

WE ARE ON OUR WAY TO MUCH LOWER BOND YIELDS!

BOND YIELDS CONTINUE TO GRIND LOWER REPLICATING THE MOVE OF 2011-2012 AS WE APPROACH MONTH END, THIS WITHOUT EQUITY HELP. MANY STOCKS REMAIN IN A VERY OVER BOUGHT STATE. A KEY RUN INTO MONTH END.

DEPITE THE LACK OF EQUITY MOVEMENT ALL YIELD CHARTS HAVE FAILED TO BOUNCE THUS SHOULD HEAD LOWER SHORTLY.

- 1. BOND YIELDS LOWER? YIELDS CONTINUE TO GRIND LOWER WITH GERMANY BREACHING MAJOR LEVELS, TIME 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.**

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 : NOT TOO SURE WHY BUT IT DOES NOW FEEL MANY STOCK RALLIES HAVE GONE TOO FAR. EXAMPLES ARE UNITED TECHNOLOGY AND APPLE, BOTH IN OVER BOUGHT TERRITORY.

USGG30yr monthly : **** ONE TO WATCH **** Quite a major reversal on the month with the market now back at the lows. This is a good time for fresh lows so we CAN emulate the 2011-2012 scenario.



24/01/2020

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) : We are making progress post failing the moving average thus should revisit the previous lows 1.9039.

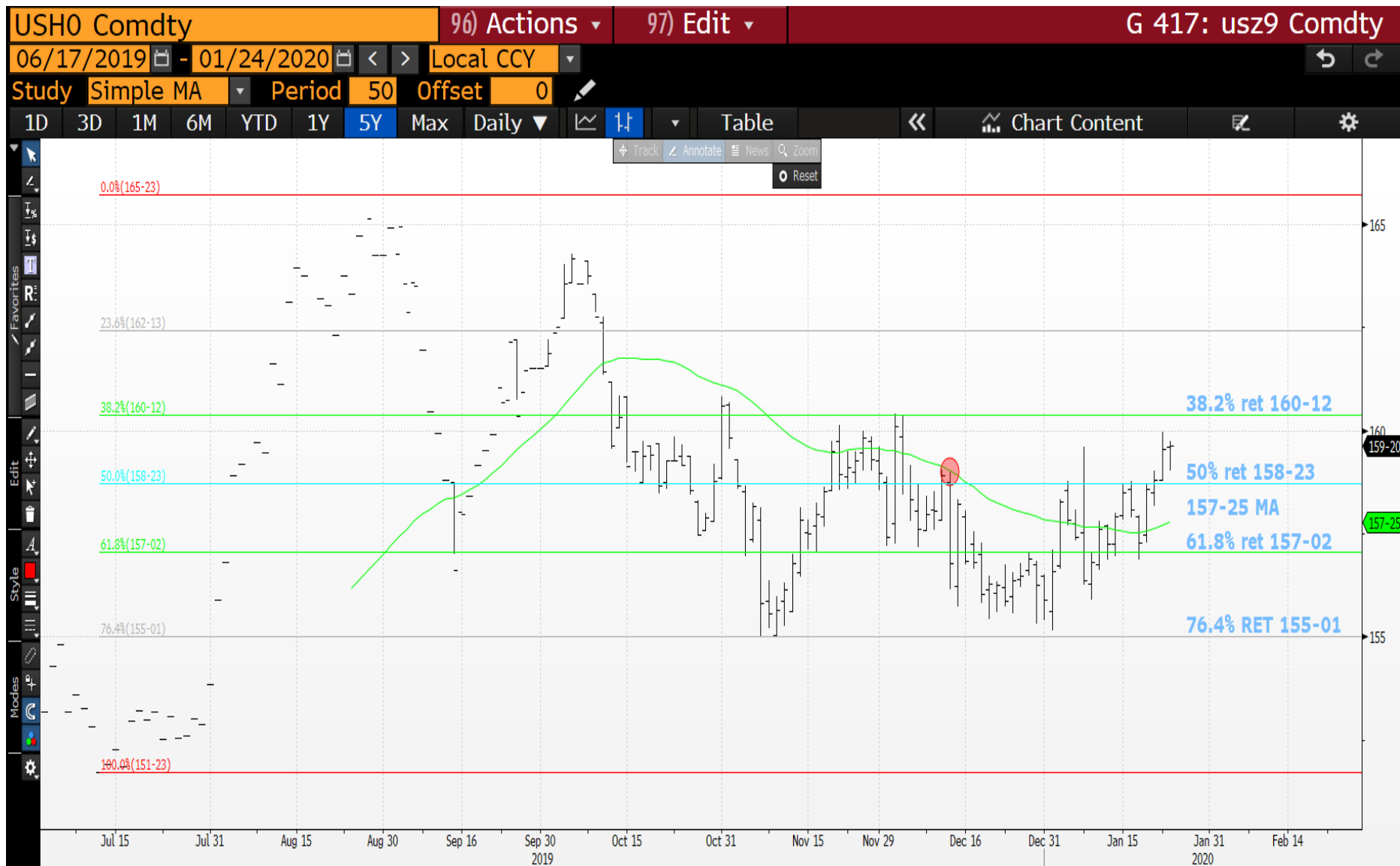


USGG30yr yield daily : *ONE TO WATCH* We have breached the key 100 day moving average 2.2309, we just need to remain below it. Again the RSI is of NO use.



24/01/2020

US 30yr futures daily : We are grinding higher but need to breach 160-12, this to be 100% sure the bond rally continues.



24/01/2020

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!



24/01/2020

USFS 10-20 monthly : Further support for the prominence of the level but the RSI is left very wanting. Could the 2008 low become relevant here given the RSI is rolling over.

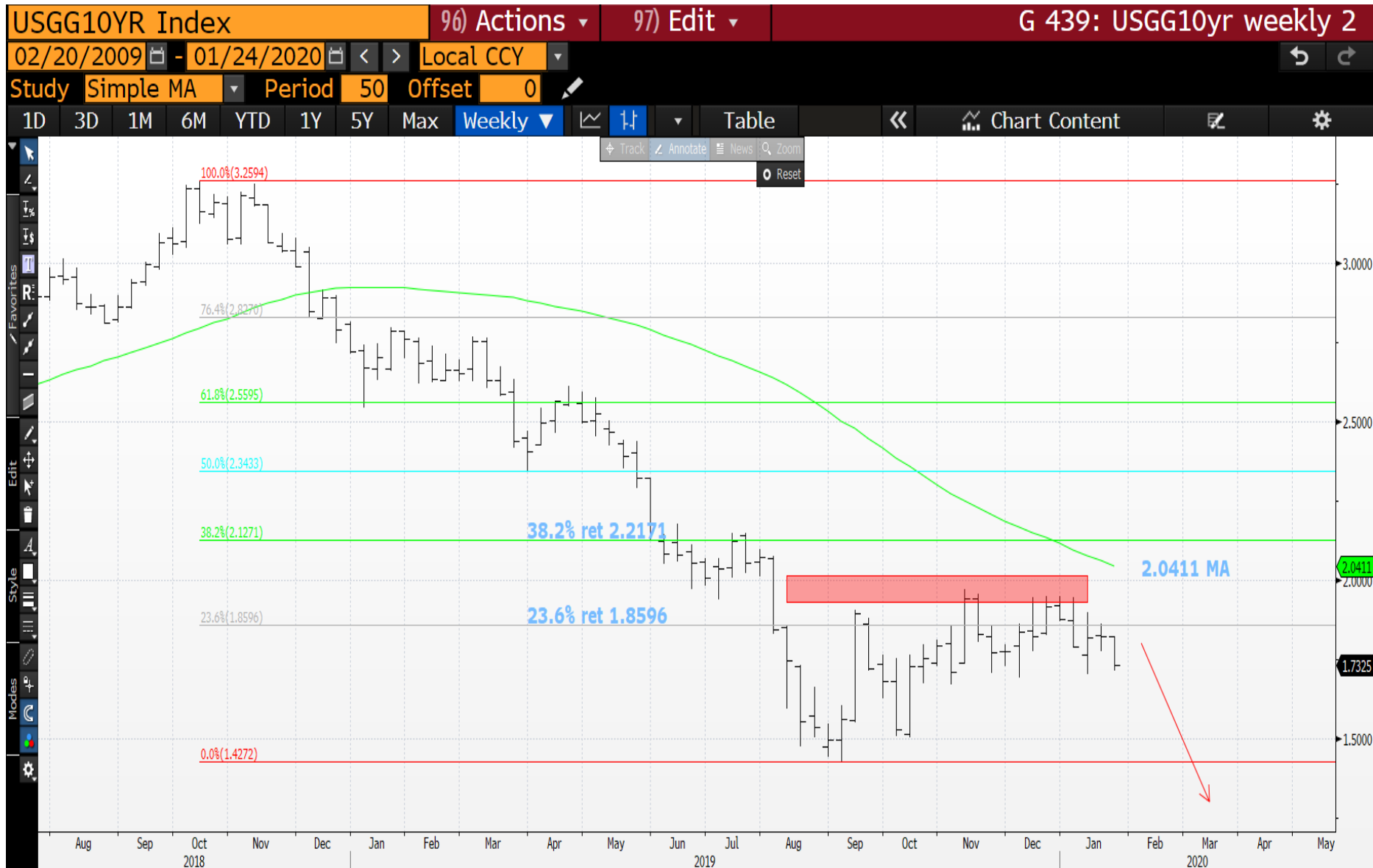


24/01/2020

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) : Hopefully we can accelerate the drop toward the previous low.

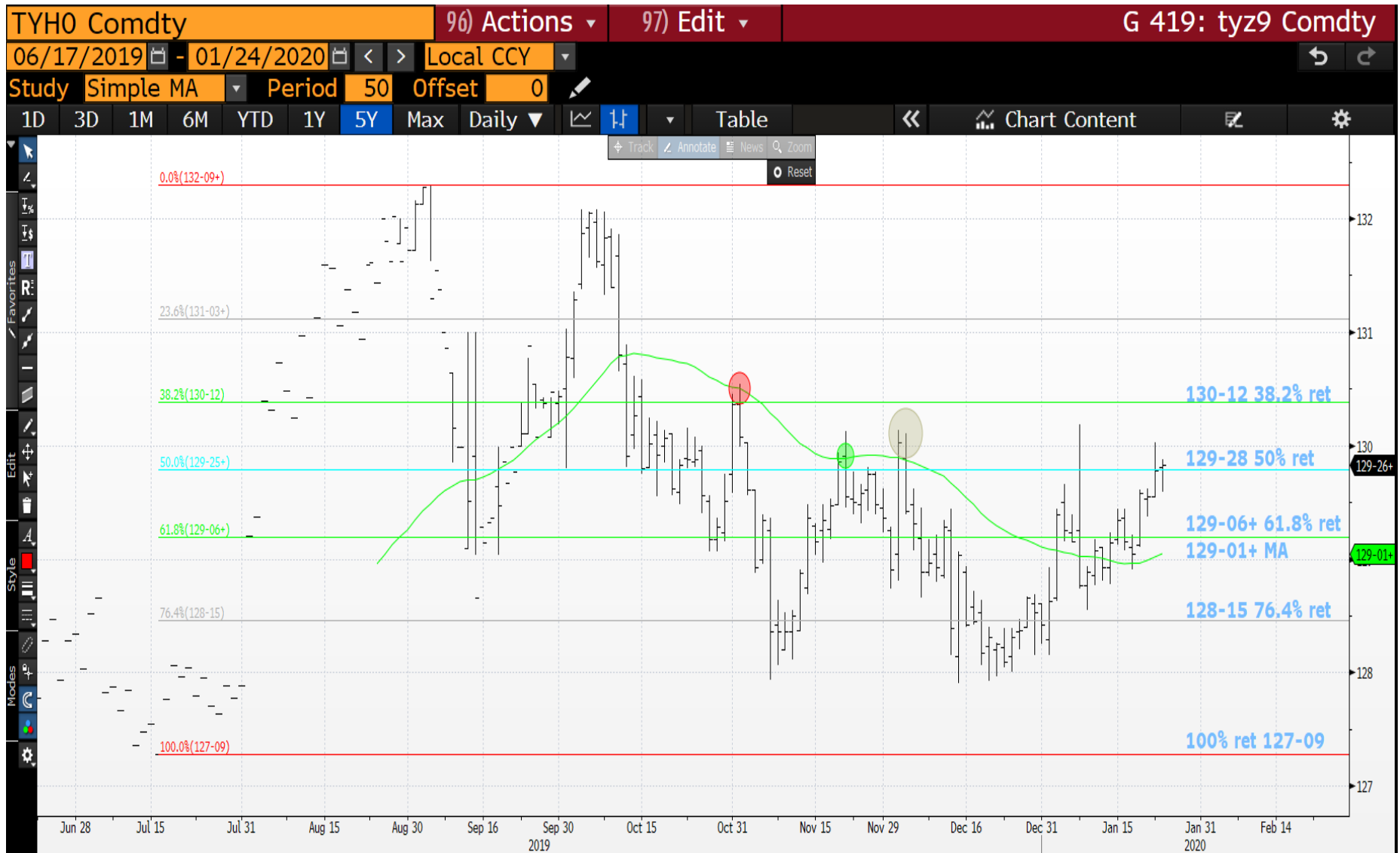


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USGG10yr daily : We are now below the 1.7668 100 day moving average, thus should trend toward the previous low.



