

MARKET UPDATE : BOND YIELDS LOWER AND NOW STOCKS TOO!

BOND YIELDS, IT DOES APPEAR THAT INTO MONTH END AND WHILST STOCKS REMAIN VULNERABLE THE BOND DAILY OVER STRETCHED RSI'S ARE IRRELEVANT.

BOND YIELDS CONTINUE TO REPLICATE 2011-2012. WATCH GILTS, THEY LED THE RALLY BUT ARE FAILING TODAY ON A HIGH RSI.

STOCKS REMAIN VERY OVER BOUGHT WHILST I BELIEVE THE EFFECTS ECONOMICALLY OF THE CORONAVIRUS REMAIN DRASTICALLY UNDER ESTIMATED. MILLIONS OF PEOPLE CANNOT TRAVEL EVEN THOUGH IT IS CHINESE NEWYEAR, GROWTH IS BOUND TO SUFFER.

- 1. BOND YIELDS LOWER? YIELDS CONTINUE TO GRIND LOWER WITH GERMANY BREACHING MAJOR LEVELS, TIME TO REPLICATE THE 2011-2012 SCENARIO.**
- 2. STOCKS LOWER NOW, MANY EUROPEAN MONTHLY CHARTS HAVE BREACHED CRITICAL LEVELS AIDED BY THE HANG SENG.**

BONDS :

THERE ARE MANY KEY CHARTS TO BACK UP THE REPLICATION OF THE 2011-2012 YIELD SCENARIO ESPECIALLY IN THE US, WHILST GERMANY BREACHED BACK INTO THE LONGTERM DOWNTREND YIELD CHANNEL. ADDITIONALLY THE DBR 46'S HAVE BREACHED THEIR SIGNIFICANT MOVING AVERAGE.

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 : STOCKS NOW LOOK VERY VULNERABLE, THE WORST IS YET TO COME.

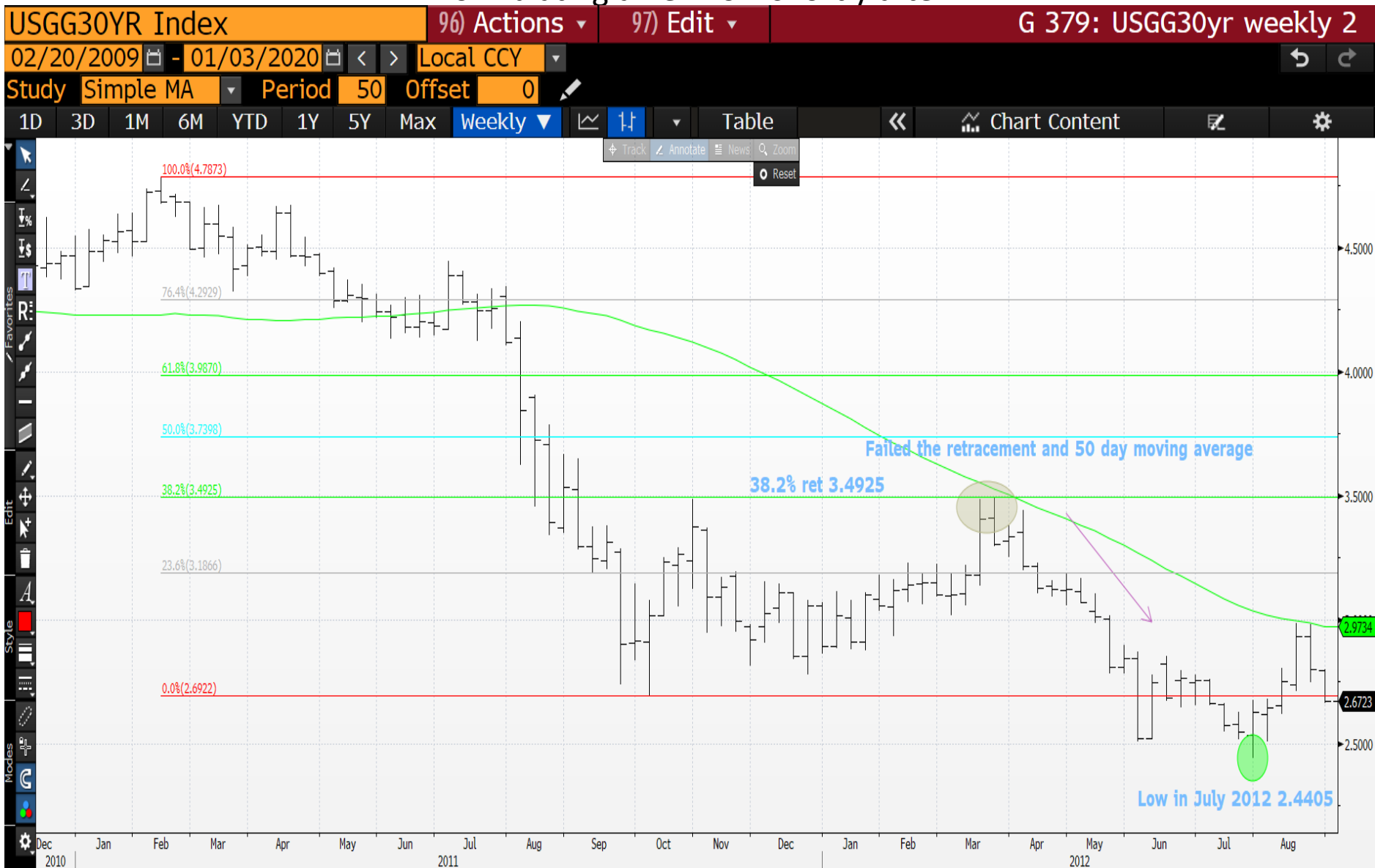
****A LOT DEPENDS ON STOCKS AS I THINK WE NEED THEM FOR FURTHER BOND YIELD FALLS****

USGG30yr monthly : ** ONE TO WATCH ** A sizeable range on the month leaving the door open for a WEAK close and lead on into further yield loses next month. We should breach the previous lows soon.



30/01/2020

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) : Its going to be a weak close what ever, hopefully we can breach the previous low tomorrow.



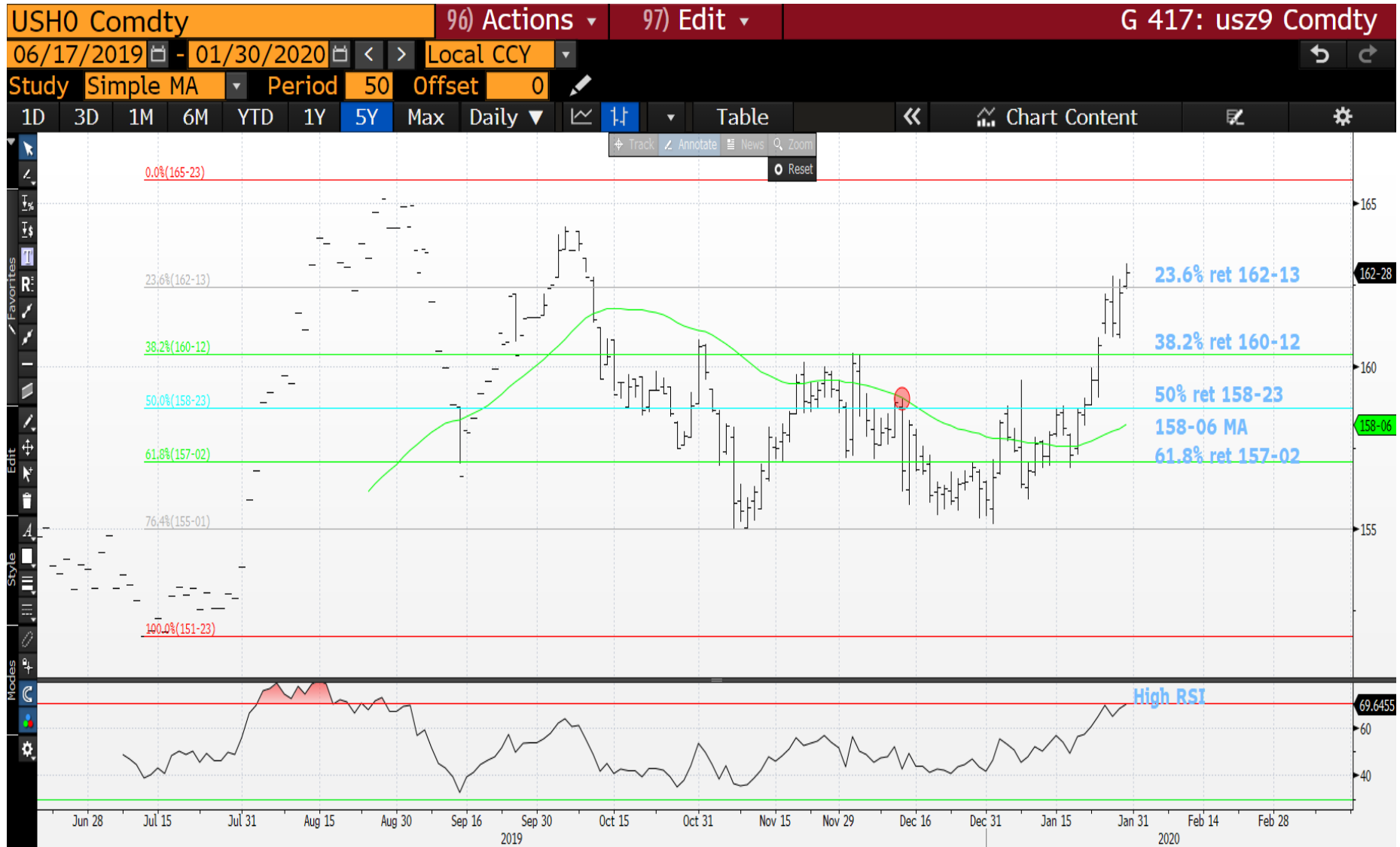
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USGG30yr yield daily : *ONE TO WATCH* We seem to be ignoring the over sold RSI, it will be interesting if we breach the 176.4% ret 1.9972 tomorrow.



