

MARKET UPDATE : CONSOLIDATION TIME UNLESS STOCKS FAIL OR YIELDS DROP FURTHER TODAY. STOCKS CONTINUE TO PERFORM DESPITE ALL CONORAVIRUS NEWS PREVENTING YIELDS FROM PRINTING NEW LOWS. WE NEED A DECISION HERE OR WE CONSOLIDATE. BOND YIELDS HAVE HAD A REPRIEVE BUT SHOULD CONTINUE TO REPLICATE 2011-2012 HISTORICAL MOVE. WATCH GILTS, THEY LED THE RALLY AND COULD DO IT AGAIN TODAY. STOCKS REMAIN VERY OVER BOUGHT AND MANY NOW LOOK LIKE PUTTING IN LONGTERM TOPS, BUT THAT SAID NEED TO FAIL THIS WEEK!

- 1. BOND YIELDS LOWER FROM TODAY? YIELDS CONTINUE TO GRIND LOWER WITH GERMANY AND US 5YR FOCUS CHARTS, TIME TO REPLICATE THE 2011-2012 SCENARIO.**
- 2. STOCKS LOWER TODAY, IDEALLY THEY HEAD LOWER FROM TODAY AS MANY HAVE ONLY JUST REVISITED THEIR RECENT HIGHS. THE CORONAVIRUS DOES NOT SEEM TO BE ABATING.**

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.

USGG30yr monthly : **** ONE TO WATCH **** This could be the perfect chart if we breach 2.00%, this will allow for a greater extension on the month. The months low would likely be 1.5-1.60% area.



10/02/2020

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) : Ideally this is the weeks high and yields head lower from here.

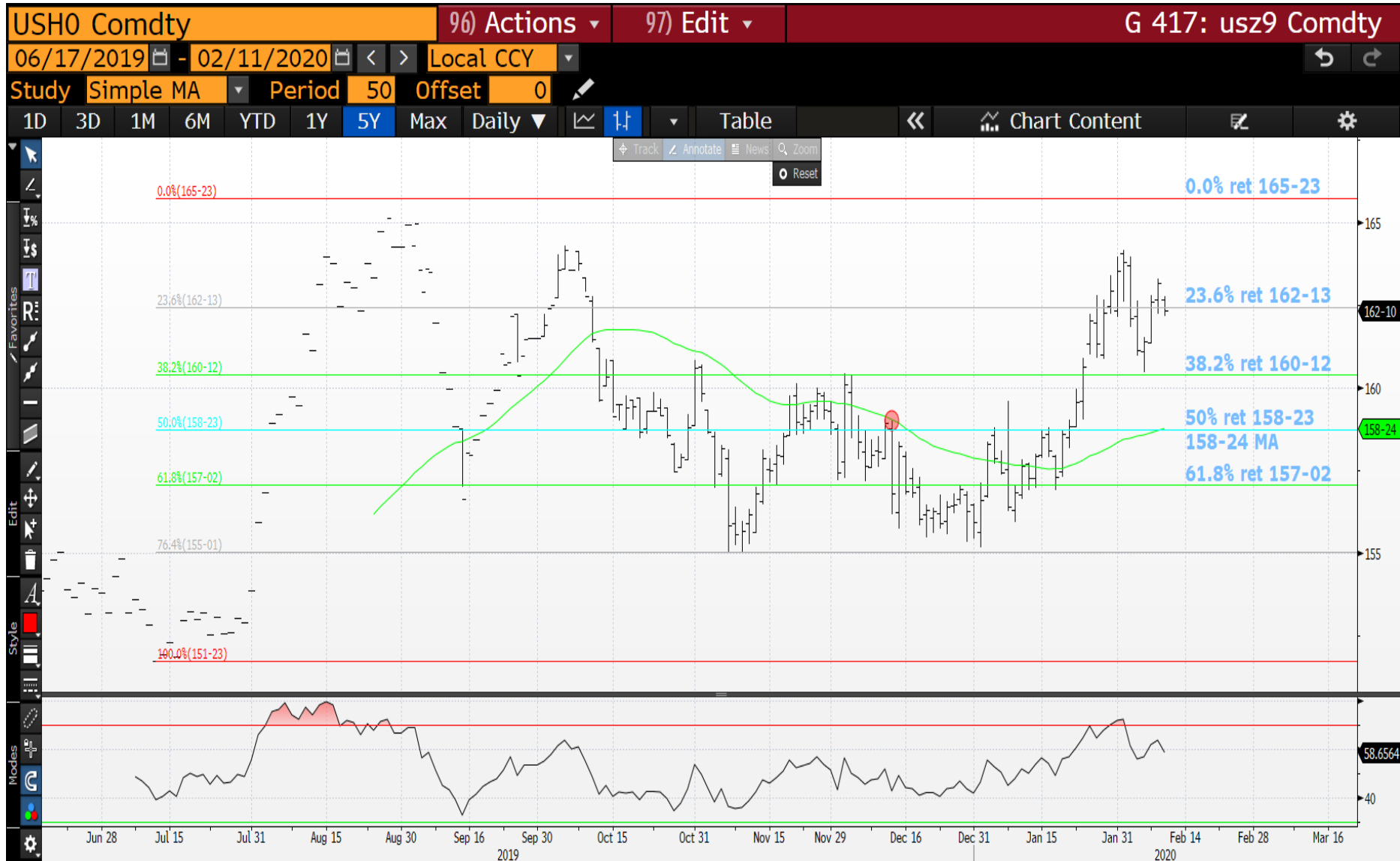


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USGG30yr yield daily : *ONE TO WATCH* The RSI is neutral thus would be more of a “level” break here. Sub the 176.4% ret 1.9972 would be ideal, above the 2.2234 100 day would see CONSOLIDATION.



US 30yr futures daily : The RSI is neutral and we need to close above the 23.6% ret 162-13 to maintain a bond positive environment.



10/02/2020

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!



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USFS 10-20 monthly : Ideally this is the highs the bounce gets and we make a new low soon.

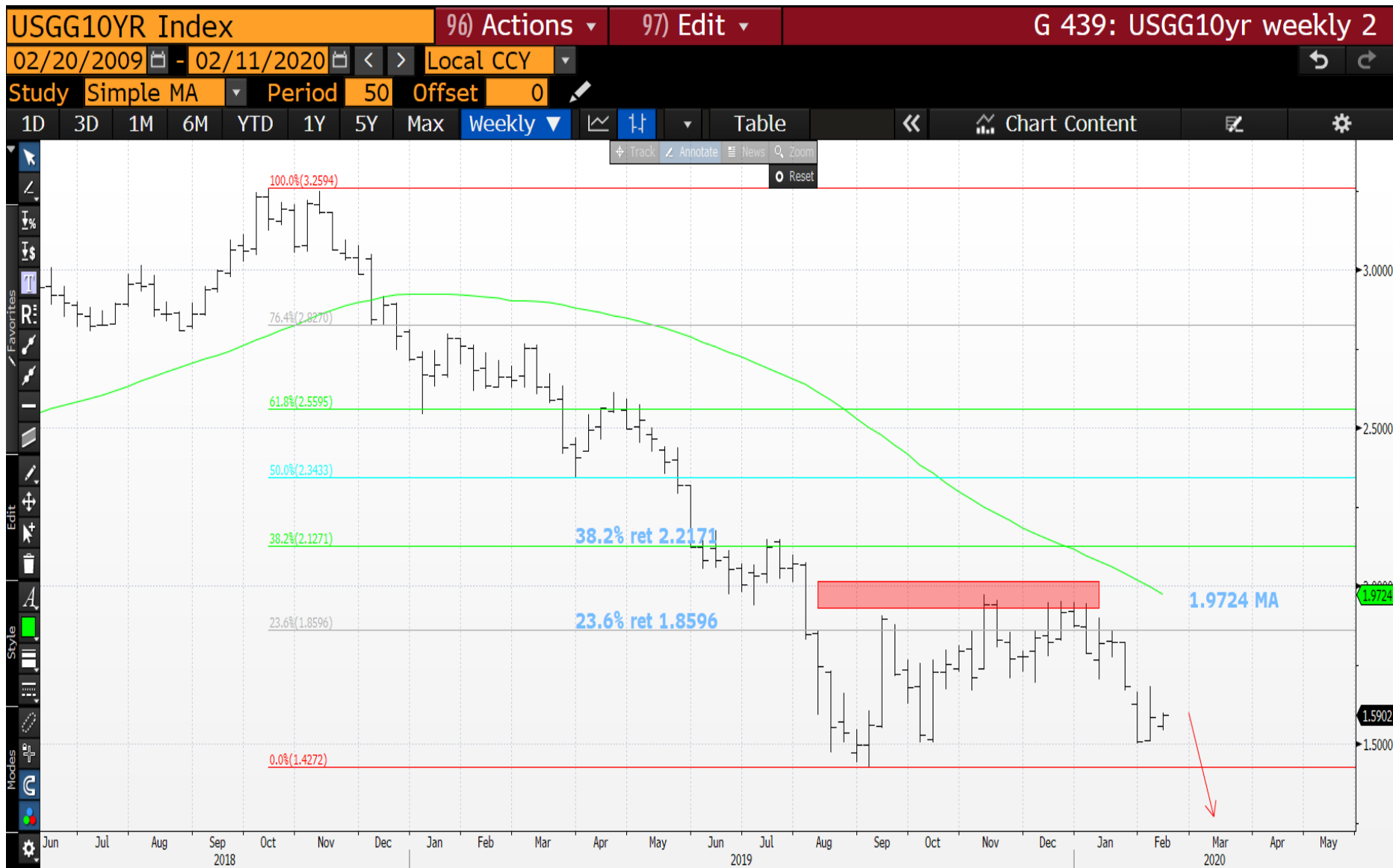


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US 10yr yield weekly (Taken from Feb 2011 high to July 2012 low): That time we fell SHY of the retracement and MOVING AVERAGE.



US 10yr yield weekly (Now) : Hopefully we fail today and close lower down this weeks yield BAR.



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USGG10yr daily : The RSI is off its lows and we remain sub ALL moving averages, we just need to fail today.



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US 10yr futures daily : The RSI is neutral thus we need to close above the 23.6% ret 131-03+.



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) : A great chart this given we hit the previous low, ideally we make a new yield low by the weekend end.