US 10yr futures daily : We continue to grind higher but ideally we breach the 130-12 level SOON.



USGG5yr quarterly : ** Critical chart ** The key here is to remain sub the RELIABLE 1.8087 moving average. This could become a very historical rejection and see HISTORY being repeated. The RSI could be argued either way.



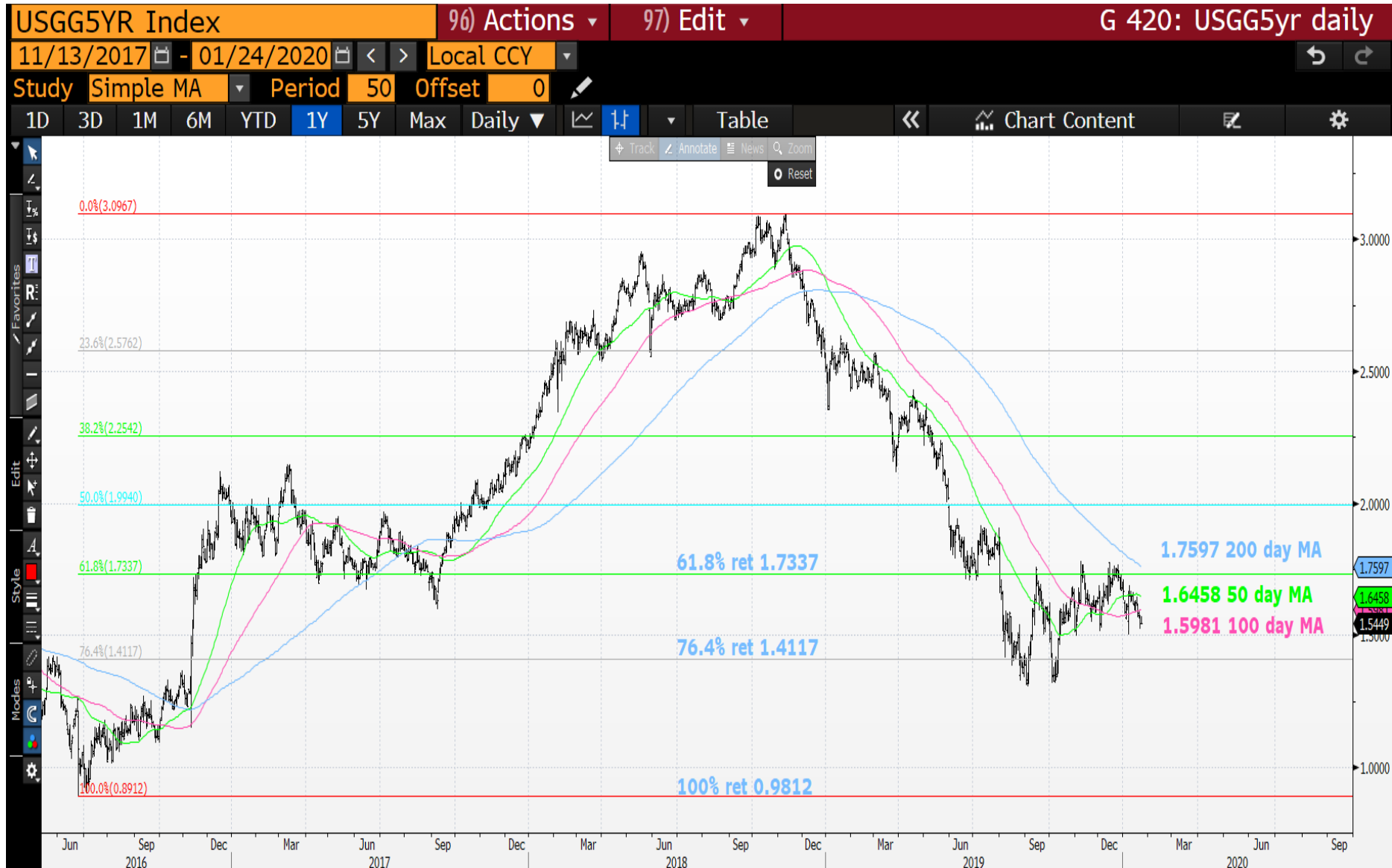
USGG5yr weekly (Taken from Feb 2011 high to July 2012 low) : That time the bounce was ONLY to the 23.6% ret 1.1520 indicating a very LAME bounce.



USGG5yr weekly (Now) : We just need to accelerate the yield drop and see yields BREACH 1.500%.

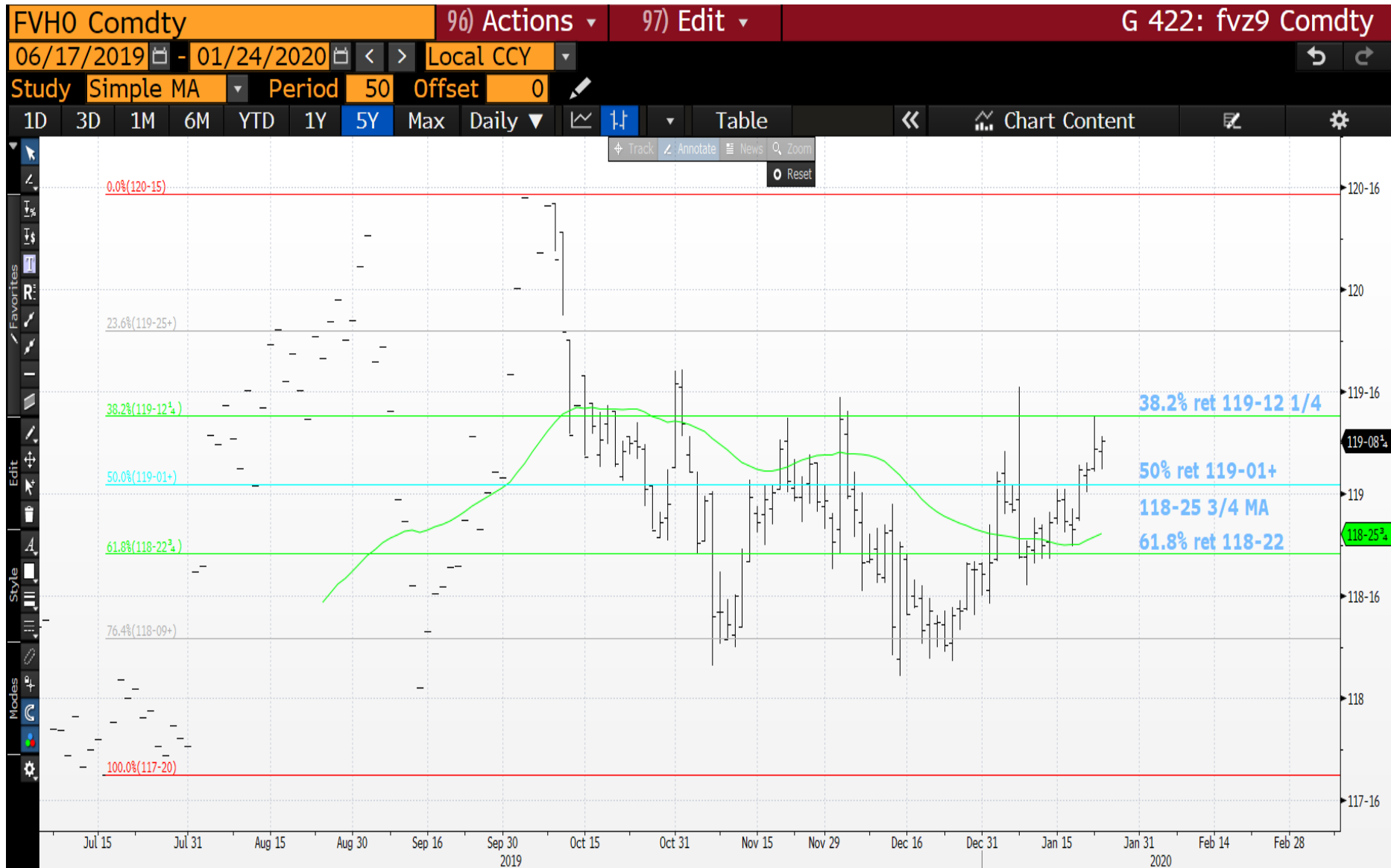


USGG5yr daily : We are now below the 100 day moving average 1.5981.



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US 5yr futures daily : Ideally we breach the 119-16 level.