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US 30yr futures daily : Another HIGH RSI which we seem to be ignoring.



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US 10yr yield quarterly : *Possibly the chart to watch.* The quarterly RSI is off the lows BUT we CONTINUE to REJECT the all important 2.00 % yield level. This could a critical signal!



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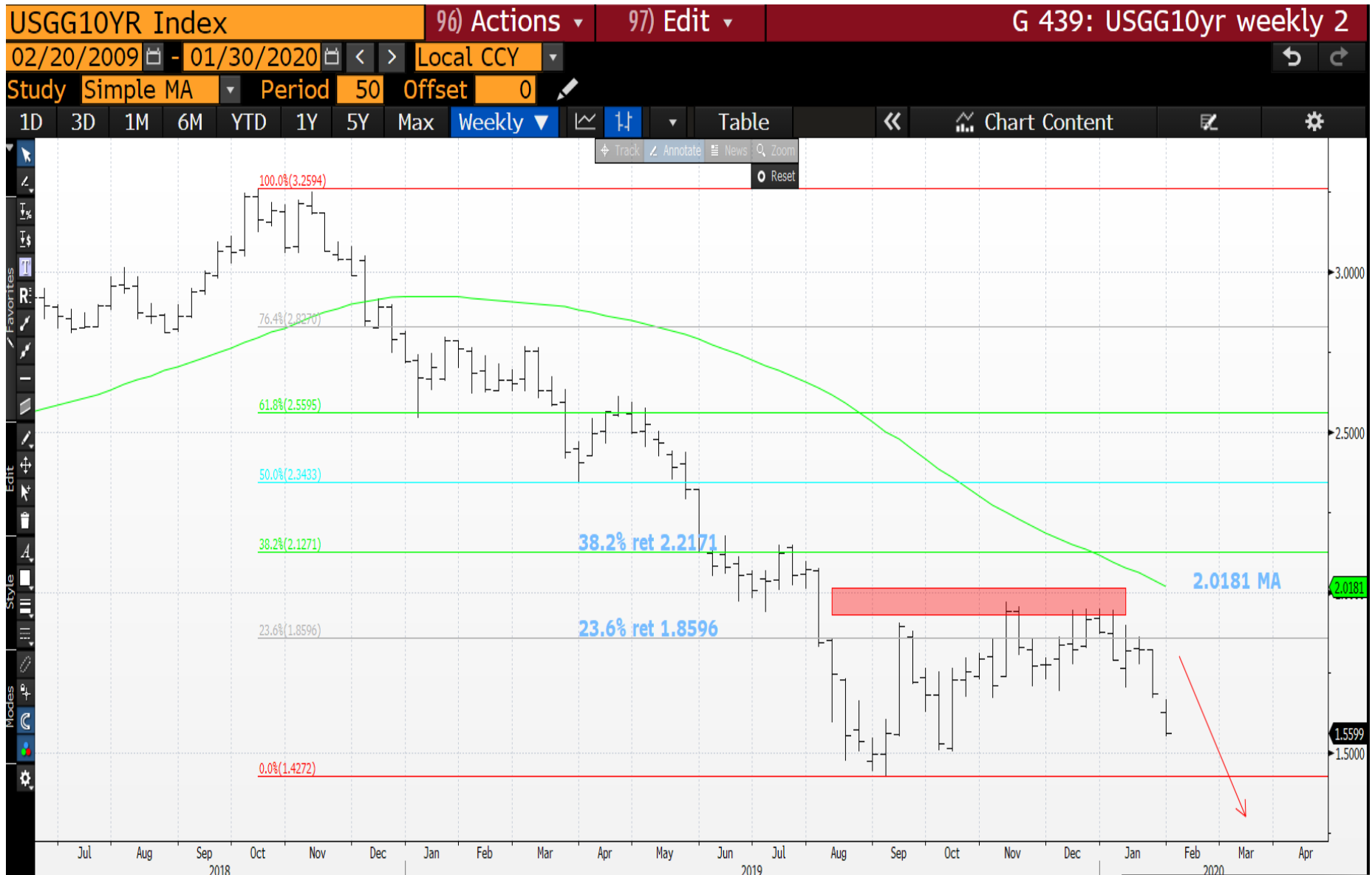
USFS 10-20 monthly : A sizeable rejection now and new lows loom.



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) : Lets see if we can print new yield lows tomorrow.



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USGG10yr daily : We are below ALL moving averages and struggling to hold even with such a low RSI.



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US 10yr futures daily : We have breached the 23.6% ret 131-03+ even with such an extended RSI.



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USGG5yr quarterly : ** Critical chart ** The moving average has proved steadfast resistance, lower we go.



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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) : We should get a new yield low tomorrow at month end.



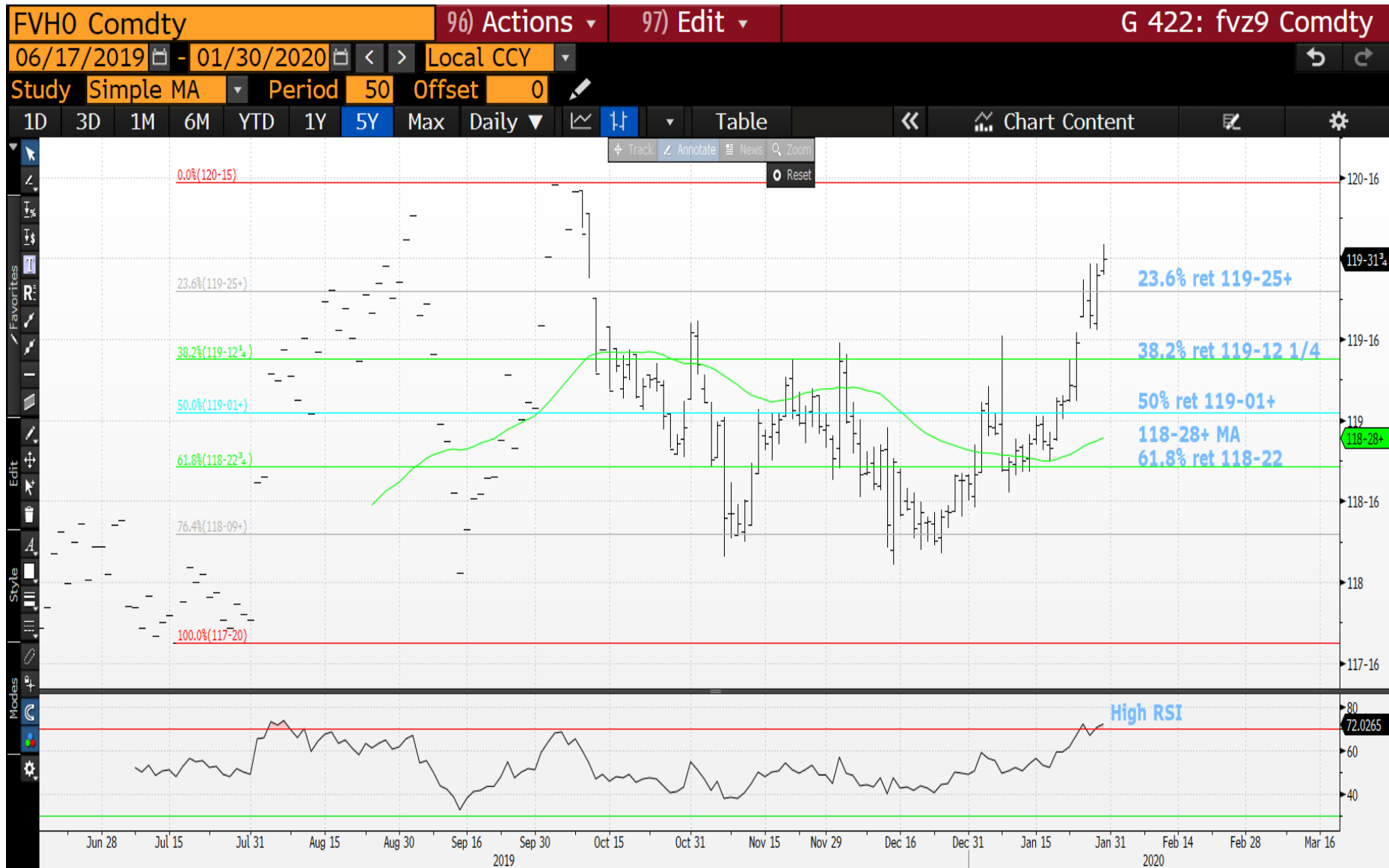
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USGG5yr daily : We are now below ALL moving averages and have dipped below the all important 76.4% ret 1.4117.



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US 5yr futures daily : We have new futures high disregarding the over stretched RSI.



USGG2yr monthly : This continues to be the LAME sector of the curve and poised to head a lot lower.



