

MARKET UPDATE : BONDS ARE TOPPING WHILST STOCKS HAVE BASED, QUESTION IS HOW LONG DOES THIS LAST. THIS VIRUS WONT GO AWAY FAST NOR BE CONTAINED. EVEN MR TRUMP WAS TOLD IT WOULD BE A YEAR BEFORE A VACCINE IS AVAILABLE.

THAT SAID WE HAVE CREATED MANY TECHNICAL EXTREMES TO INDUCE PROFIT TAKING OR SHORT TERM POSITIONING.

****POSSIBLE TRADE IDEAS, FADING THE US 5-30 OR 2-30 (Page 15 & 17).****

BOND YIELDS HAVE BASED GIVEN THE EXTENDED DAILY RSI'S, LETS SEE HOW HIGH THEY RECOVER.

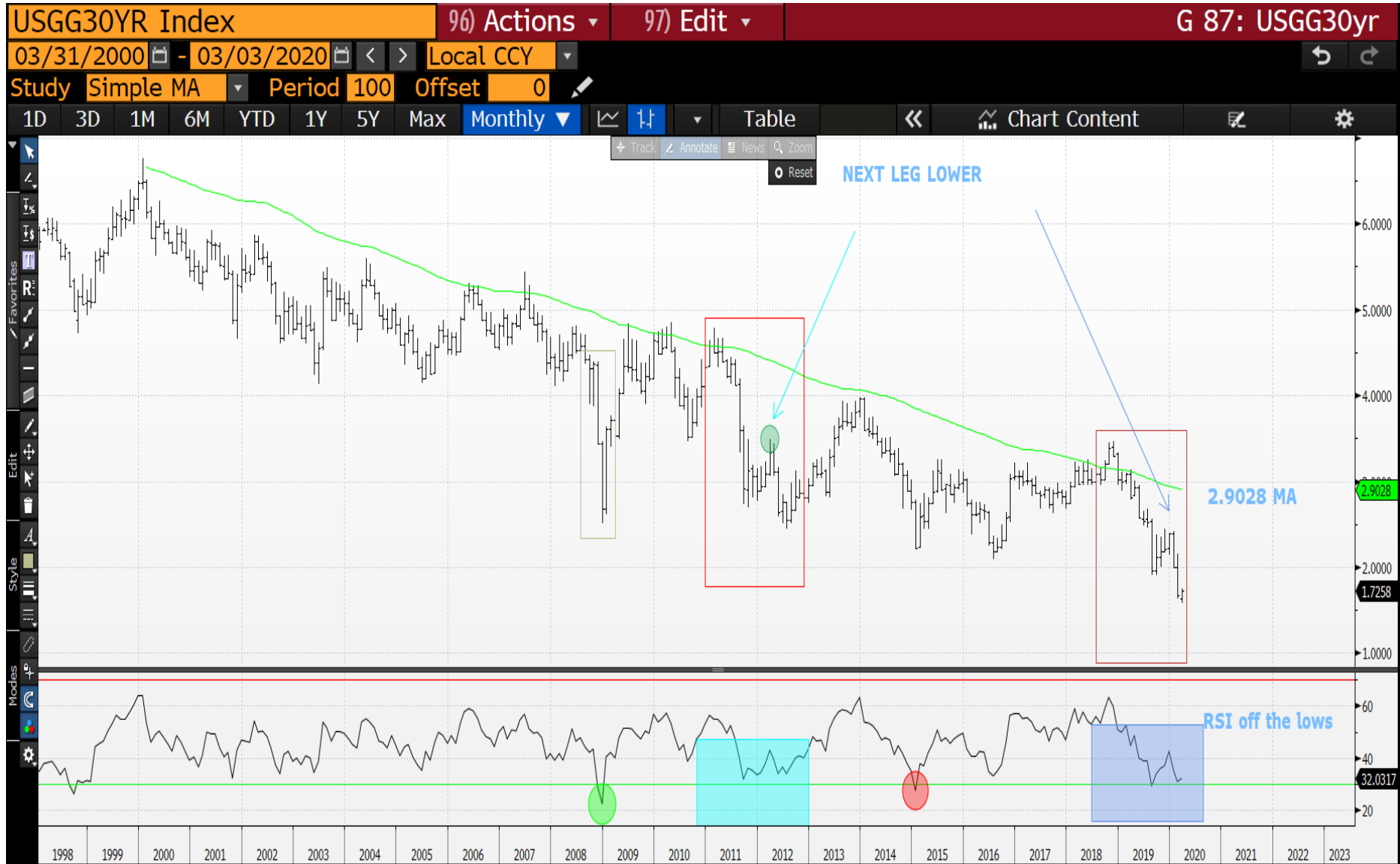
STOCKS TOO ARE IN THE SAME CAMP OF OVER EXTENDED DAILY RSI'S AND ARE ALREADY RECOVERING. MANY DAILY RSI'S ARE AS LOW AS DECEMBER 2018'S LOW.

- 1. STOCKS WILL GO LOWER BUT DO NEED A BREATHER FROM THE RECENT CAPITULATION.**
- 2. BONDS : THERE ARE MANY KEY CHARTS TO BACK UP THE REPLICATION OF THE 2011-2012 YIELD SCENARIO ESPECIALLY IN THE US, BUT WE NEED A PAUSE BEFORE THE NEXT MOVE LOWER.**

**US BREAKEVENS AND USGGT :
TAKE POSITIONING OFF IF SHORT THIS SECTOR.**

EQUITIES : STOCKS NOW LOOK VERY VULNERABLE BUT A BOUNCE IS DUE.

USGG30yr monthly : ** ONE TO WATCH ** Even this MONTHLY RSI is low so definitely reduce positioning as mentioned previously.



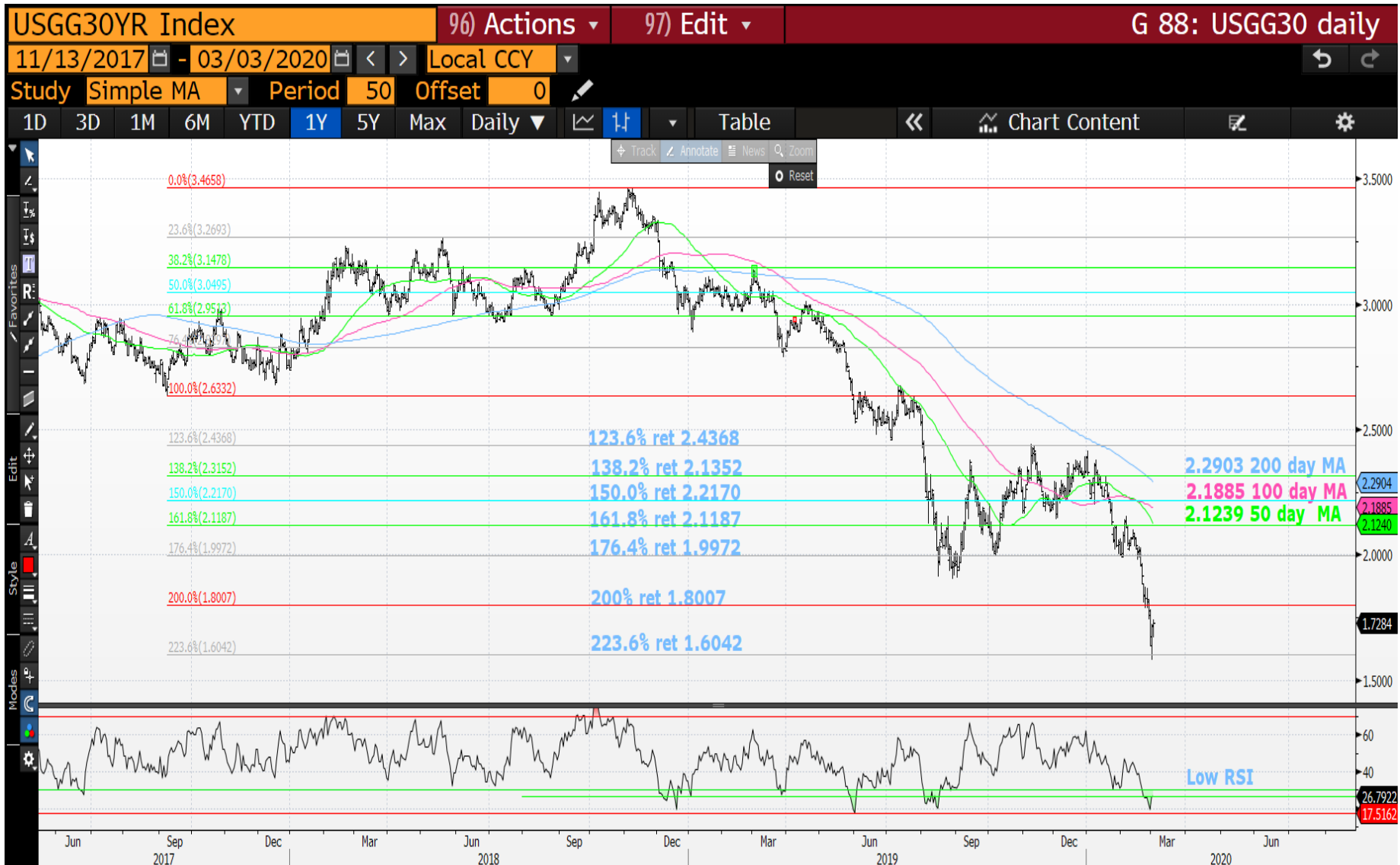
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USGG30yr yield daily : *ONE TO WATCH* The weekly RSI is dislocated and highlights a yield bounce.



