

USD WEAKNESS CONTINUES SO CAN BONDS BREAK LOWER, OUT OF THEIR RANGE? I HAVE BEEN LOOKING FOR SOMETHING TO ENDORSE THE LONGTERM YIELD LOW FOR US BONDS AND THIS APPEARS TO BE IT.

CERTAINLY THE USD LOOKS TO BE GOING ONE WAY FROM HERE.

**\*\*WORTH A READ\*\***

HERE ARE A SELECTION OF USD CROSSES THAT MUST SURELY SEE THE USD FADE OVER TIME. SIMILAR TO THE BOND MARKET REJECTION OF ITS MARCH EXTREMES!

I HAVE USED NON-CORE CROSSES AS THEY ACHIEVED SOME MAJOR DISLOCATIONS IN MARCH SIMILAR TO US BONDS. I HAVE MARRIED THE USD WITH BRL, MXN, RUB AND CLP. THEY HIGHLIGHT BOTH USD AND US BONDS ARE HEADING LOWER FOR SOME TIME.

SOME CROSSES ARE AT MULTI YEAR EXTREMES AND REPRESENT A SIZEABLE LONGTERM TRADE OPPORTUNITY.

USD CAD monthly : Familiar territory for the USD to fail. The RSI isn't too dislocated but does feel one way traffic from here on in. Sub the 61.8% ret 1.3467 will be crucial.



27/05/2020

USD SEK daily : The RSI is lame but sub the 23.6% ret 9.3506 will constitute a big break.

