

MARKET UPDATE : POST THE FED A MIXED PICTURE IN THE US BOND YIELDS BUT EUROPE IS KEEN TO CONTINUE THE YIELD HIGHER CALL. STOCKS HAVE ALL THE TECHNICAL REASONS TO BOUNCE BUT THE FUNDAMENTAL PICTURE LOOKS HORRIFIC. SINGLE STOCKS REMAIN THE BIGGEST OBSTACLE TO A RALLY.

EQUITIES REMAIN WEAK IN EUROPE AND LETS SEE THE KNOCK ON EFFECT IN THE US. IT WILL BE A CHOPPY RIDE TILL MONTH END BUT THE CLOSE COULD BE EXTREMELY CONCLUSIVE.

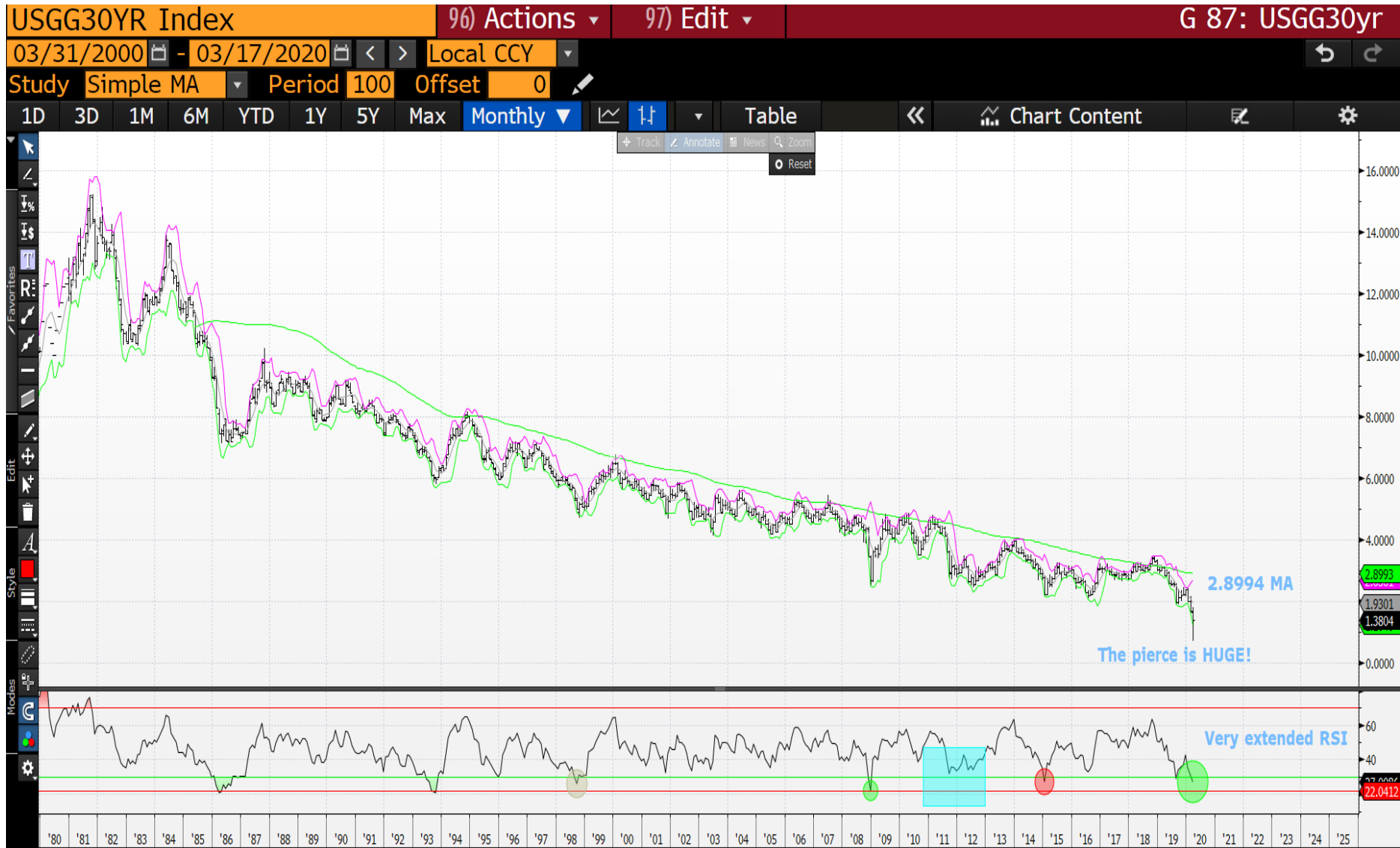
SINGLE STOCKS REMAIN IN A VERY NEGATIVE TERMINAL STATE! BUT A TESTING SET OF LONGTERM CLOSES OVER THE NEXT FEW MONTHS.

EQUITIES SEEM TO BE BASING NOW ESPECIALLY EUROPE WHICH HAS THROWN UP SOME 2008 RSI DISLOCATIONS.

*****THE FED DID LITTLE TO THE EXISTING TRENDS IN PLAY. BONDS SEEM TO BE RESPONDING TO THEIR EXTENDED RSI'S ACROSS ALL DURATIONS SO FOR THE TIME BEING YIELDS WILL BOUNCE. THE BIG QUESTION IS COULD THIS BE THE YIELD LOW GIVEN THE SEVERITY OF THE BACK END DOWNSIDE YIELD CHART PIERCE.**

IT IS HIGHLIGHTING A COMPLETE HALT TO THE YIELD SELL OFF, BUT THIIIS DECISION ISNT GOING TO BE WITHOUT EMOTION GIVEN THE PRICE SWINGS NOR CONFIRMED TILL THE MONTHLY CLOSE IS IN. ***

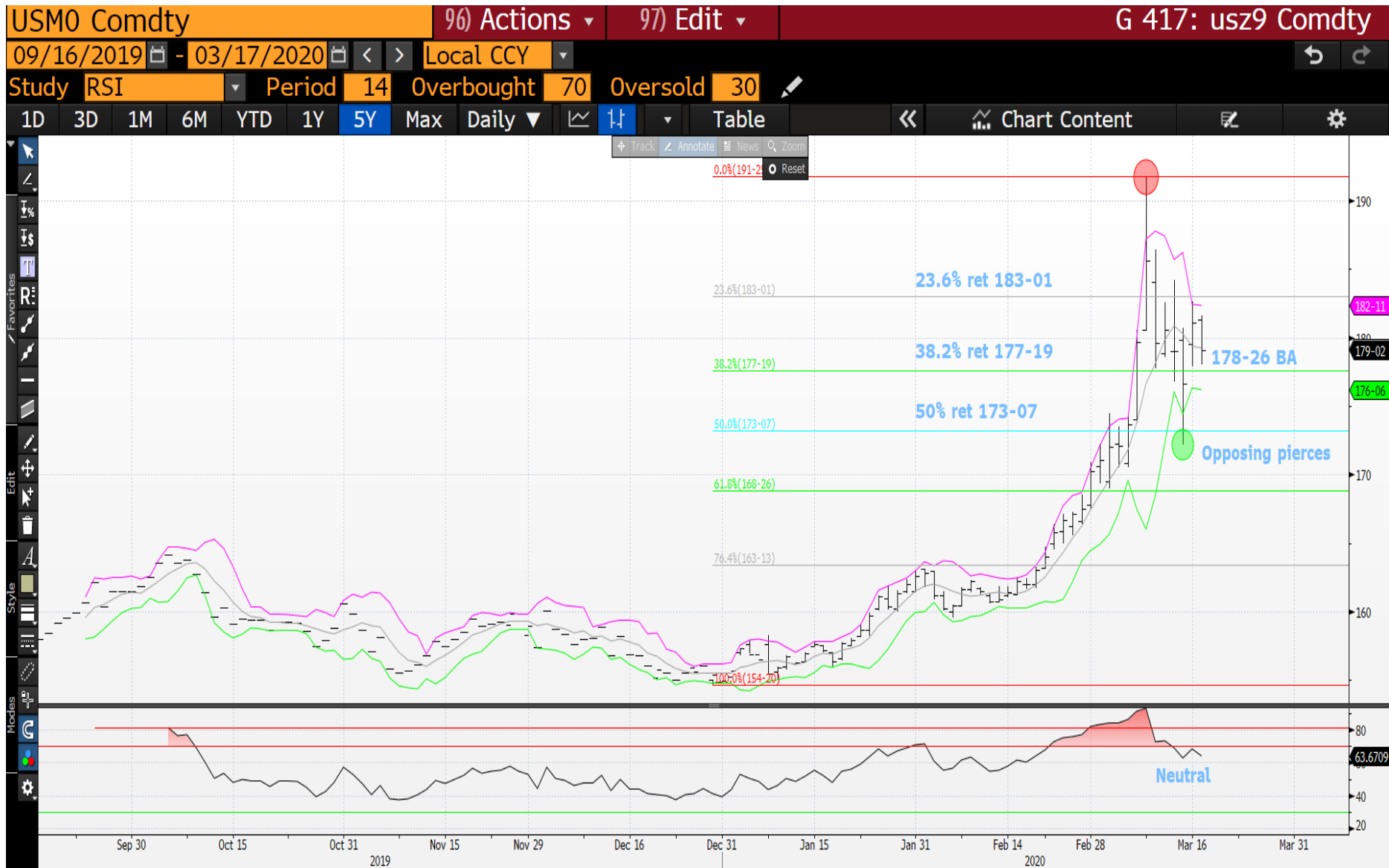
USGG30yr monthly : This chart could be very important in defining the end of the yield drop, this is the **most aggressive pierce** I have seen, it implies the **yield drop has FINISHED**. This pierce needs to remain until the monthly close to ensure its STATUS.



USGG30yr weekly : This MAJOR pierce is now etched in time and remains a massive statement, yields should persist in heading a lot higher. If this is the case then yields should rally but be mindful the range this week could be as emotional as 1.1130 to 2.0016, the bollinger bands.



US 30yr futures daily : We now have very distinctive opposing pierces, this usually leads to indecision. To head lower according we would need to breach the 172-05 low.