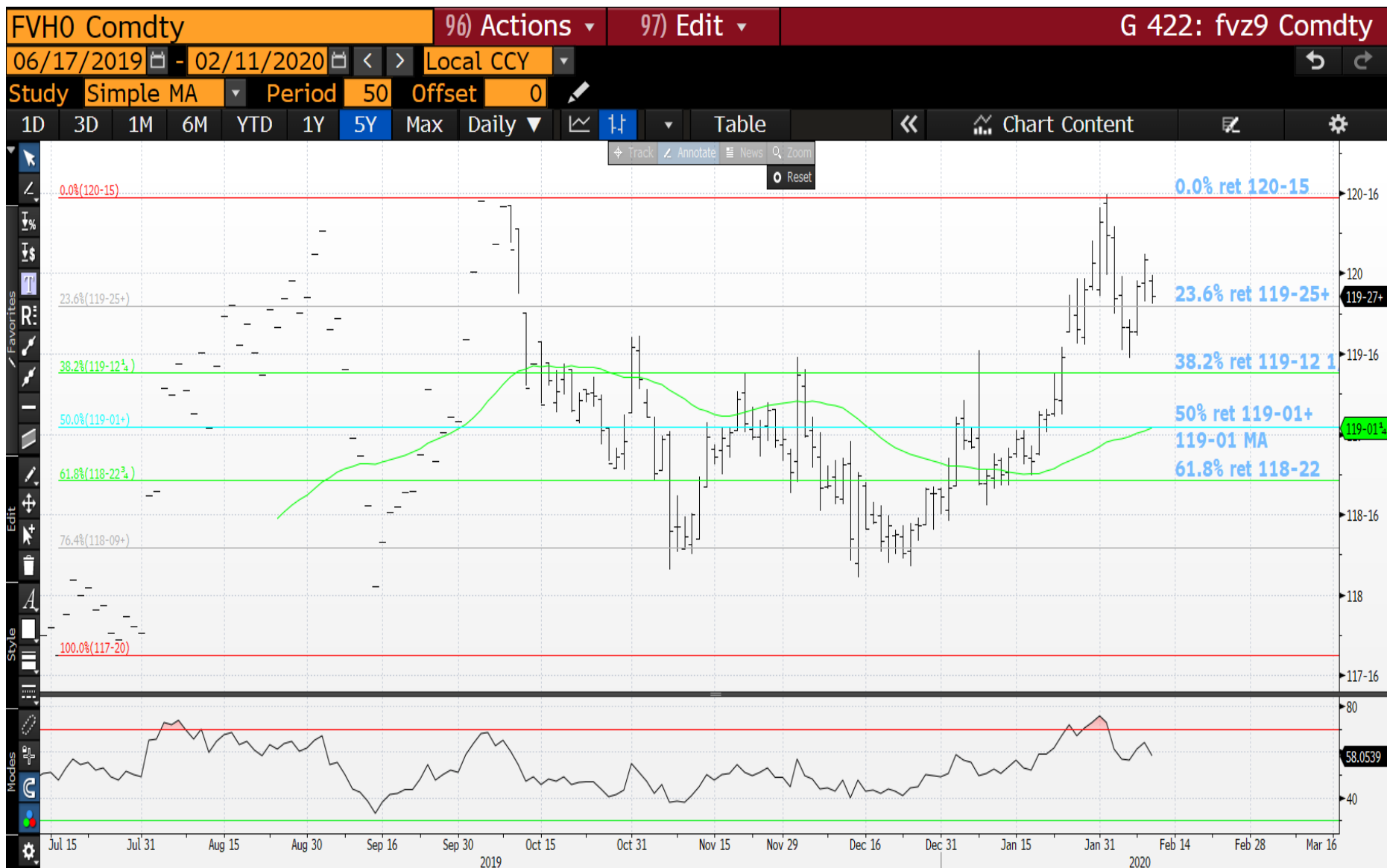


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USGG5yr daily : We are below ALL moving averages, just need a new low.



US 5yr futures daily : The RSI is now neutral but we need to HOLD the 23.6% ret 119-25+ for the bond rally to continue.



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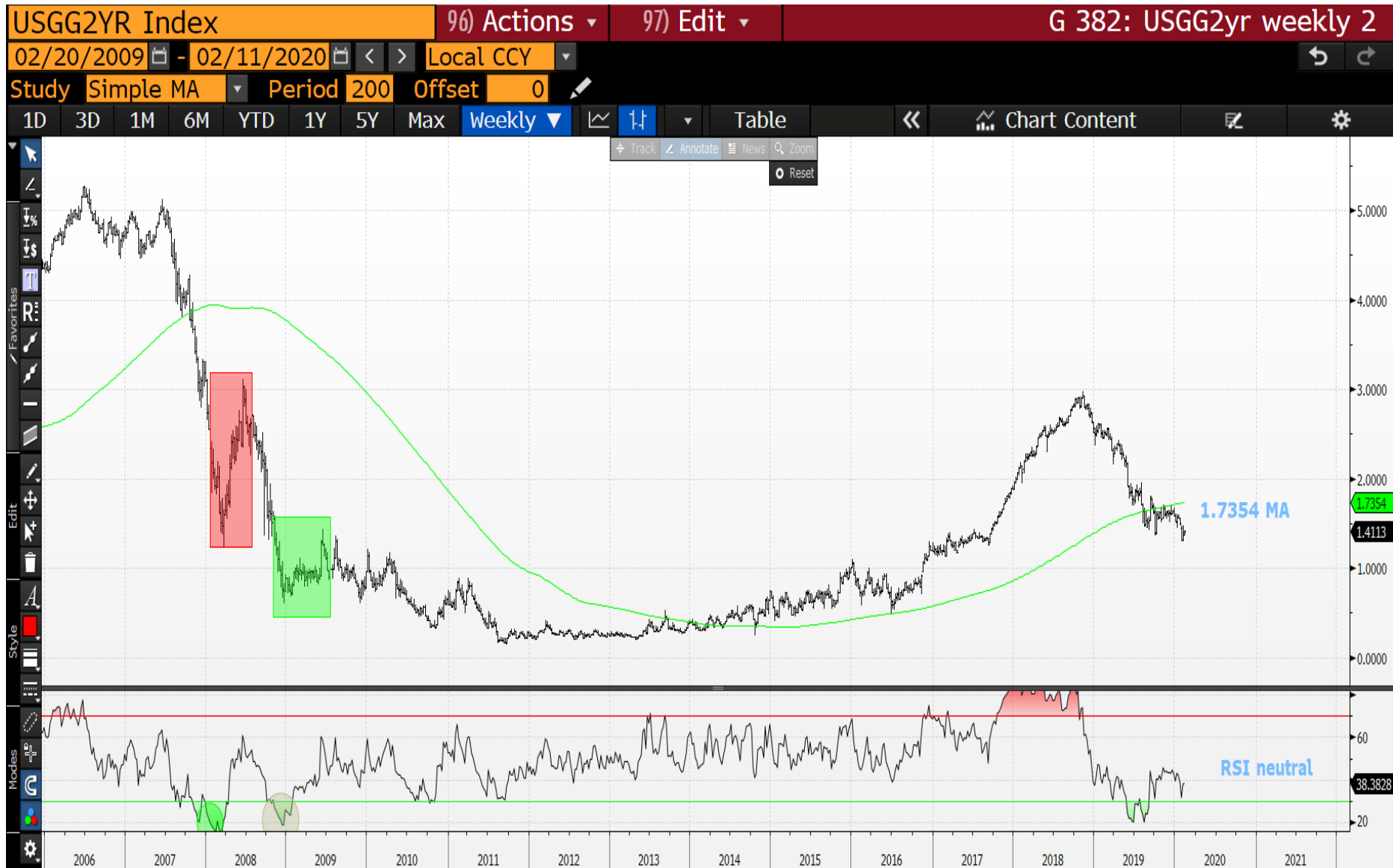
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USGG2yr monthly : This continues to be the LAME sector of the curve and poised to head a lot lower.



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USGG2yr weekly : We have remained below the prominent 1.7354 moving average and keen to head lower.



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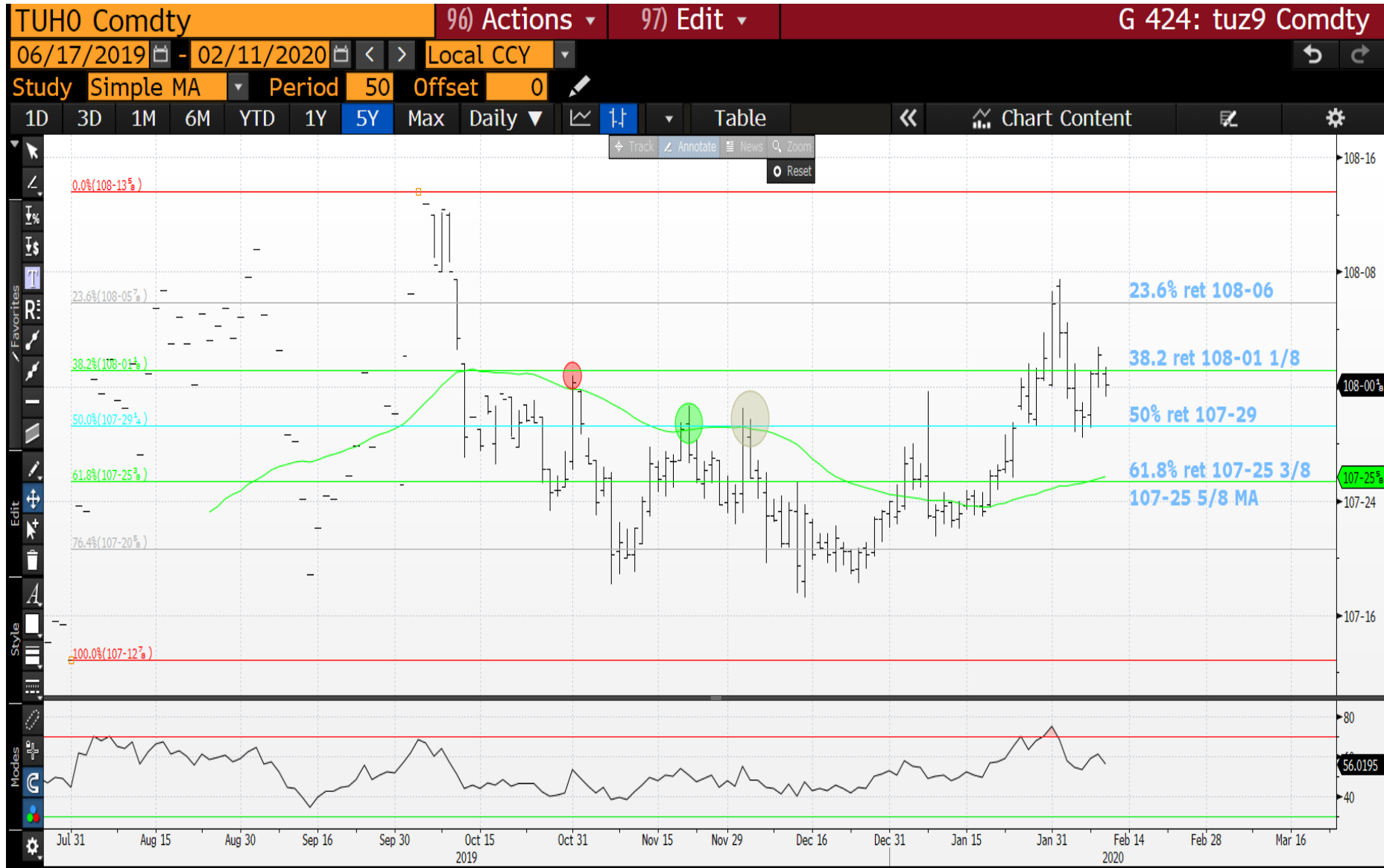
USGG2yr daily : **Further evidence of the STRUGGLE.** We remain sub all moving averages so just a case of when we fail.