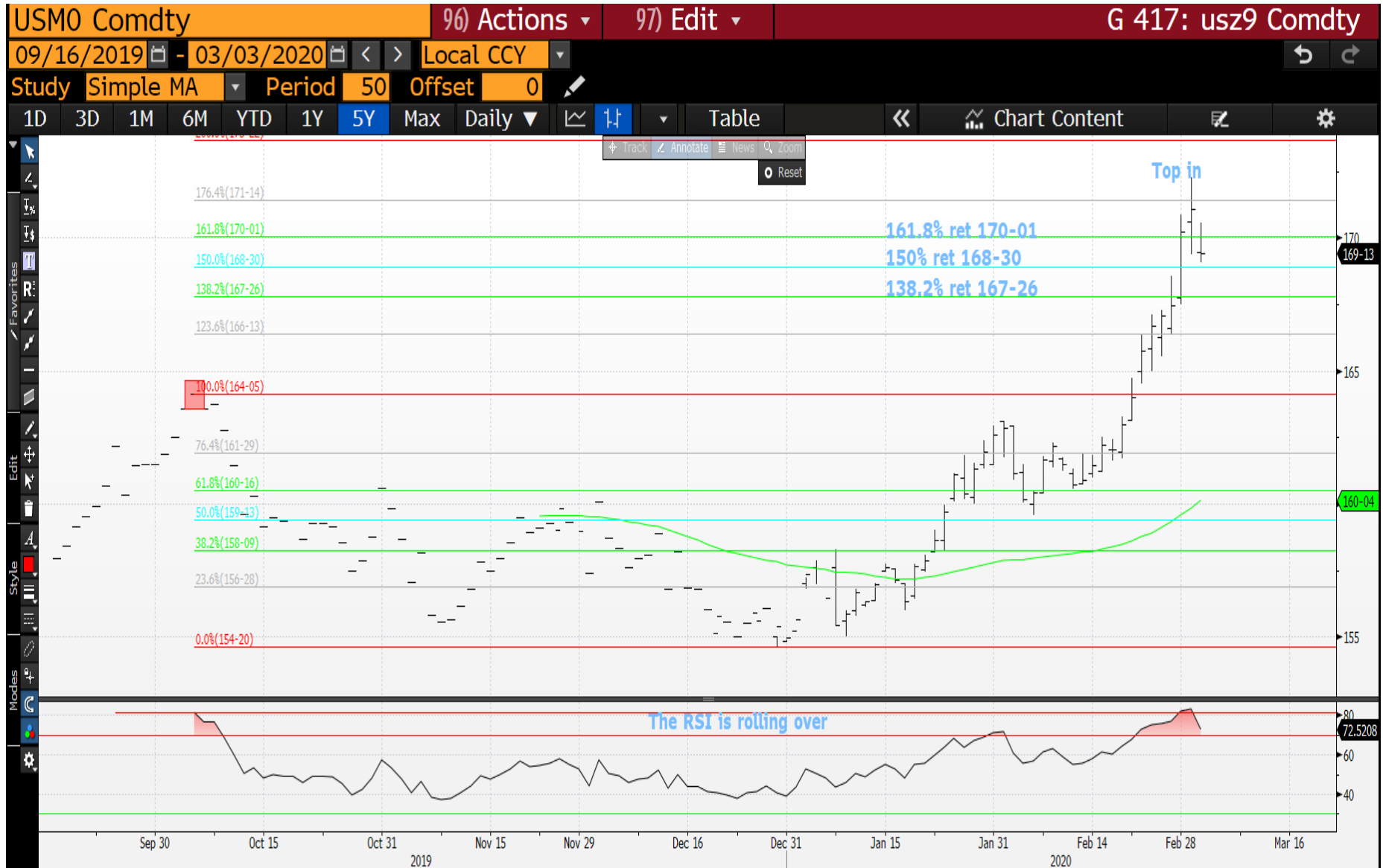
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USGG30yr yield daily : *ONE TO WATCH* We have hit and held the 223.6% ret 1.6042 forcing the RSI to an extreme. As mentioned reduce positioning with a possible bounce to 2.00.



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US 30yr futures daily : A very TOPPY scenario here with an RSI similar to early October. As mentioned take some profits if long.



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US 10yr yield quarterly : *Possibly the chart to watch.* This still remains a negative chart.



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USFS 10-20 monthly : Again the RSI is low and remember we are talking of monthly chart.



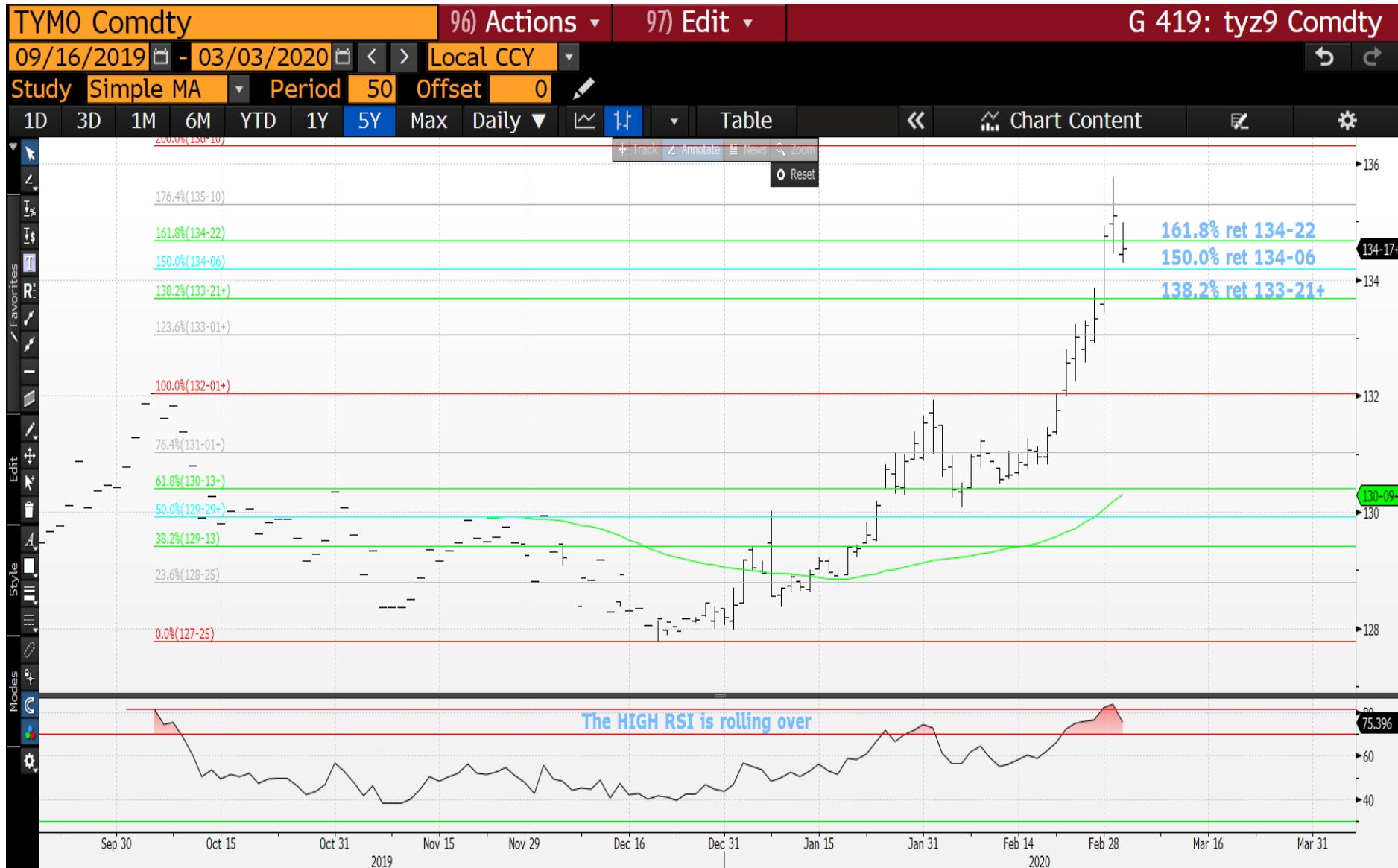
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USGG10yr daily : The RSI is VERY low so expect a bounce, minimally to the 100% ret 1.3180.



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US 10yr futures daily : Another very extended RSI and rejection so advice would be to reduce longs.



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USGG5yr quarterly : ** Critical chart ** Plenty of room to head lower.



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USGG5yr weekly : We have found support close to the previous low 0.8912, we should see yields pop from here.