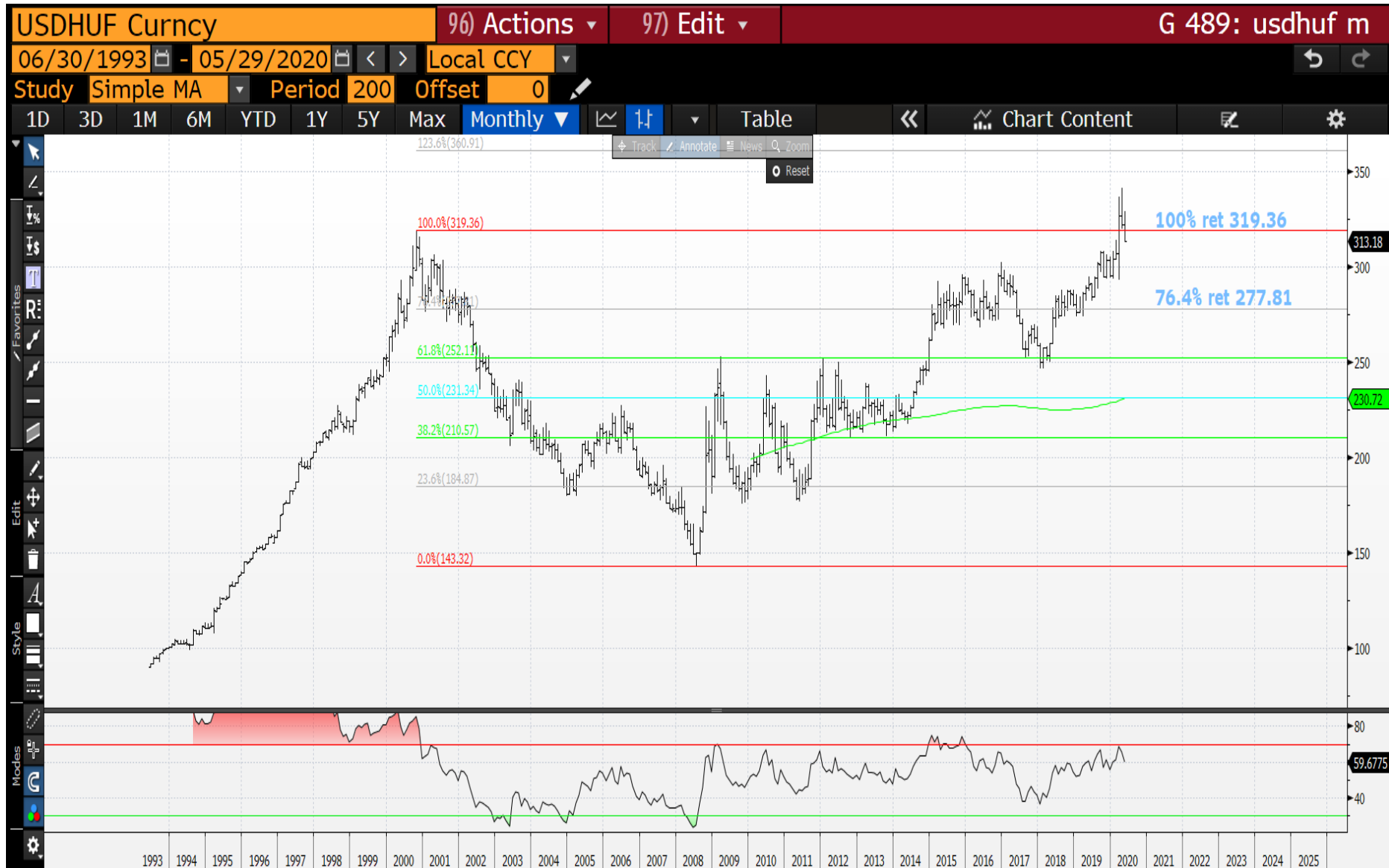


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USD NOK monthly : A MASSIVE upside pierce thus THIS CROSS SHOULD HEAD A LOT LOWER.  
 Sub the 38.2% ret 9.2779 will be critical.



USD HUF monthly : The key here is that we are now below the previous high 100% ret 319.36! This should head lower as the RSI dislocation is reasonable.



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USD CZK monthly : The RSI is far from extended BUT 26.1295 seems to be an impregnable barrier! This should grind lower.



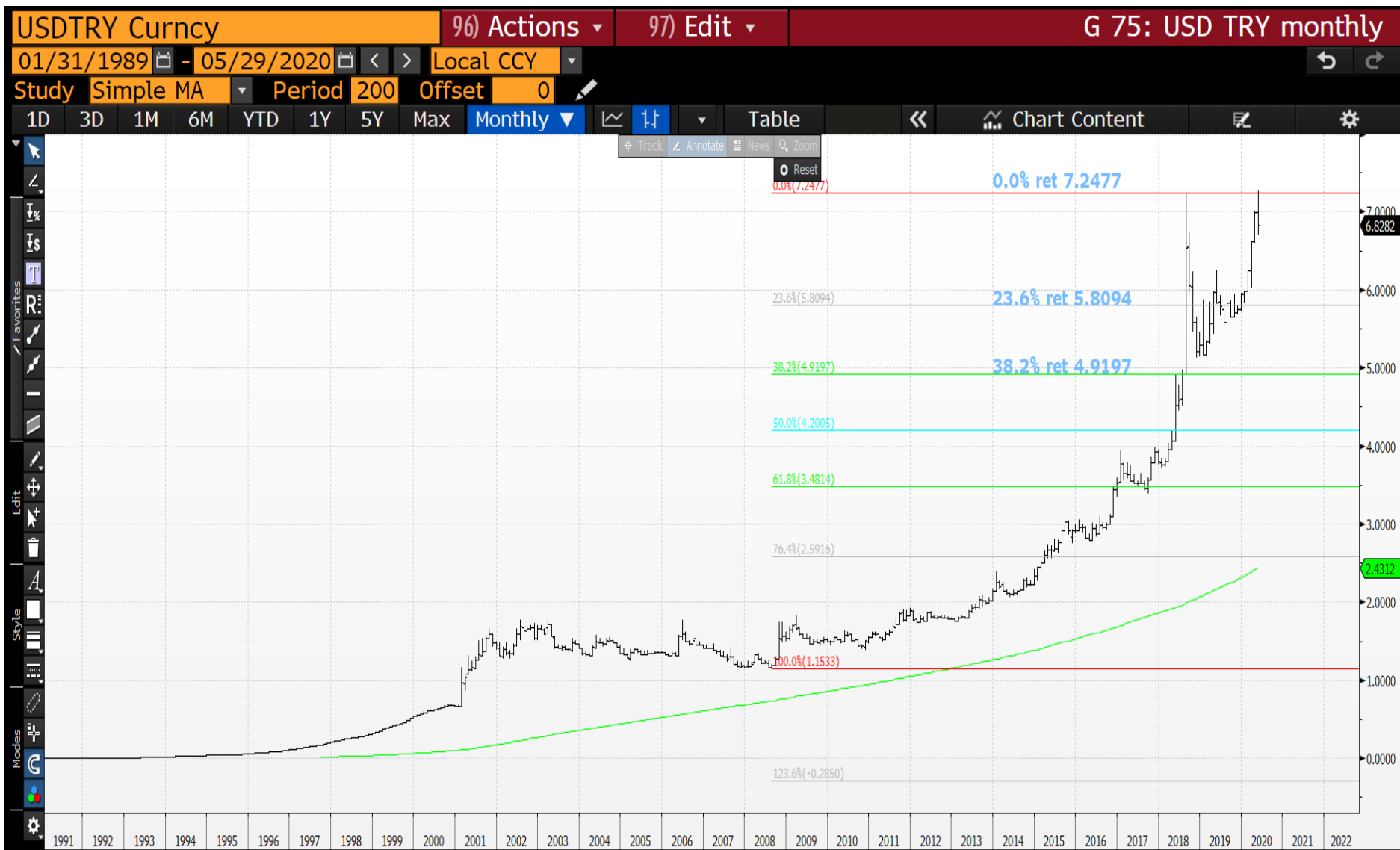
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USD RUB monthly : The RSI is off its highs but SUB the 23.6% ret 71.1124 is helping. A break of the 38.2% ret 61.9293 will be a massive statement.