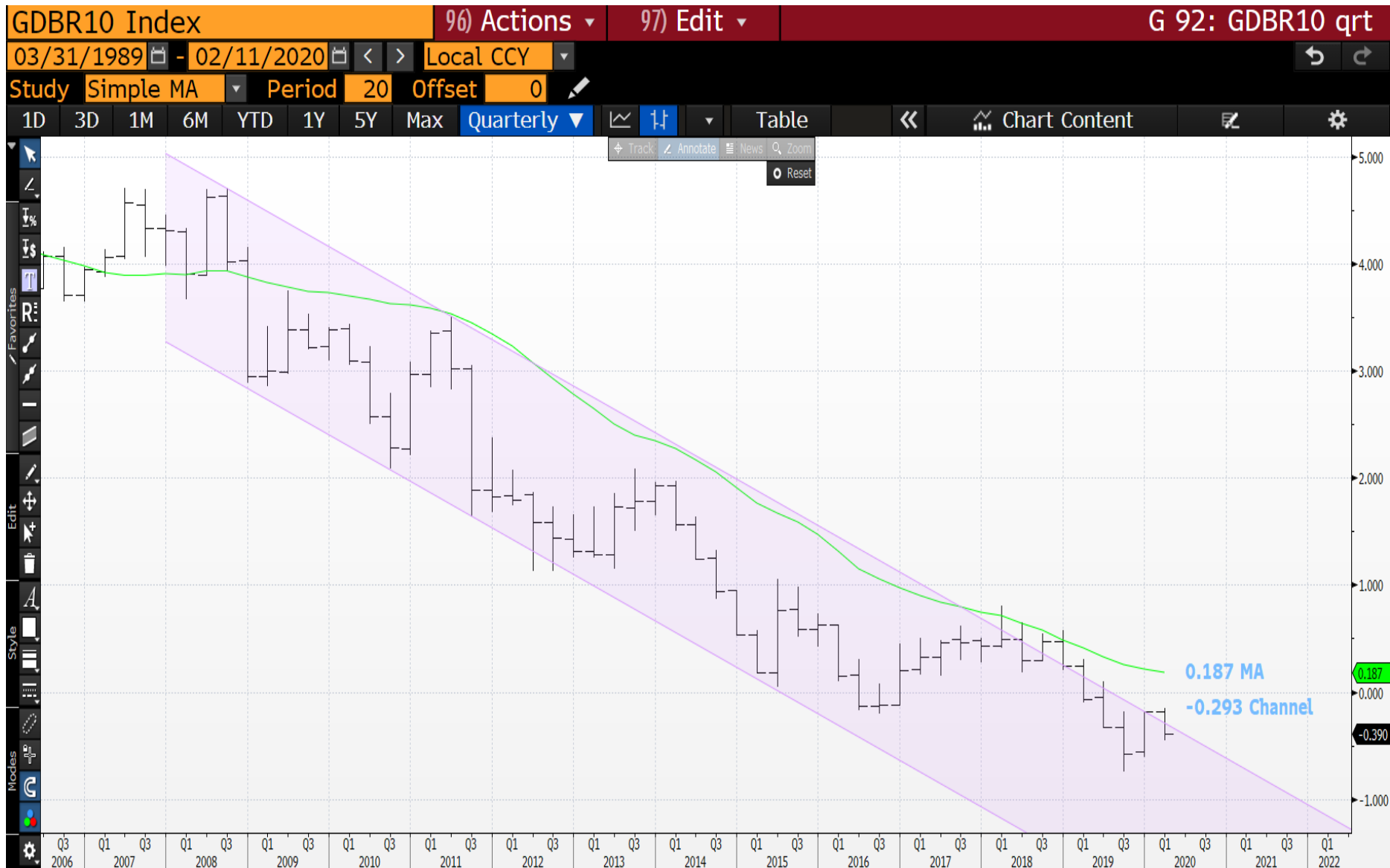
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US 2yr future daily : Slightly frustrating as we have breached the 38.2% ret 108-01 1/8th.



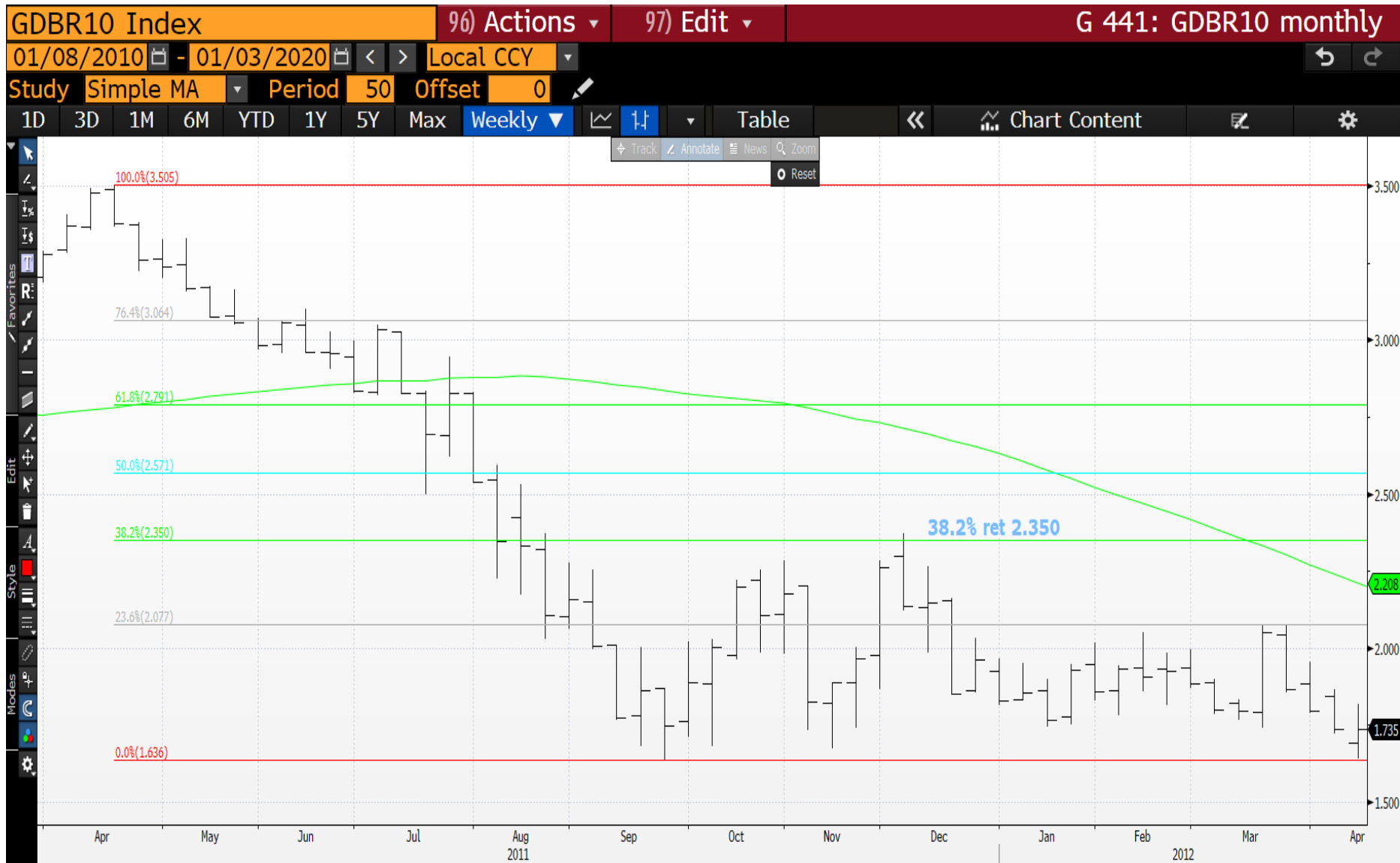
Generic German 10yr quarterly : This has been a VERY KEY chart and we have re-entered the CHANNEL -0.293. Lower we go.



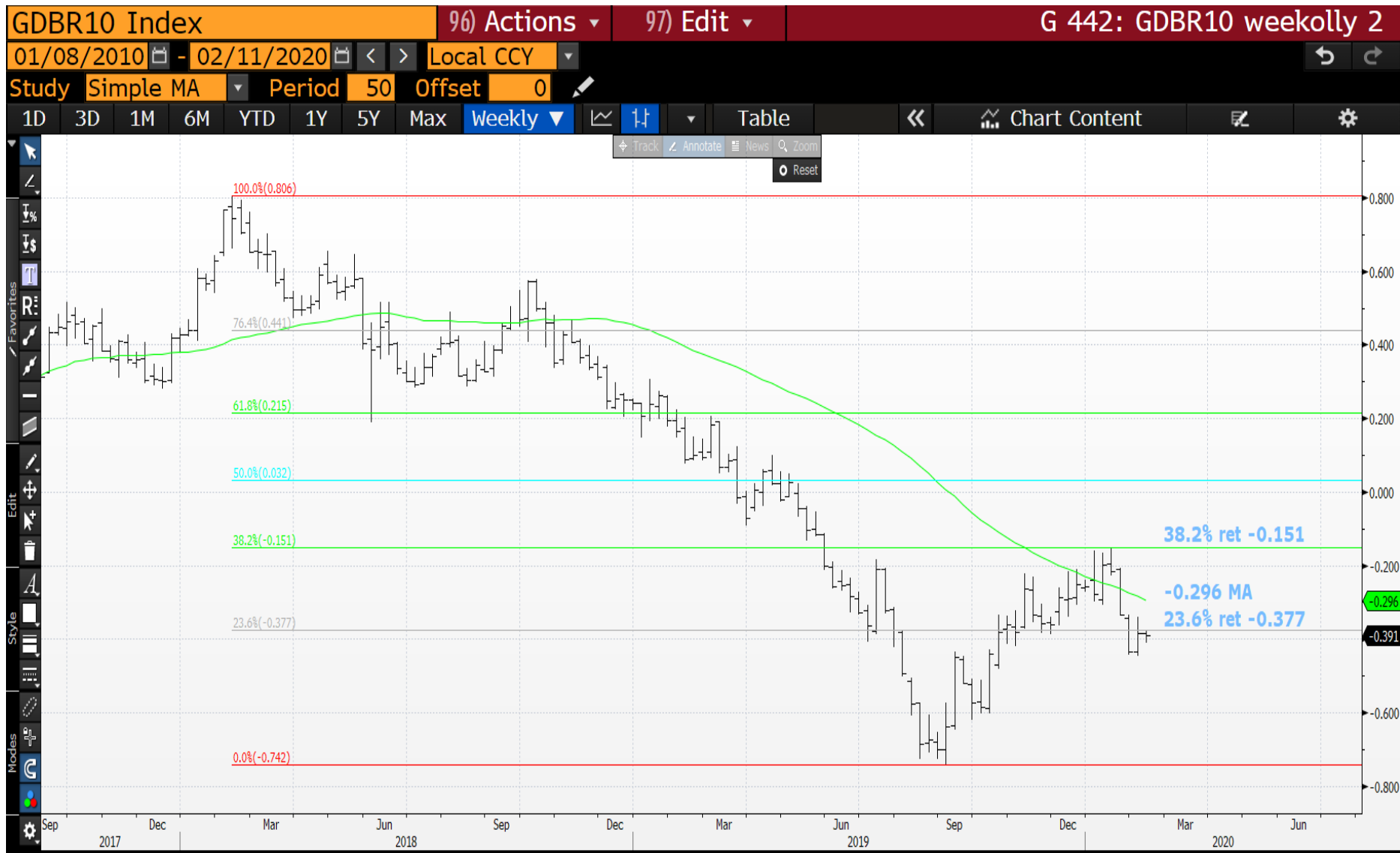
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Generic German 10yr weekly (Taken from April 2011 high to April 2012 low) : That time we hit the 38.2% ret 2.350 and failed.