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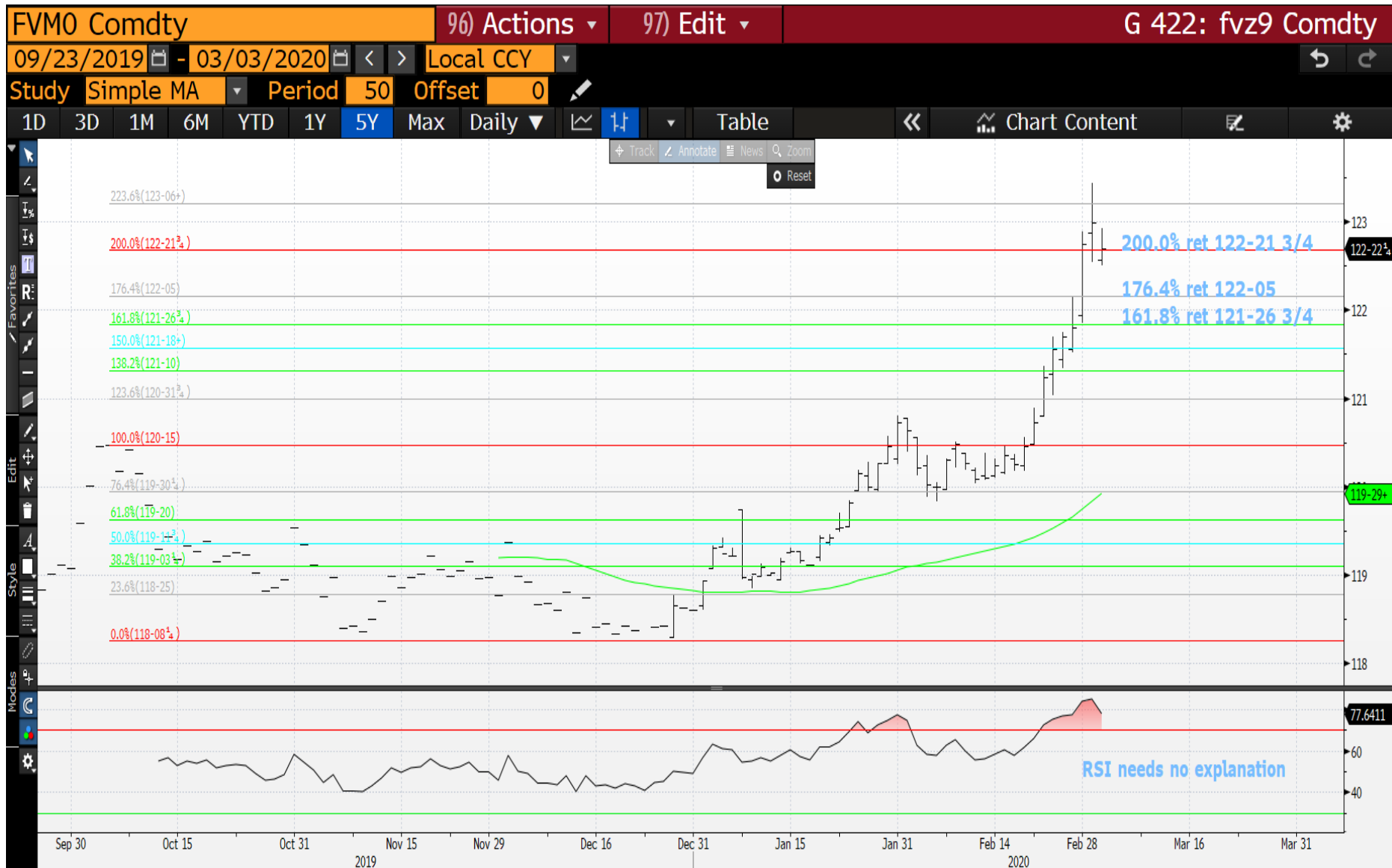
USGG5yr daily : The RSI is no VERY extended just as we hit the previous low.



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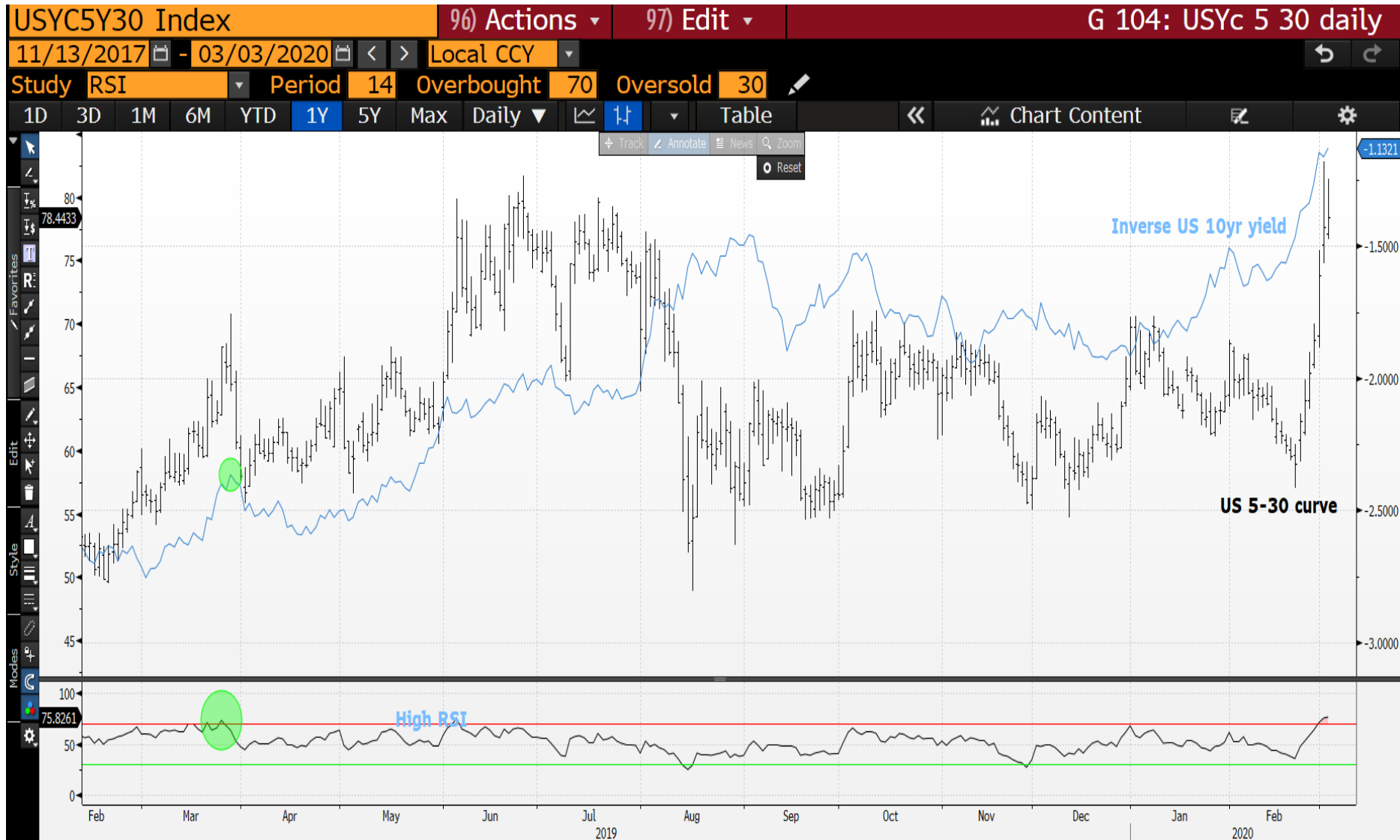
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US 5yr futures daily : Time to reduce longs given the RSI and upside rejection. Given the previous chart this should be the sector to be hit hardest the most.



03/03/2020

****US 5-30 FLATTNER.**** This could be a good trade if bonds are to stall. The previous charts highlight some good levels and RSI dislocations so it might be the obvious choice to put on a 5-30 flattener, stop above the recent high.



USGG2yr monthly : We have FALLEN along way and this historically has been a MAJOR support area.