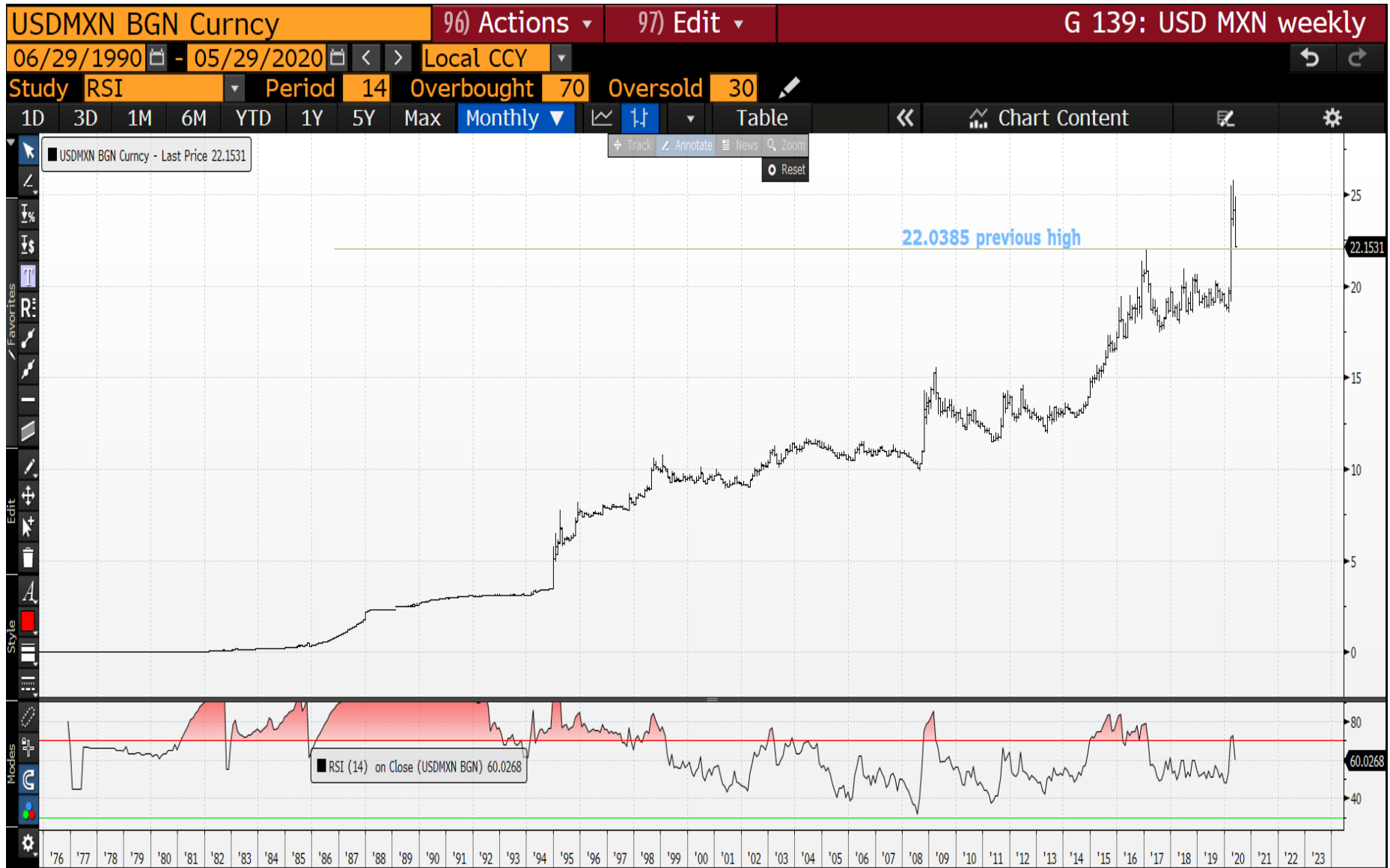
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USD TRY monthly : A near perfect failure at the previous high! The RSI has a mixed picture hence omitted. We should head lower from here.