24/01/2020

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

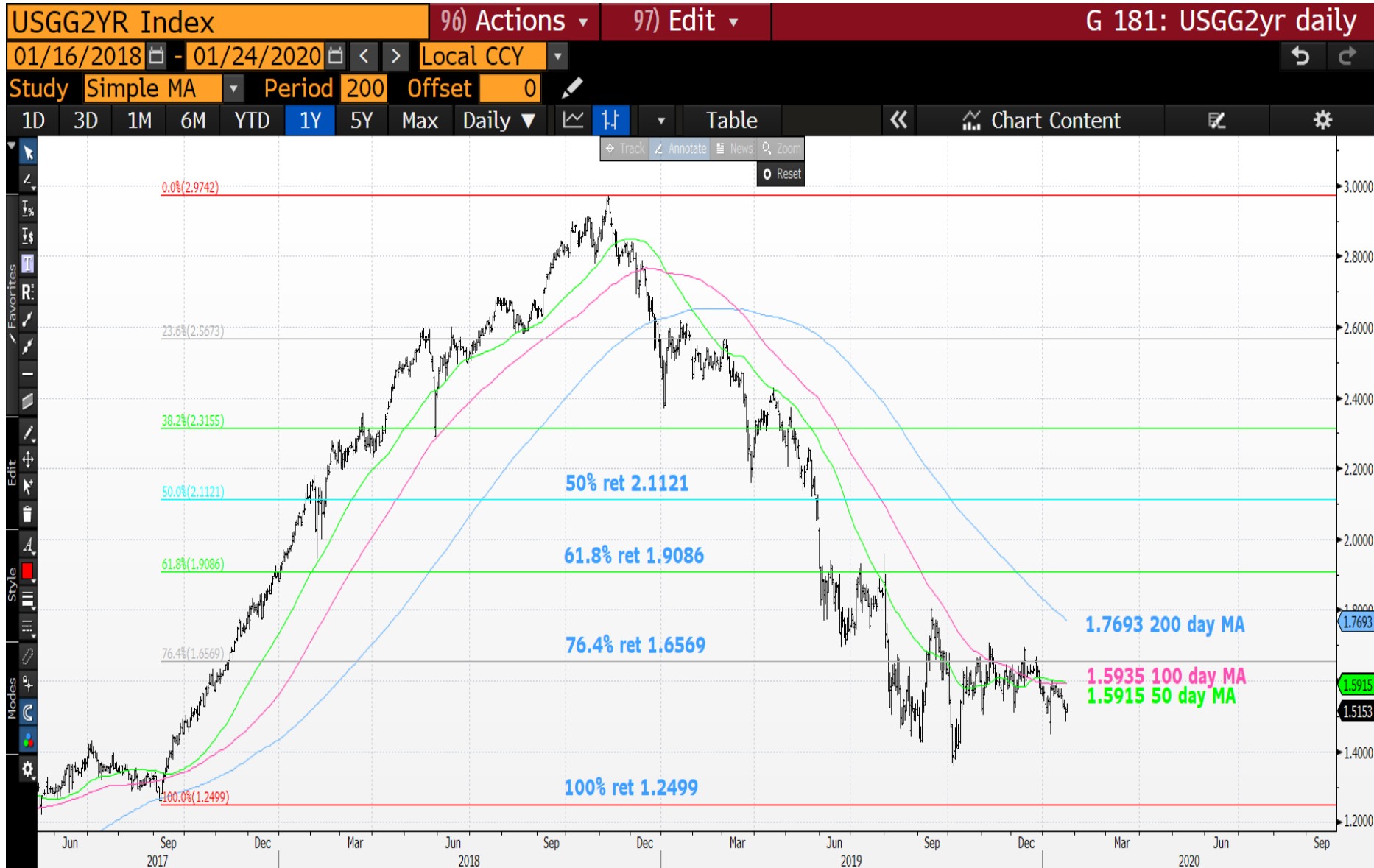


USGG2yr weekly : We have remained below the prominent 1.7256 moving average. Lets see what the weekly close brings.



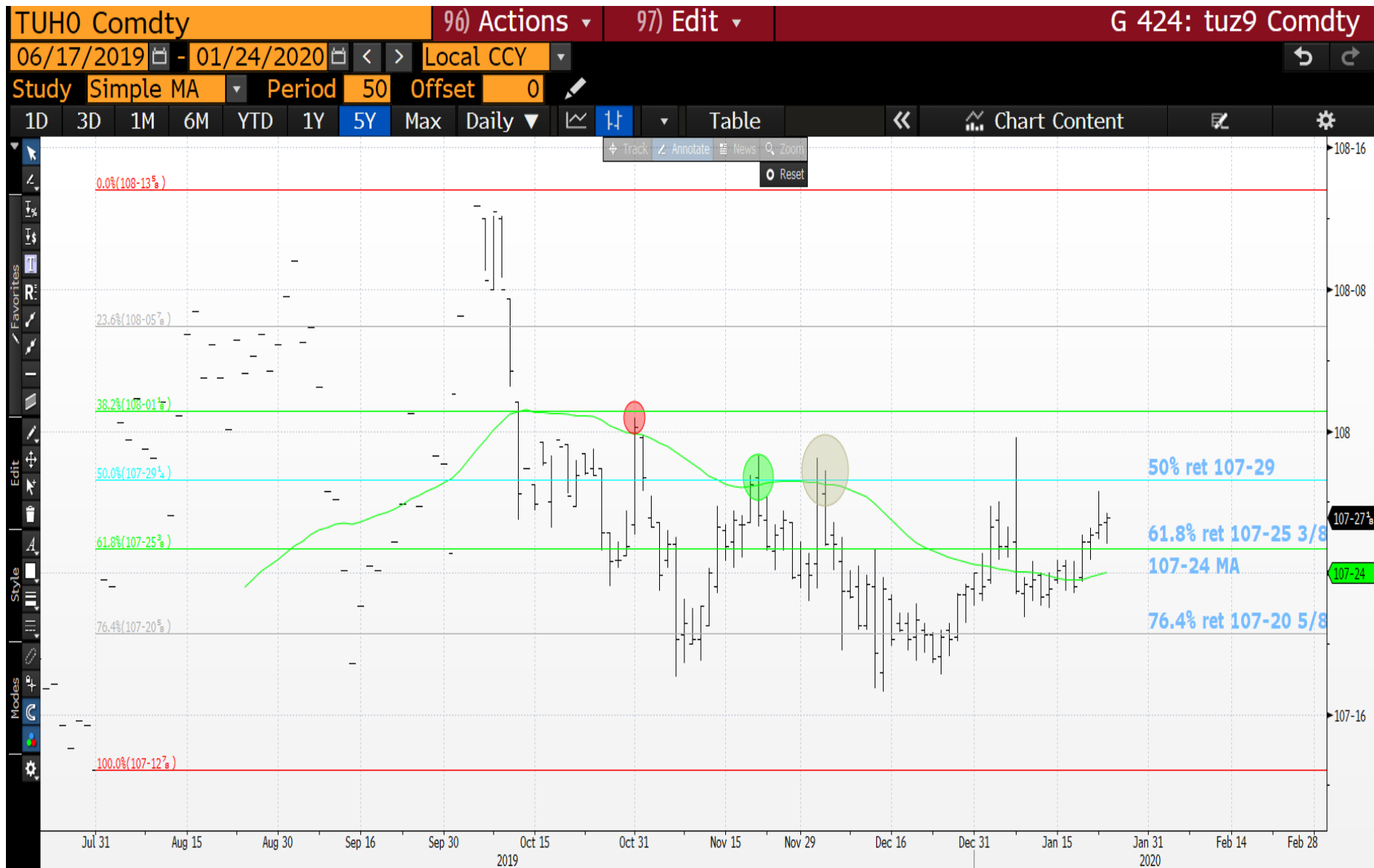
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USGG2yr daily : **Further evidence of the STRUGGLE.** A CLEAR rejection of ALL moving averages.