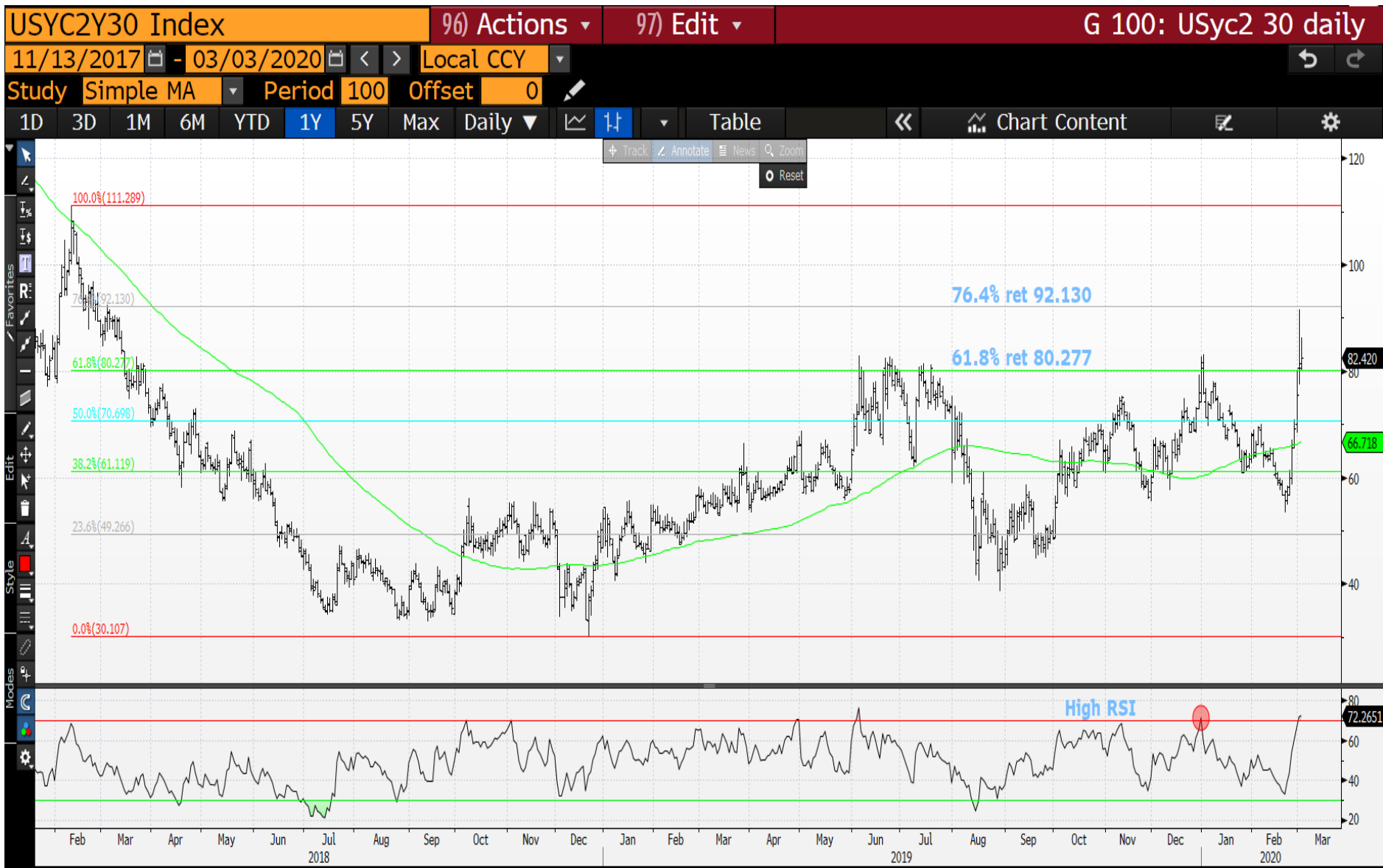
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USGG2yr daily : **Further evidence of the STRUGGLE.** We remain sub all moving averages.



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****US 2-30 FLATTENER**** Again the front-ends highlight their RSI extreme and for those who fancy another curve trade, selling 2-30 could work given the levels hit and RSI.



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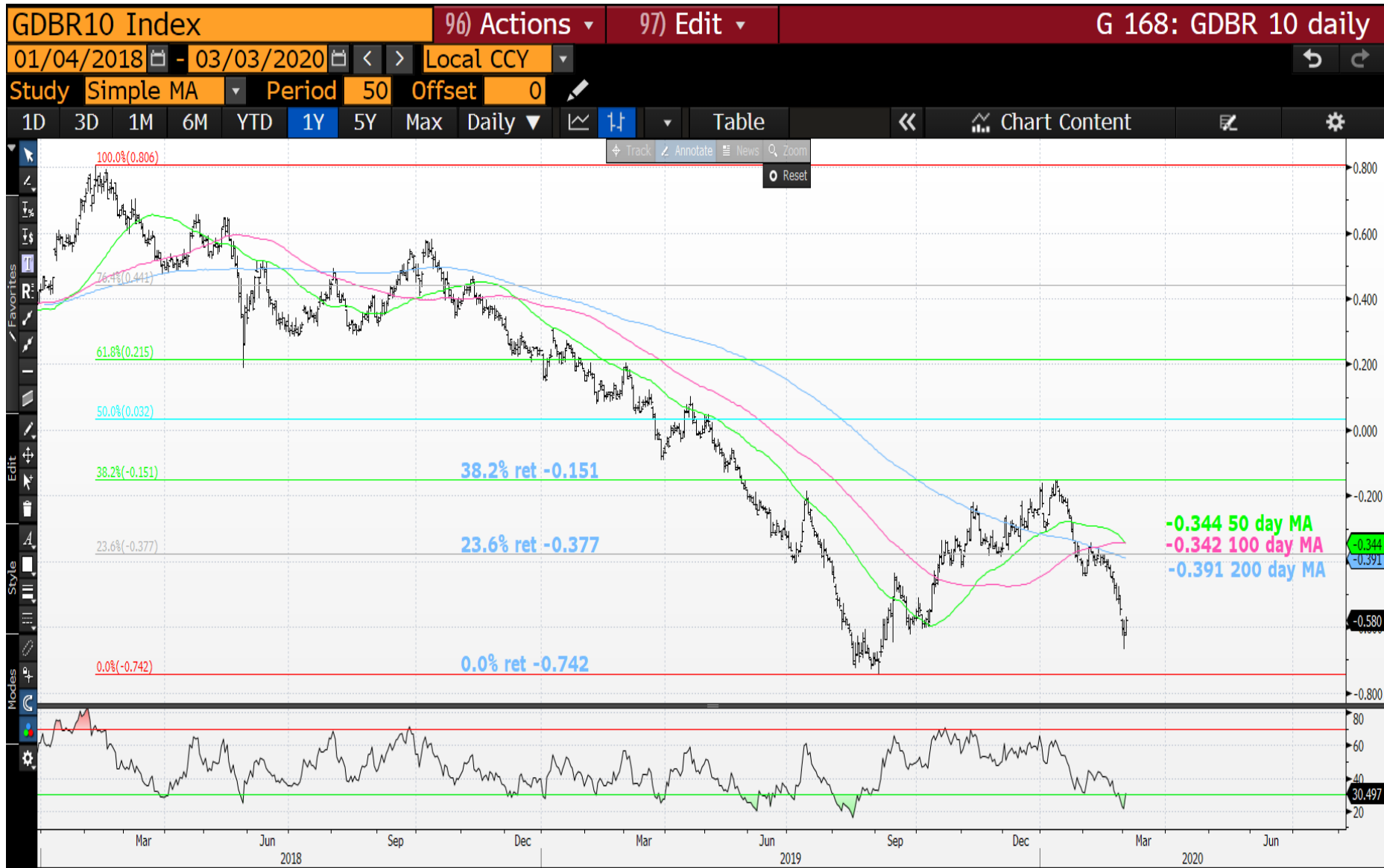
US 2yr future daily : Another set of extended circumstances, thus reduce positioning. The RSI is off the scale, minimally exit most longs.



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



Generic German 10yr daily : The RSI remains VERY over sold.



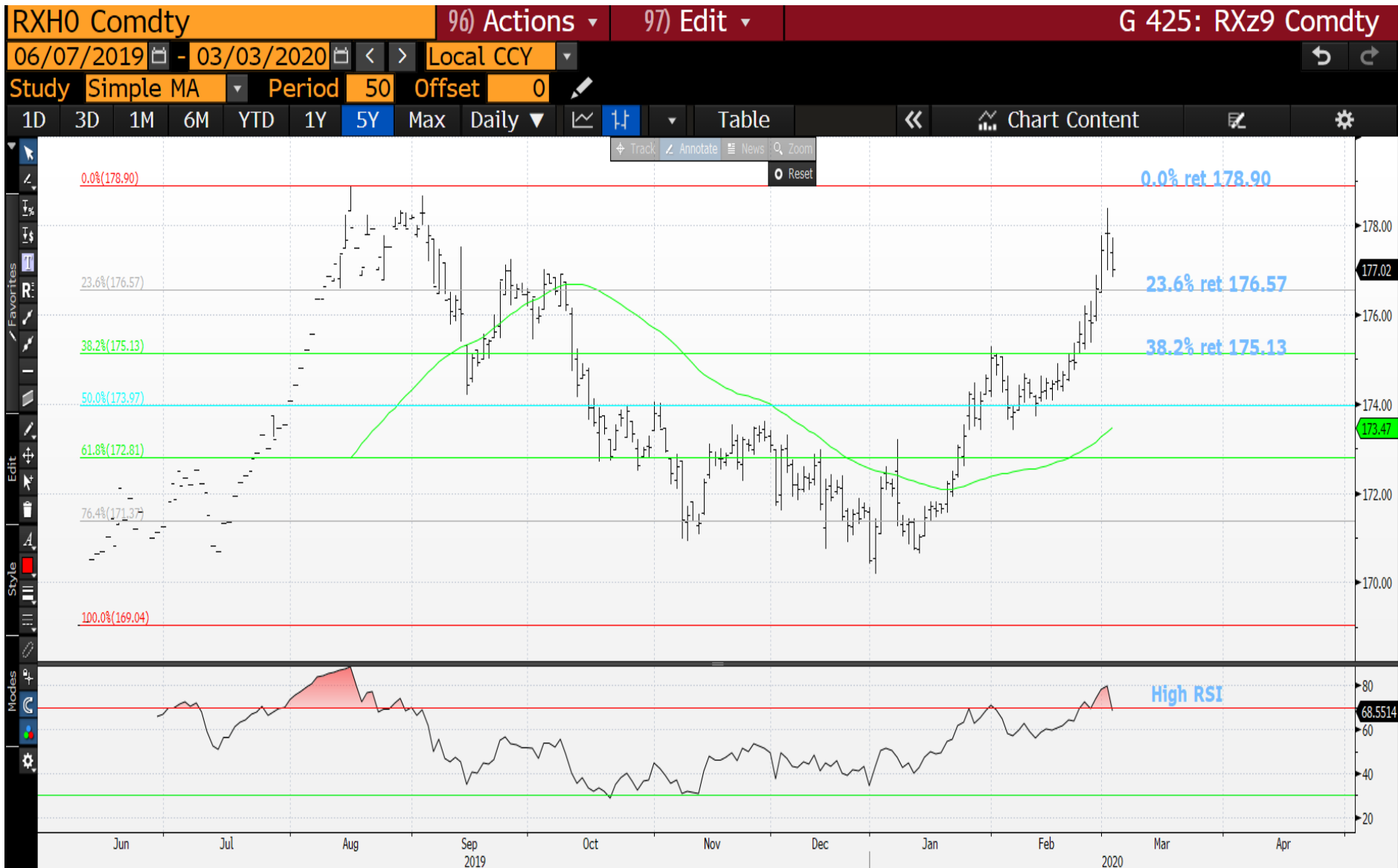
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DBR 46 daily : A very over extended RSI here so reduce exposure.



