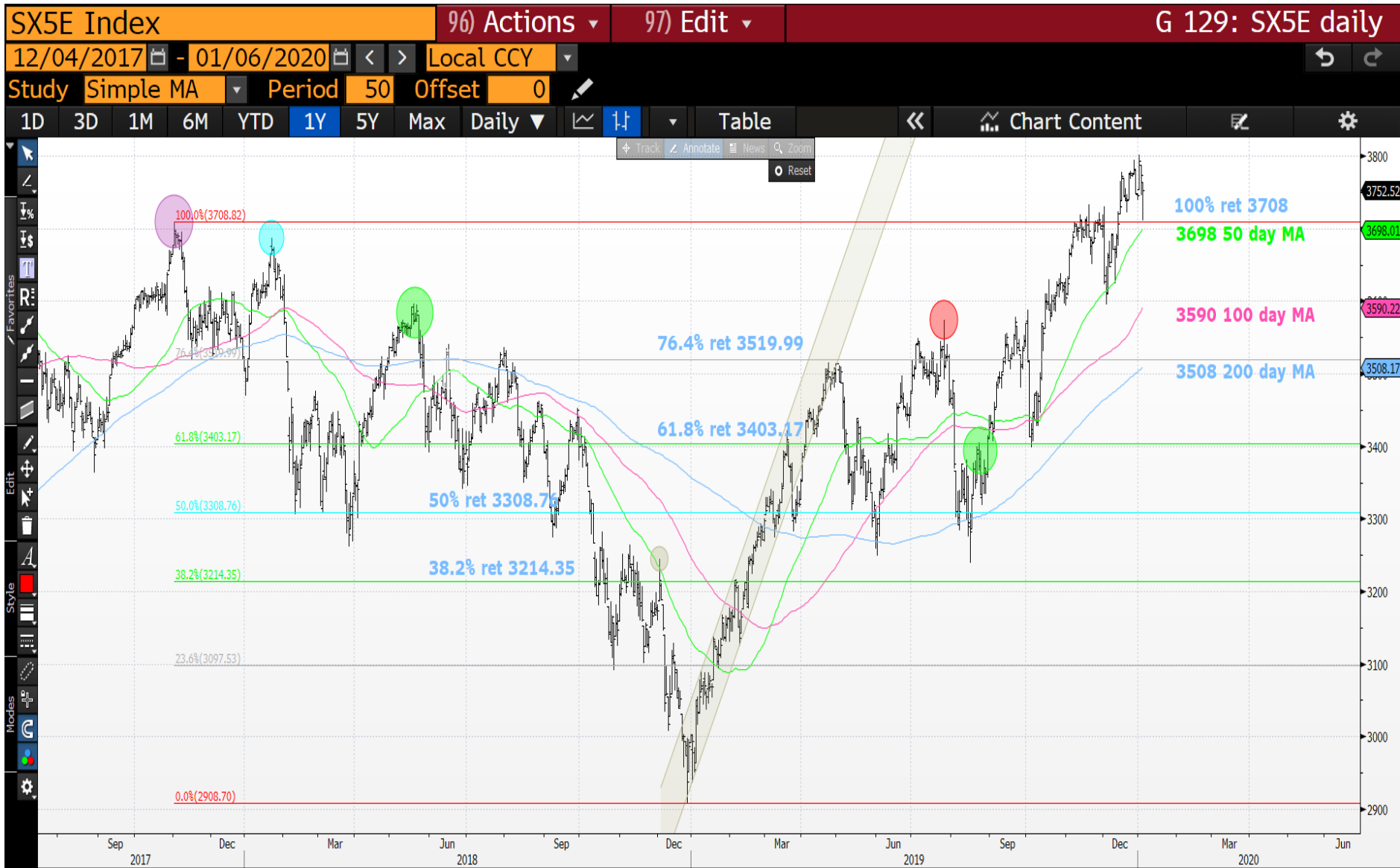


Eurostoxx monthly : We need to make use of failing last months HIGH.