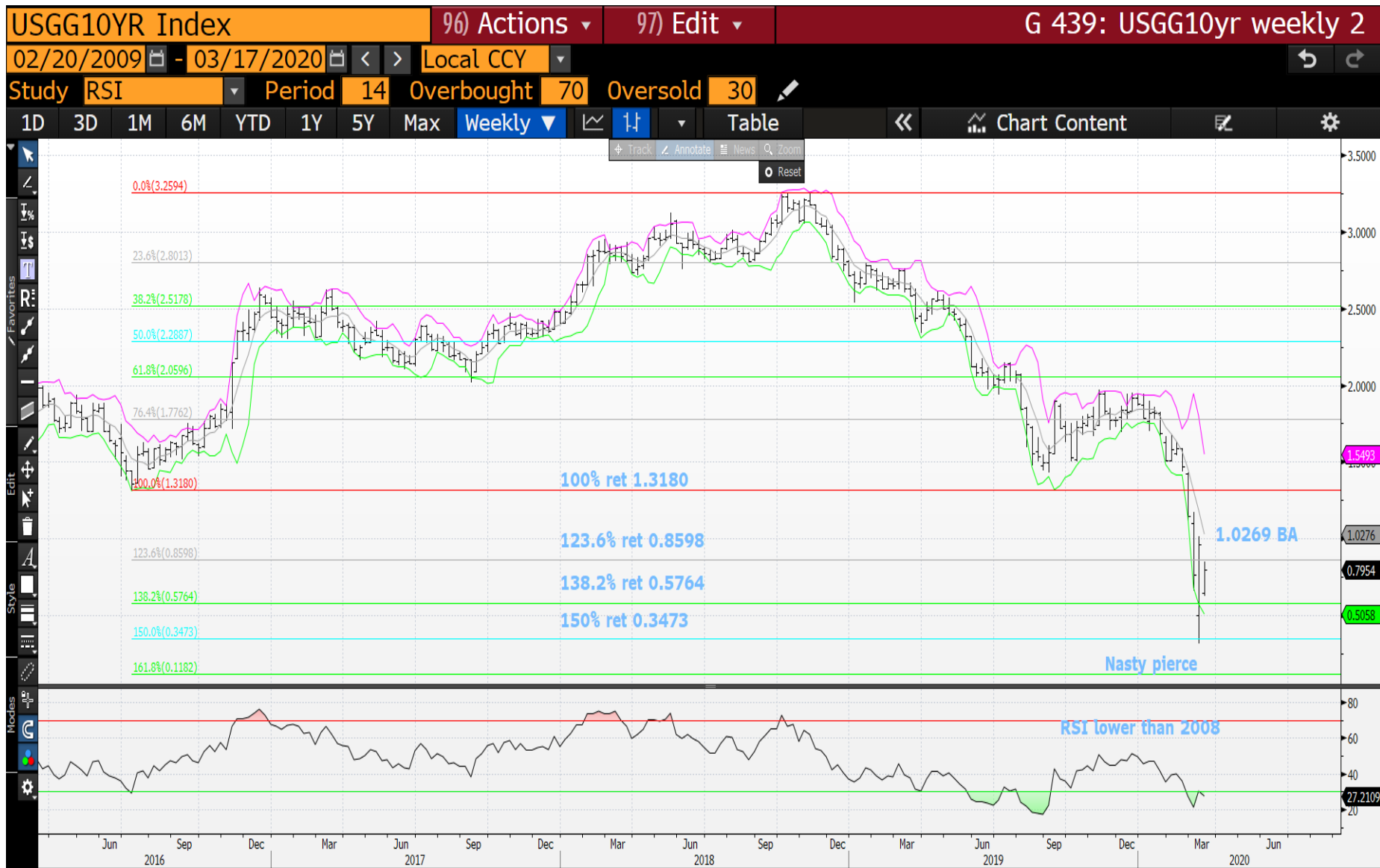


US 10yr yield quarterly : This RSI can be argued as one as low as 2008 thus this might be the low for a while.

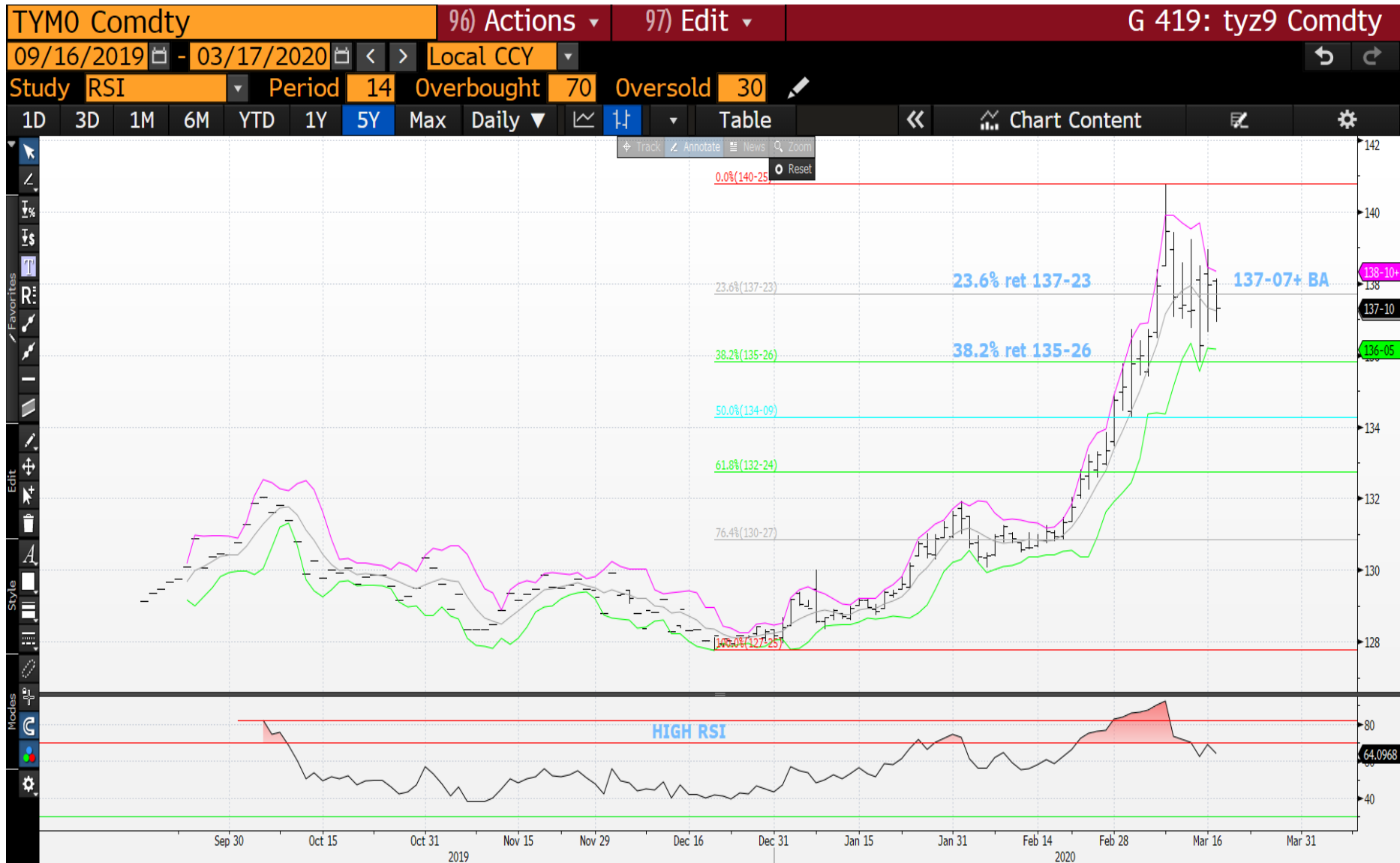


16/03/2020

US 10yr yield weekly : A decent reversal on the week and the pierce is etched in TIME. Yields should now head higher, above the 1.0269 bollinger average will help.

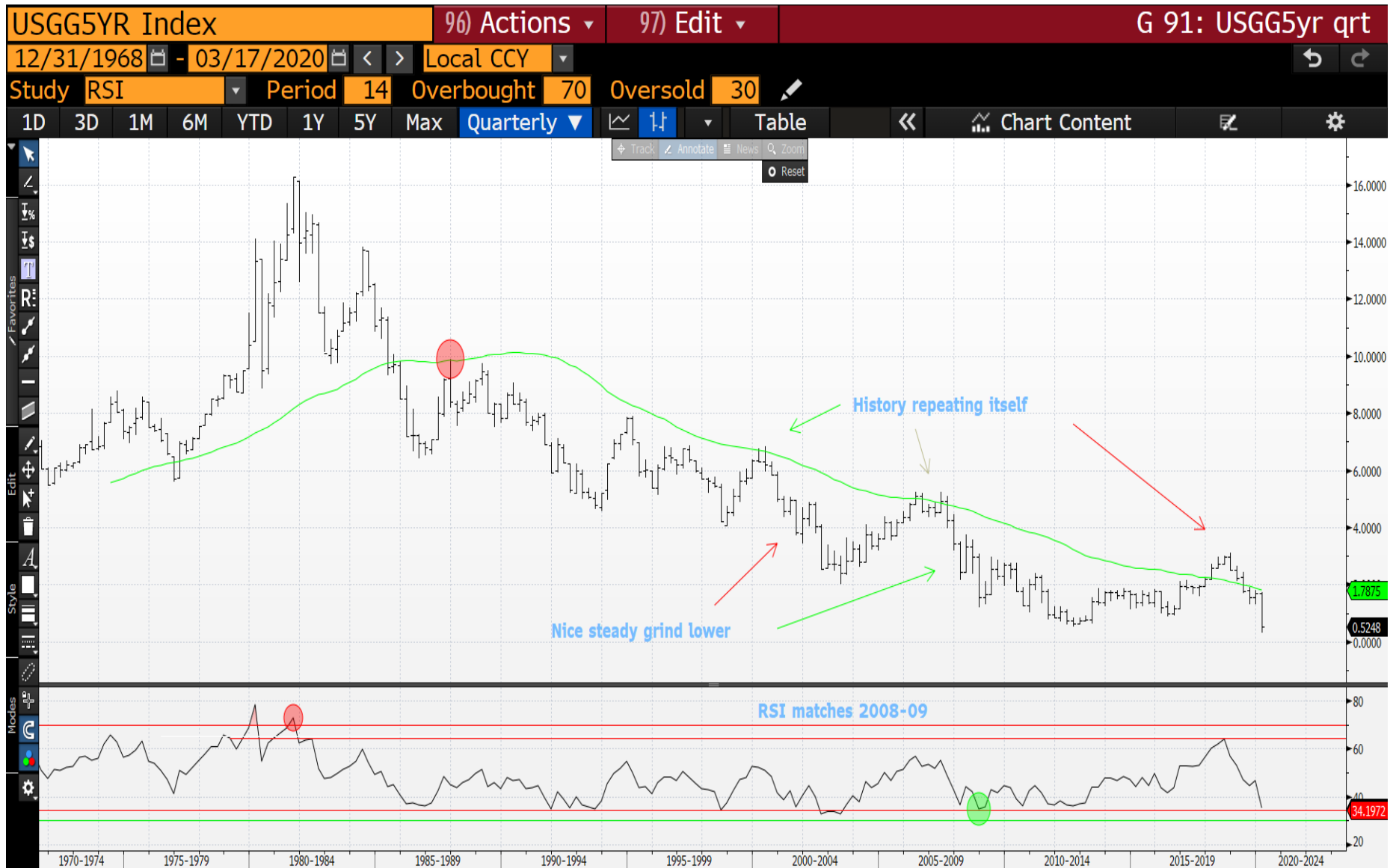


US 10yr futures daily : We have a nasty upside pierce so bonds should head lower, that said we would need a weak close.