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Bund future daily : Exit longs given we have an RSI like this.



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Gilt future daily : A high RSI so would advise position reduction whilst sub the 100% ret 135.72.



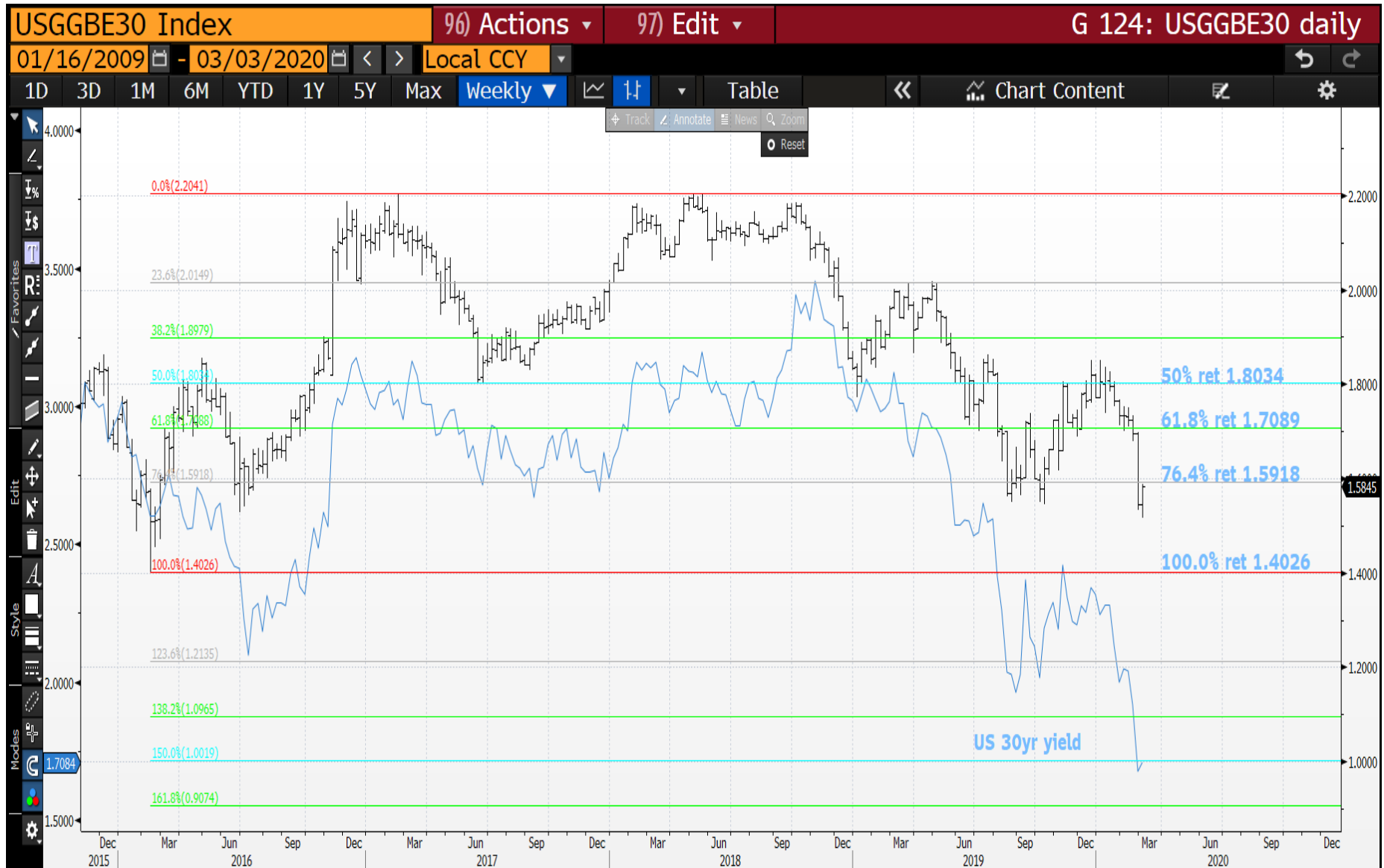
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US BREAKEVENS :

US BREAKEVENS HAVE DRIFTED LOWER BUT TIME TO EXIT EXPOSURE GIVEN WE HAVE HIT SOME KEY LEVELS AND BOND YIELDS LOOK LIKE HOLDING.

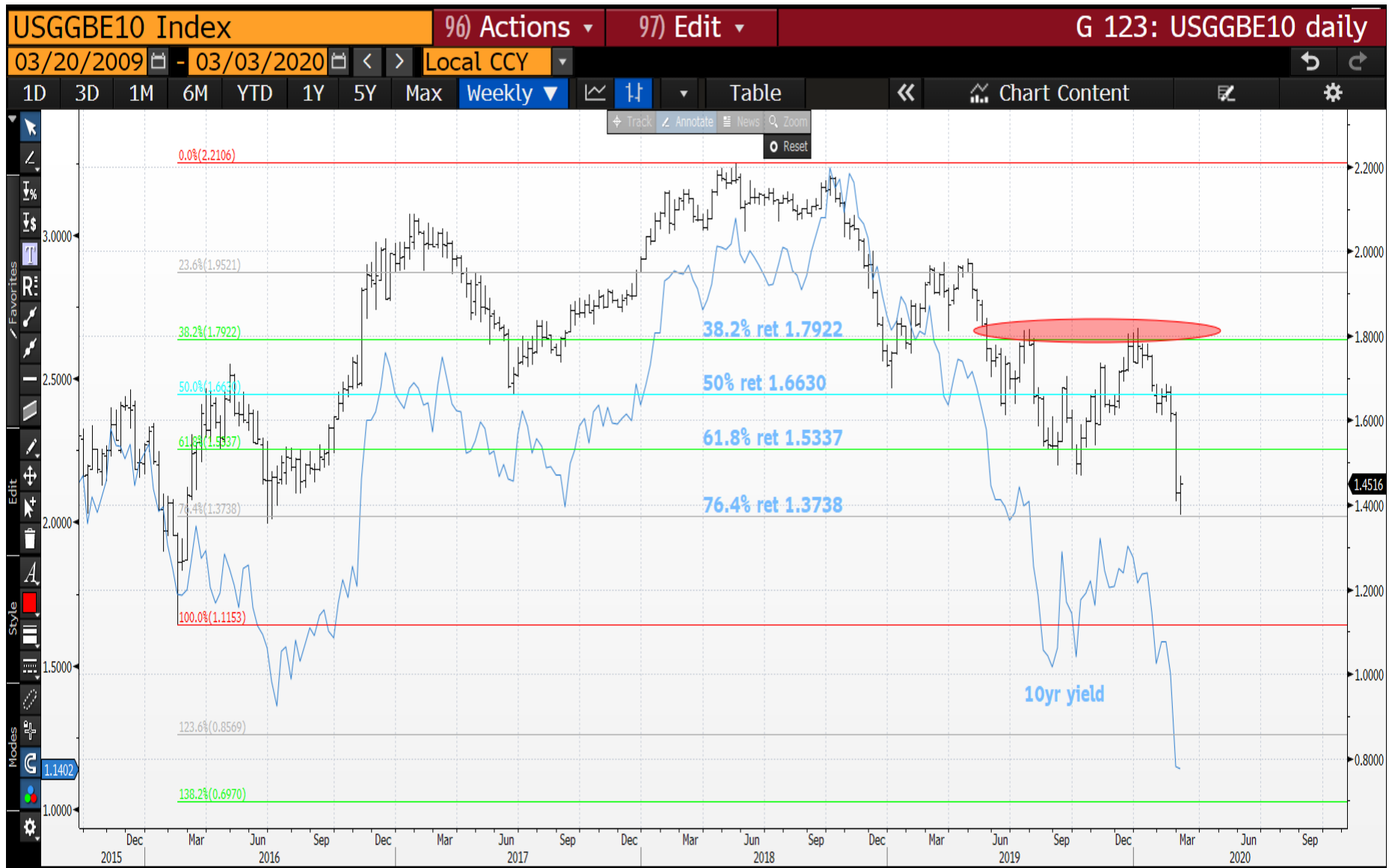
MANY CHARTS HAVE BOND YIELD OVERLAYS.

UKGGBE30 and 30yr yield weekly : Given the previous lows its worth reducing any positioning.