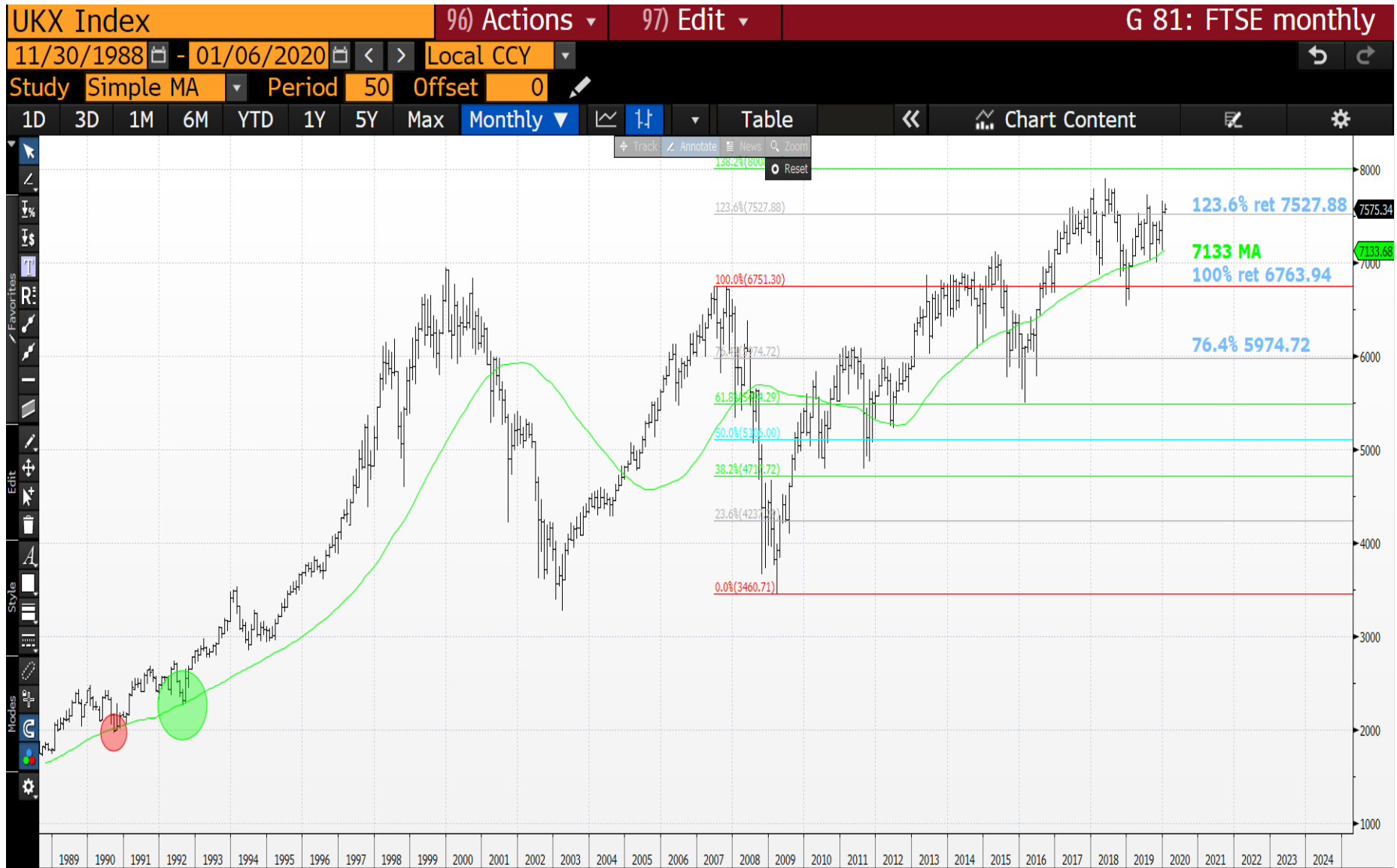


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Eurostox daily : No drama yet as minimally we would need to breach the 100% ret 3708.