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USGG5yr quarterly : The RSI now matches that of 2008-09 BUT a much lesser pierce.



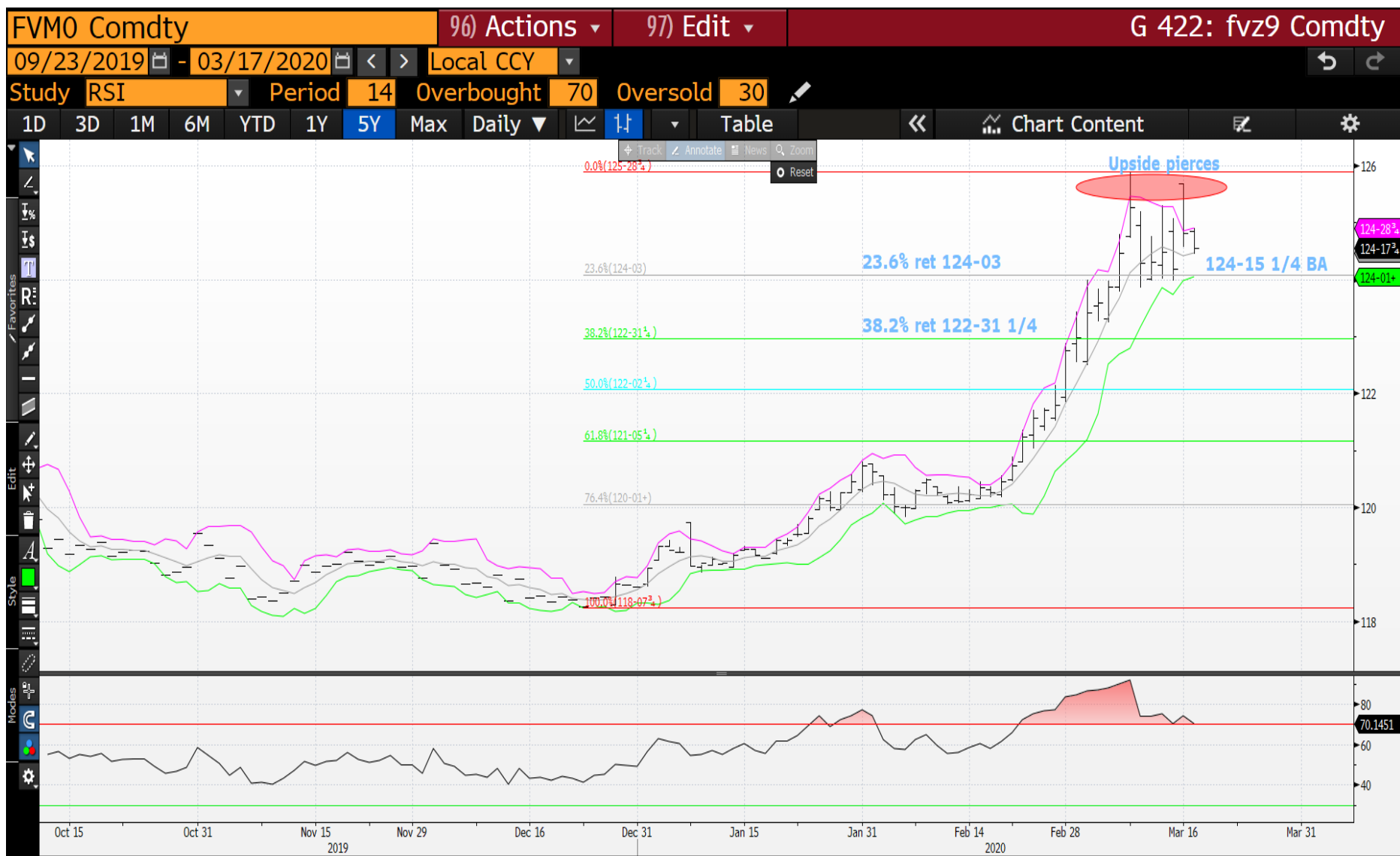
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USGG5yr weekly : No definition here market wise given the lack of pierce BUT the RSI remains at 2008 levels.



16/03/2020

US 5yr futures daily : The initial POP is now failing and ideally we close back near last weeks lows. We would need to break the 23.6% ret 124-03 level.



USGG2yr monthly : The RSI is less pronounced but we are close to the previous low.

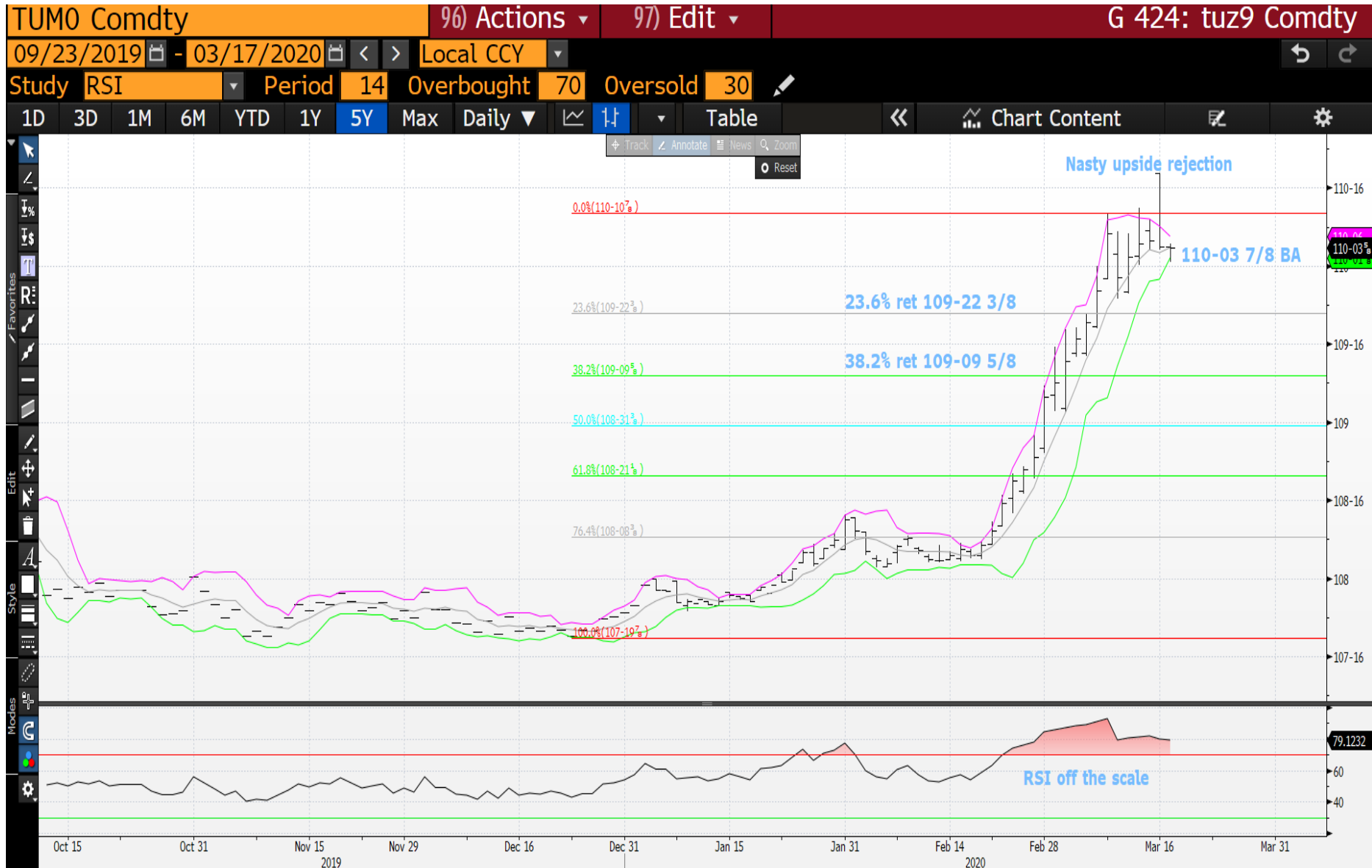


USGG2yr weekly : The RSI matches that of 2008 but a shame we haven't hit the 100% ret 0.1431.