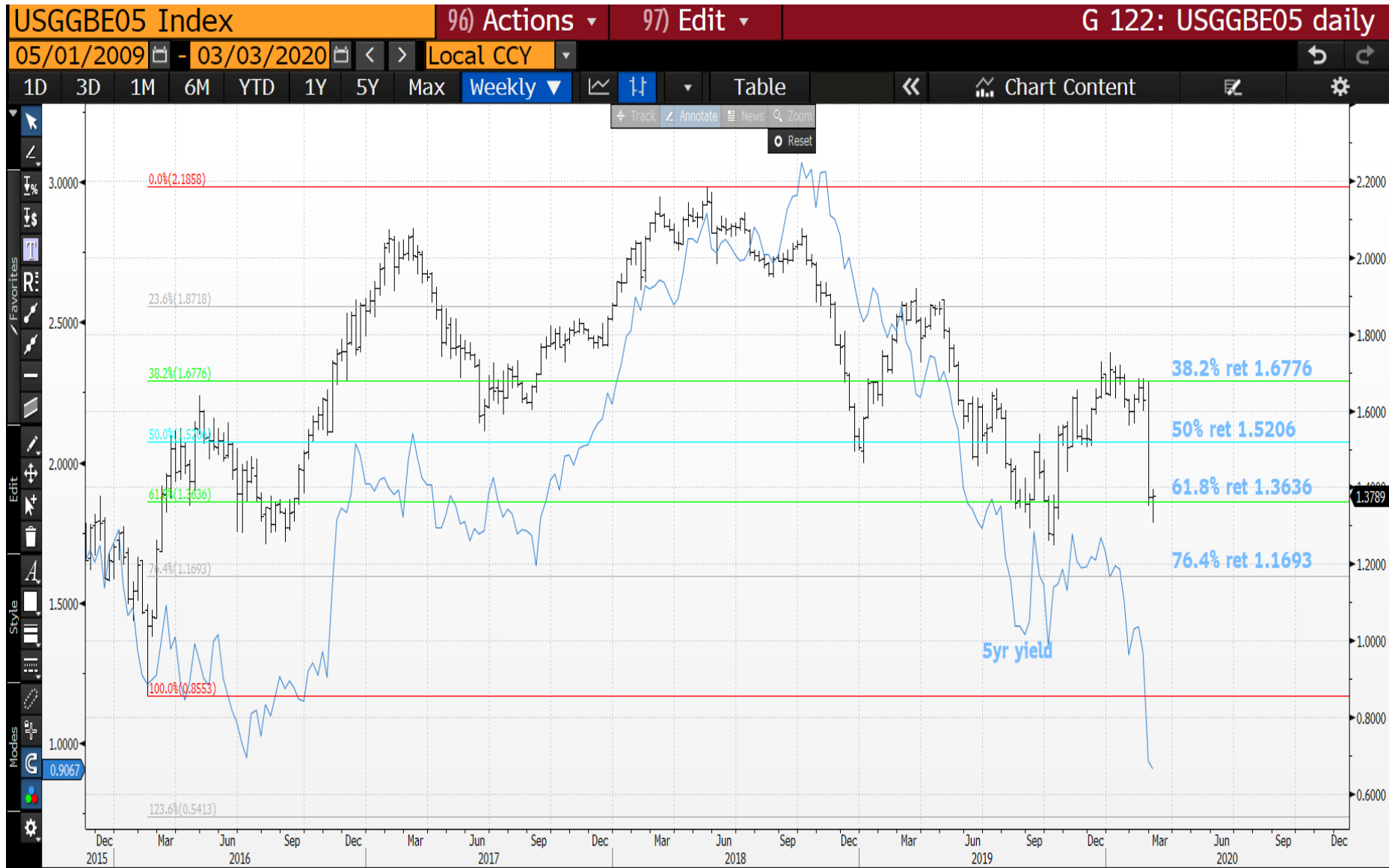
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USGGBE10 and 10yr yield weekly : We have HELD the 76.4% ret 1.3788.



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USGGBE05 and 5yr yield weekly : We seem to be holding the 61.8% ret 1.3636.



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EQUITIES

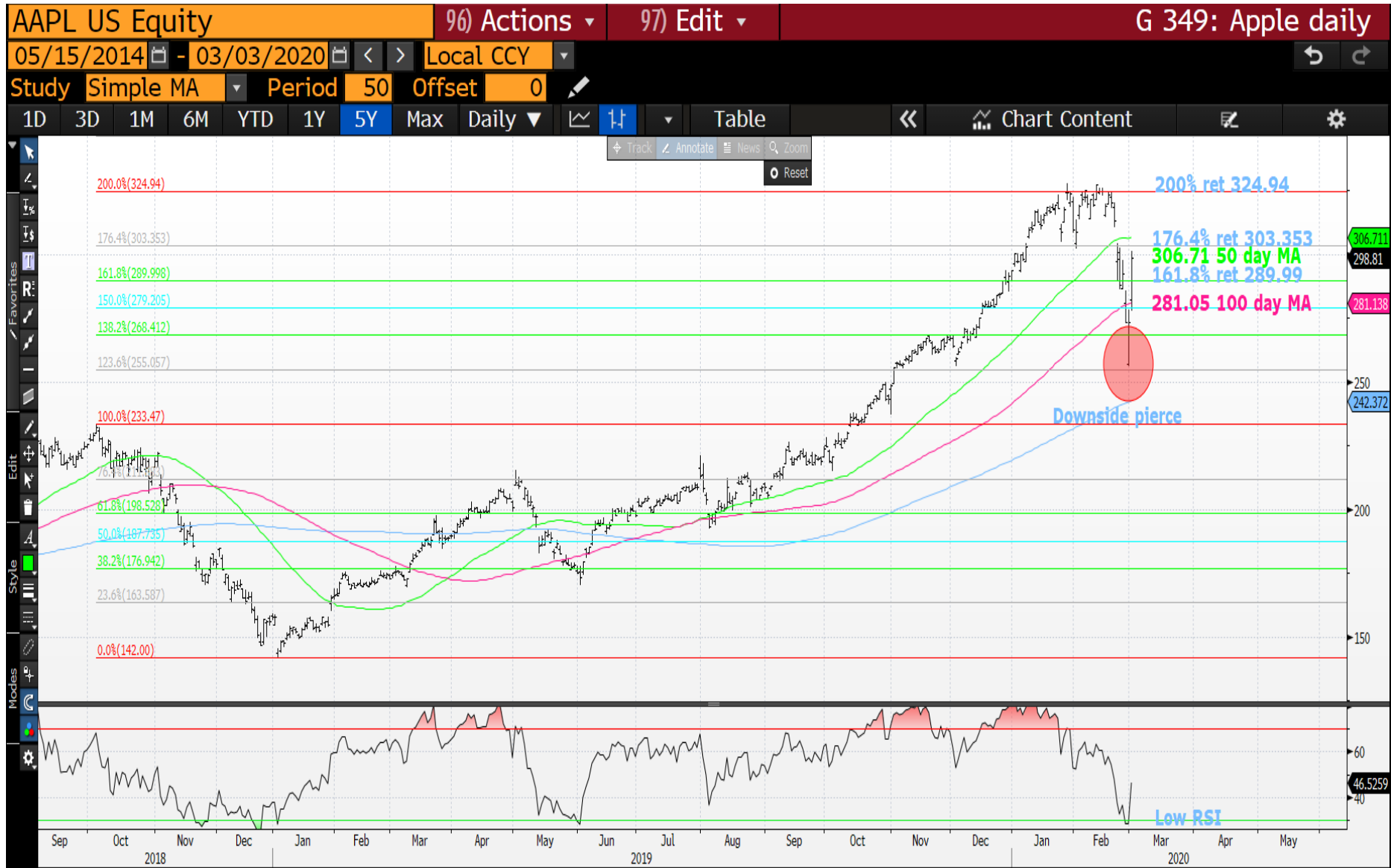
SIMILAR TO THE BOND MARKETS MANY DAILY RSI'S ARE FAR TOO EXTENDED, MANY REPLICATING DECEMBER 2018.

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 SO 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.

APPLE daily : We have bounced off the lows given the RSI, lets see where the bounce runs out of steam.



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UNITED TECHNOLOGIES weekly : We now have a LONGTERM top in play but support MID the moving averages.