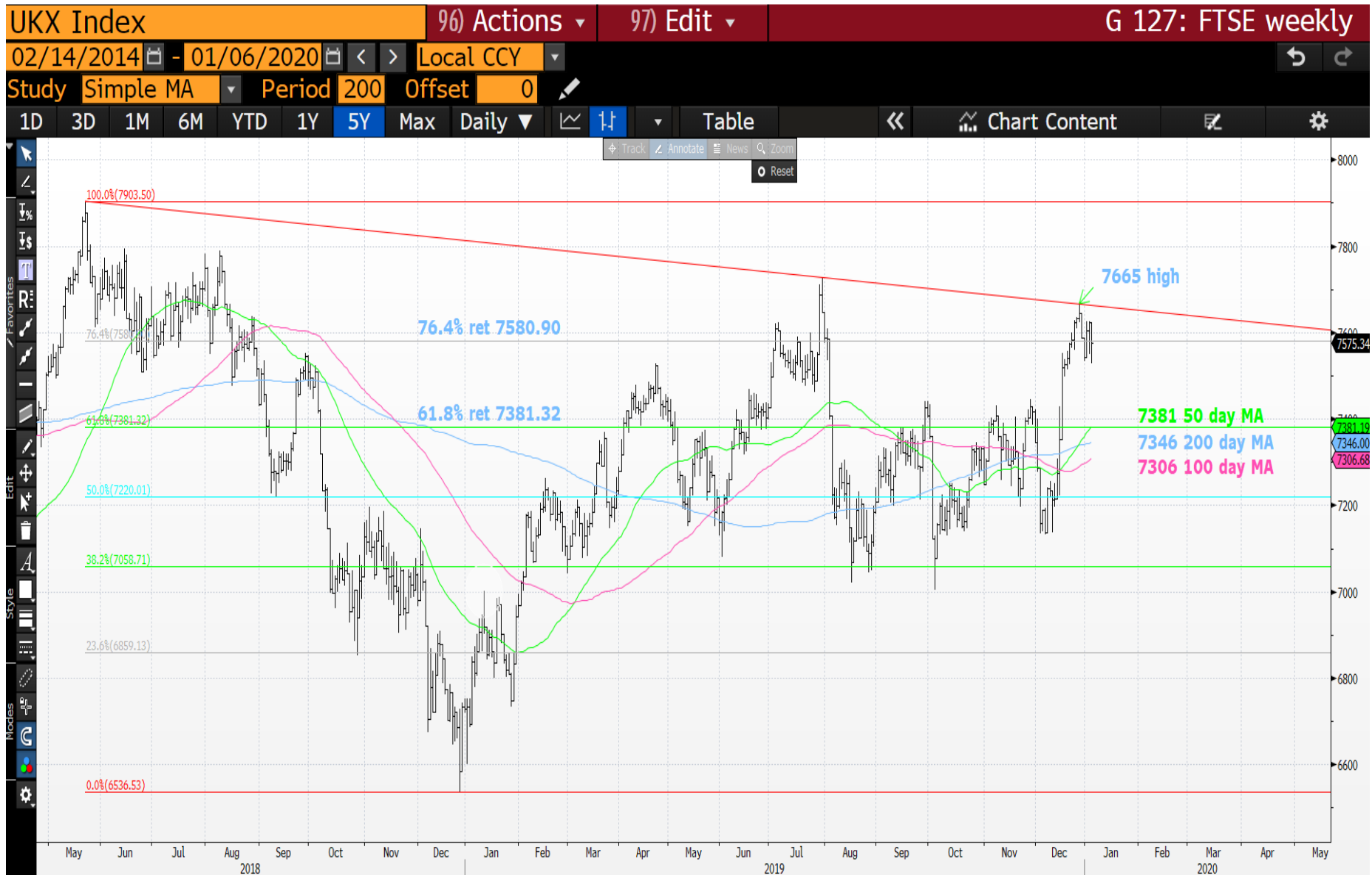


FTSE monthly : No issue here certainly whilst we remain above the 123.6% ret 7527.88.