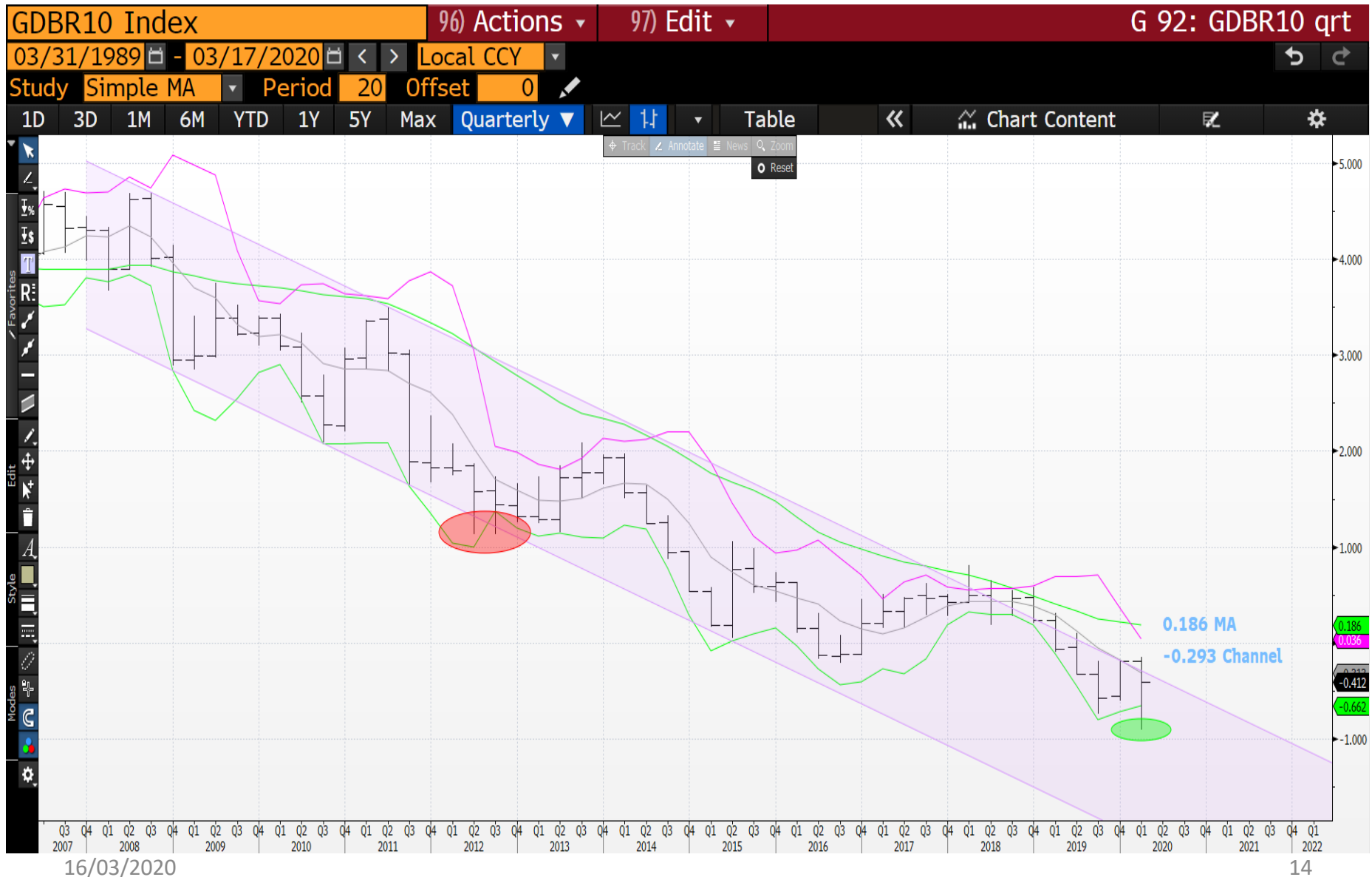


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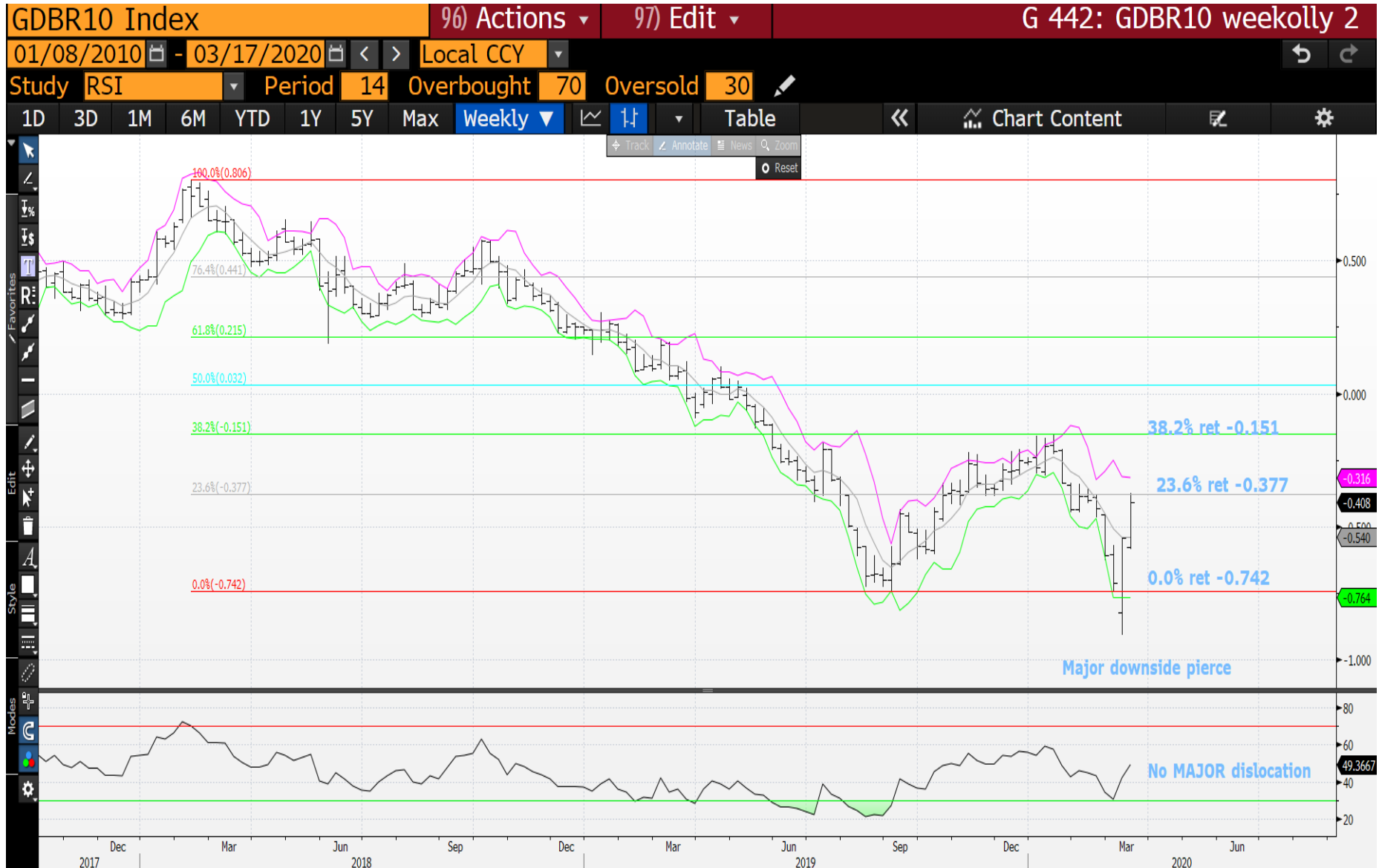
US 2yr future daily : Another major reversal from the FED action, this could be a terminal pierce and bonds head a lower.



Generic German 10yr quarterly : This downside pierce is now quite KEY so every chance this is now the LONG TERM YIELD low.



Generic German 10yr weekly : The RSI is not as dislocated as its US counterparts but we now have a major downside pierce etched in time. Yields should rise and accelerate once above the 38.2% ret -0.151.



DBR 46 daily : A very reliable chart and the RSI highlights significant downside STILL.



16/03/2020

16

EQUITIES

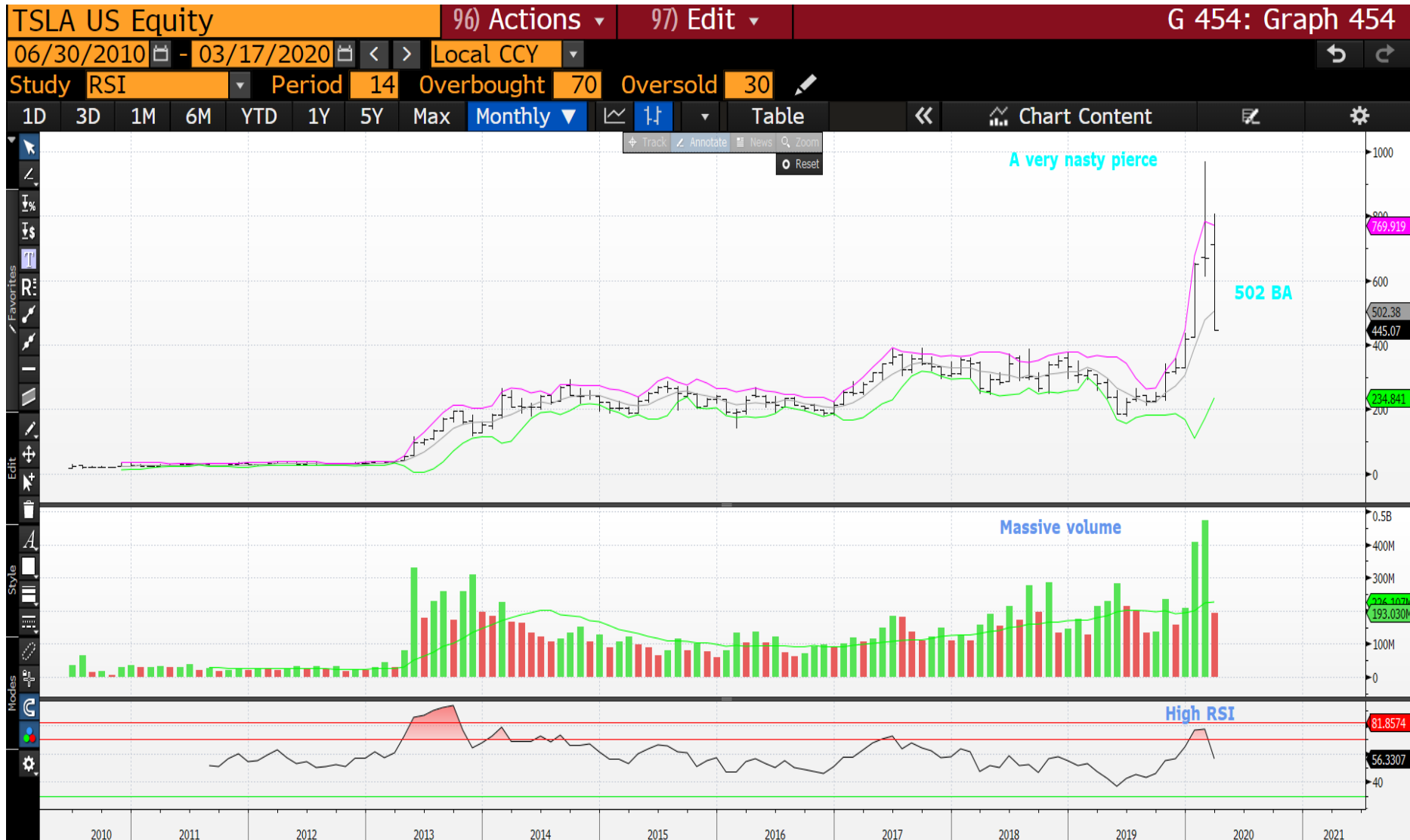
THE DILEMA LIES HERE : BIG QUESTION IS, IF THE BOND YIELD LOW IS IN WHERE DOES THAT LEAVE STOCKS? IF BOND YIELDS RALLY THEN STOCKS SHOULD TOO, THIS MAKES SENSE FOR EUROPE (GIVEN THE 2008 RSI LOWS) BUT MANY SINGLE STOCKS HAVE JUST CREATED MULTI YEAR “TOP AND BEAR MARKET”.