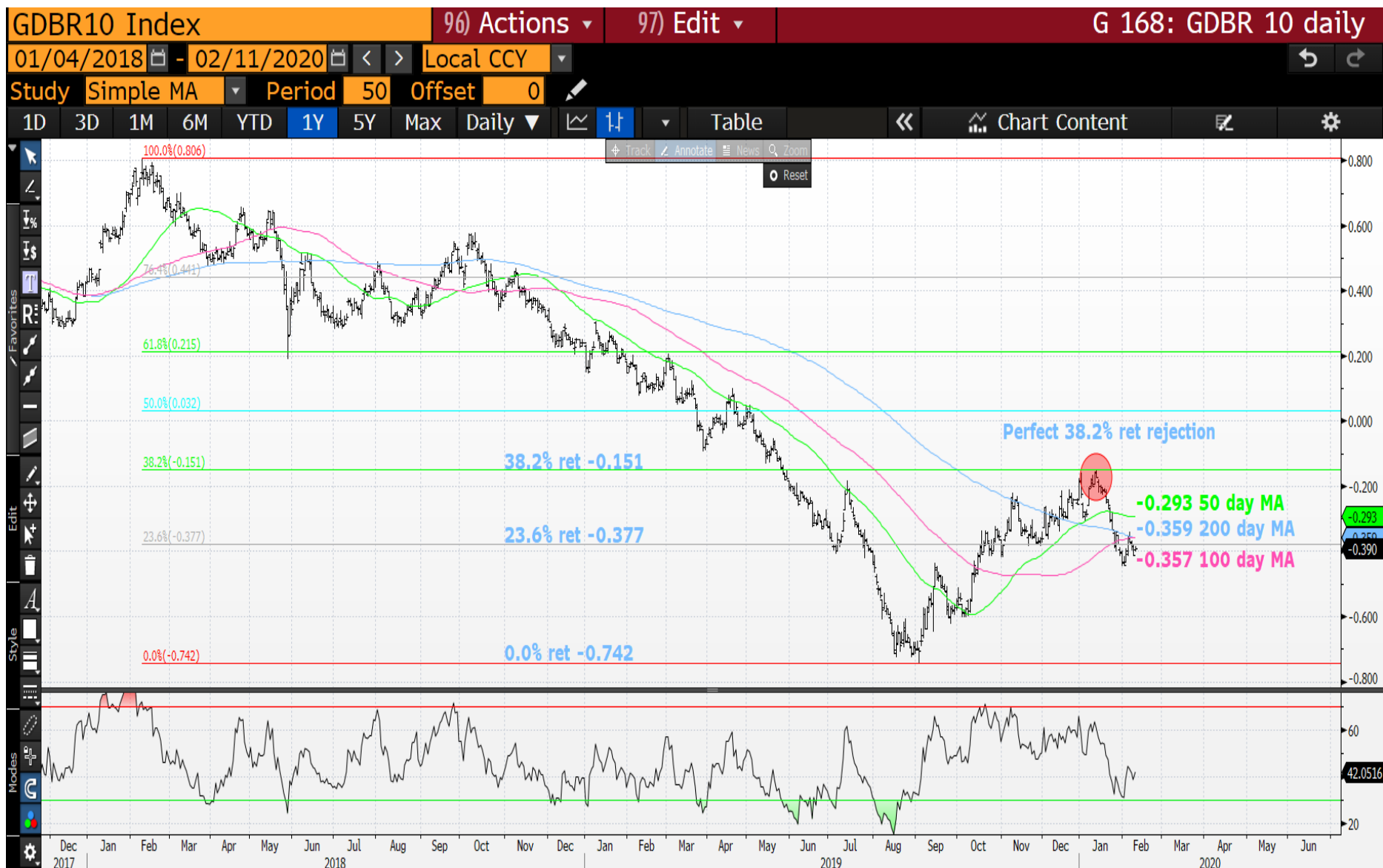


Generic German 10yr weekly (Now) : ** A PERFECT CHART ** Hopefully we fail here at the 23.6% ret -0.377 or worse still the -0.296 moving average.



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Generic German 10yr daily : We now have great resistance all the way, ideally we head lower from the 23.6% ret -0.377.

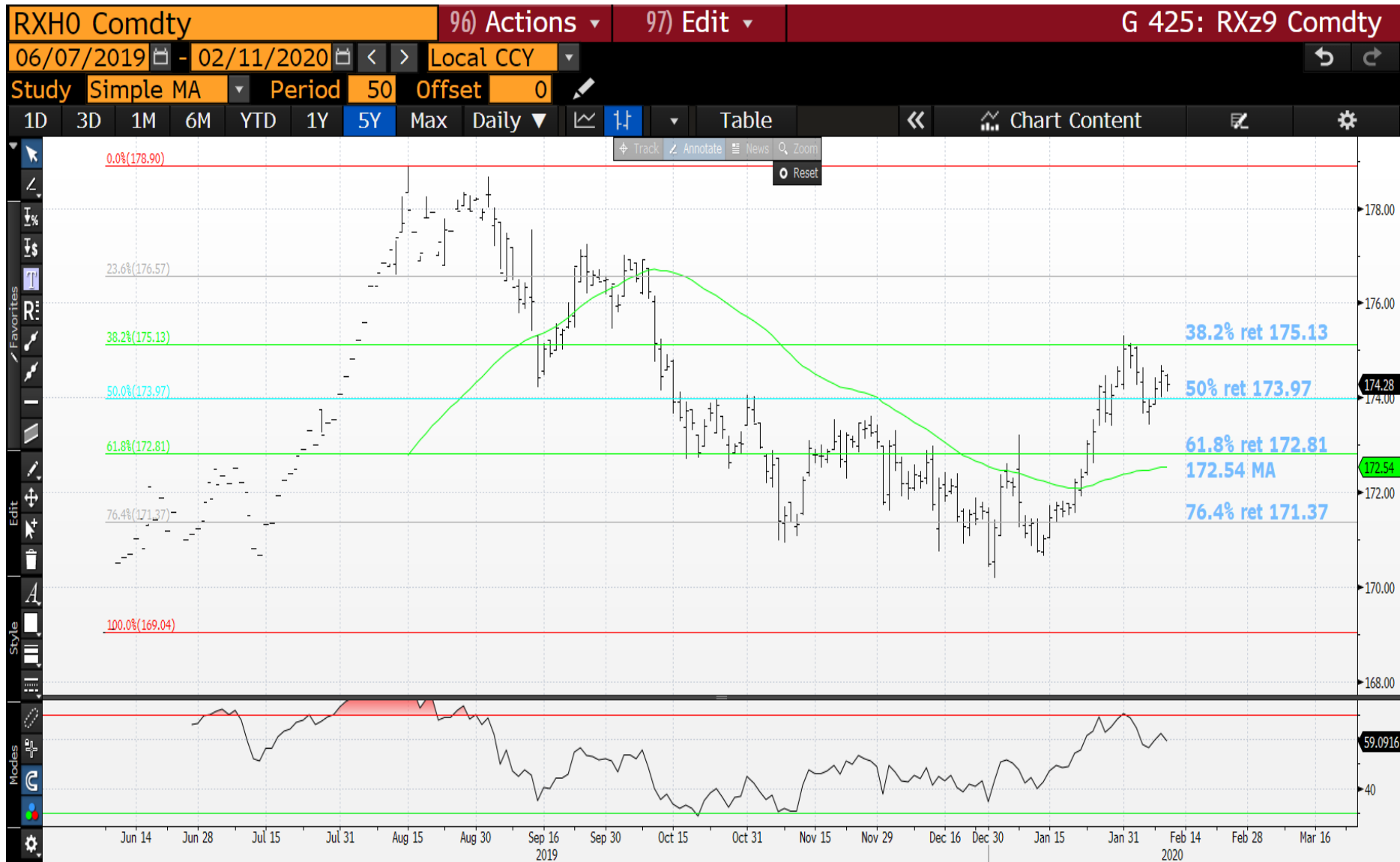


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DBR 46 daily : This has been a VERY valuable chart. Ideally we HOLD and BOUNCE today, from the 100% ret 163.575.



Bund future daily : The RSI is now NEUTRAL and HOLDING the 50% ret 173.97 is imperative.



Gilt future daily : Hopefully gilts lead the way higher today.

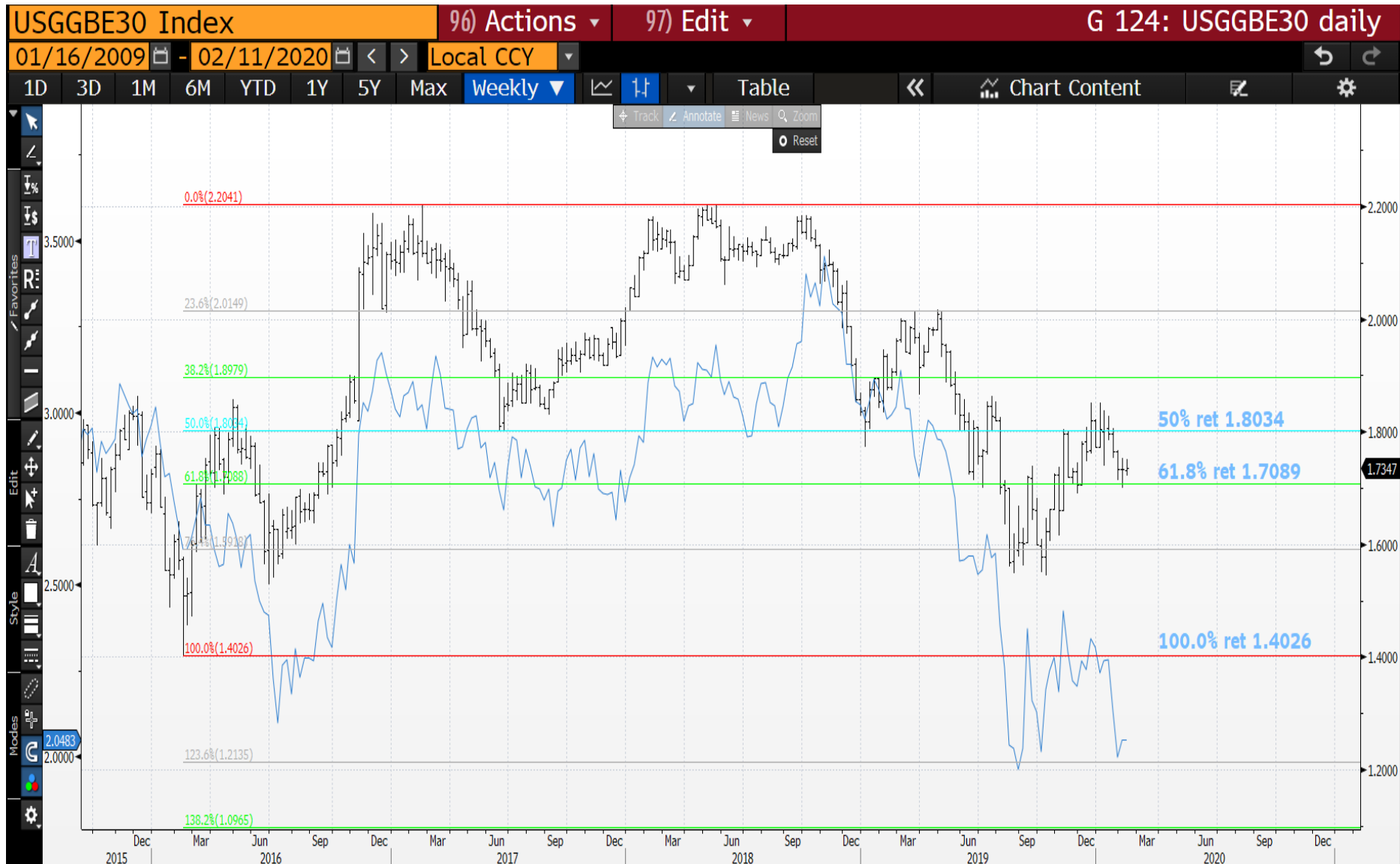


US BREAKEVENS :