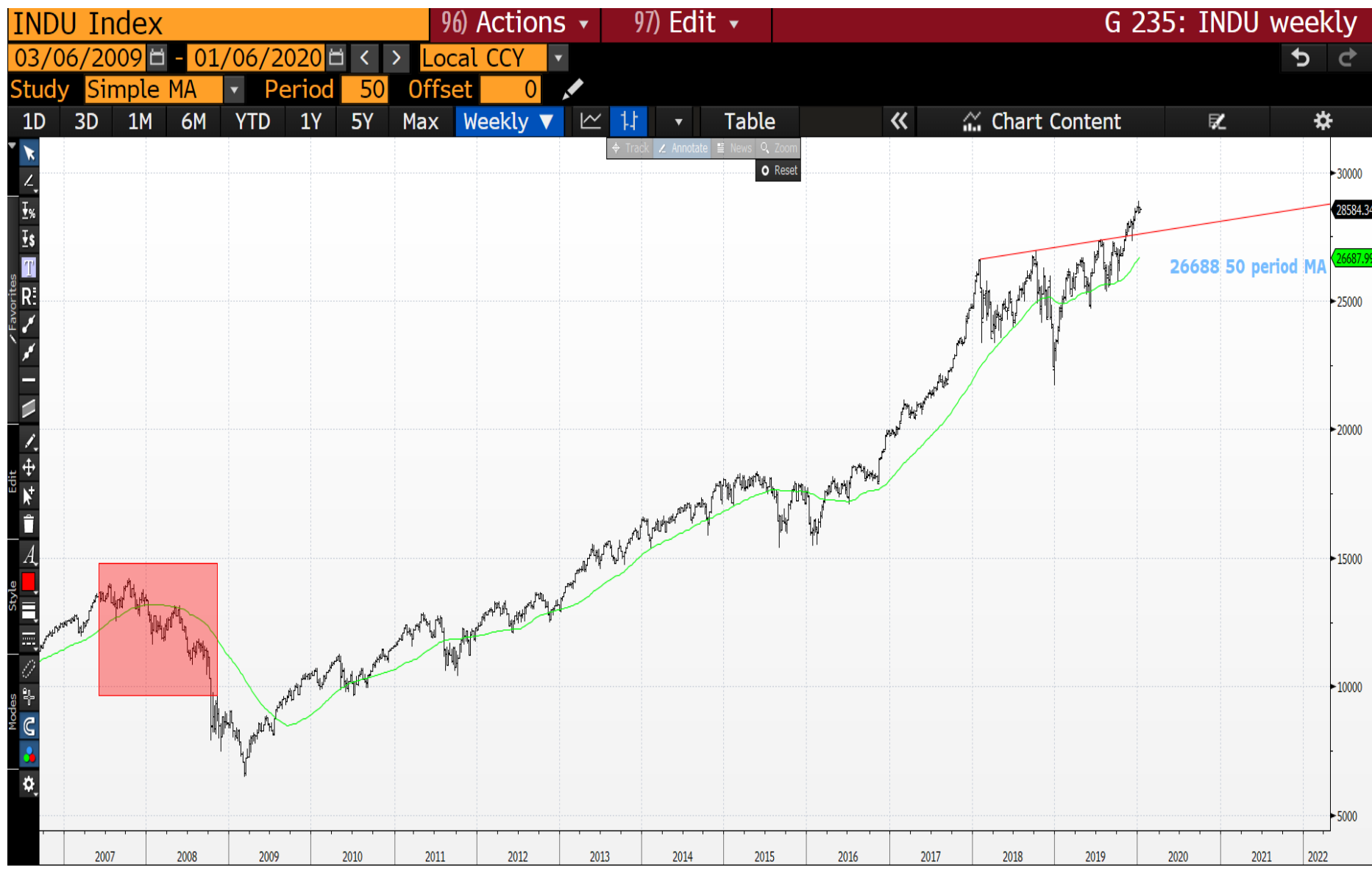


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FTSE monthly : Ideally we can remain sub the 7665 trend line high.