ALSO MANY MONTHLY EQUITY RSI'S HAVE NOT REACHED THE MONTHLY EXTENSION THAT BONDS DID, SO BEGS THE QUESTION IS THIS IS A TEMPORARY BOUNCE. THERE IS A LOT TO DIGEST BUT HOPEFULLY THESE QUESTIONS WILL BE ANSWERED IN THE NEXT MONTH OR TWO. WE NEED THE MONTHLY IF NOT QUARTERLY CLOSES.

THE BIG BUG BEAR FOR ME IS THAT MANY BOND MARKETS HAVE POSTED 2008 LEVELS OF RSI DISLOCATION WHEN THE EQUITY SITUATION IS SO SO DIFFERENT. WE HAVE ONLY JUST FORMULATED THE HIGHS.

THE HANG SENG HAS FINALLY BREACHED ITS MASSIVE MULTI YEAR 23.6% RET 25601.07 LEVEL.

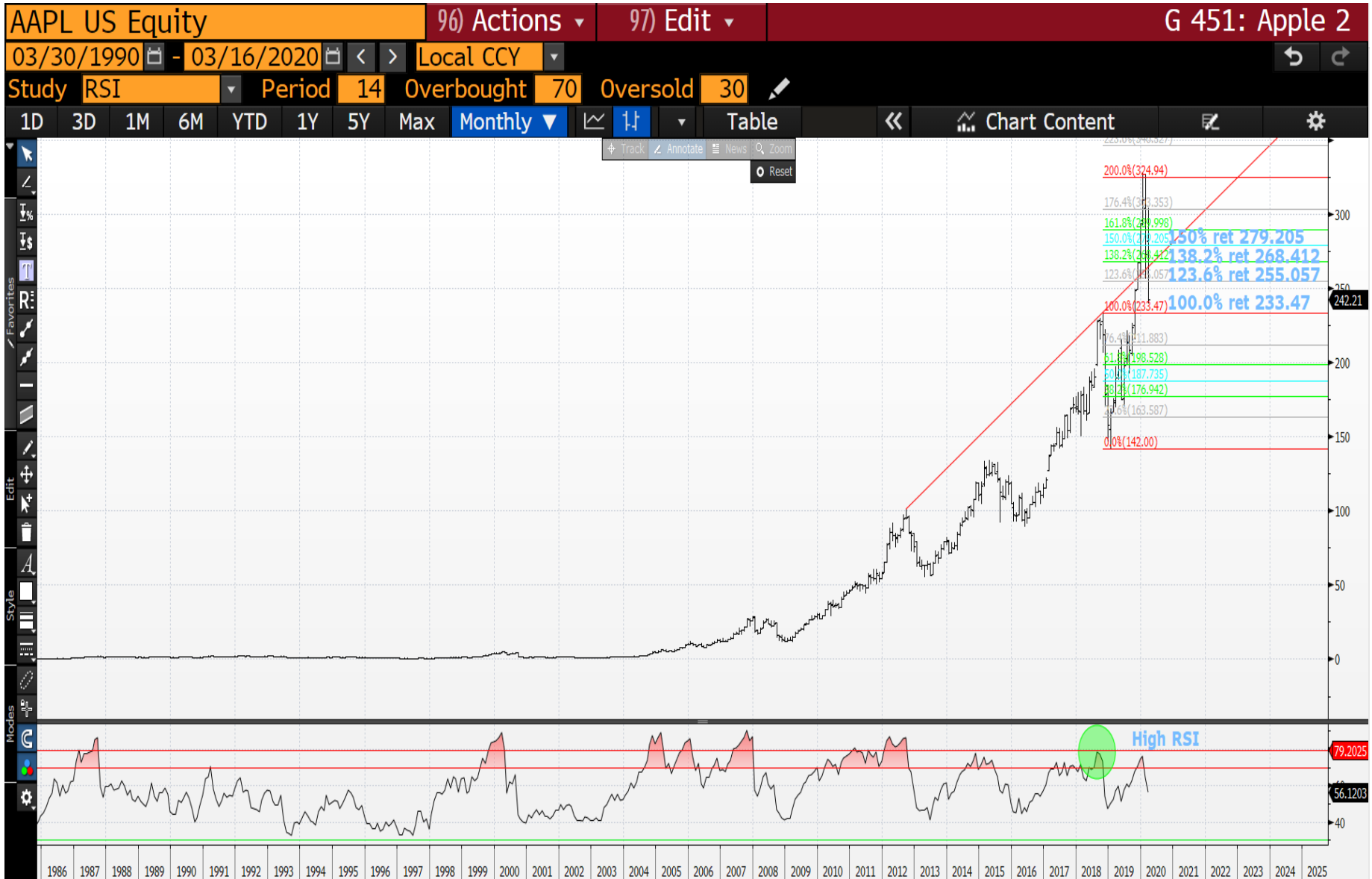
TESLA monthly : ****THESE SINGLE STOCKS REMAIN THE BIG ISSUE, MANY JUST TOPPED.**** This is one of the BEST expressions of an over bought market ever seen. The RSI endorses the monthly chart whilst the volume and top looks impressive. This is a VERY MAJOR upside bollinger pierce.



TESLA weekly : The biggest threat to this market is the VOLUME! Some one knew something. Despite the DROP the RSI shows little sign of extension.



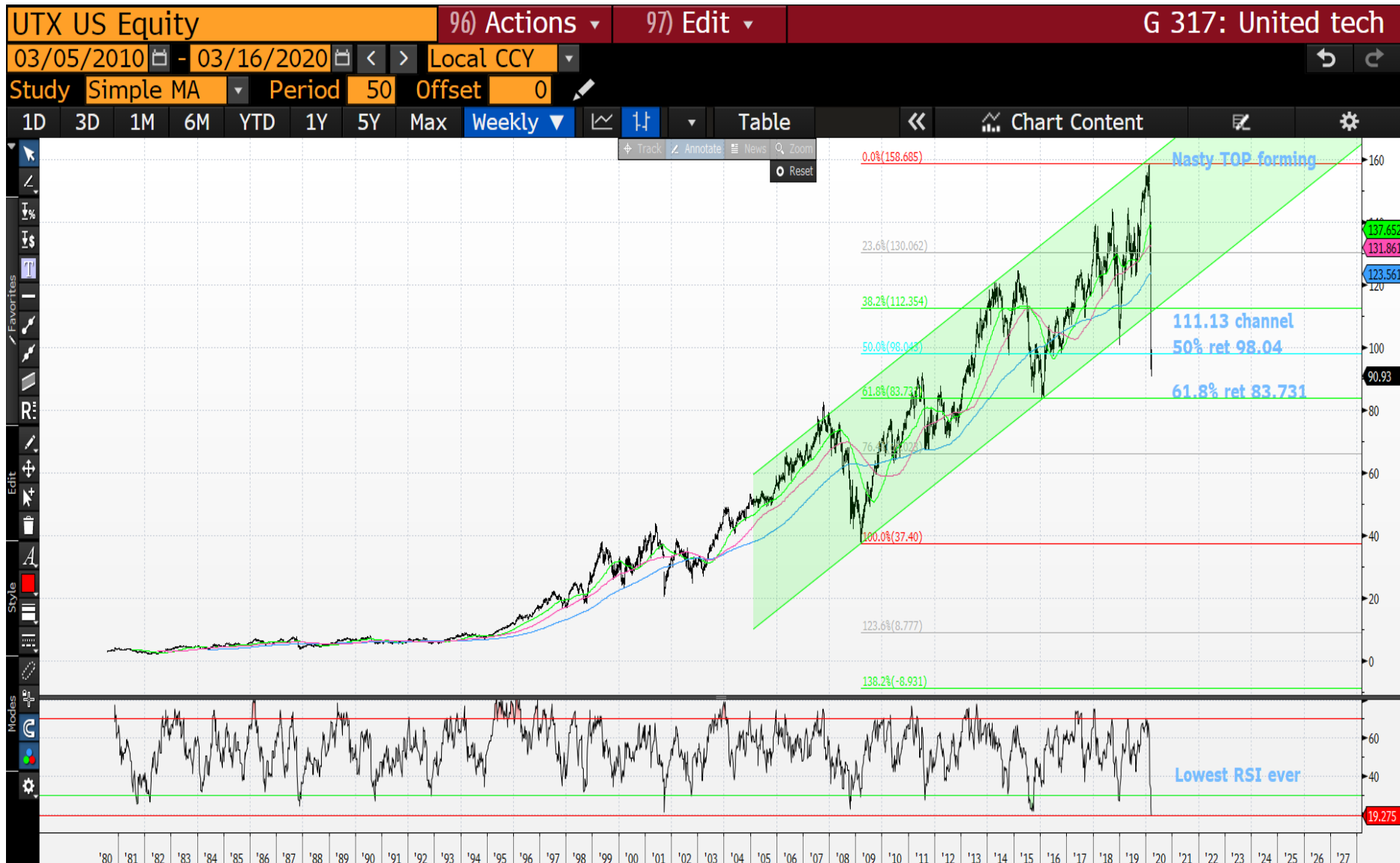
APPLE weekly : The RSI maybe high and we have now breached the long-term trend line. Lets see if the 100% ret 233.47 holds.