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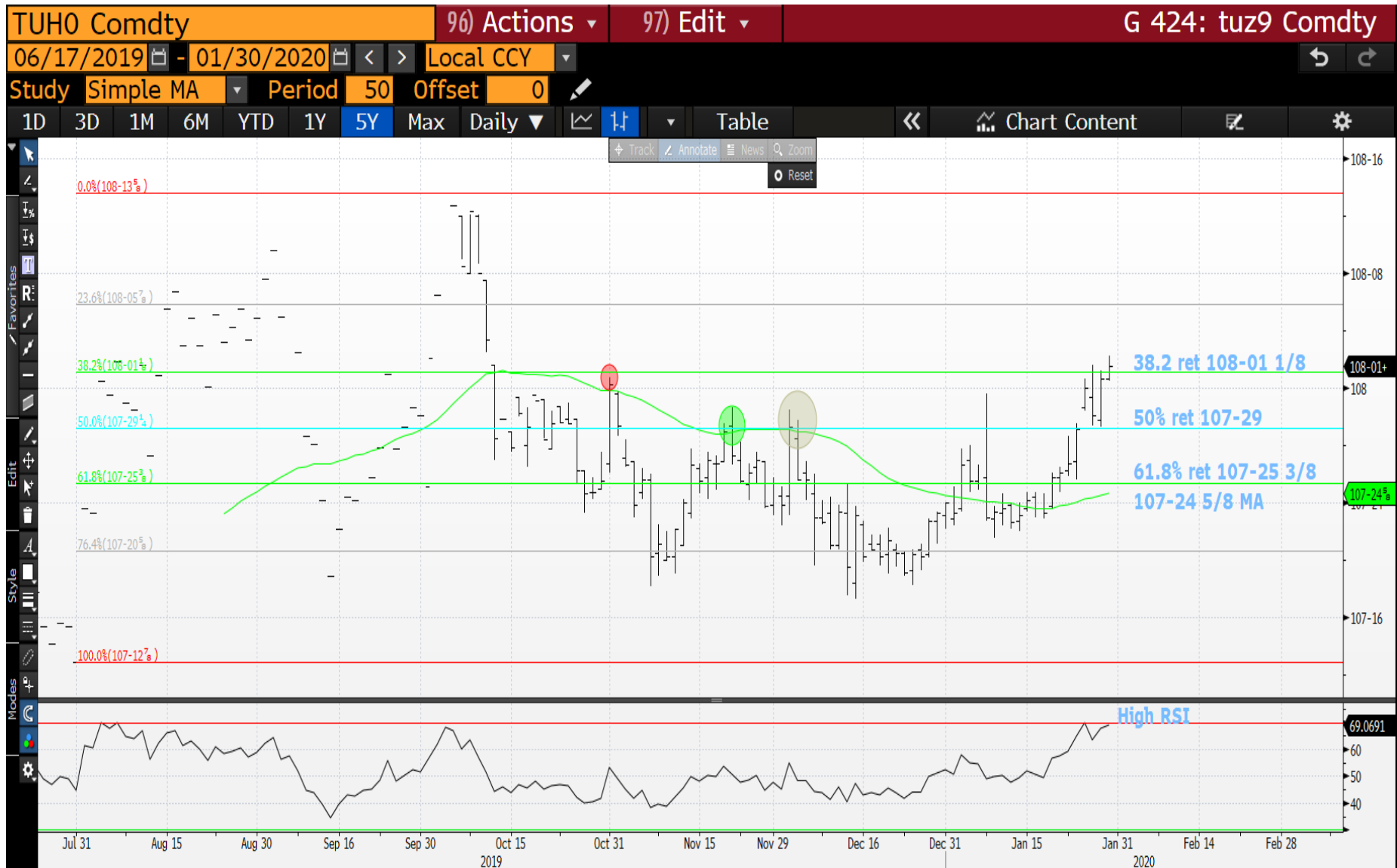
USGG2yr weekly : We have remained below the prominent 1.7290 moving average and keen to head lower.



USGG2yr daily : **Further evidence of the STRUGGLE.** Struggle over we are heading lower despite the RSI dislocation.



US 2yr future daily : We are above the 38.2% ret 108-01 1/8 and keen to continue higher despite the RSI.



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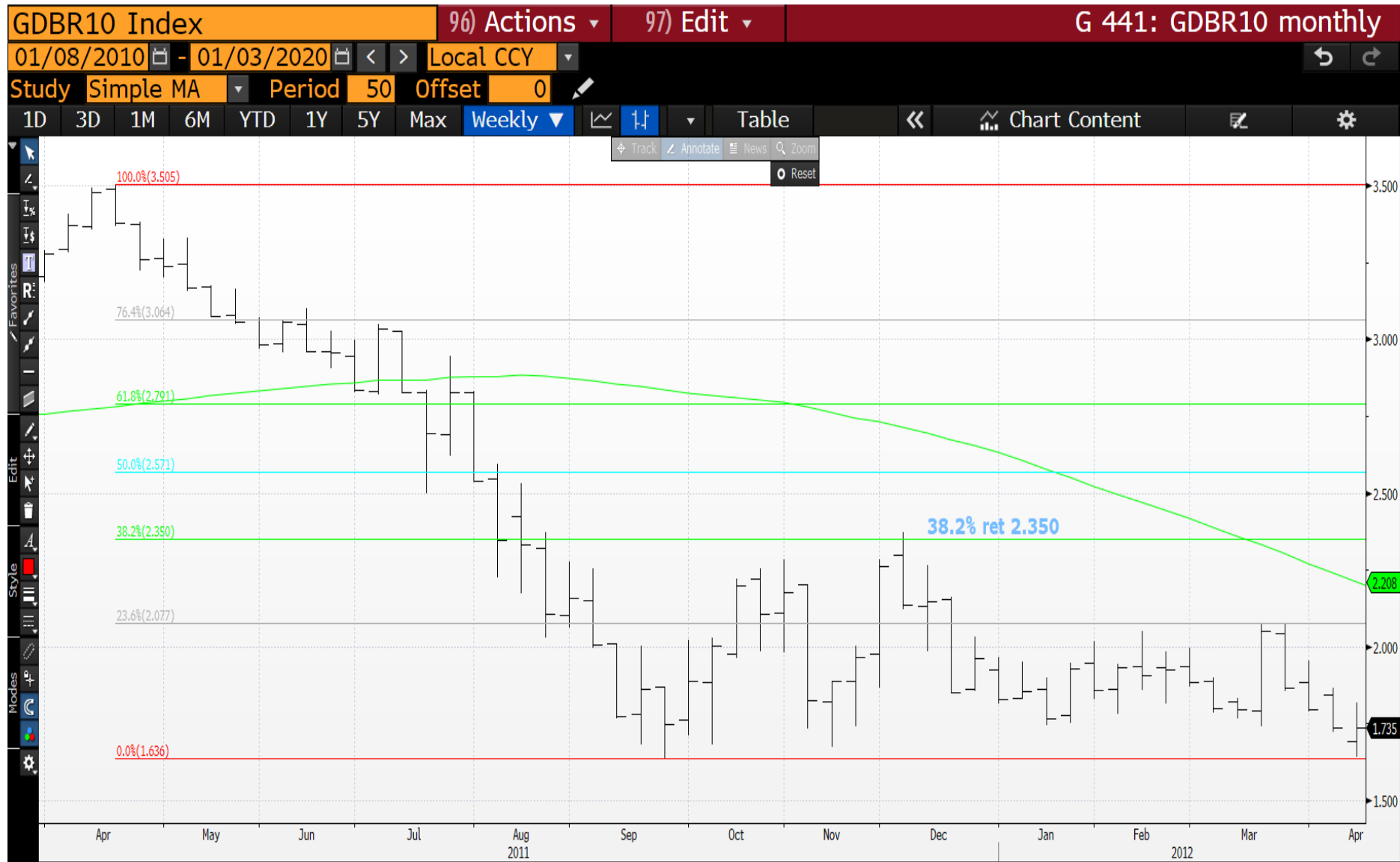
Generic German 10yr quarterly : This has been a VERY KEY chart and we have re-entered the CHANNEL -0.293. Lower we go.



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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) : ** A PERFECT CHART ** We have breached the 23.6% ret -0.377 thus momentum should pick up.



Generic German 10yr daily : We are close to breaching the -0.365 100 day moving average.
 Close sub this and we will join other markets in yield free fall.



DBR 46 daily : This has been a VERY valuable chart. We now need to breach the 100% ret 163.575 given well above the reliable moving average.



Bund future daily : We have a new high and the RSI is off its extreme, lets see how MONTH END formulates this close.



Gilt future daily : A POSSIBLE top here given the extent of the reversal. Gilts also led the rally so one to watch.

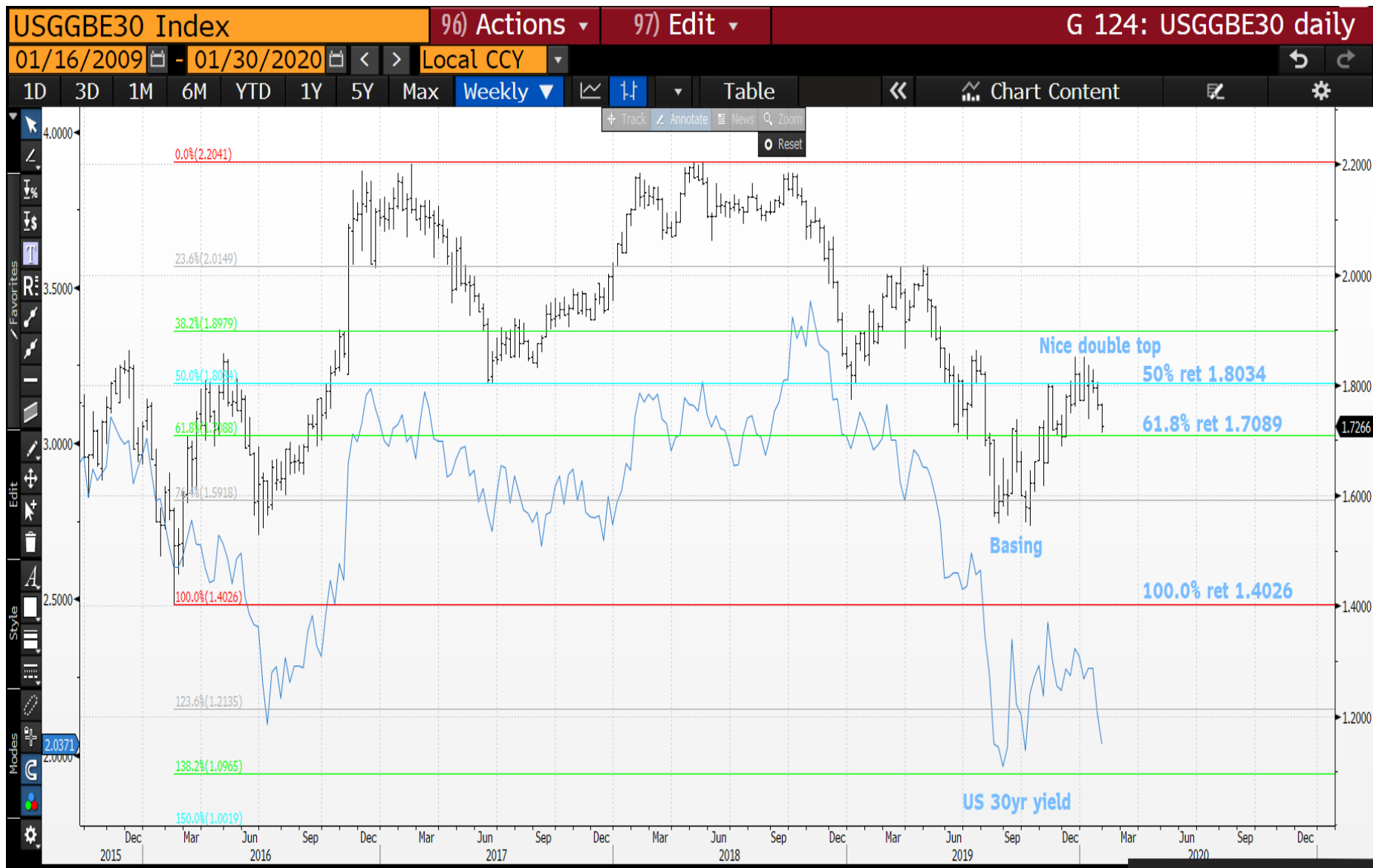


US BREAKEVENS :