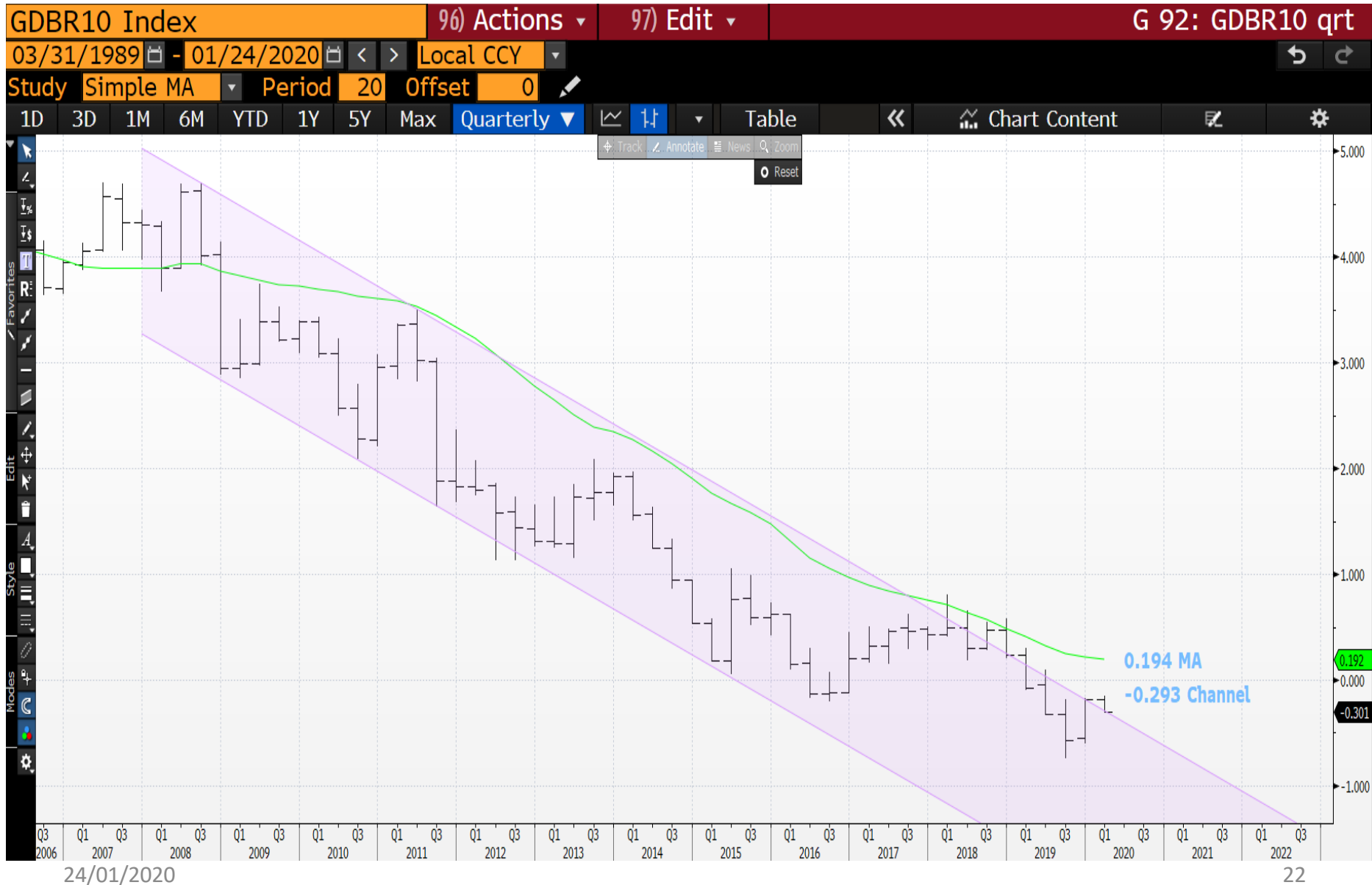


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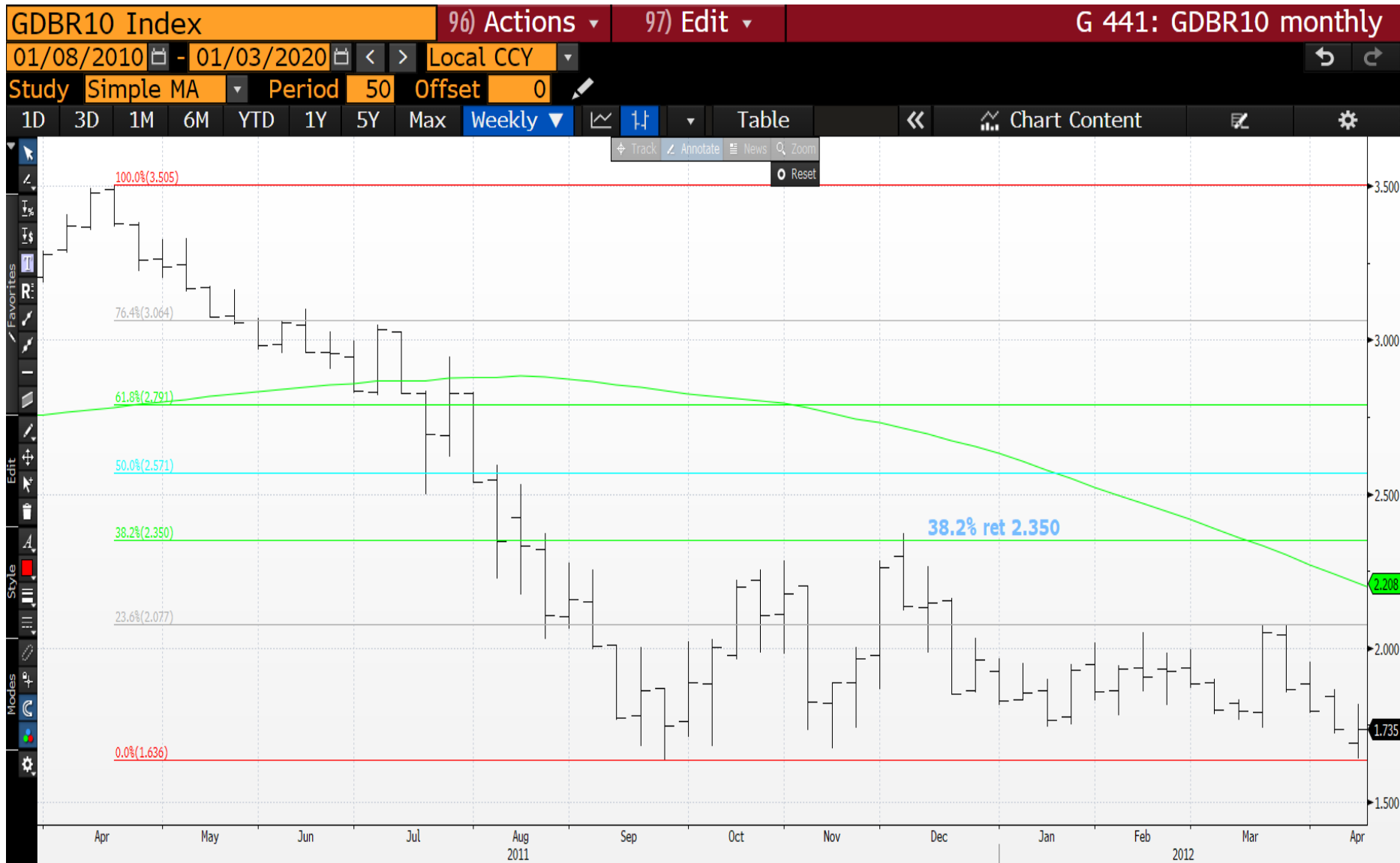
US 2yr future daily : A close above the 61.8% ret 107-25 5/8 should help the RALLY.



Generic German 10yr quarterly : This has been a VERY KEY chart and we have re-entered 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) : ** A PERFECT CHART ** A simple rejection of the 38.2% ret -0.151, all we need now is to breach the 23.6% ret -0.377 moving average.



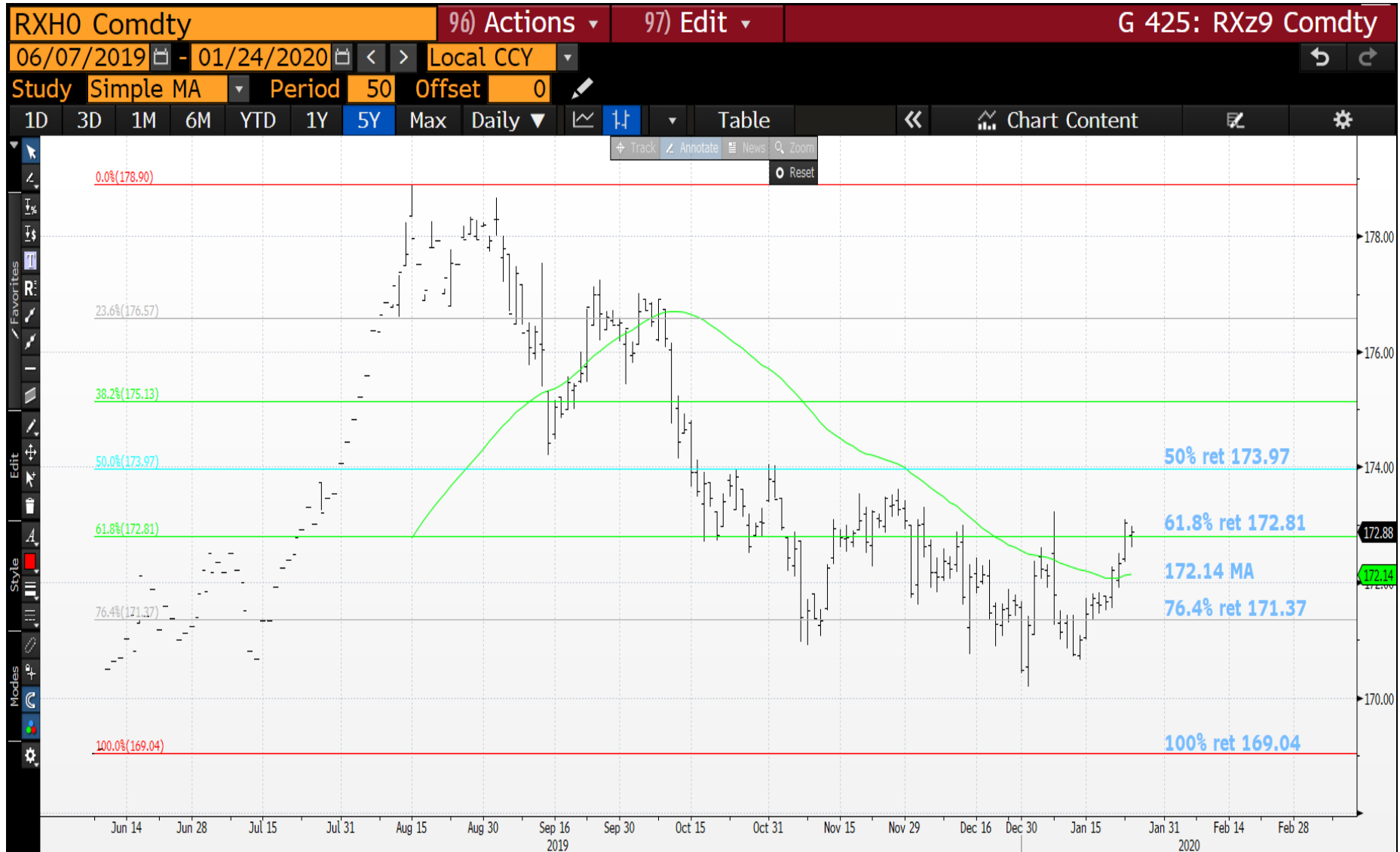
Generic German 10yr daily : Given we have failed the 38.2% ret we just need to start impinging on the moving averages.



DBR 46 daily : This is a VERY KEY chart given we have breached the reliable 160.509 moving average. We should head a lot higher.



Bund future daily : We have based and above 173.22 the recent high will help.



Gilt future daily : Ideally we close above the 38.2% ret 134.16.

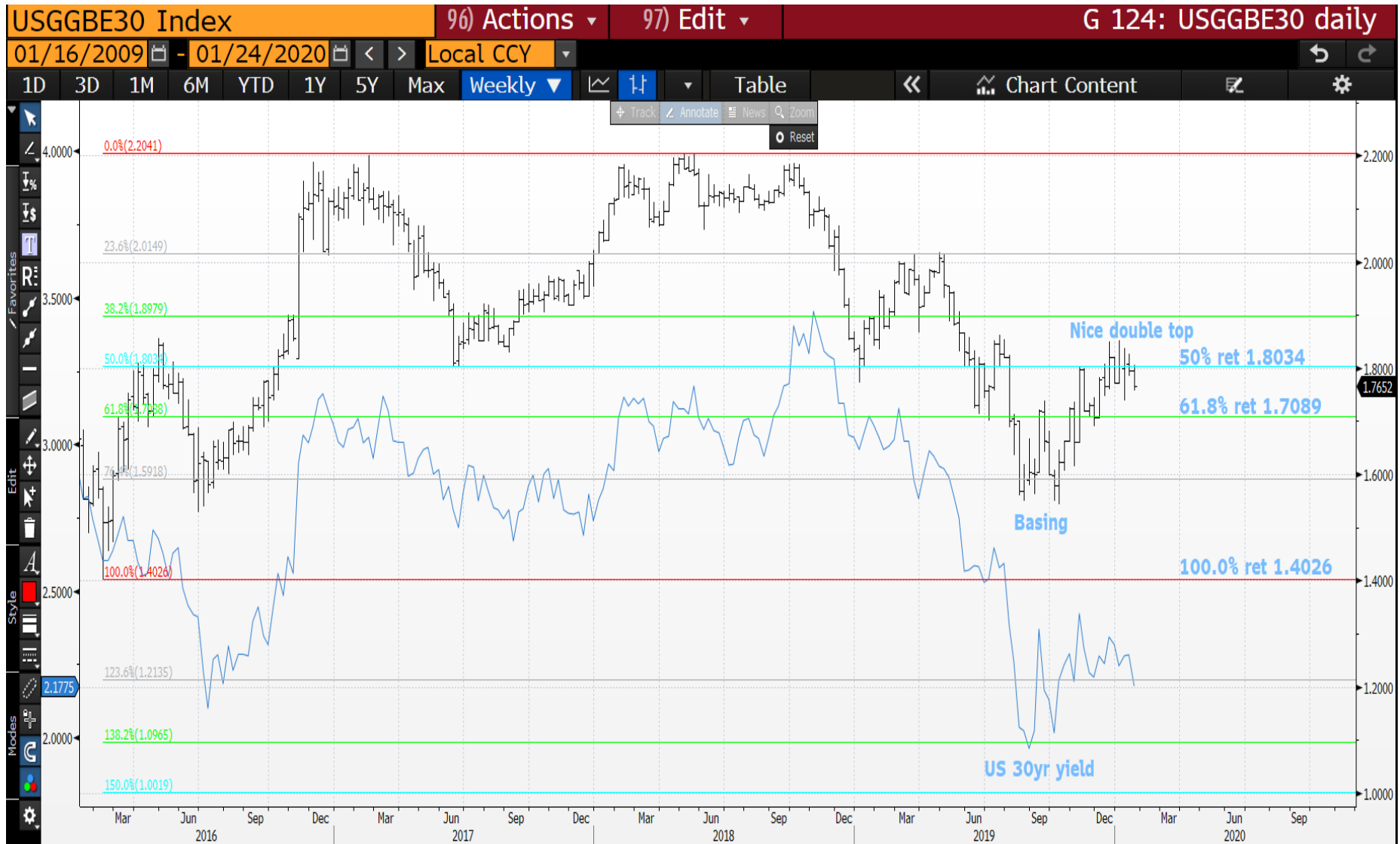


US BREAKEVENS :