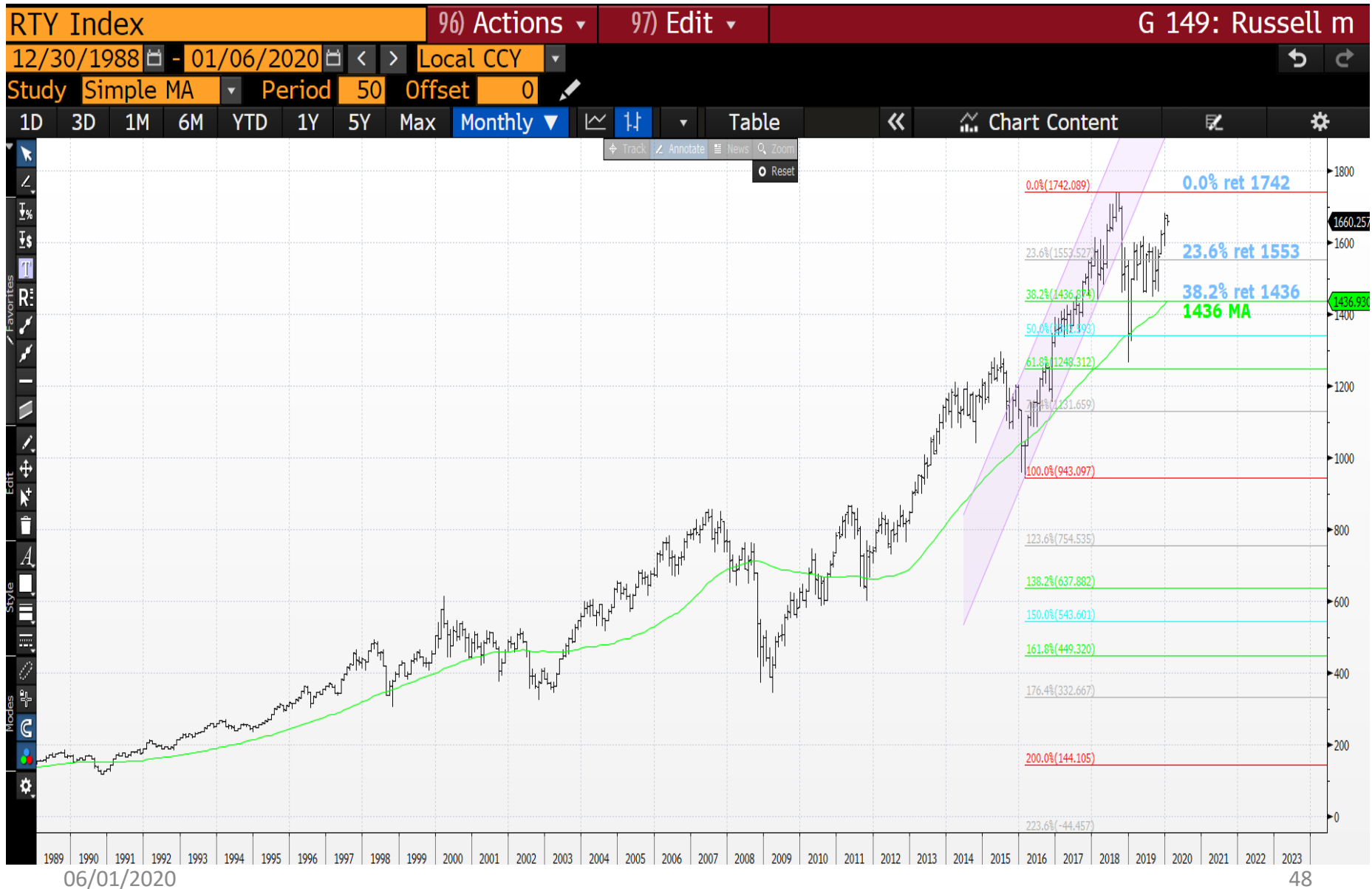


DOW weekly : Again chart wise there seems very little to be worried about.



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Russell monthly : No major statement here just similar to others we are sub last months high.