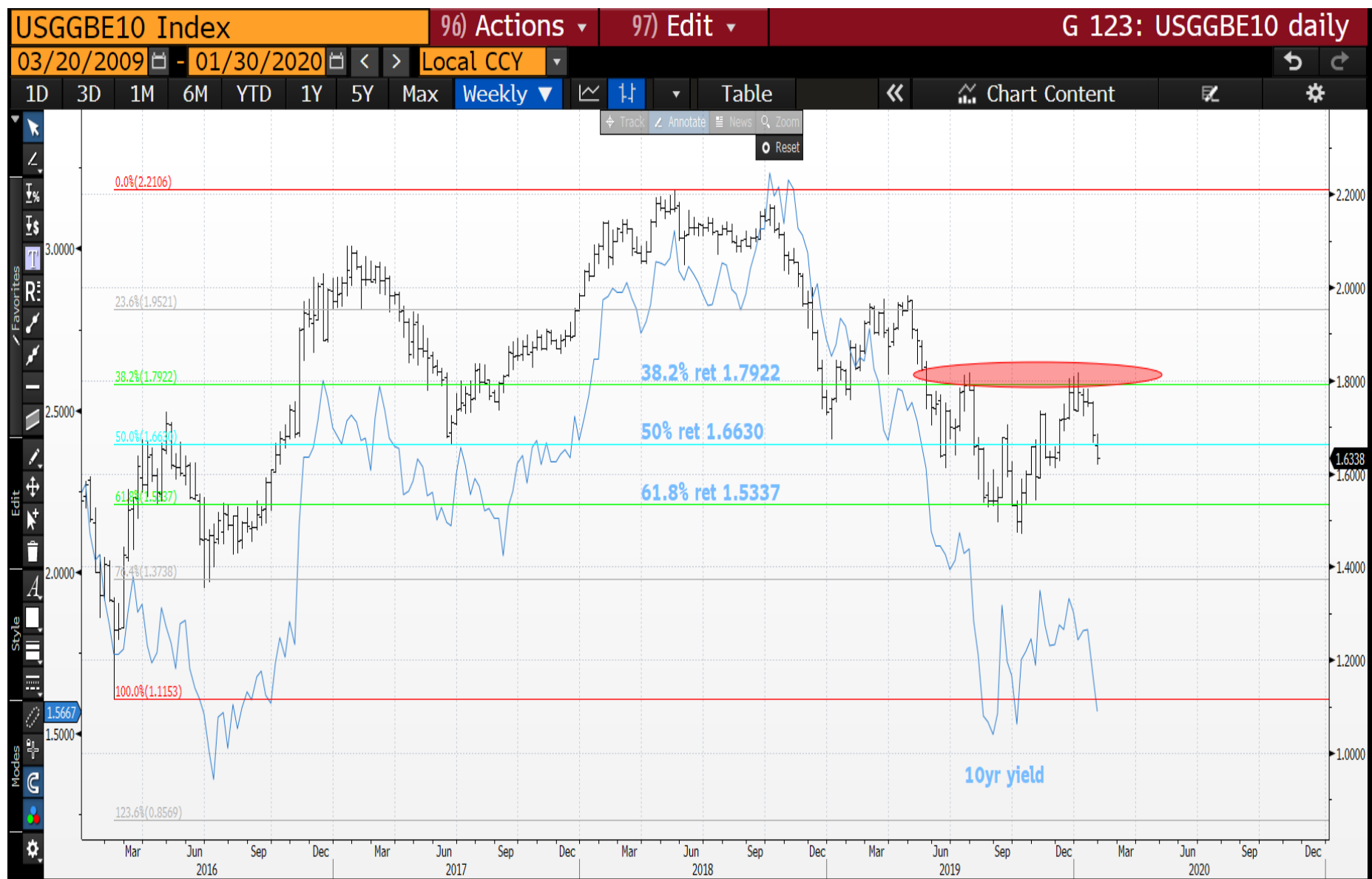
FINALLY IT LOOKS LIKE BREAKEVENS ARE TOPPING OUT AND FOLLOWING YIELDS LOWER.

MANY CHARTS HAVE BOND YIELD OVERLAYS.

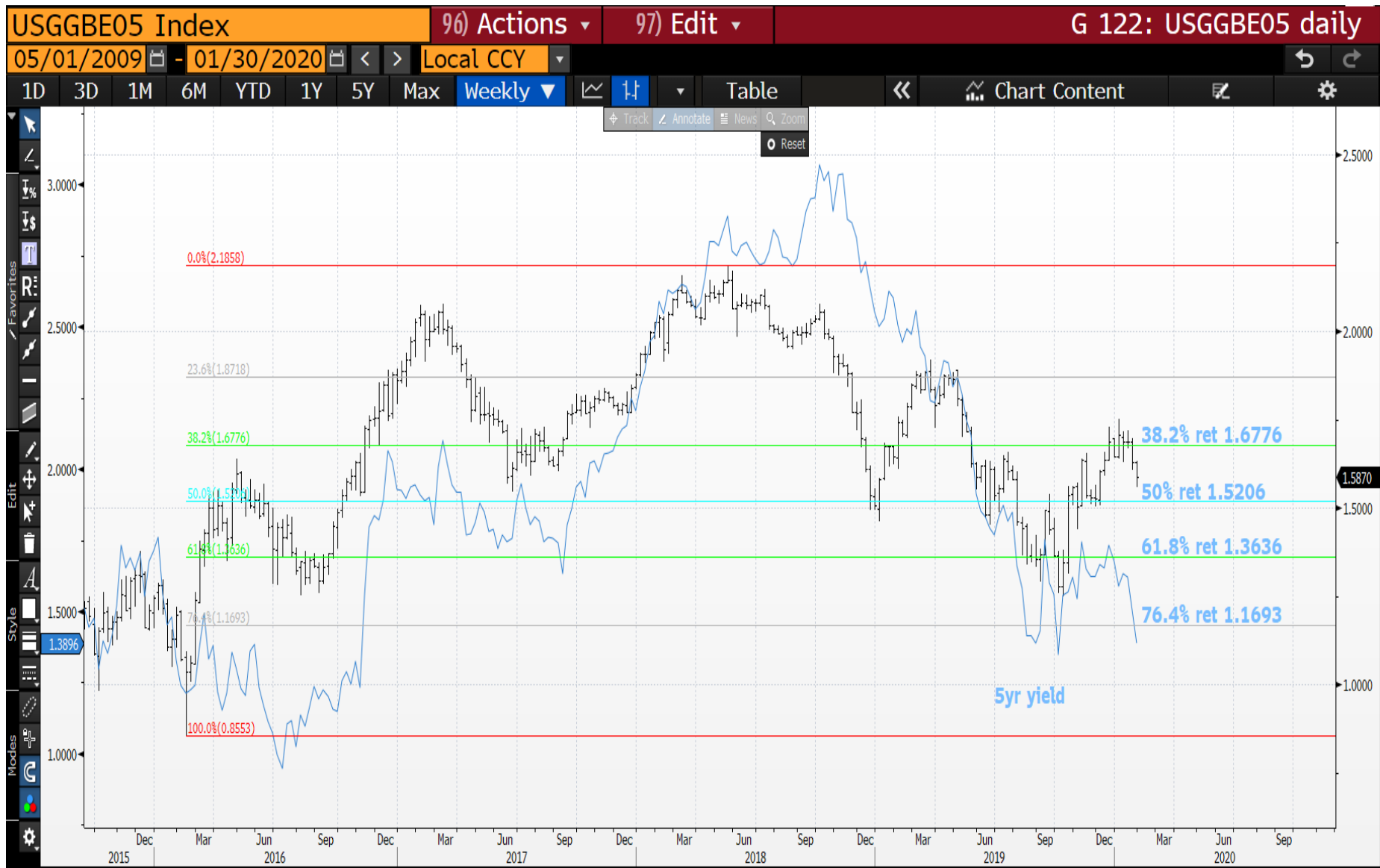
UKGGBE30 and 30yr yield weekly : We have created a nasty DOUBLE TOP! Sub the 61.8% ret 1.7089 will HURT.



USGGBE10 and 10yr yield weekly : A nice TOP in play now, sub the 50% ret 1.6630 is causing issues.



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



COMMODITIES

NOW THAT EQUITIES LOOK VULNERABLE GOLD IS POISED TO FLY, MANY HAVE BEEN LONG AND KEEN TO USE IT AS AN INSURANCE POLICY.

GOLD monthly : A HEAVY month so far but we should rally over the next few weeks.