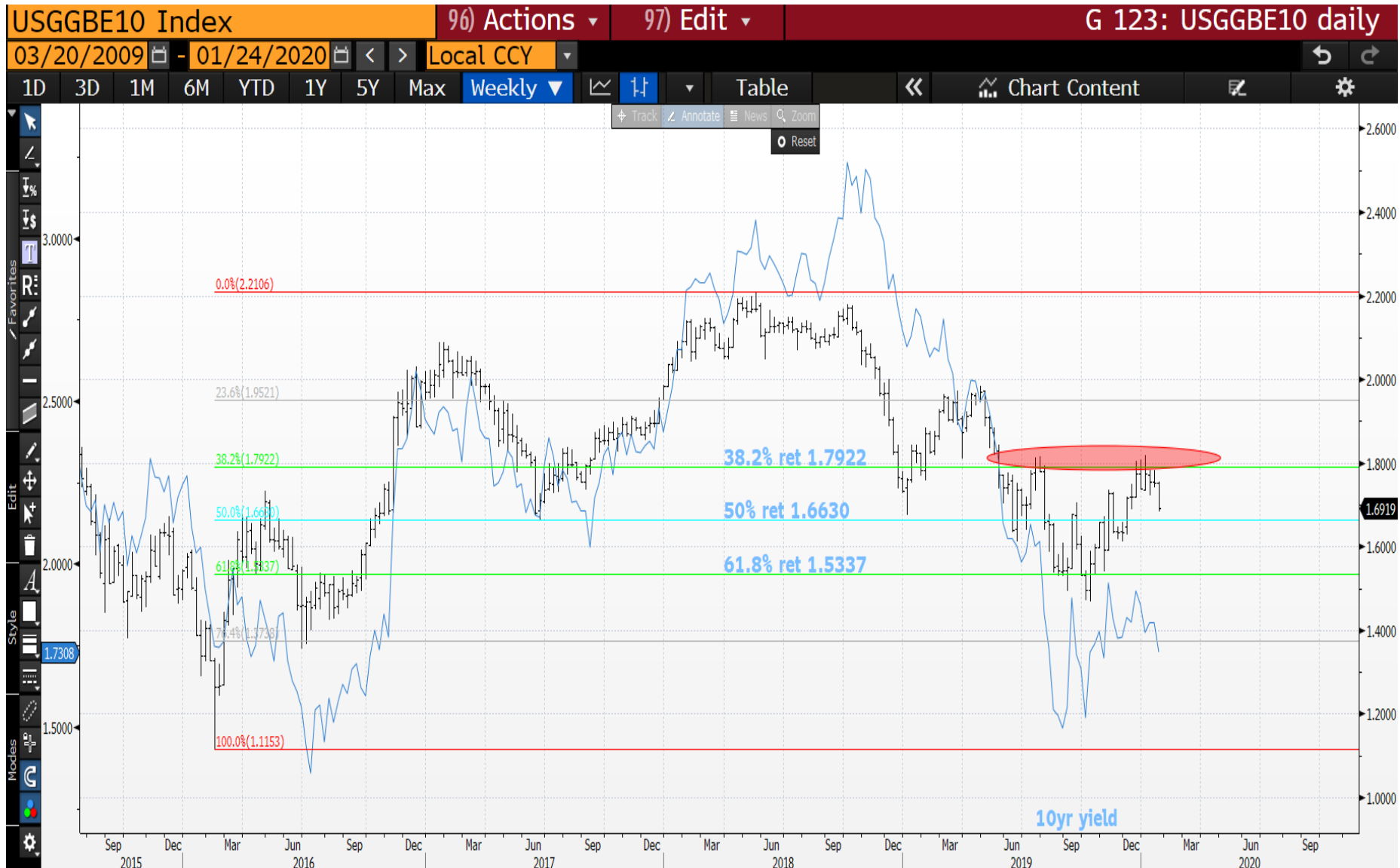
FINALLY IT LOOKS LIKE BREAKEVENS ARE TOPPING OUT AND FOLLOWING YIELDS LOWER.

MANY CHARTS HAVE BOND YIELD OVERLAYS.

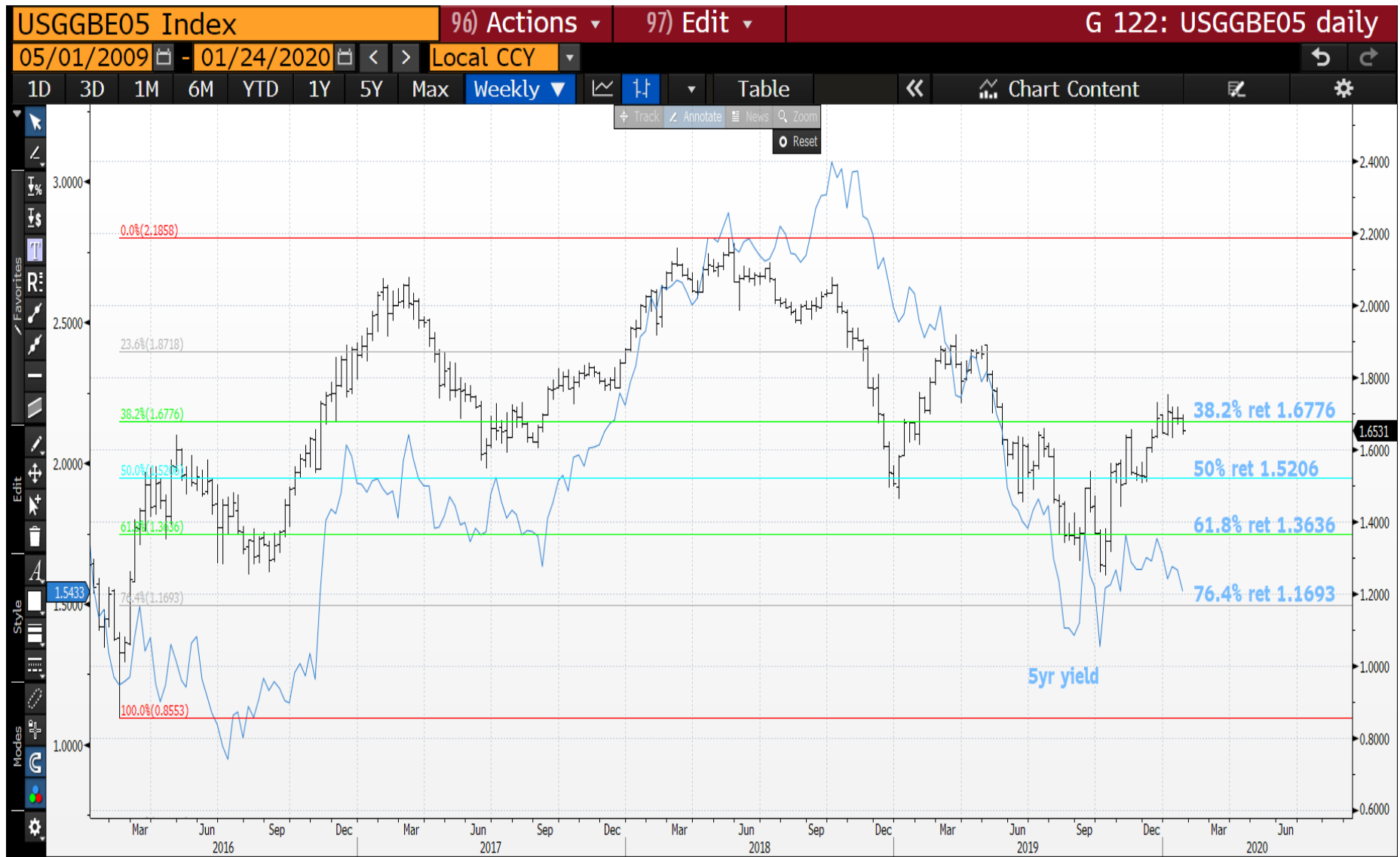
UKGGBE30 and 30yr yield weekly : We have created a nasty DOUBLE TOP! A close sub the 50% ret 1.8034 will confirm a STALL.



USGGBE10 and 10yr yield weekly : A nice TOP in play given we REMAIN sub the 38.2% ret 1.7992.



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

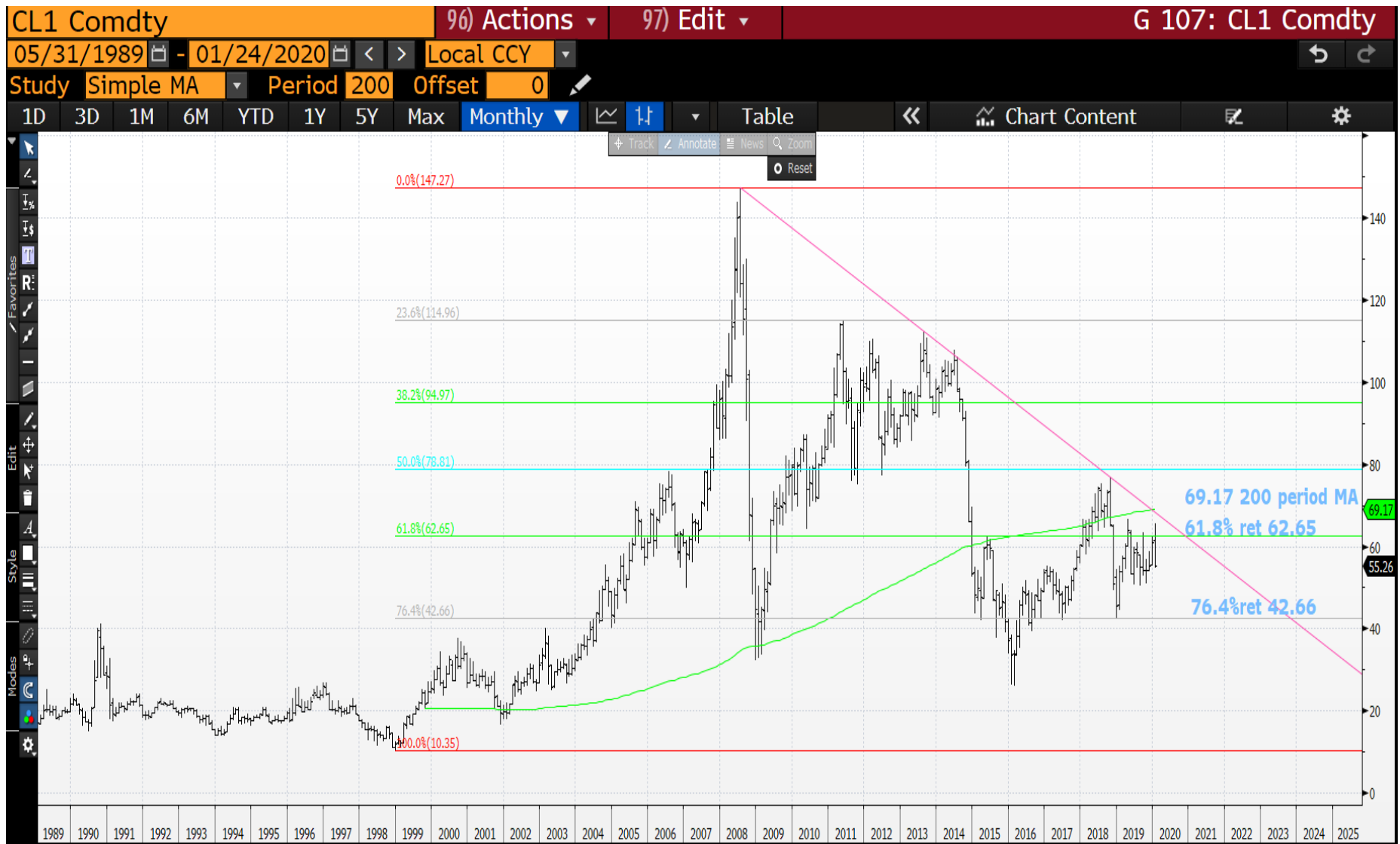


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SILVER monthly : Am sure this will play catch up, certainly if the 61.8% ret 19.4783-moving average 19.764 is breached.



OIL monthly : A very nasty rejection.



EQUITIES

EQUITIES : THE RELENTLESS TRAIN RUMBLES ON UNEFFECTED BY THE POSSIBLE CONTINUATION OF HOSTILITIES.

THESE COULD BECOME A CONCERN GIVEN MANY LOFTY RSI'S ESPECIALLY APPLE AND UNITED TECHNOLOGIES TO NAME BUT A FEW. EUROPE DOESN'T HAVE THE SAME OVER EXTENSION AS THE USA.

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

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

APPLE weekly : A VERY OVERBOUGHT SITUATION THAT MUST NEED ADDRESSING, ONE CHART TO WATCH GIVEN THE RSI.