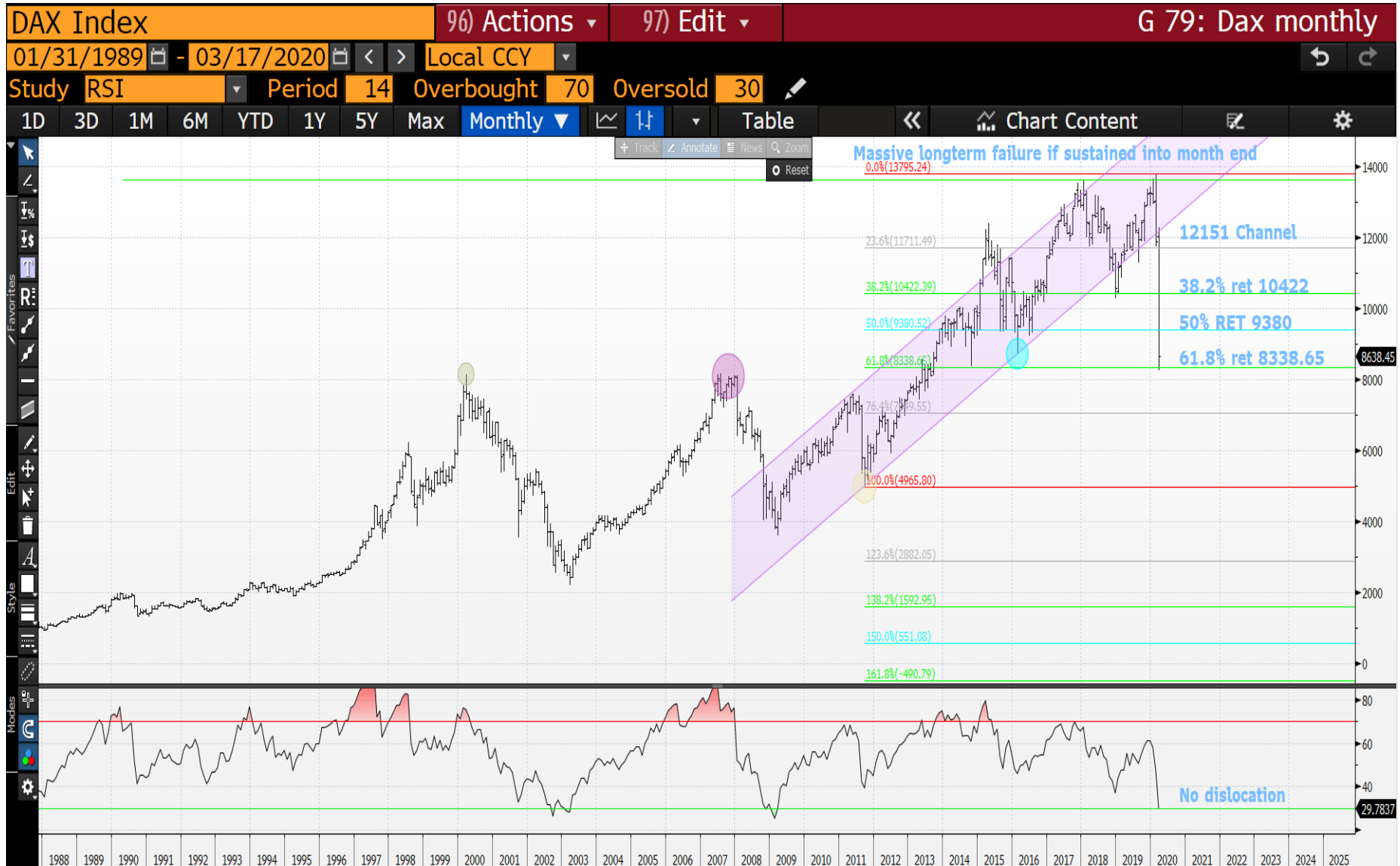
INTEL monthly : Another chart that looks like it has JUST topped! Should we breach the 2018 low 42.04 then the drop will accelerate.



UNITED TECHNOLOGIES weekly : We MAY get a reprieve SOON given the RSI is the LOWEST ever.



DAX monthly : A MASSIVE drop BUT it seems for stocks to bounce we need ALL RSI's fully extended and as this charts shows the monthly isn't.



DAX daily : The RSI is the lowest since 2008-2011 but we would need to close above the 50% ret 8688.65 for any kind of recovery.



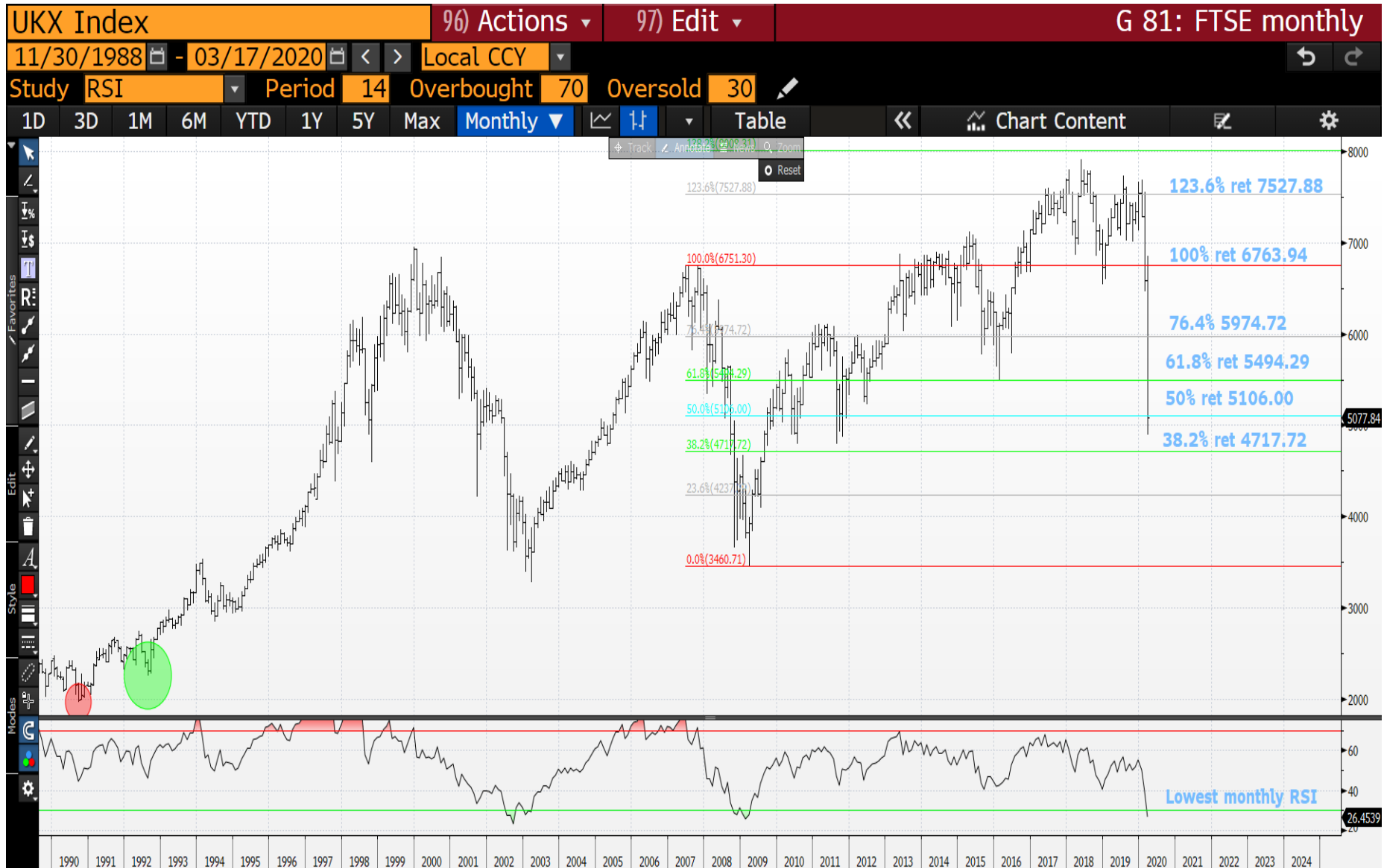
Eurostoxx monthly : A HUGE range on the month BUT it looks like the RSI needs more dislocation.



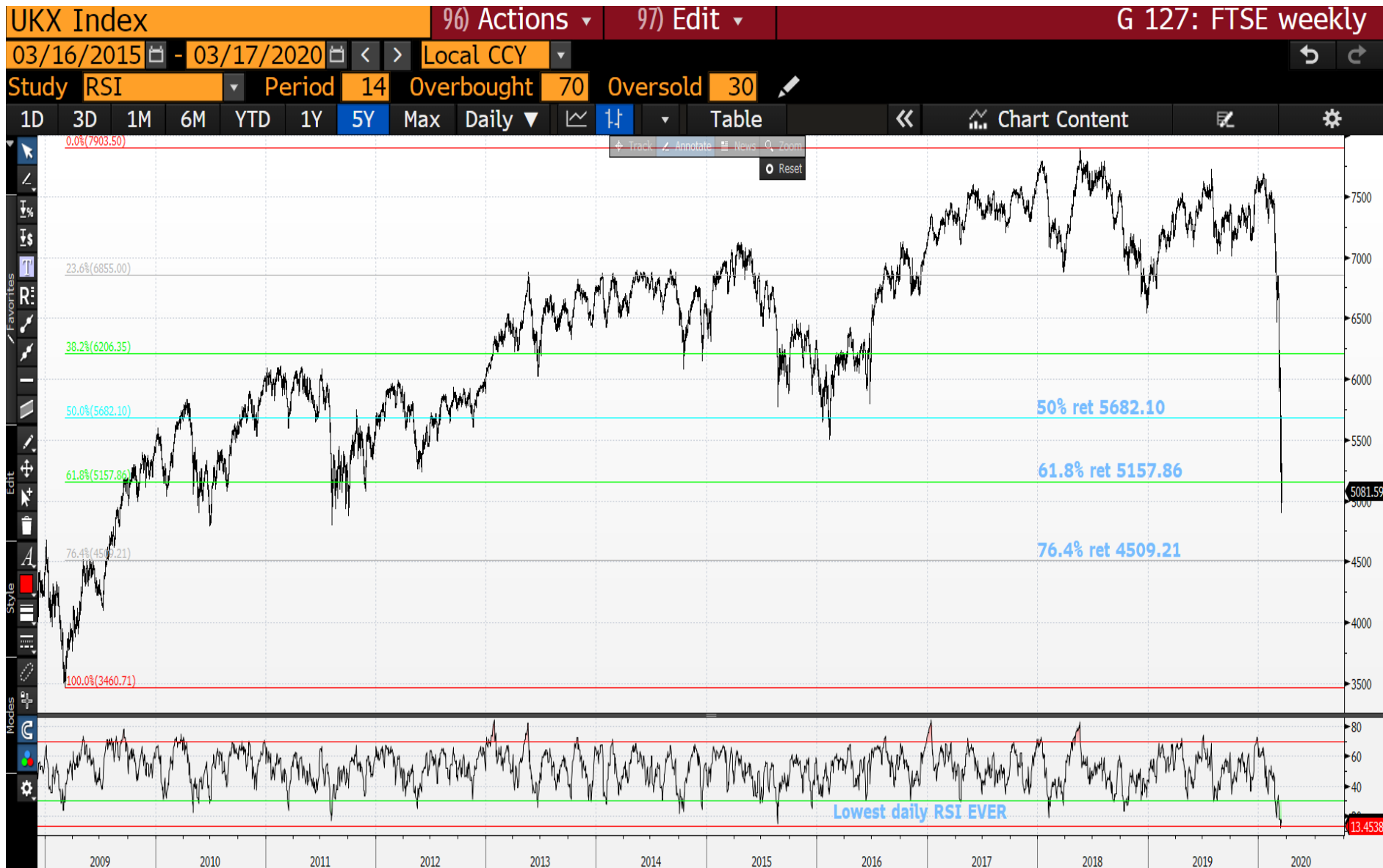
Eurostoxx daily : The RSI is as low as 2008-2011 so we need to HOLD the 76.4% ret 2261.51.