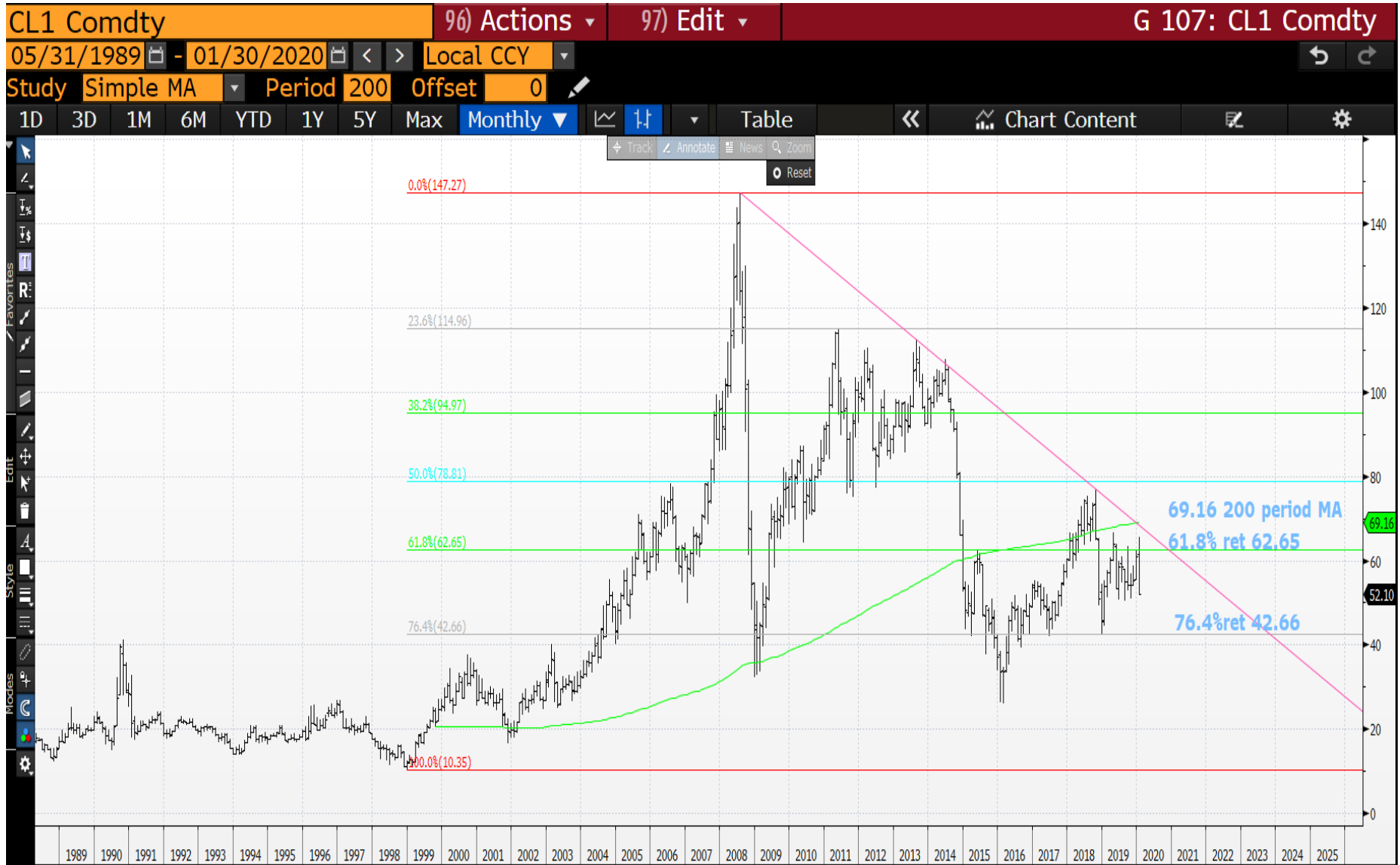
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SILVER monthly : Am sure this will play catch up, certainly if the 61.8% ret 19.4783-moving average 19.764 is breached.



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OIL monthly : A very nasty rejection.



EQUITIES

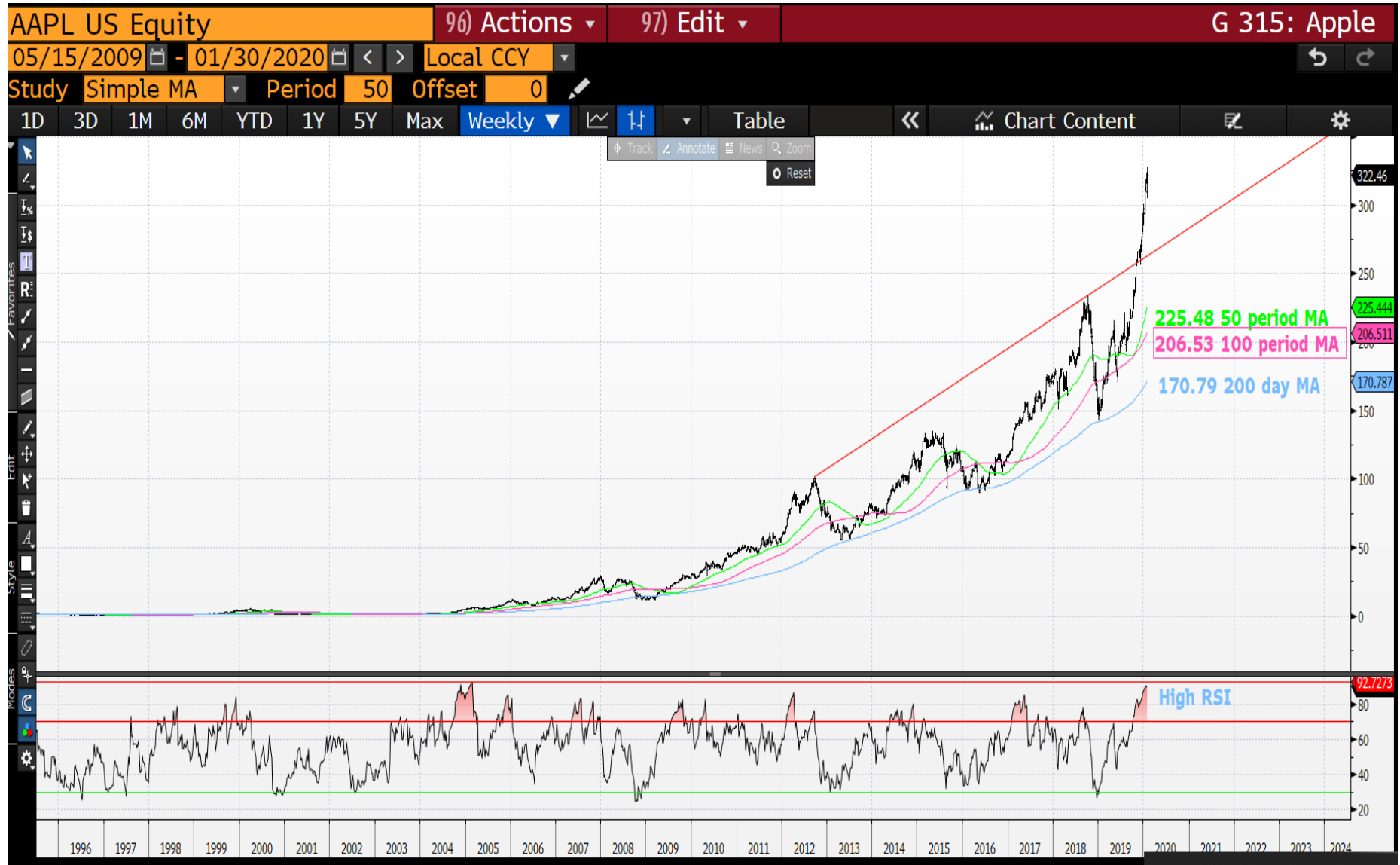
ALTHOUGH THE US STOCK MARKET SEEMS STRONG IT DOES REMAIN VERY OVER BOUGHT IN MANY SECTORS.

EUROPE NOW LOOKS WEAK WITH MANY MONTHLY CHARTS BROKEN AND POISED FOR VERY BIG TOPS, THIS TO BE CONFIRMED.

THE HANG SENG IS CLOSE TO BREACHING A MASSIVE LEVEL, ITS MULTI YEAR 23.6% RET 25601.07.

****THE NEXT 3 CHARTS ARE ONES TO WATCH OVER THE NEXT FEW DAYS****

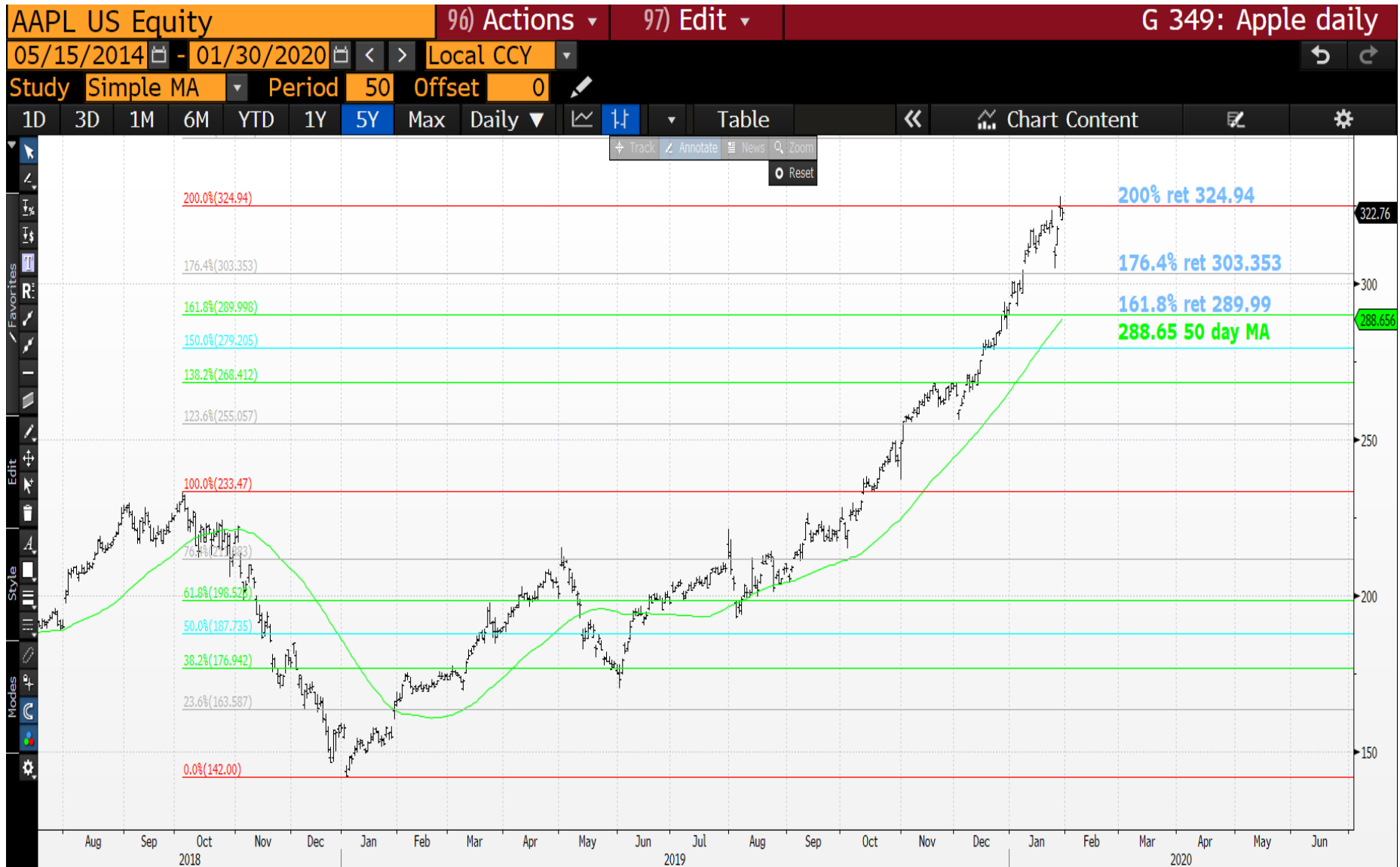
APPLE weekly : Apple is obviously HUGE in China so lets see how it performers there given the coronavirus. ONE CHART TO WATCH GIVEN THE RSI.