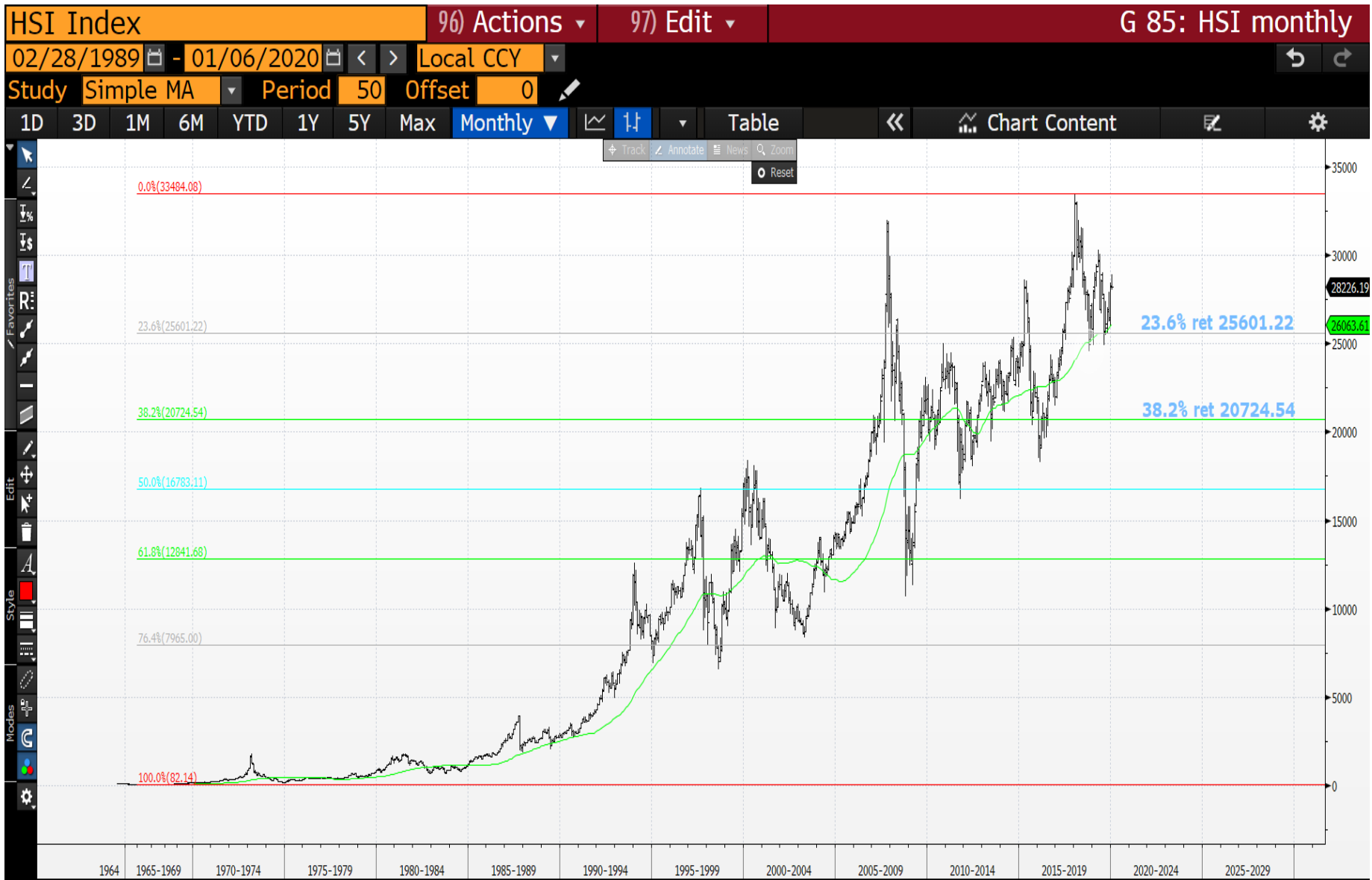


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CCMP monthly : This remains a positive chart whilst in the channel 8516.