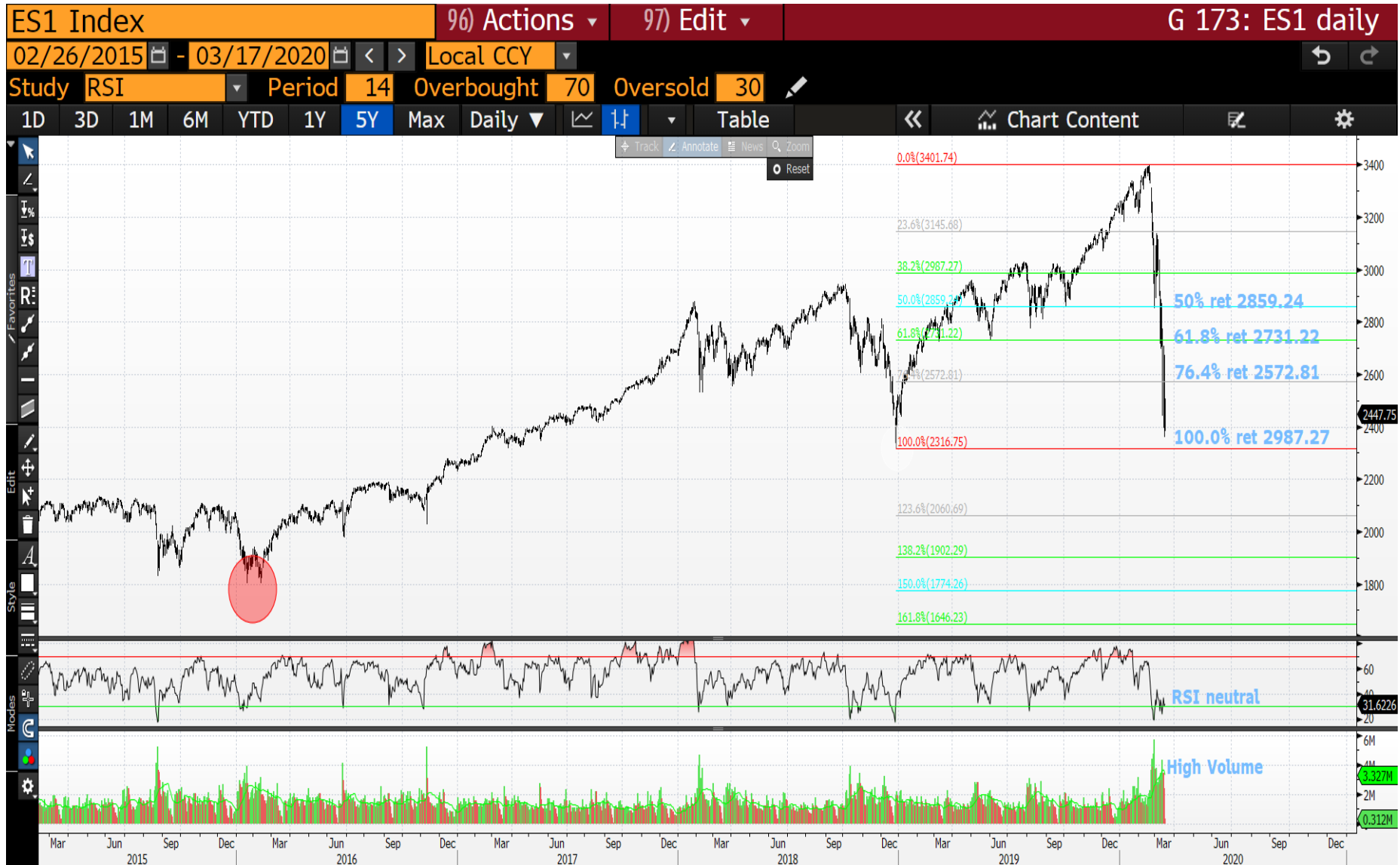
FTSE monthly : Another massive RANGE and one of the lowest monthly RSI's ever. So hopefully we should hold-close above the 50% ret 5106.00.



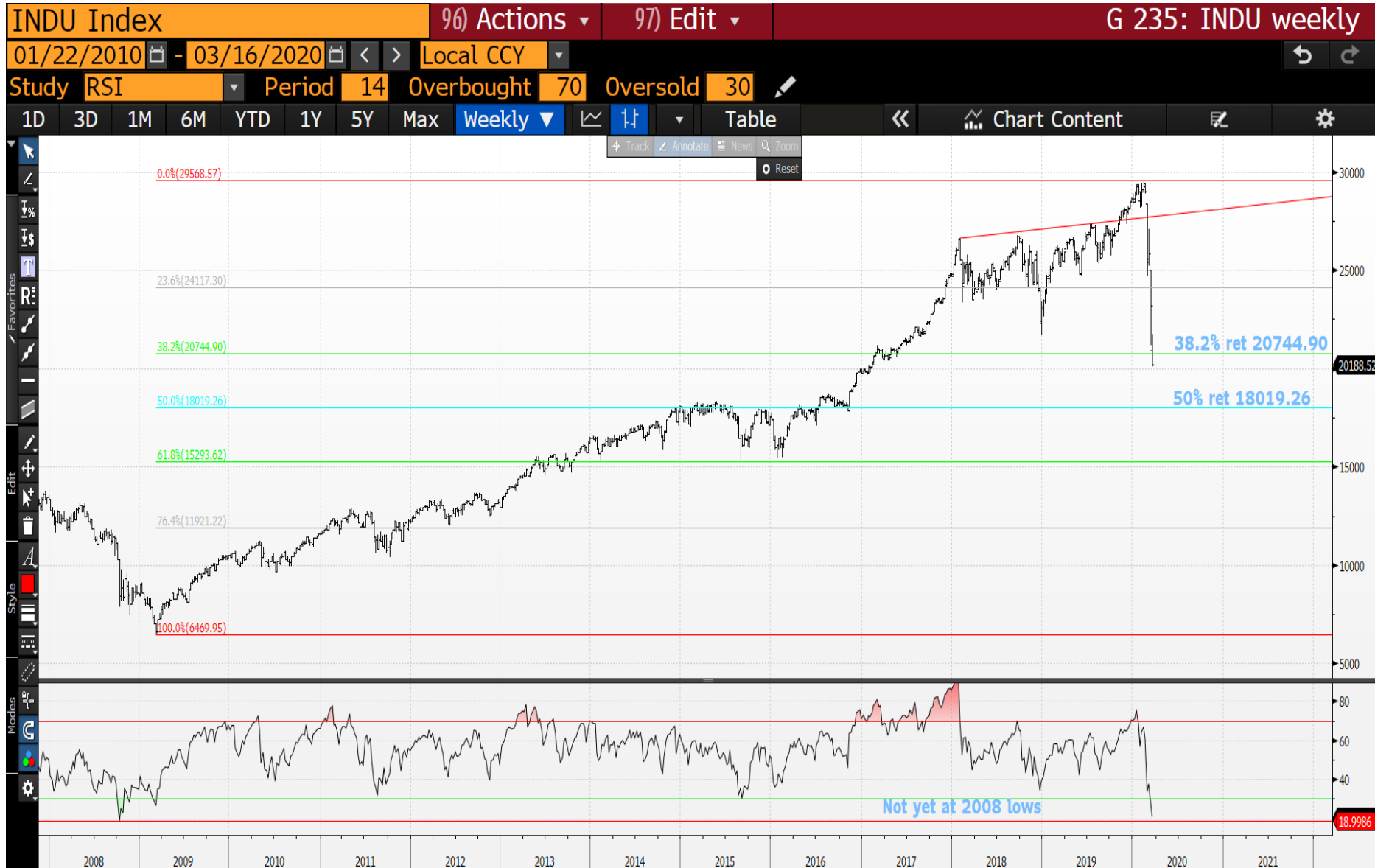
FTSE daily : Another daily chart with every reason to bounce!