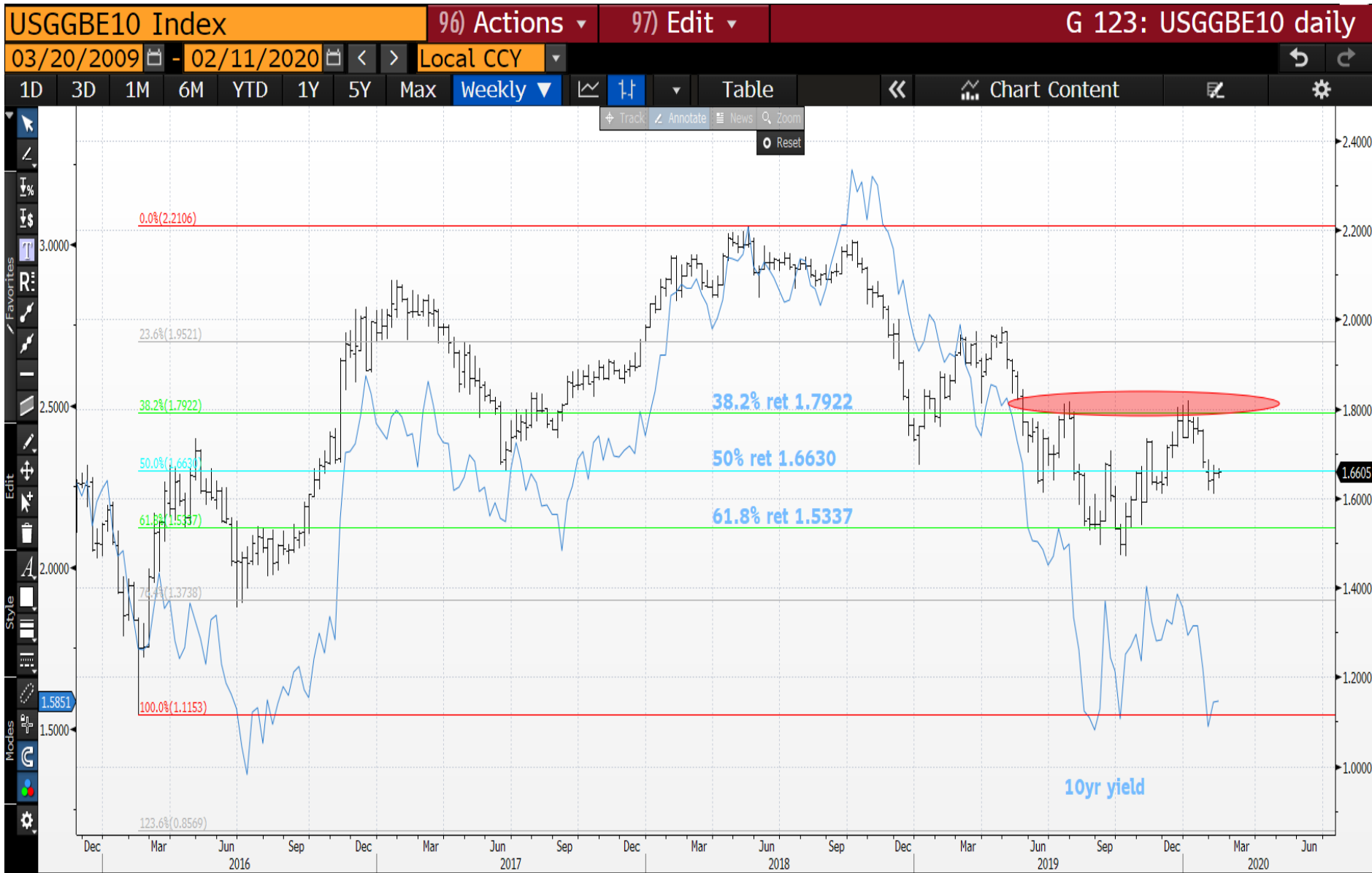
FINALLY IT LOOKS LIKE BREAKEVENS ARE TOPPING OUT AND FOLLOWING YIELDS LOWER.

MANY CHARTS HAVE BOND YIELD OVERLAYS.

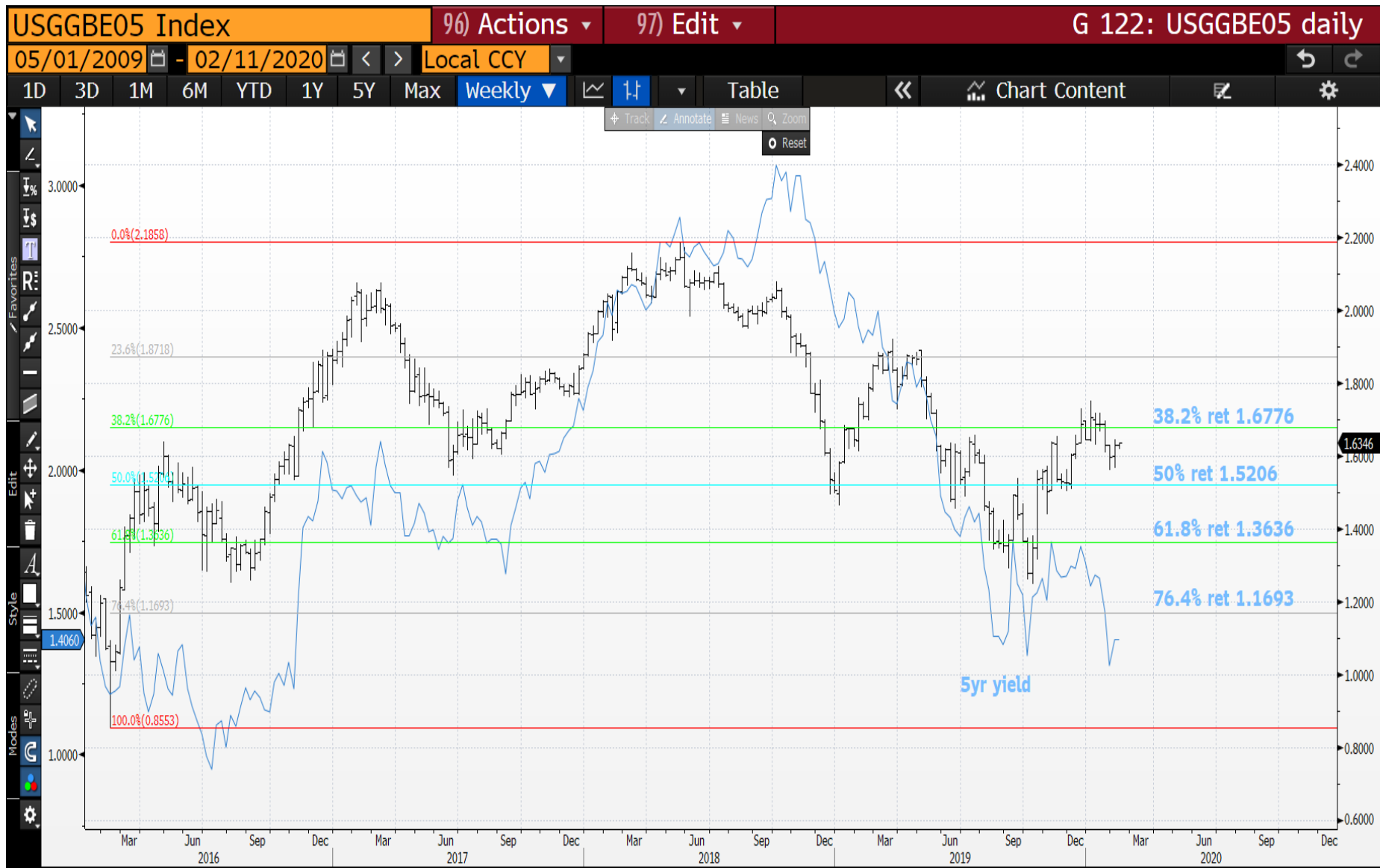
UKGGBE30 and 30yr yield weekly : The KEY BREAK will be of the 61.8% ret 1.7089.



USGGBE10 and 10yr yield weekly : The 50% ret 1.6630 could just be offering the suitable resistance.



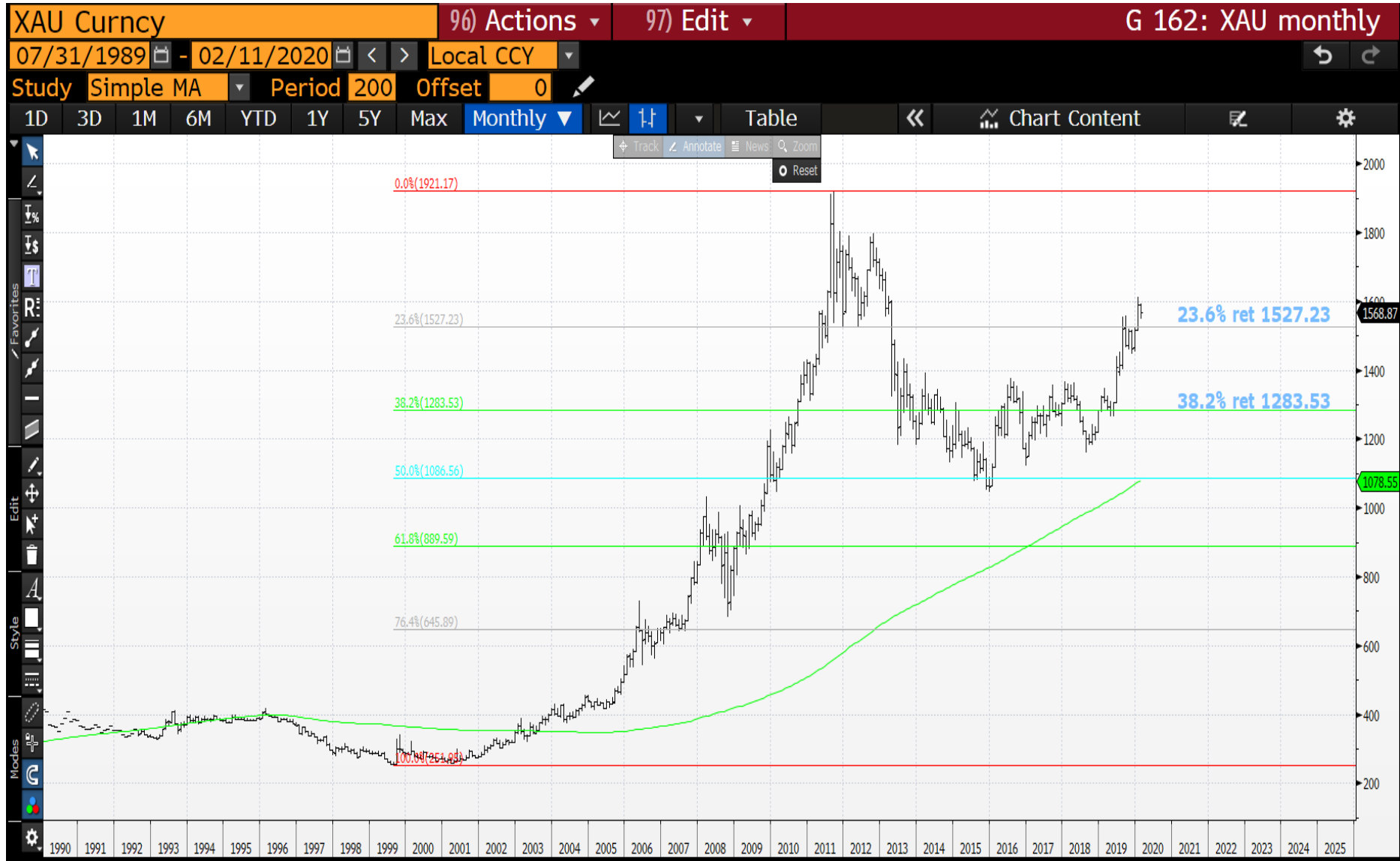
USGGBE05 and 5yr yield weekly : As with the previous charts its all about remaining SUB the 38.2% ret 1.6776.