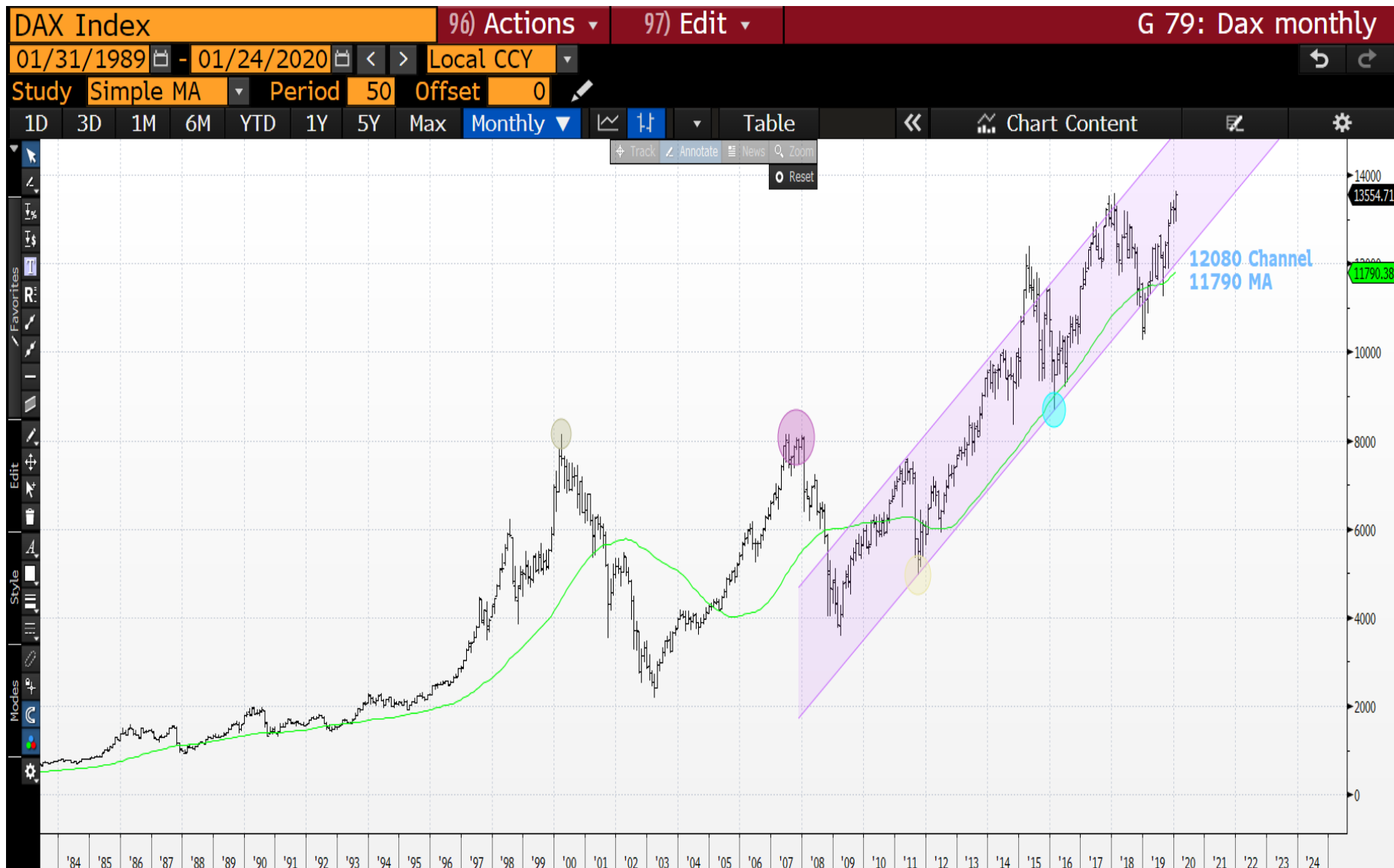
INTEL weekly : For any failure here we need to breach the 23.6% ret 58.0142.



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

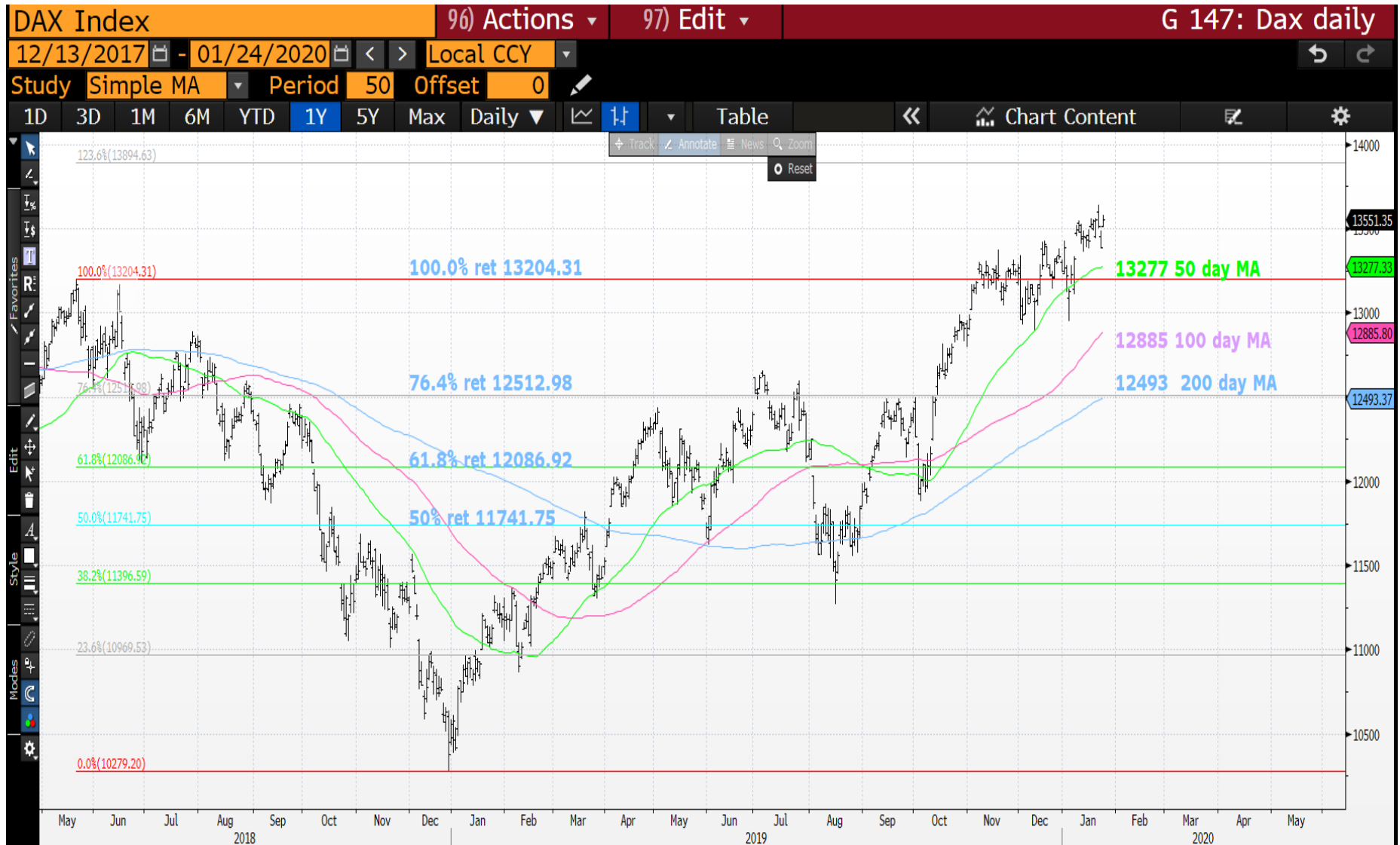


DAX monthly : This continues to grind higher.



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DAX daily : A very choppy market.



Eurostoxx monthly : New highs again!



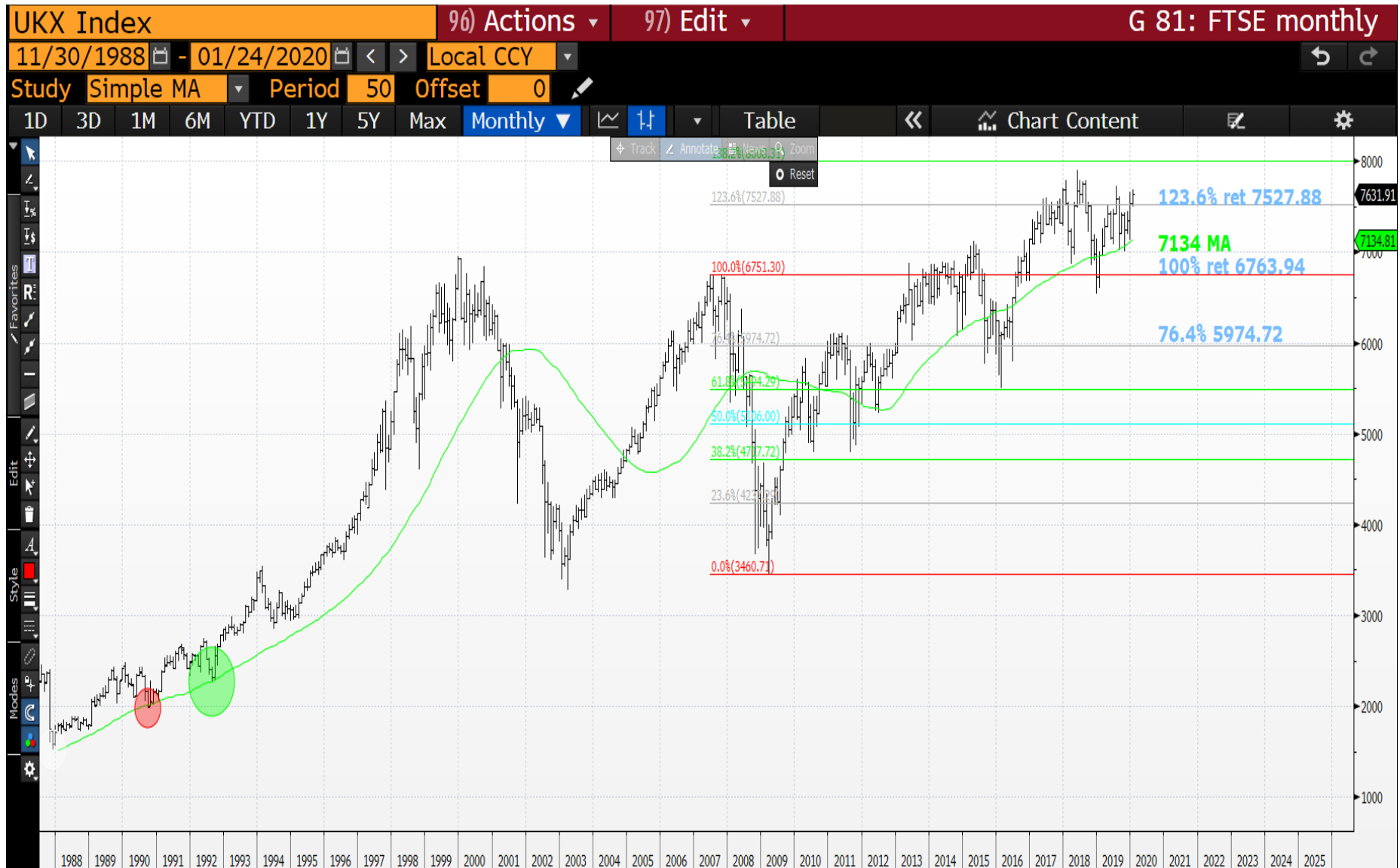
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Eurostoxx daily : We are off the highs but do need to breach the 3732 moving average before any trend is breached.