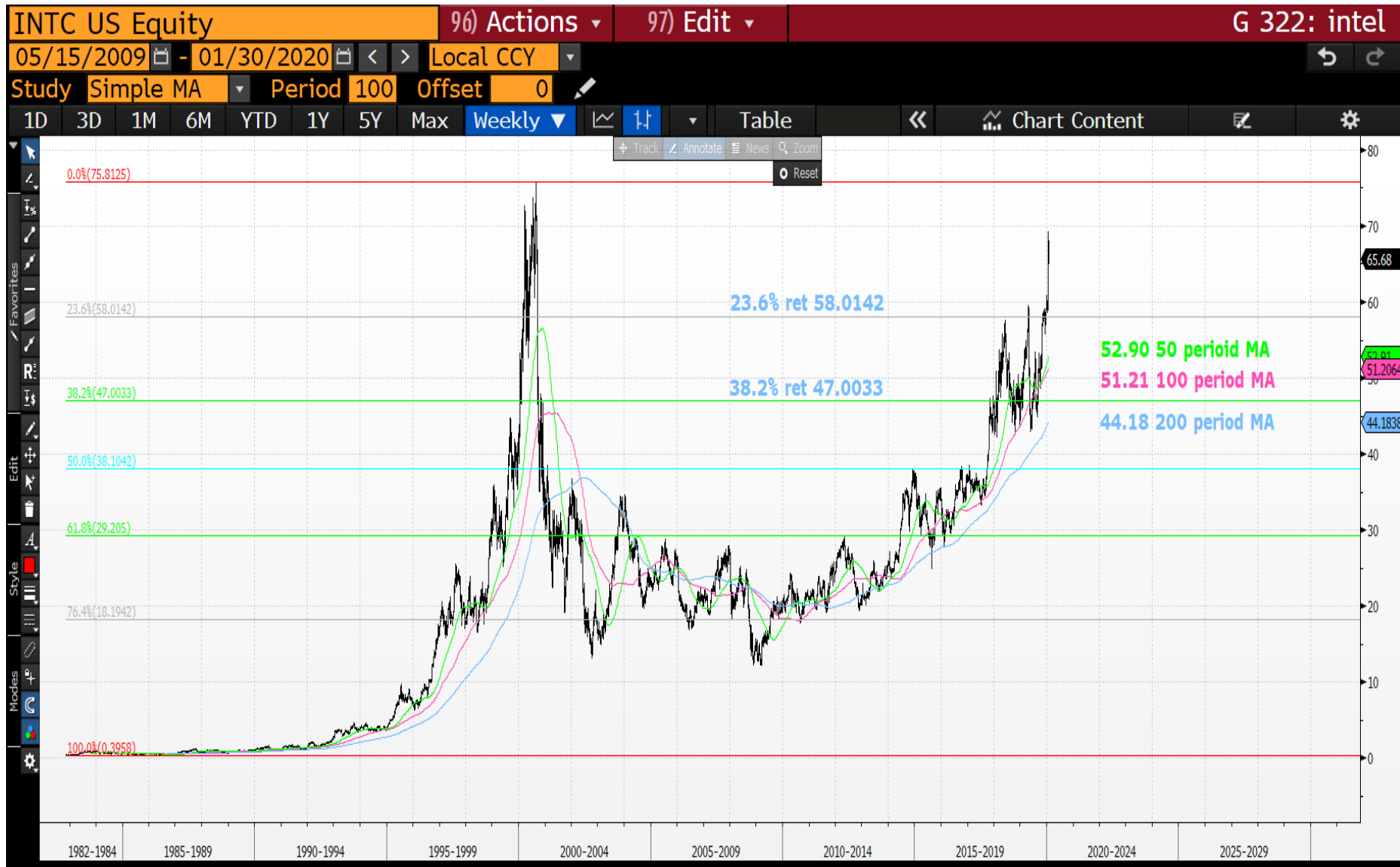
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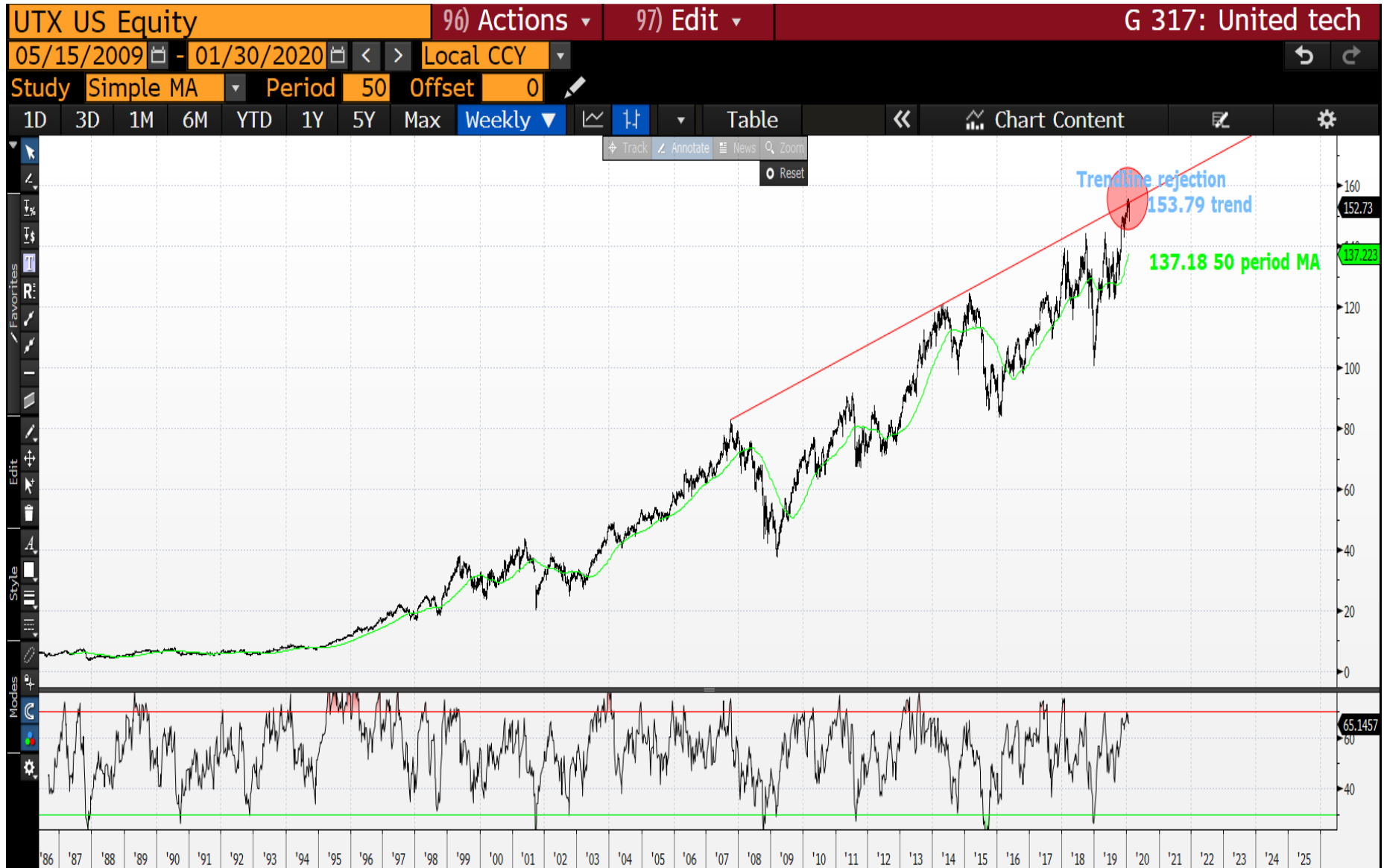
APPLE daily : Providing we remain below the 200% ret 324.94 then next stop is the 176.4% ret 303.353.



INTEL weekly : We have spent the week sub last weeks high so lets see if this persists into month end.



UNITED TECHNOLOGIES weekly : Could this be a KEY chart given we have failed the 153.79 trend line.