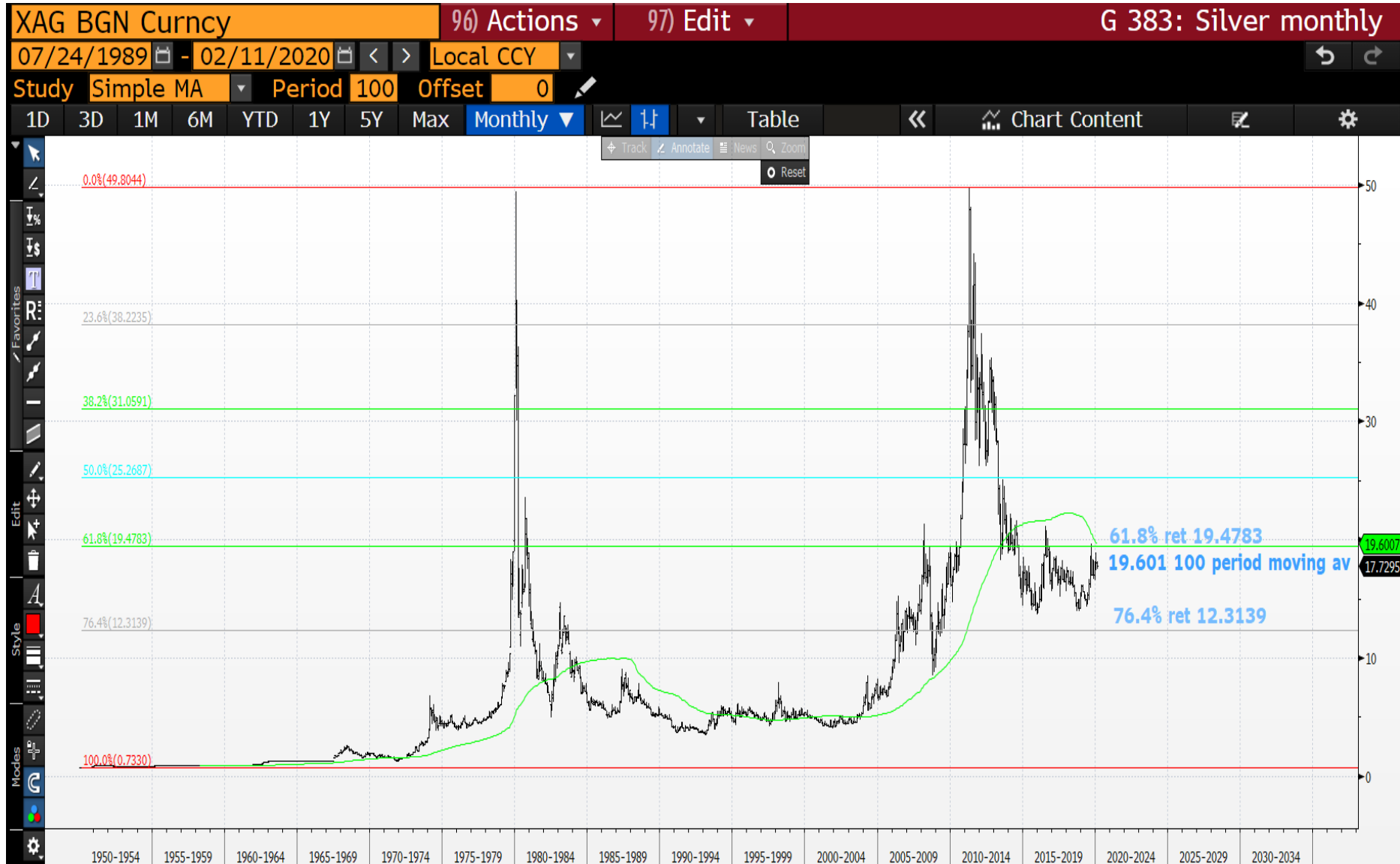
COMMODITIES

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.



SILVER monthly : Am sure this will play catch up, certainly if the 61.8% ret 19.4783-moving average 19.601 is breached.



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OIL monthly : A very nasty rejection but POSSIBLE low going in.



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EQUITIES

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

I STILL CANNOT BELIEVE THE VIRUS IS BEING CONTAINED AS WELL S STOCKS PORTRAY, TIME WILL TELL BUT IT FEELS LIKE A TOP THIS WEEK WILL BE A VERY EXTENDED ONE.

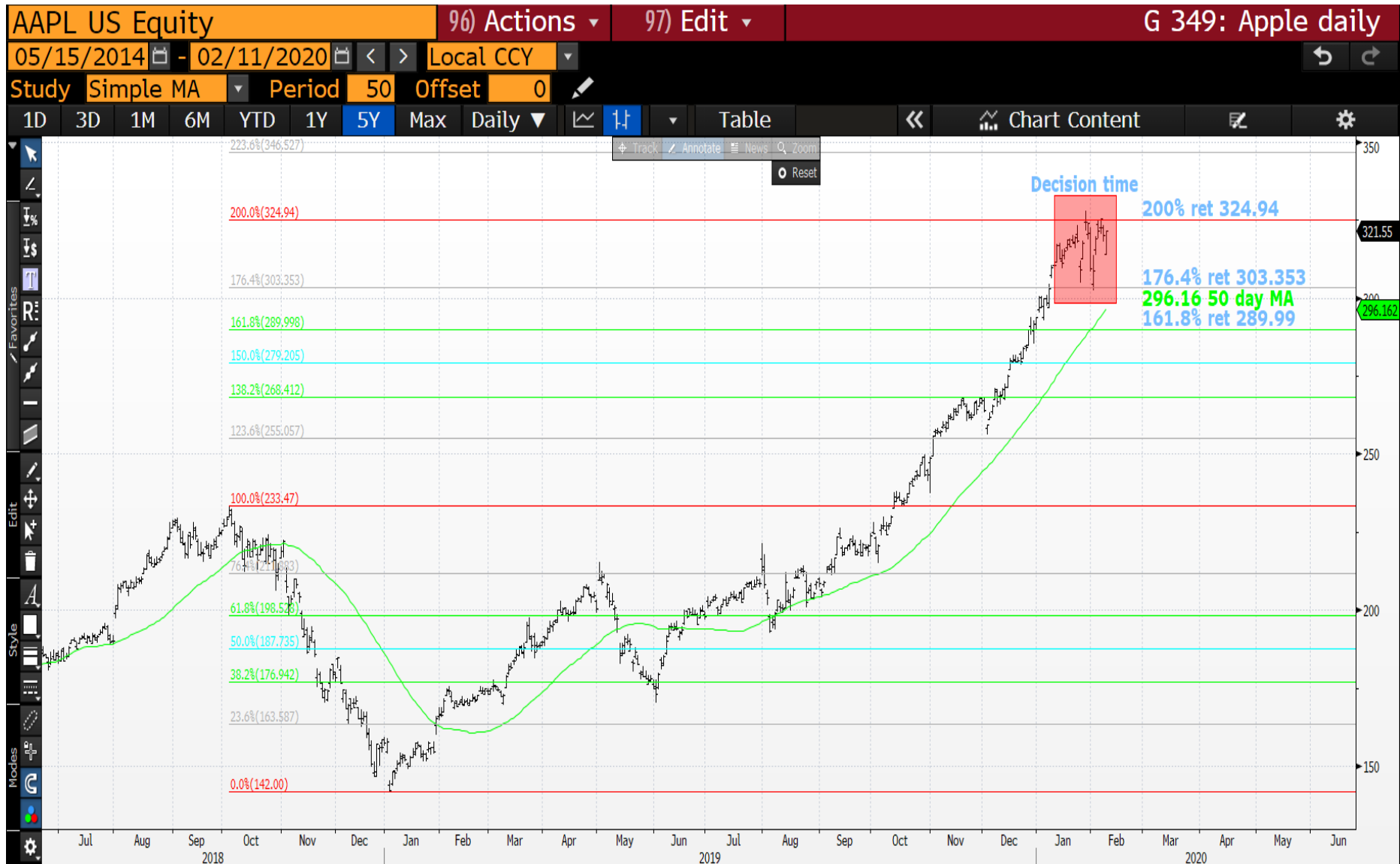
THE HANG SENG IS CLOSE TO BREACHING A MASSIVE LEVEL, ITS MULTI YEAR 23.6% RET 25601.07.

****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 performs there given the coronavirus. ONE CHART TO WATCH GIVEN THE RSI. A perfect TOP if we fail this week.



APPLE daily : Providing we remain below the 200% ret 324.94 then next stop is the 176.4% ret 303.353. A perfect TOP if we fail today.