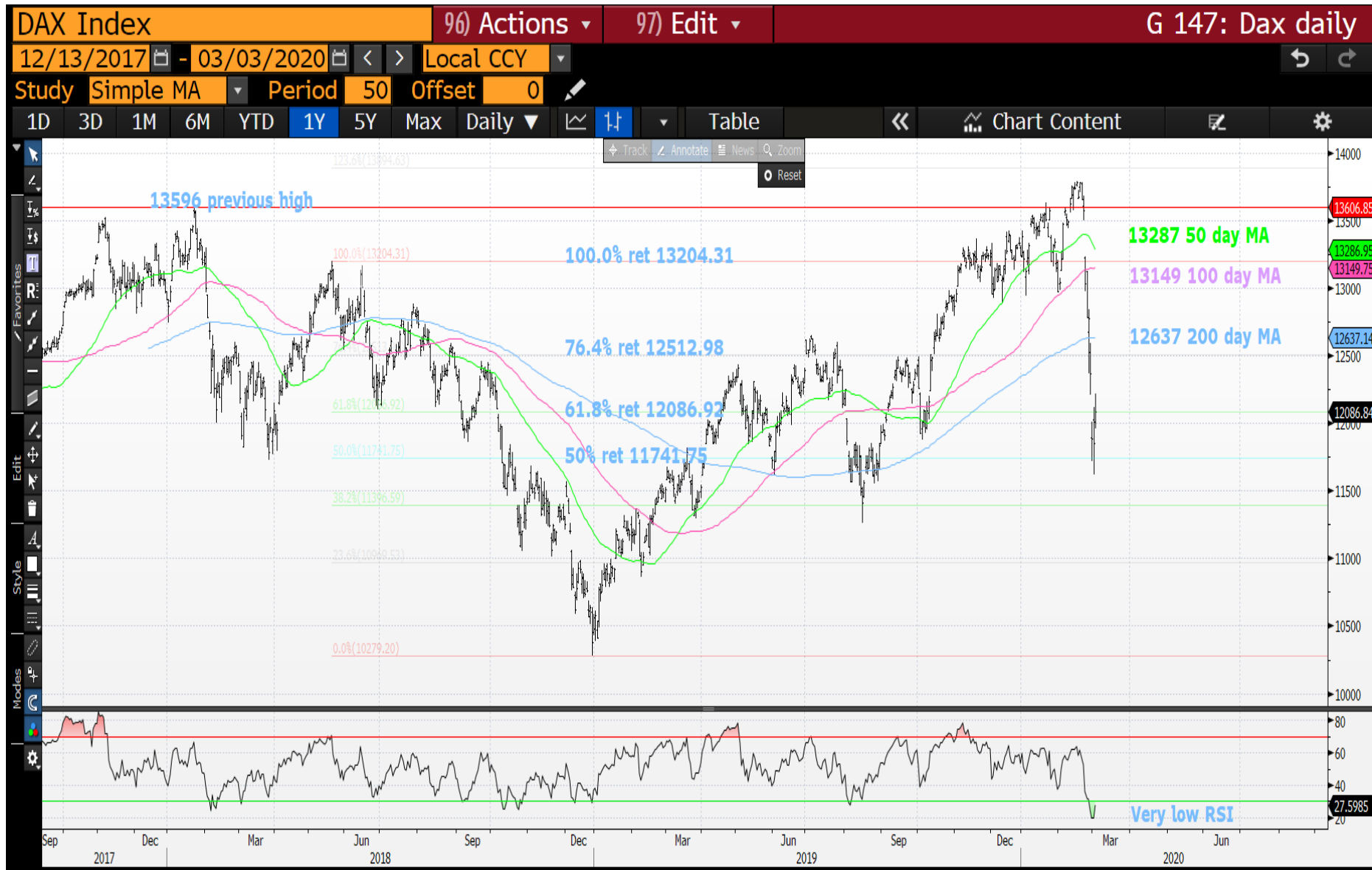


DAX monthly : Lets see how we get on breaking back into the 12151 channel OR NOT!?



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DAX daily : Well worth reducing short positioning given the magnitude of the drop and RSI. We are due a bounce BUT this virus wont be going away in a hurry.



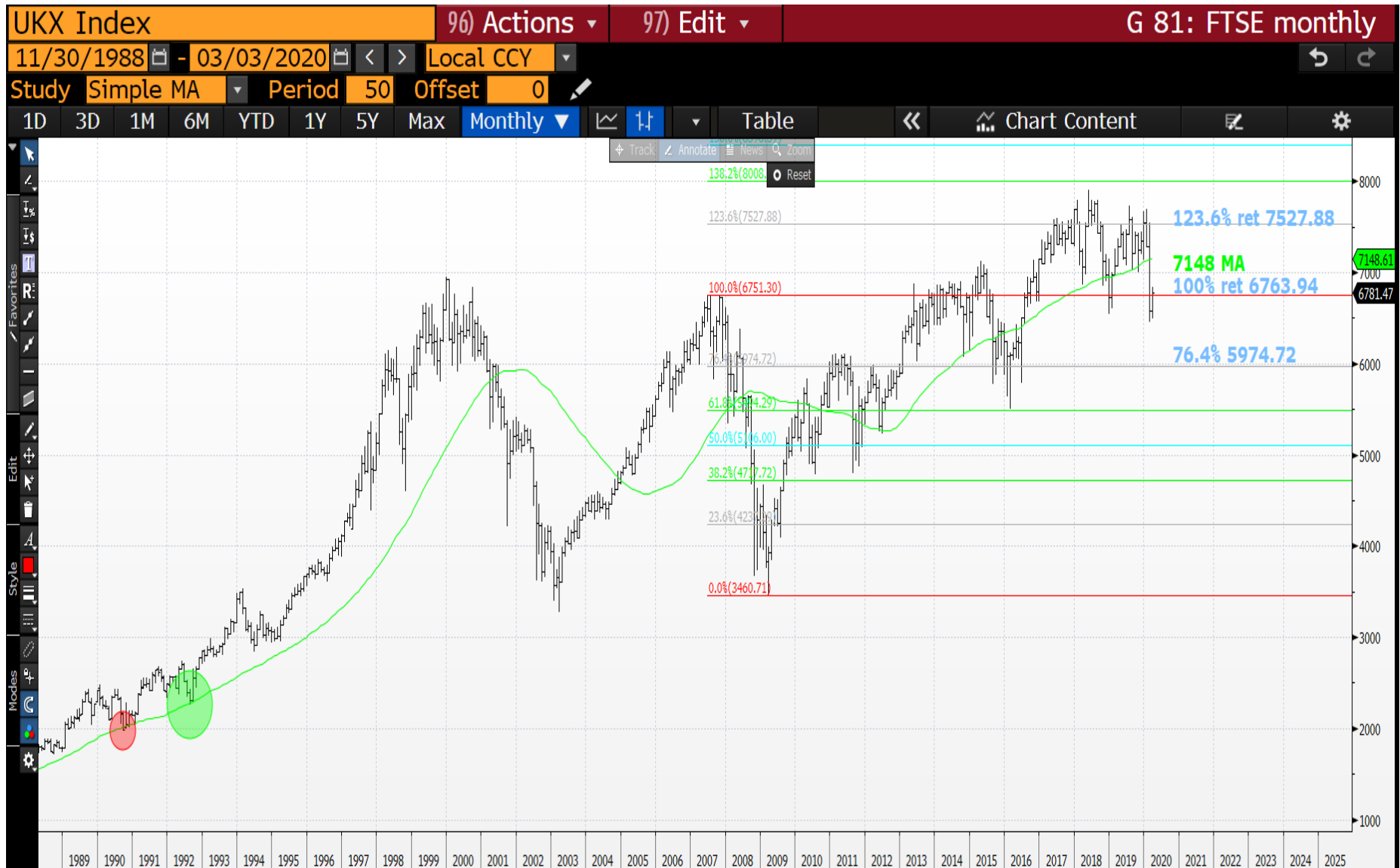
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Eurostoxx daily : Definitely reduce exposure here given the DROP, RSI extension and retracement hit.



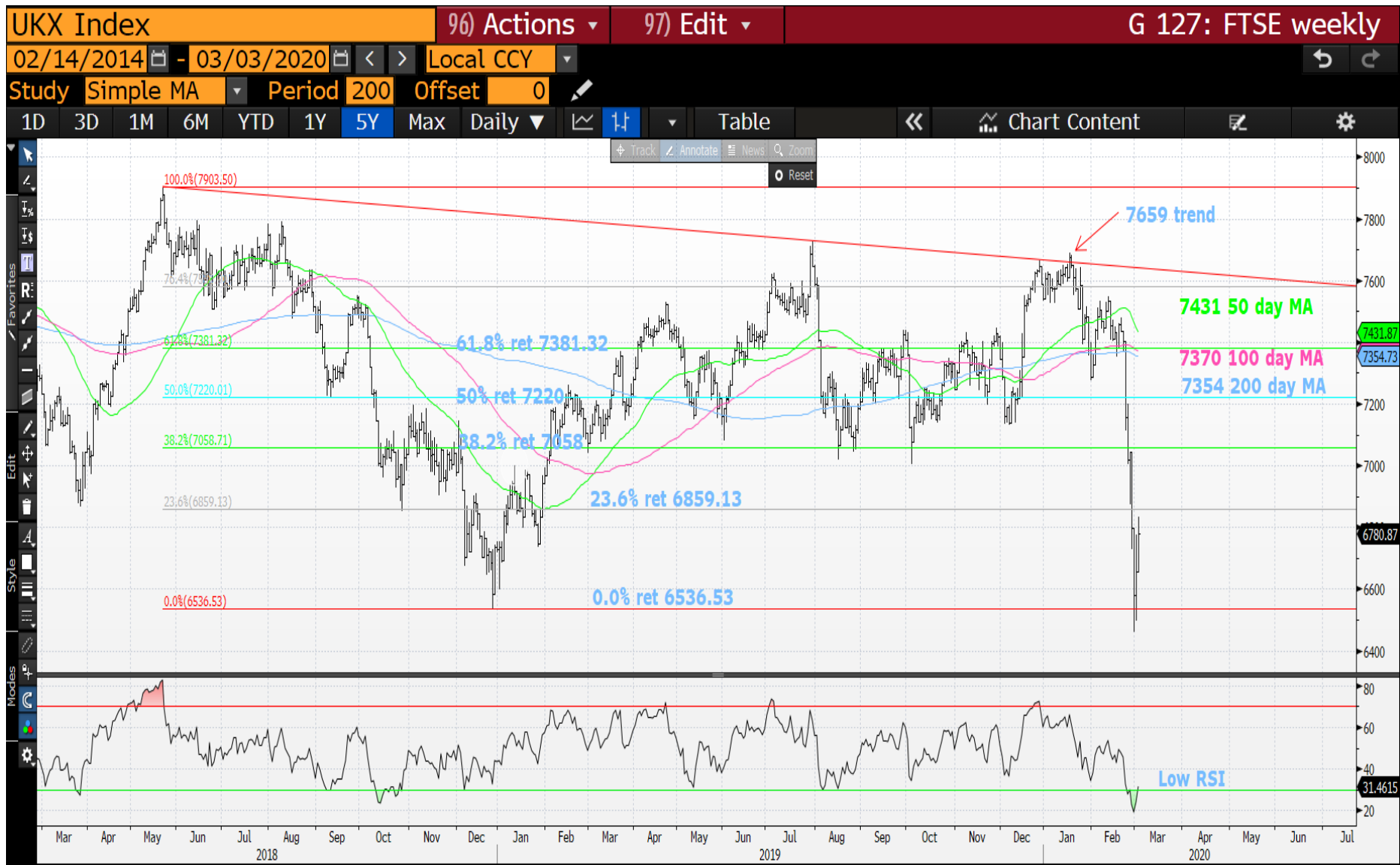
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FTSE monthly : This is a contract that trades so well technically so no arguing with this resistance at the 100% ret 6793.94.