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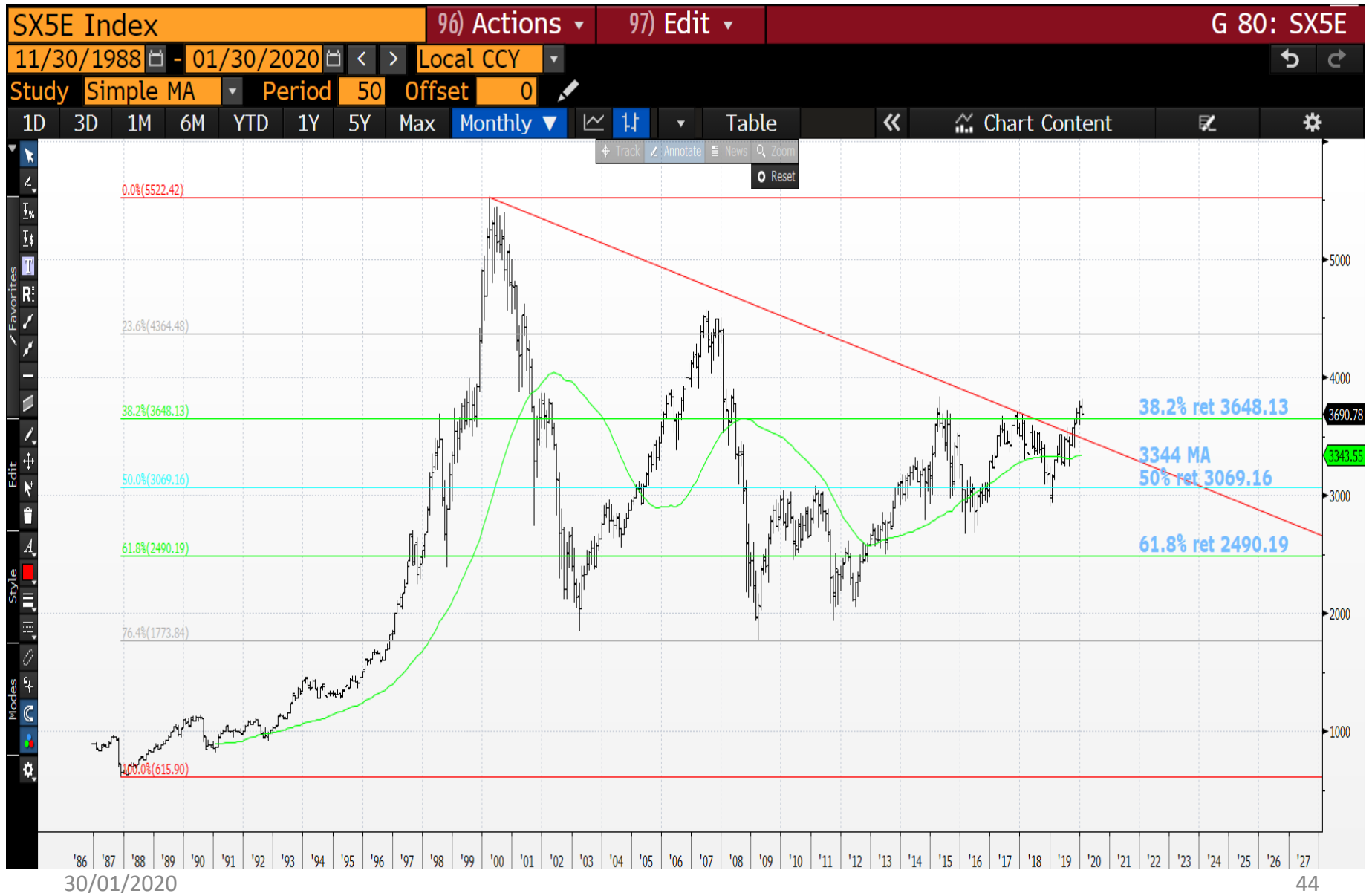
DAX monthly : KEY here is for this reversal to extent to new monthly lows leaving a superb failure at the previous highs.



DAX daily : We are on the way lower having breached the 13280 50 day moving average.
 Hopefully we can close lower again tomorrow.



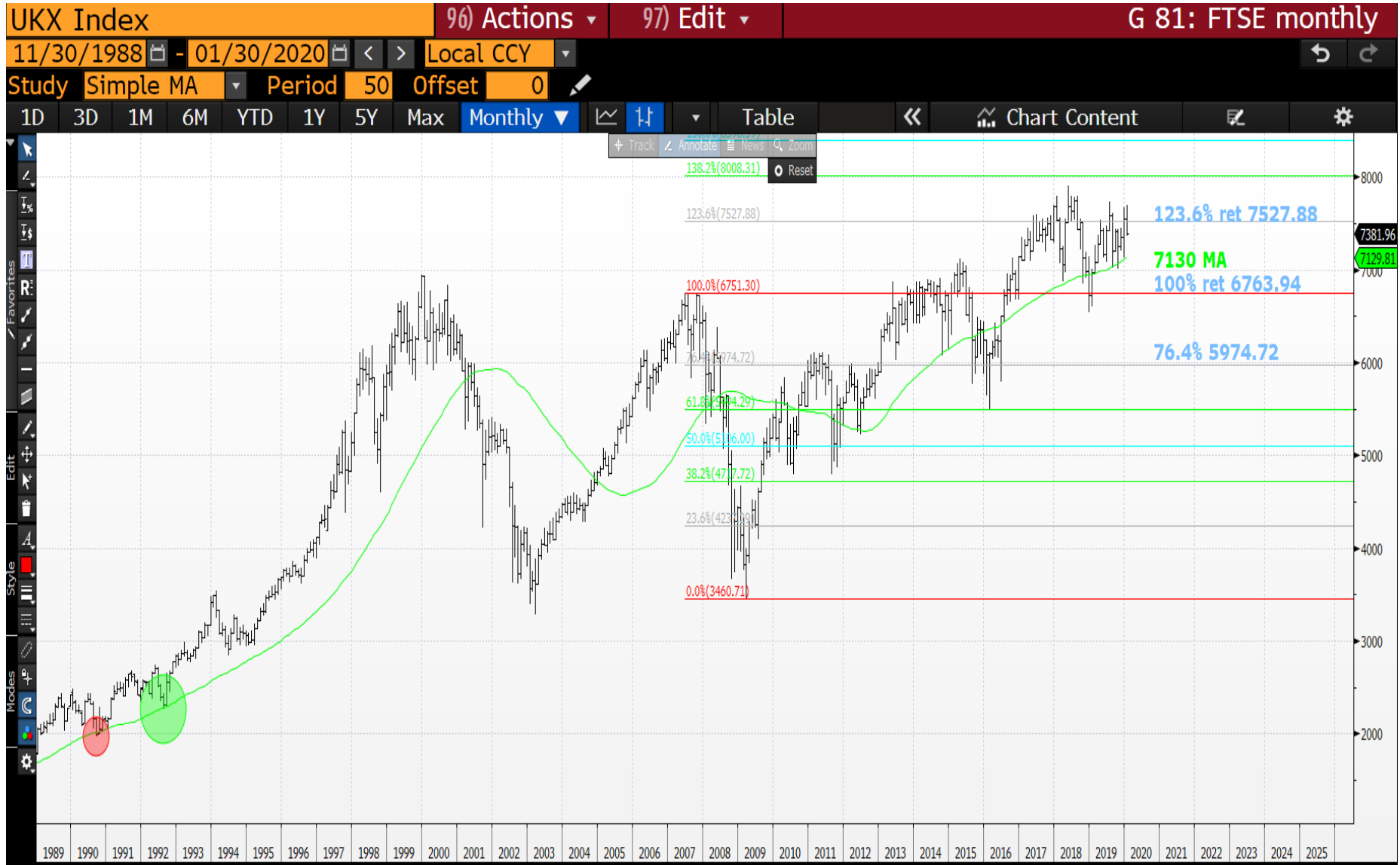
Eurostoxx monthly : We need to breach the 38.2% ret 3648 before things get serious.



Eurostoxx daily : We are heading lower given we have breached the 3732 50 day moving average. Sub the 100 day 3656 would be ideal.