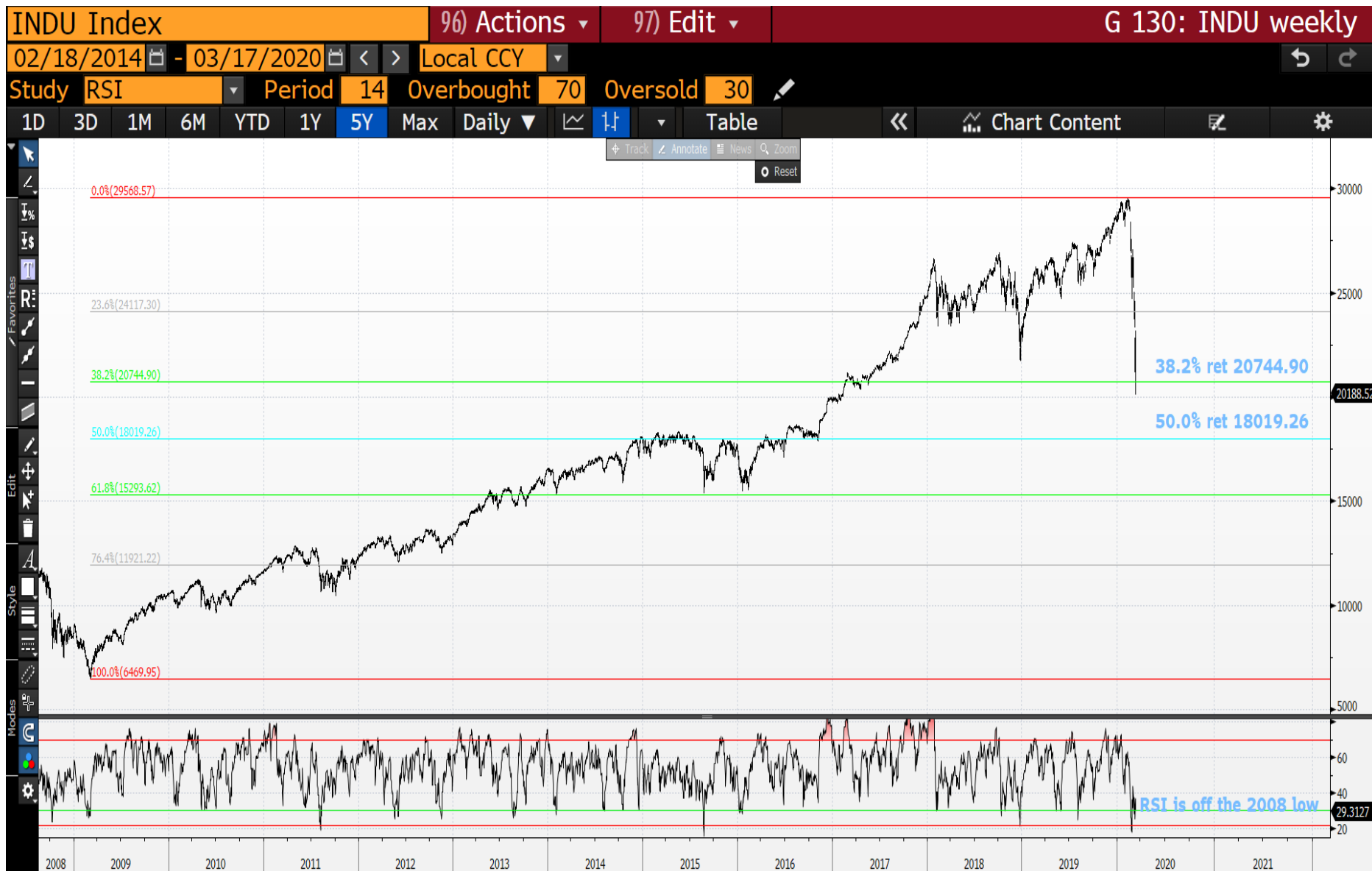
E Mini S&P daily : There is HUGE volume going into the market down here so it should hold and bounce, question is WHEN.



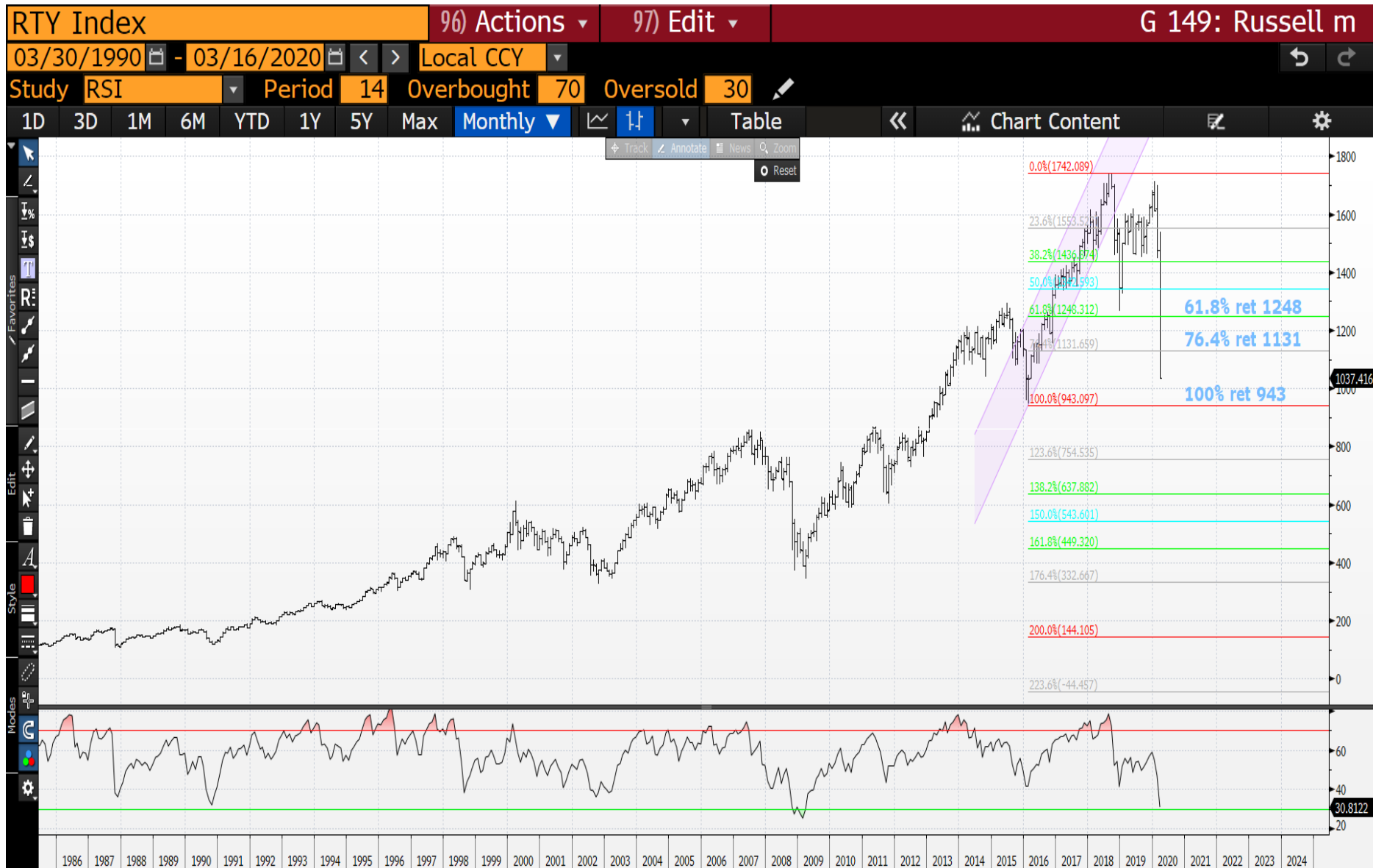
DOW weekly : The RSI falls shy of the 2008 extension thus possibly one more dip?



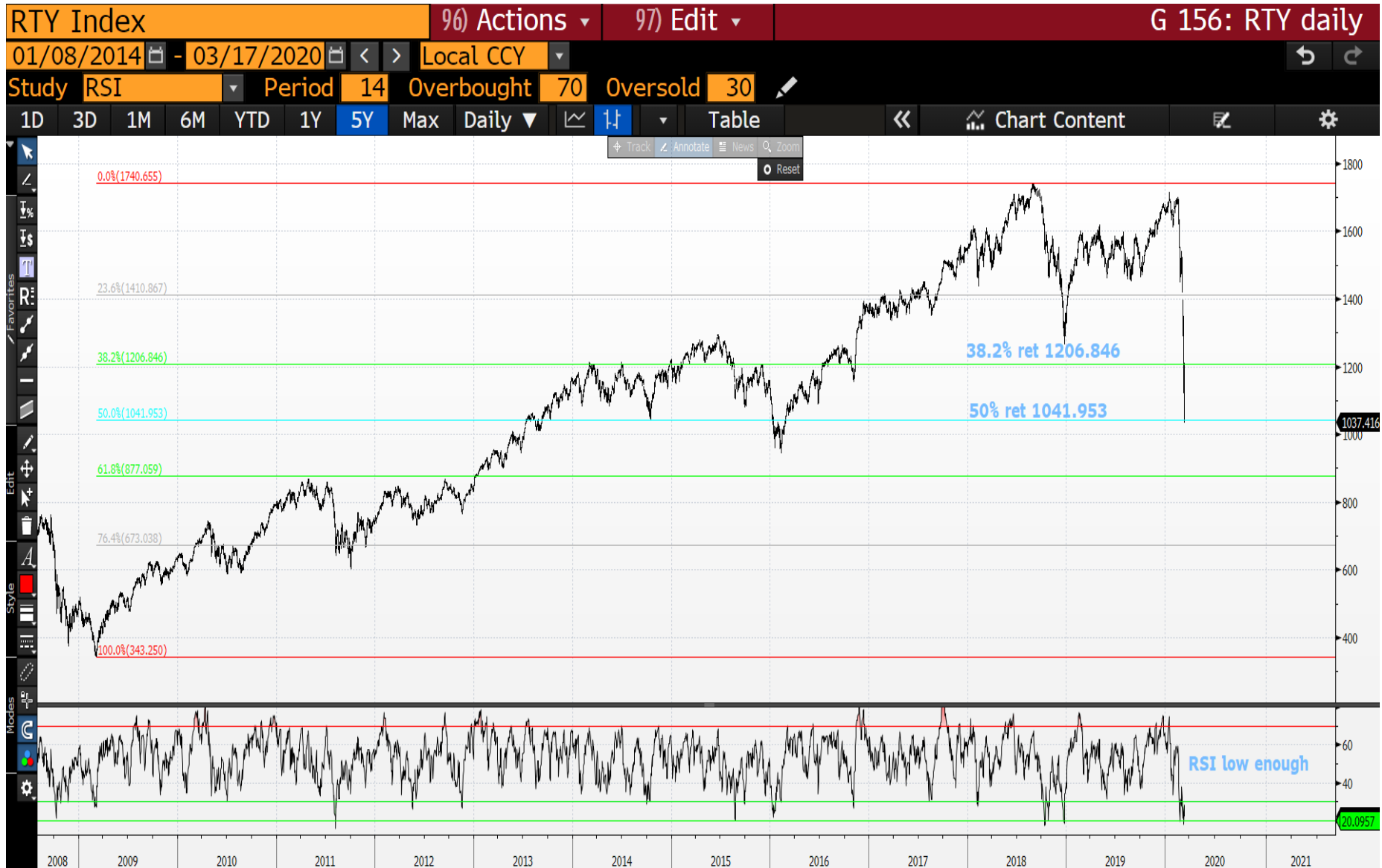
DOW daily : The RSI is off its lows but the 38.2% ret 20744.90 should hold.



Russell monthly : Again it seems we need to see a greater DISLOCATION in the RSI. Maybe we stop at the 100% ret 943.



Russell daily : To classify a HOLD we need to close above the 50% ret 1041.953.



16/03/2020

CCMP monthly : We need to close above the 6814 50 period moving average to form a HOLD.



Hang Seng monthly : We are well on the way to the 38.2% ret 20724.54.



Hang Seng daily : The RSI is low so we need to HOLD a close above the 76.4% ret 21876.36.



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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