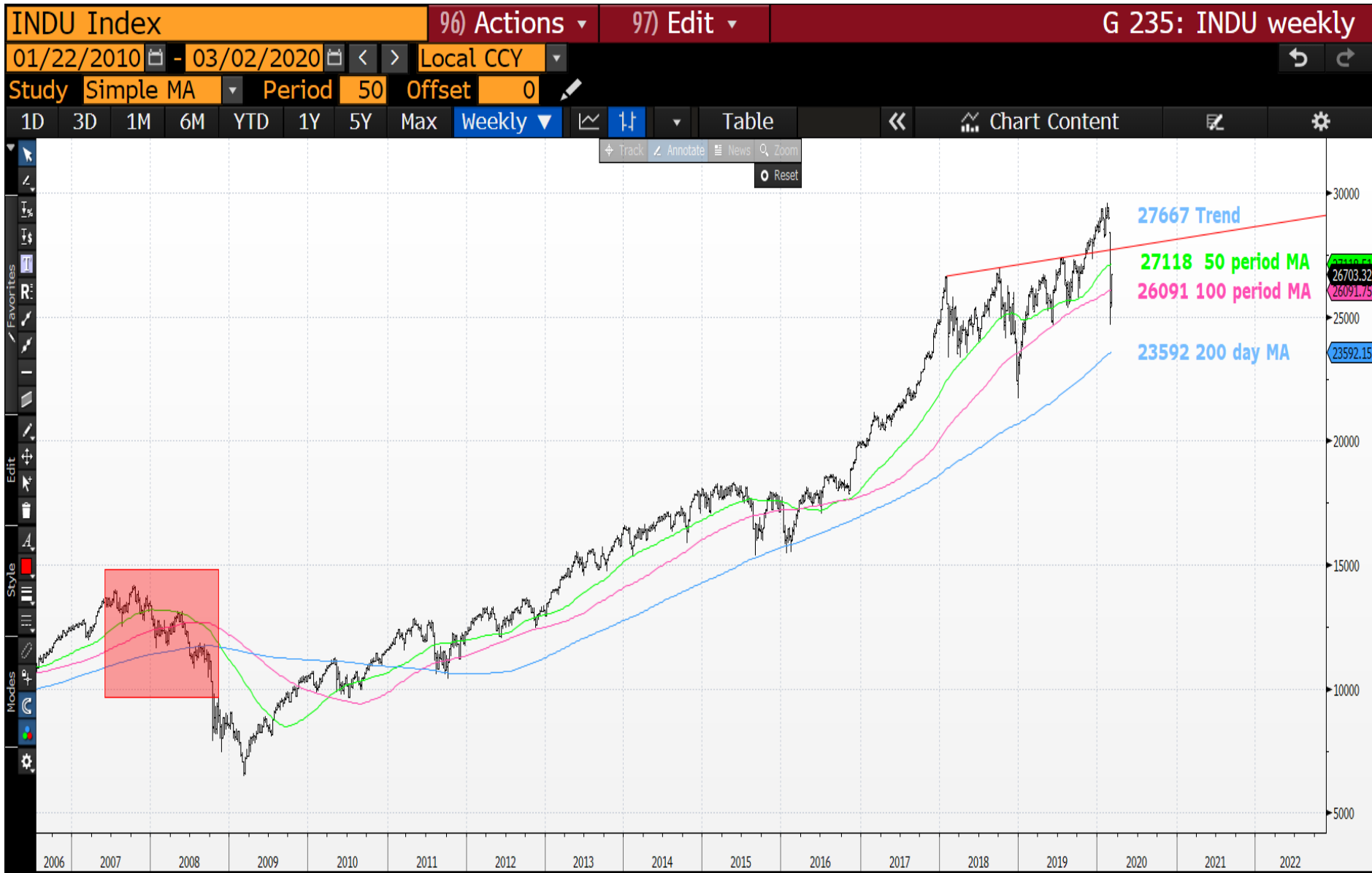


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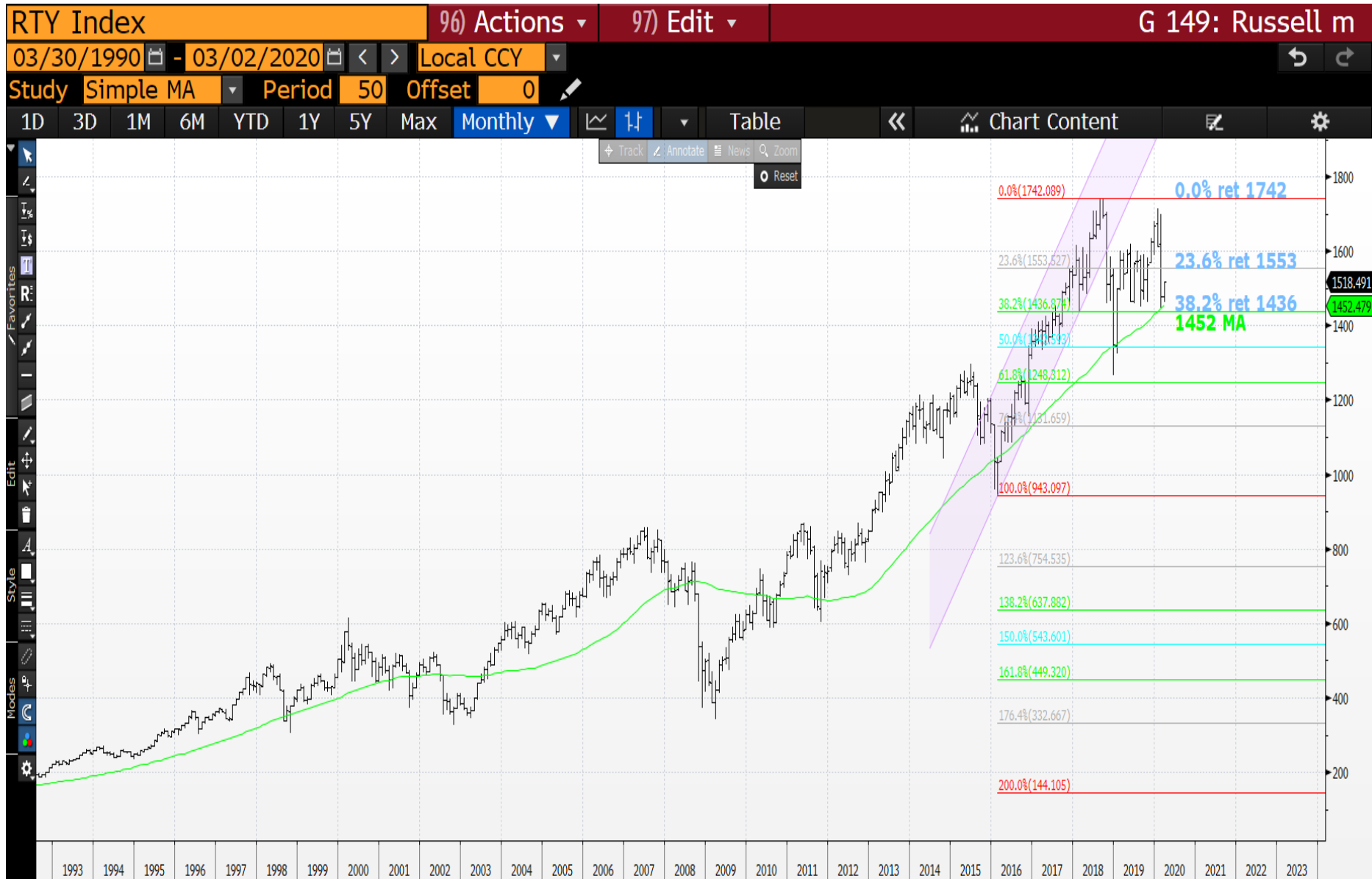
FTSE daily : A very big drop and extended RSI. Again a wait and see for the bounce!?



DOW weekly : A terminal top but some support in amongst the moving averages.



Russell monthly : A nasty top but for further downside we need to breach the 1452 moving average.



03/03/2020

HANG SENG monthly : ONE TO WATCH GIVEN ITS PROXIMITY TO THE MULTIYEAR 23.6% RET 25601.22.



03/03/2020

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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