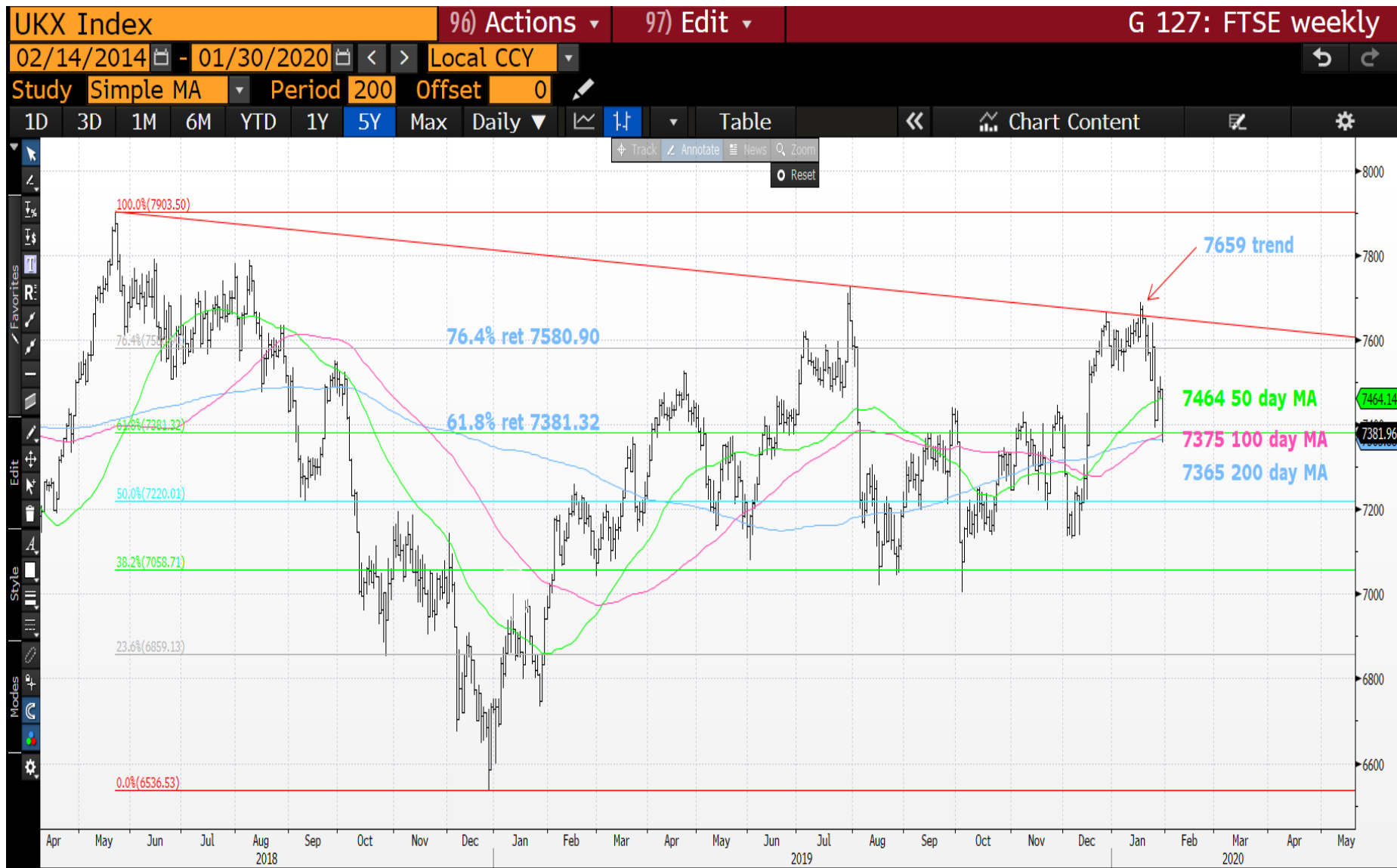


FTSE monthly : We have finally breached the 123.6% ret 7527.88 and heading lower, this COULD be the big top. Think we need to breach the 100% ret 6763.94 before anyone is too alarmed.



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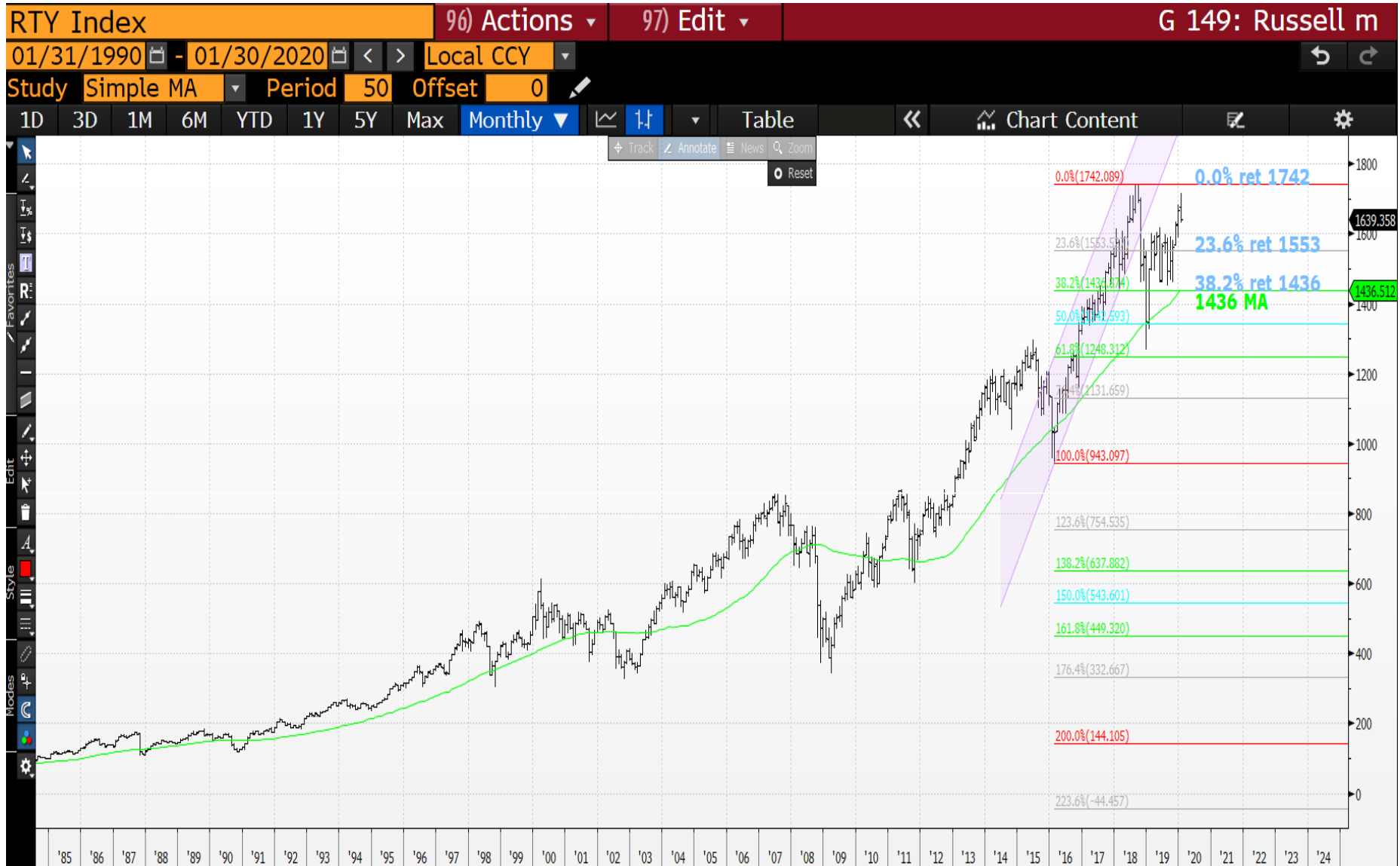
FTSE monthly : A very nasty trend rejection and now close to being SUB ALL moving averages.



DOW weekly : Hopefully we can start heading lower alongside the topped RSI.



Russell monthly : A major reversal on the month so looks like we might now FINALLY have a top.



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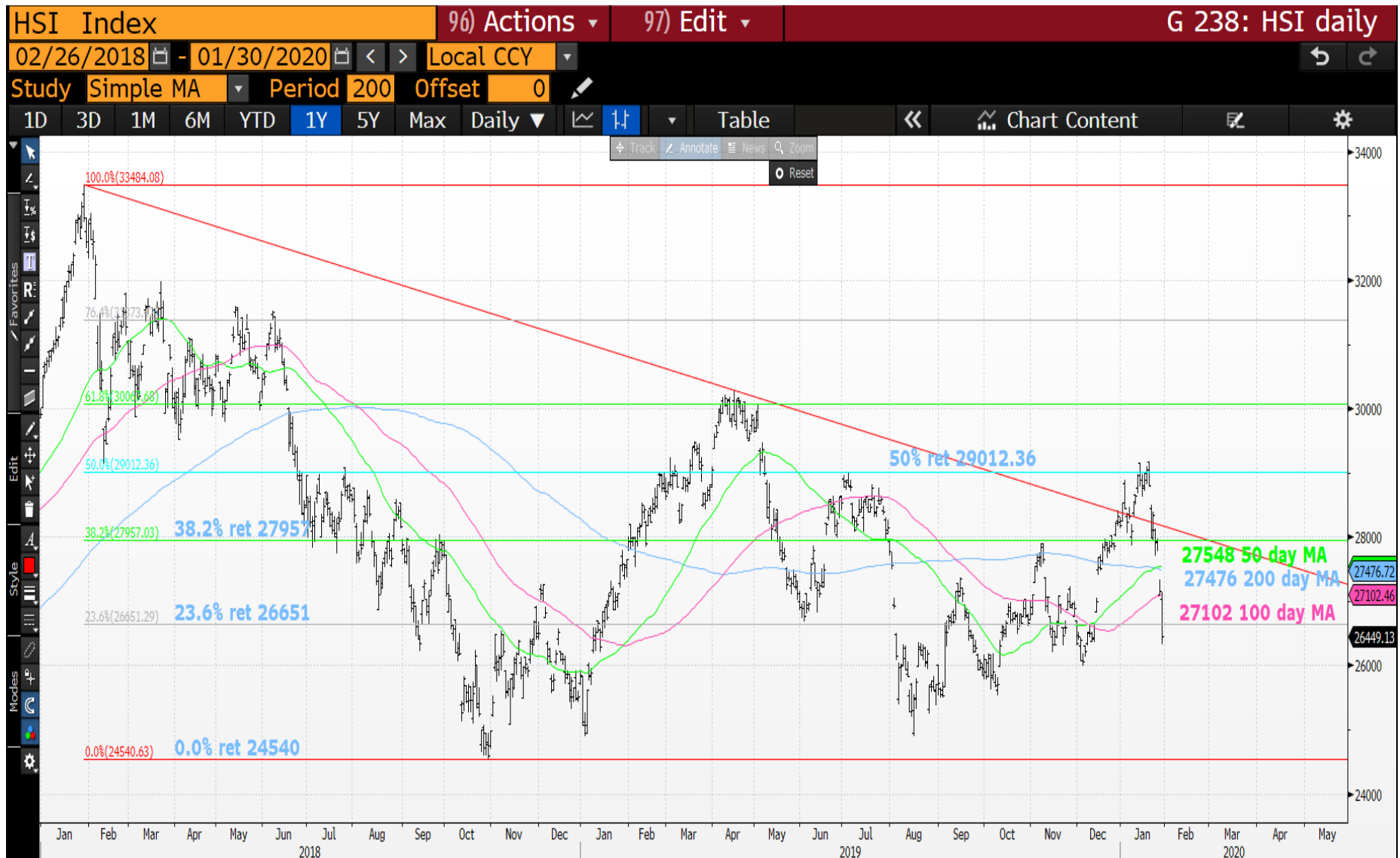
CCMP monthly : We need to see tomorrow's closing level as it may give us a TOP.



Hang Seng monthly : A HUGE problem if the 26028.07 moving average and 23.6% ret 25601.22 are breached.



Hang Seng daily : All looking very negative now we have breached ALL moving averages.



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