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



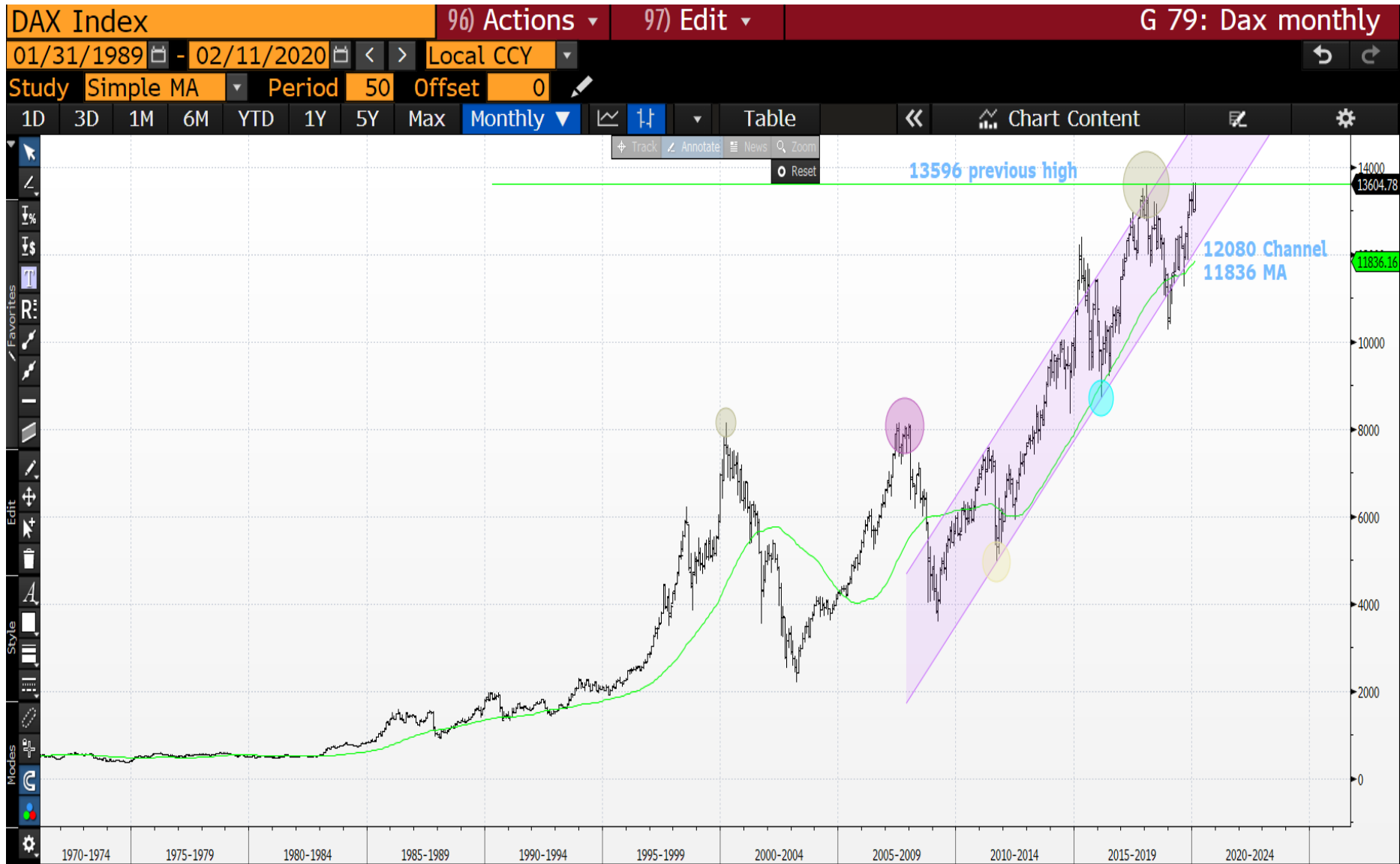
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UNITED TECHNOLOGIES weekly : The trend line is breached DESPITE the on going virus situation.



DAX monthly : The big test given we continue to test the previous high, FAILURE will be a BIG PROBLEM.



DAX daily : The BIG test. What happens here do we STALL?



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



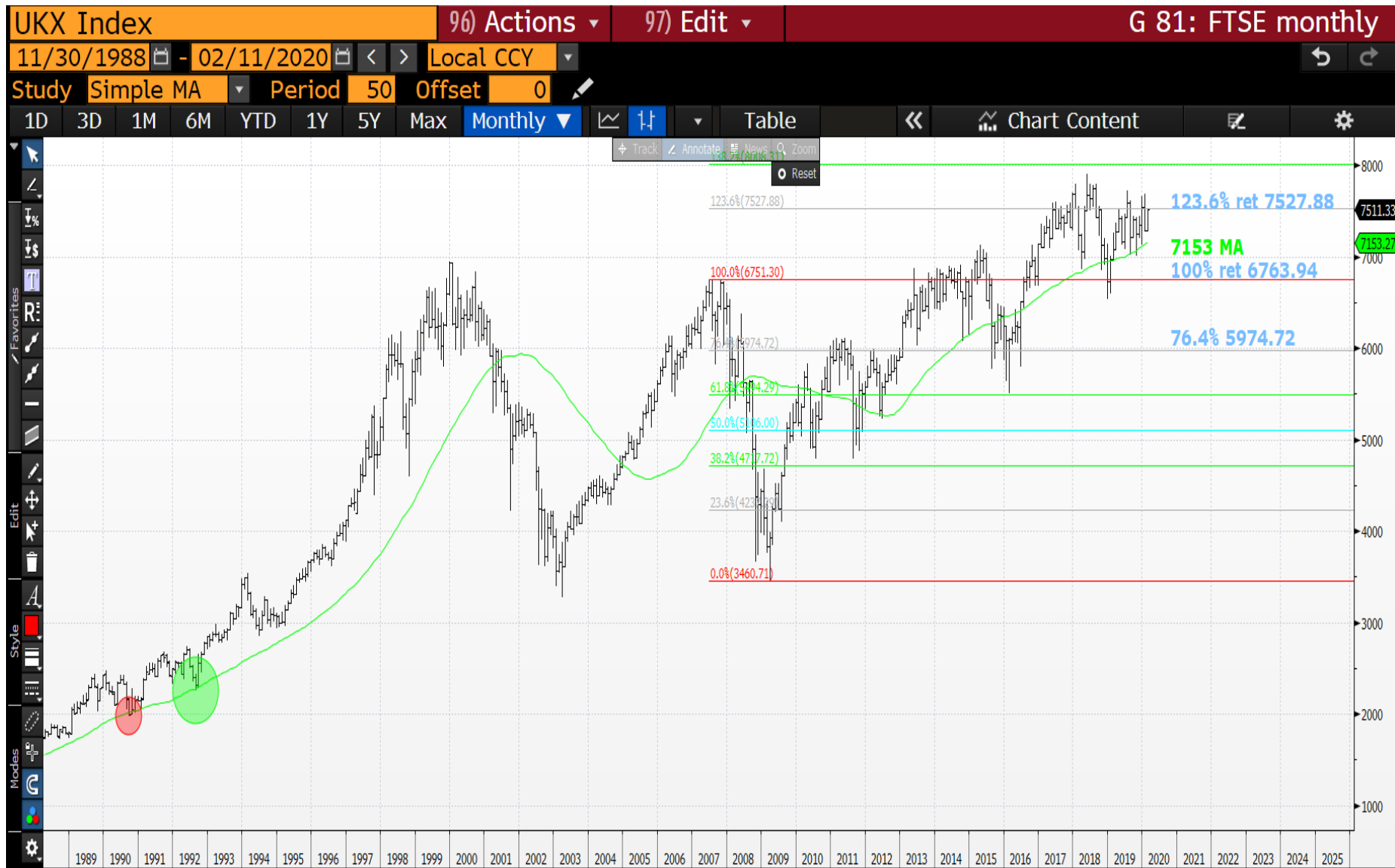
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Eurostox daily : We have a new high so would need a MAJOR reversal later today to stand ANY chance of failing.

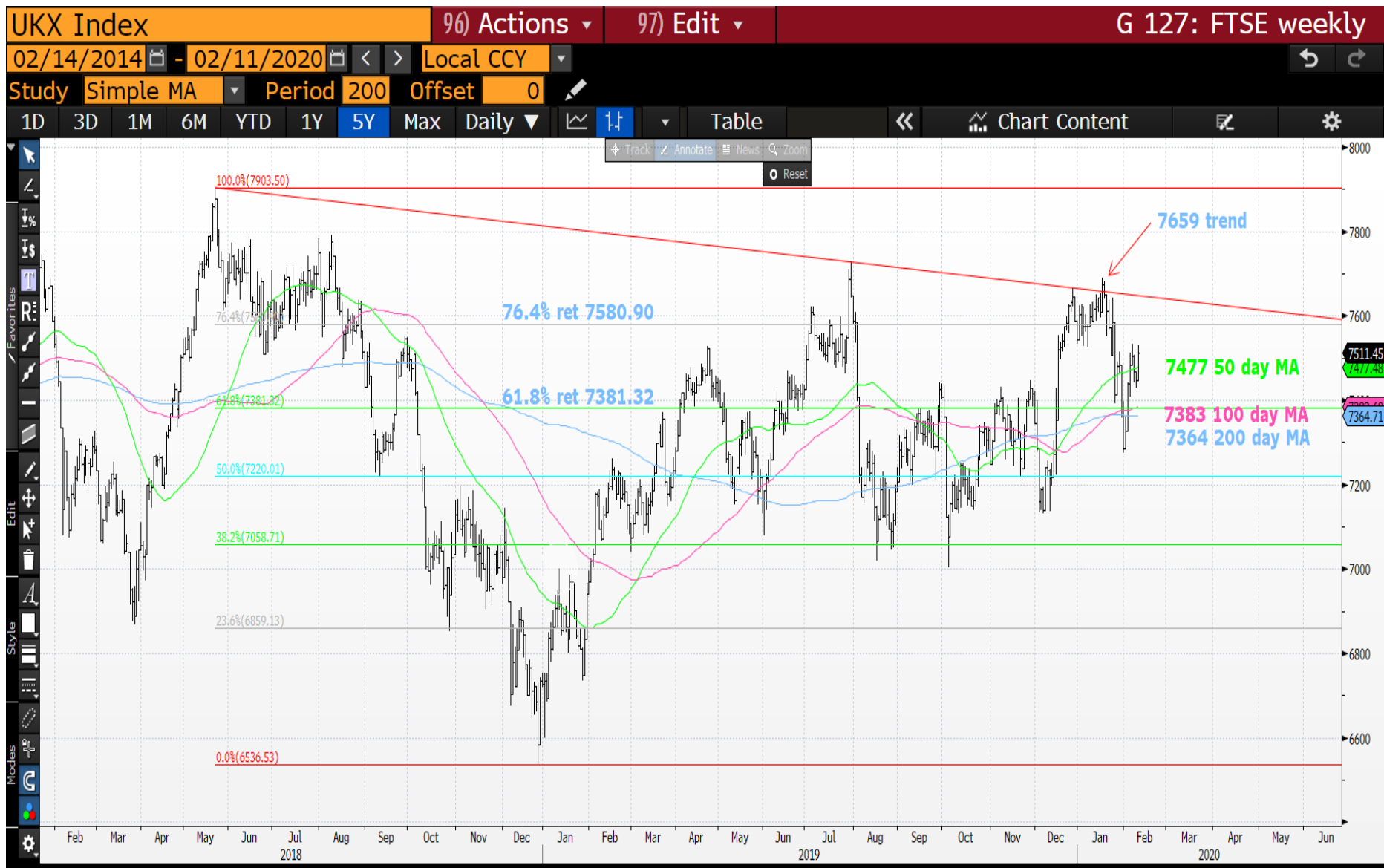


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FTSE monthly : We persist in failing the 123.6% ret 7527.88 THUS should head lower.



FTSE monthly : Not the same bounce as many other markets but that said we need to HEAD LOWER.