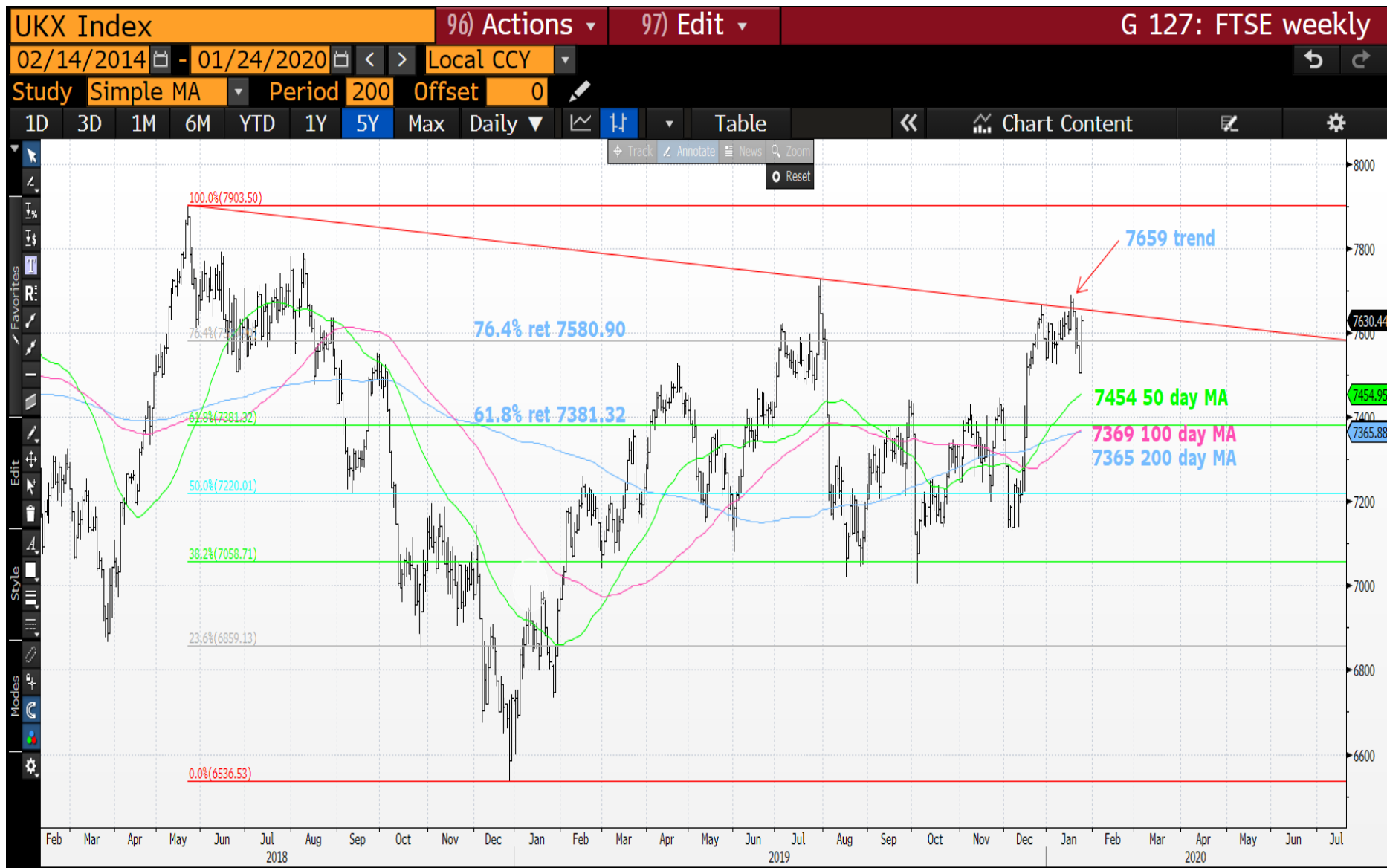
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FTSE monthly : No issue here certainly whilst we remain above the 123.6% ret 7527.88.



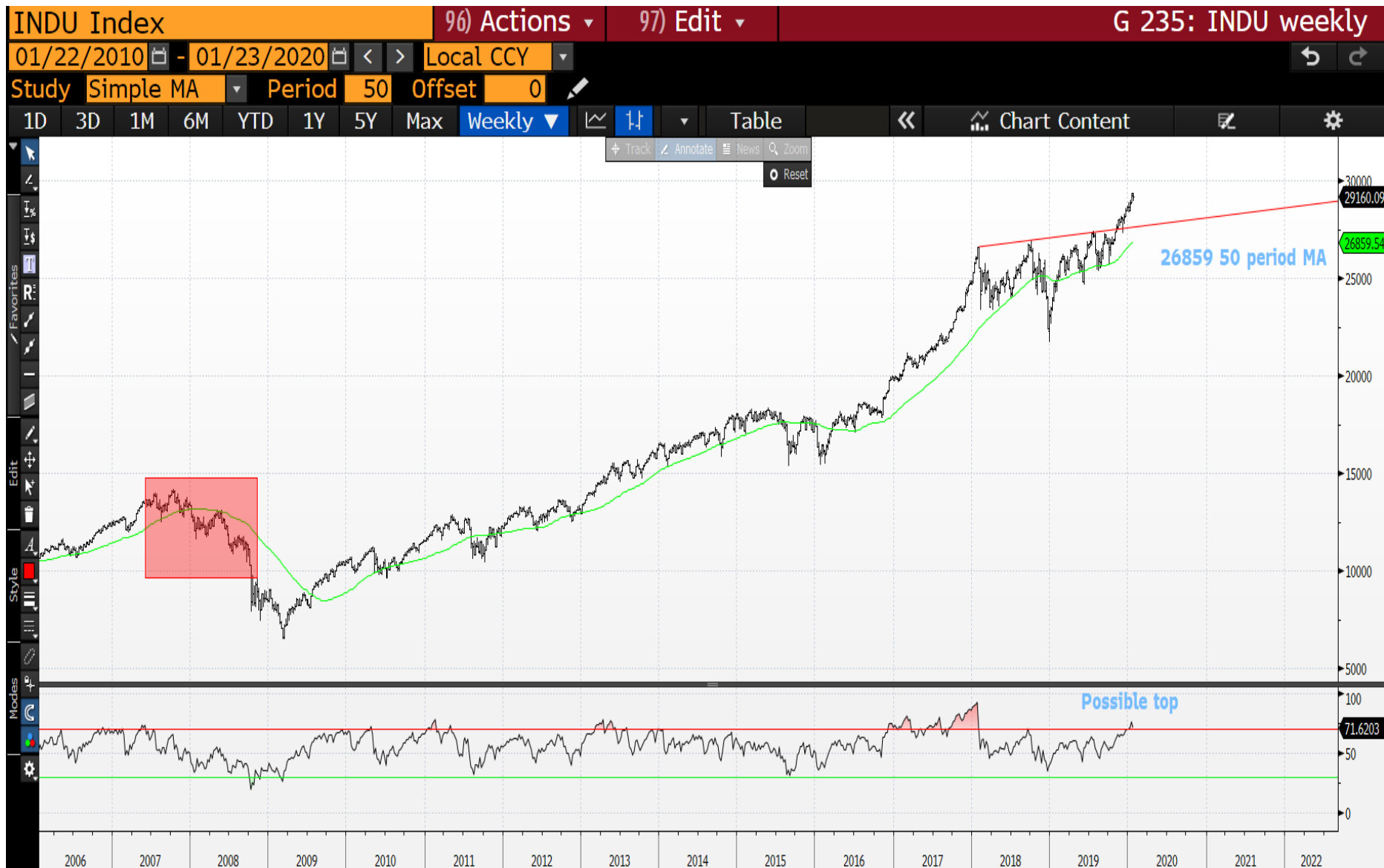
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FTSE monthly : Ideally we can remain sub the 7659 trend line high.

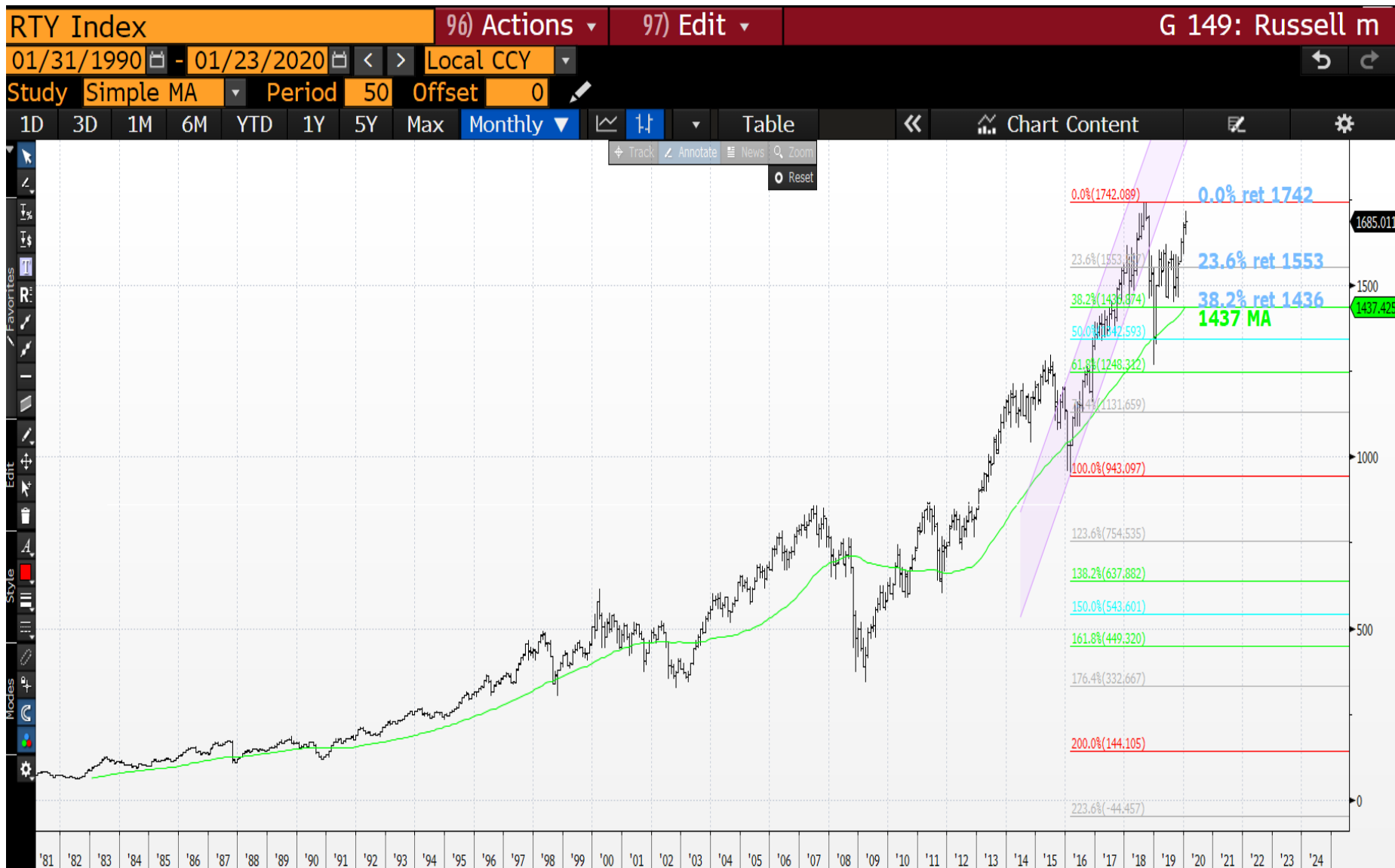


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DOW weekly : Despite new highs recently this does feel a VERY over stretched situation.