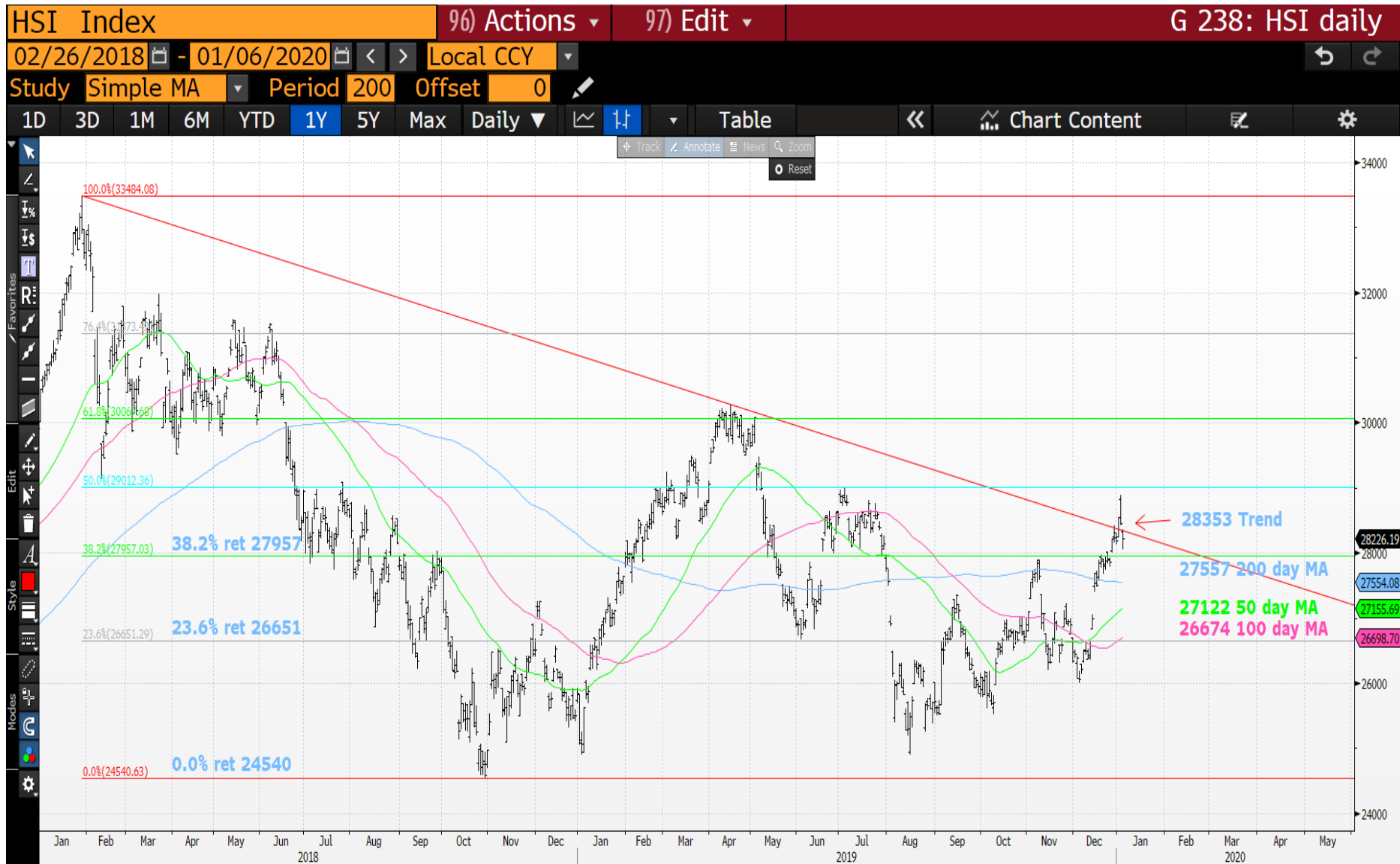


Hang Seng monthly : Again little reaction, but potential TOP.



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Hang Seng daily : Key chart given we have breached the 28353 trendline.



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APPLE weekly : The performance continues despite the LOFTY RSI.



INTEL weekly : For any failure here we need to breach the 23.6% ret 58.0142.



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UNITED TECHNOLOGIES weekly : This could be a KEY chart given we have failed the 153.91 trend line.



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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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