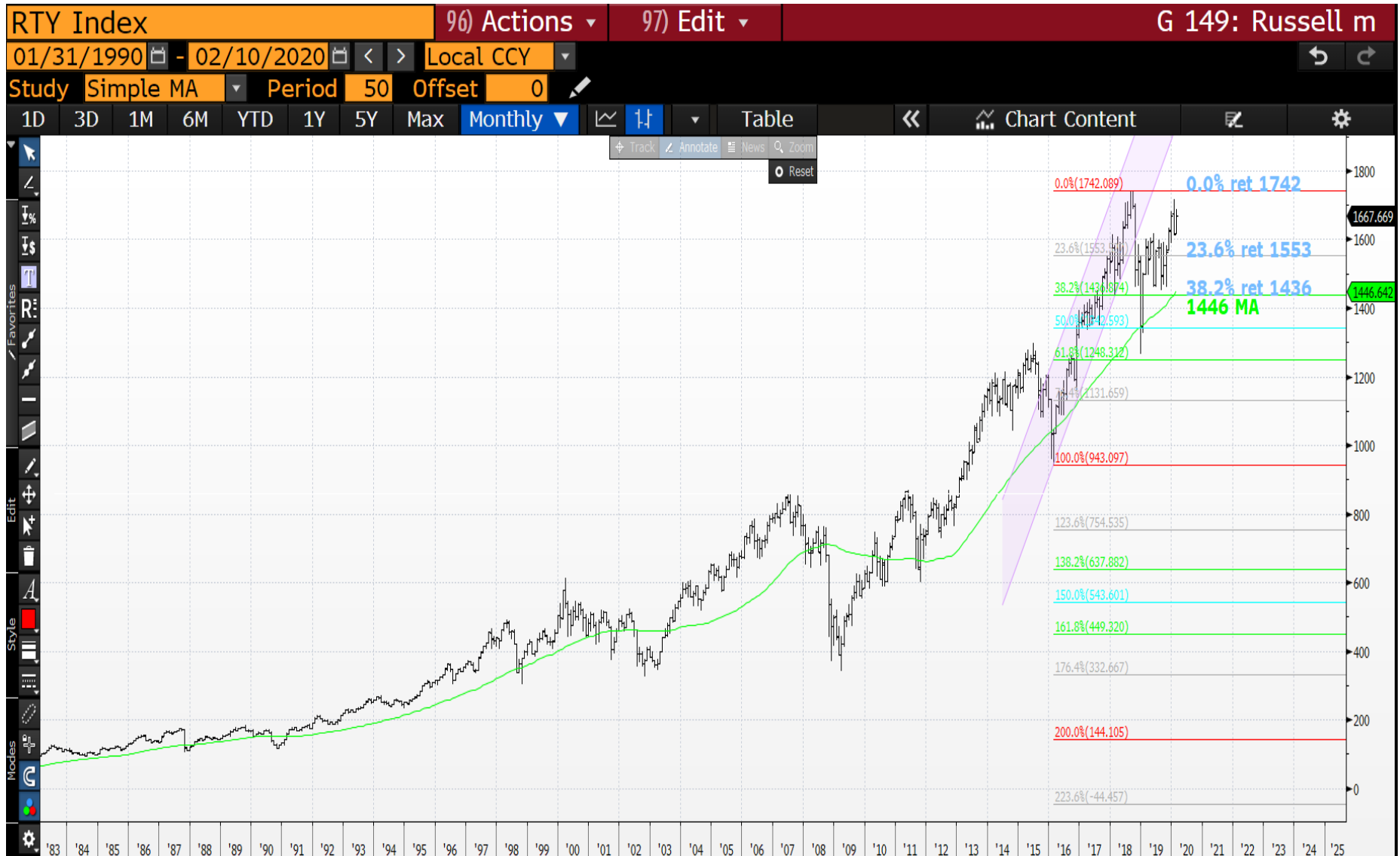
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DOW weekly : Hopefully we fail on this second attempt at the high. ARE we stalling?



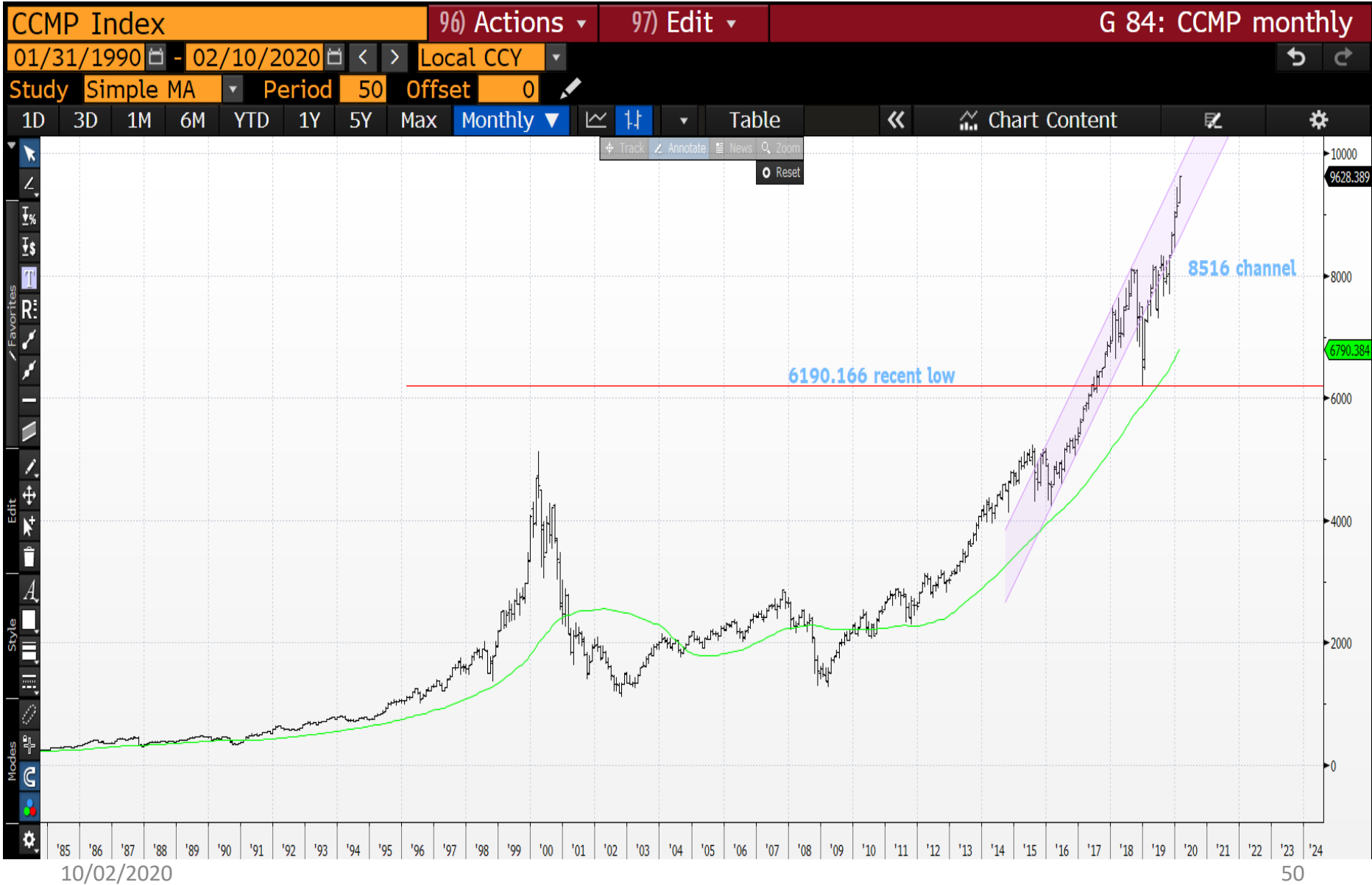
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Russell monthly : A QUICK reversal this month but we do remain sub last months high.



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CCMP monthly : A relentless rally.



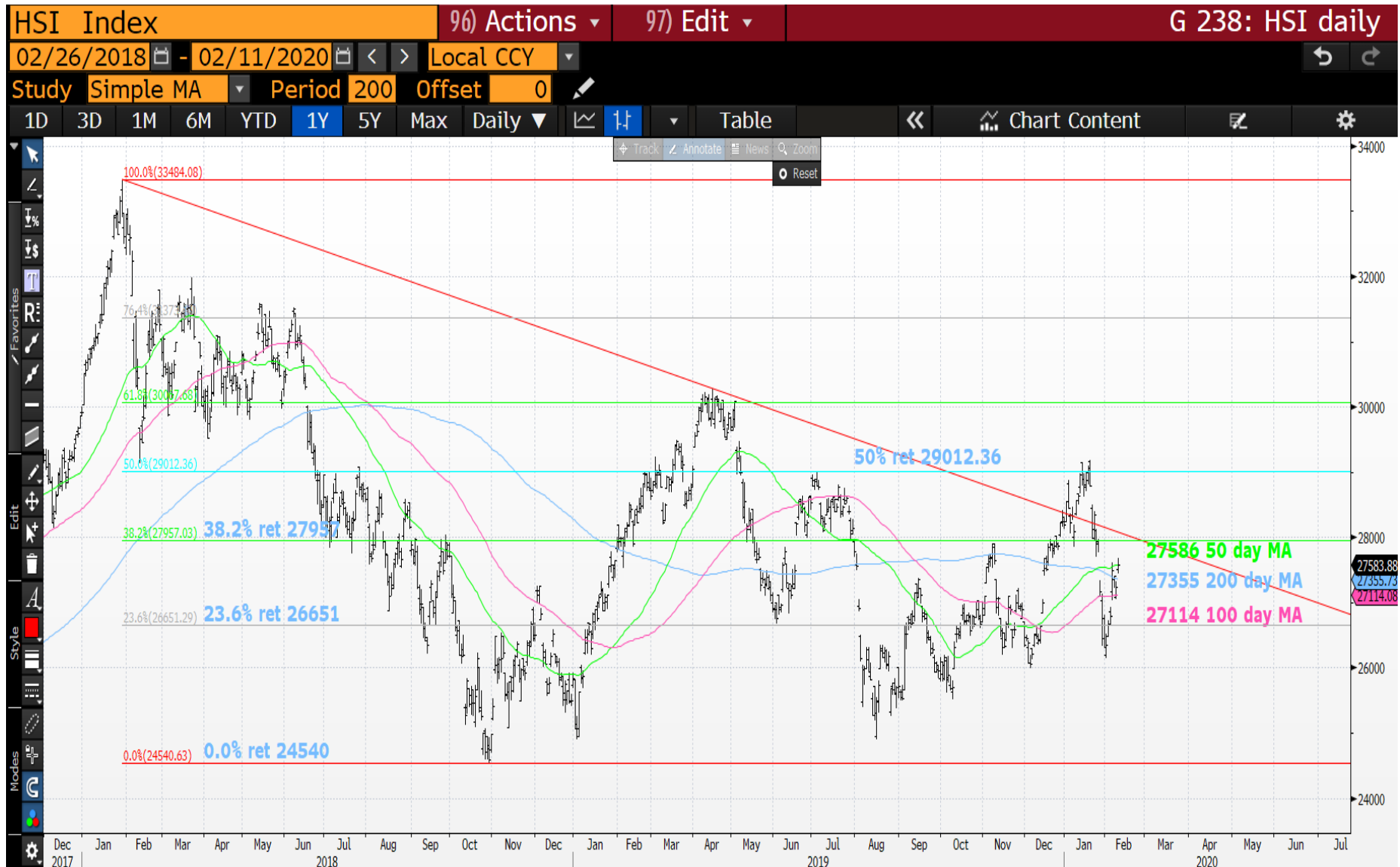
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Hang Seng monthly : A HUGE problem if the 26138.73 moving average and 23.6% ret 25601.22 are breached.



Hang Seng daily : We continue to TEASE the moving averages.



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