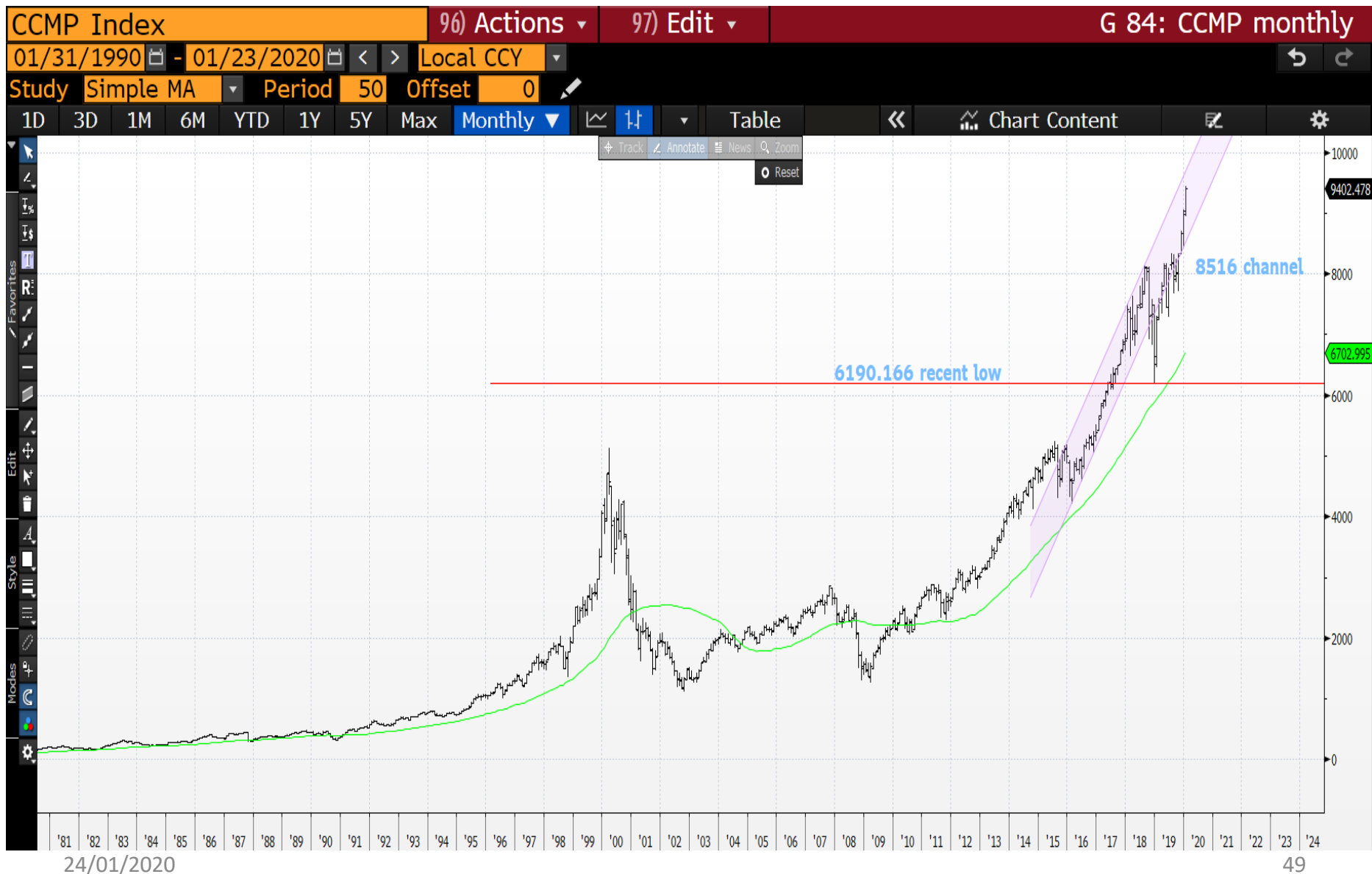


Russell monthly : No major statement here just similar to others we are sub last months high.



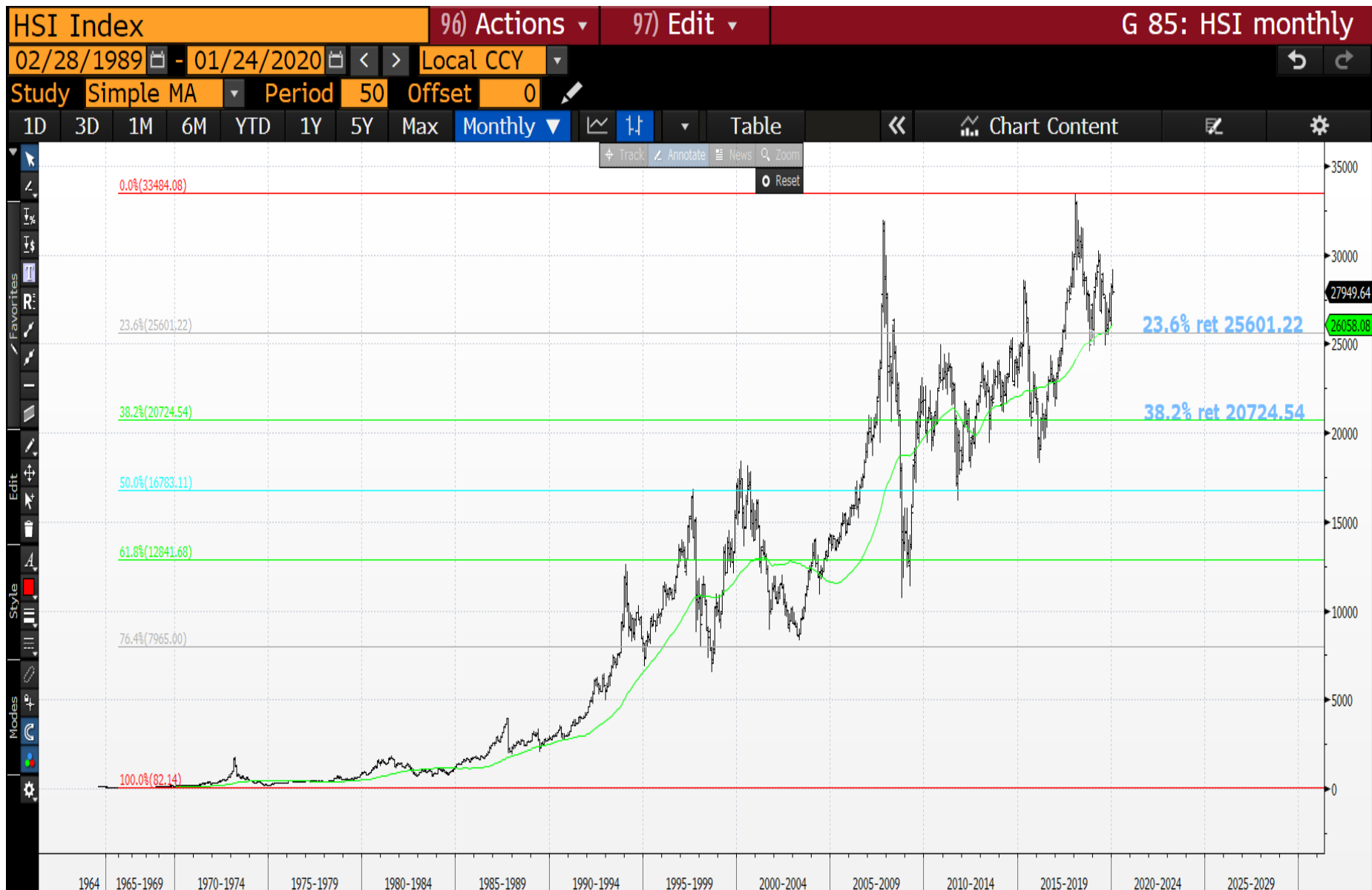
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CCMP monthly : This remains a positive chart whilst in the channel 8516, relentless.

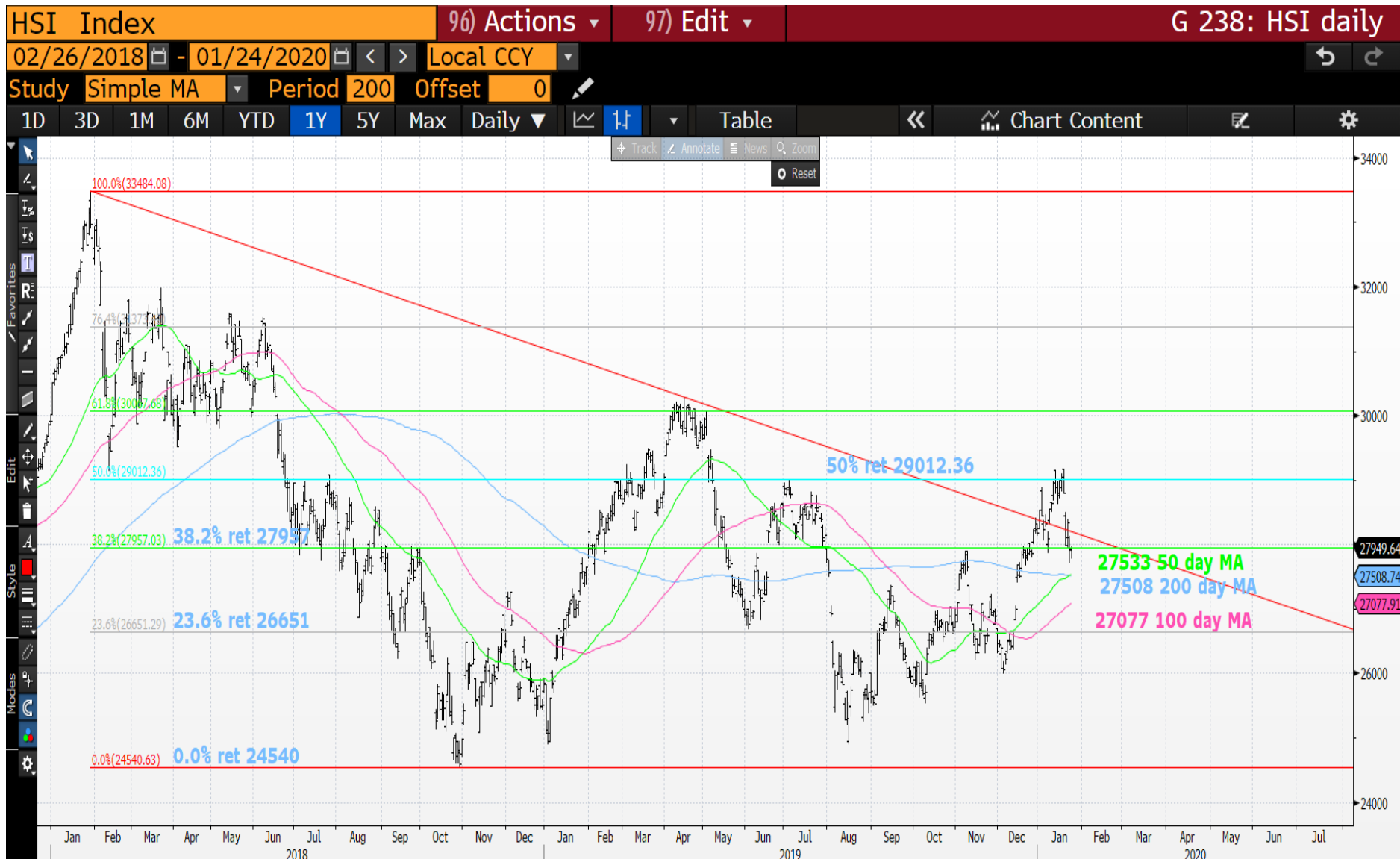


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Hang Seng monthly : A potential TOP has gone in?!



Hang Seng daily : Key chart given we have REVERSED back through the trend line, sub the 38.2% ret 27957 will be a STATEMENT.



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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