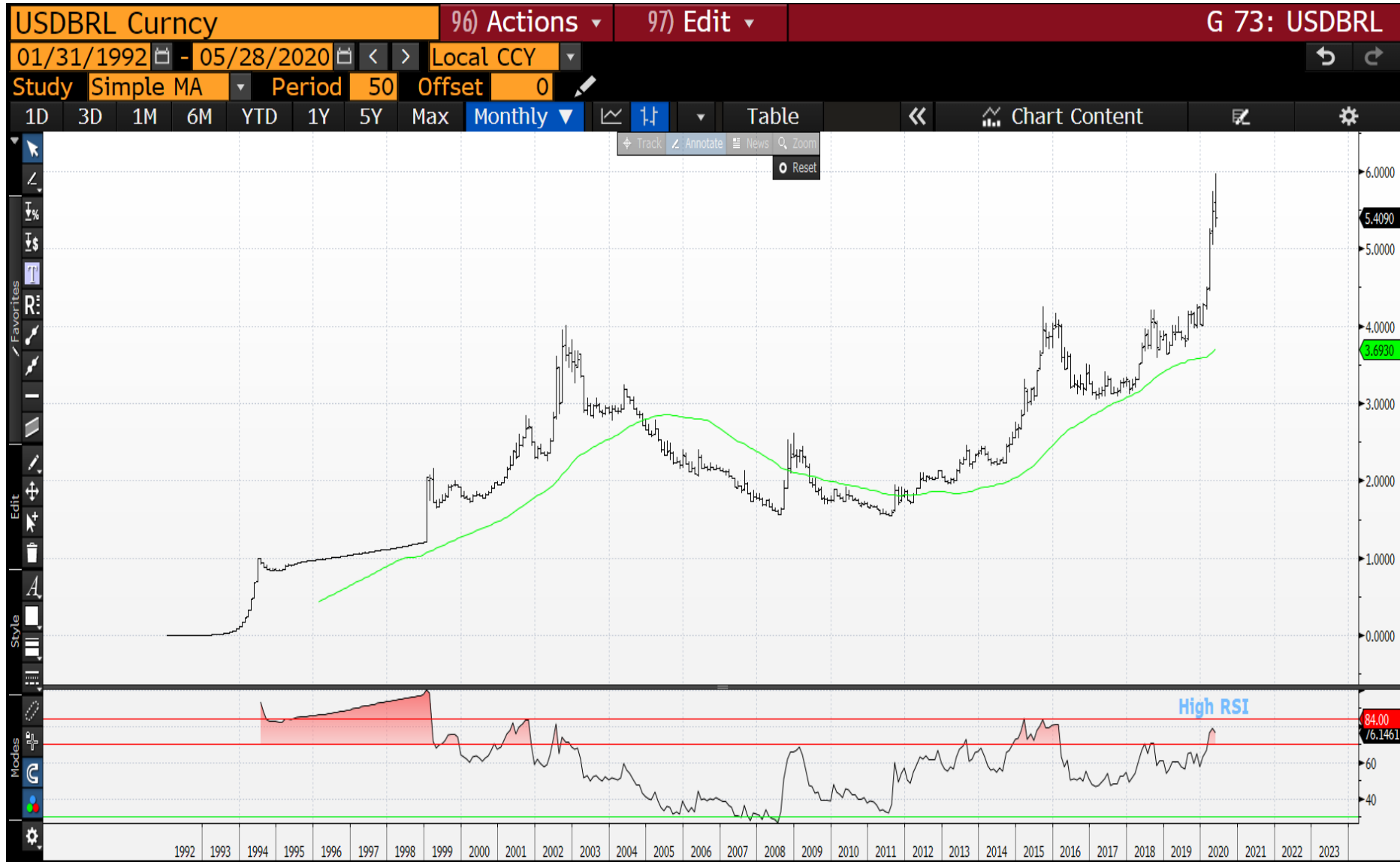




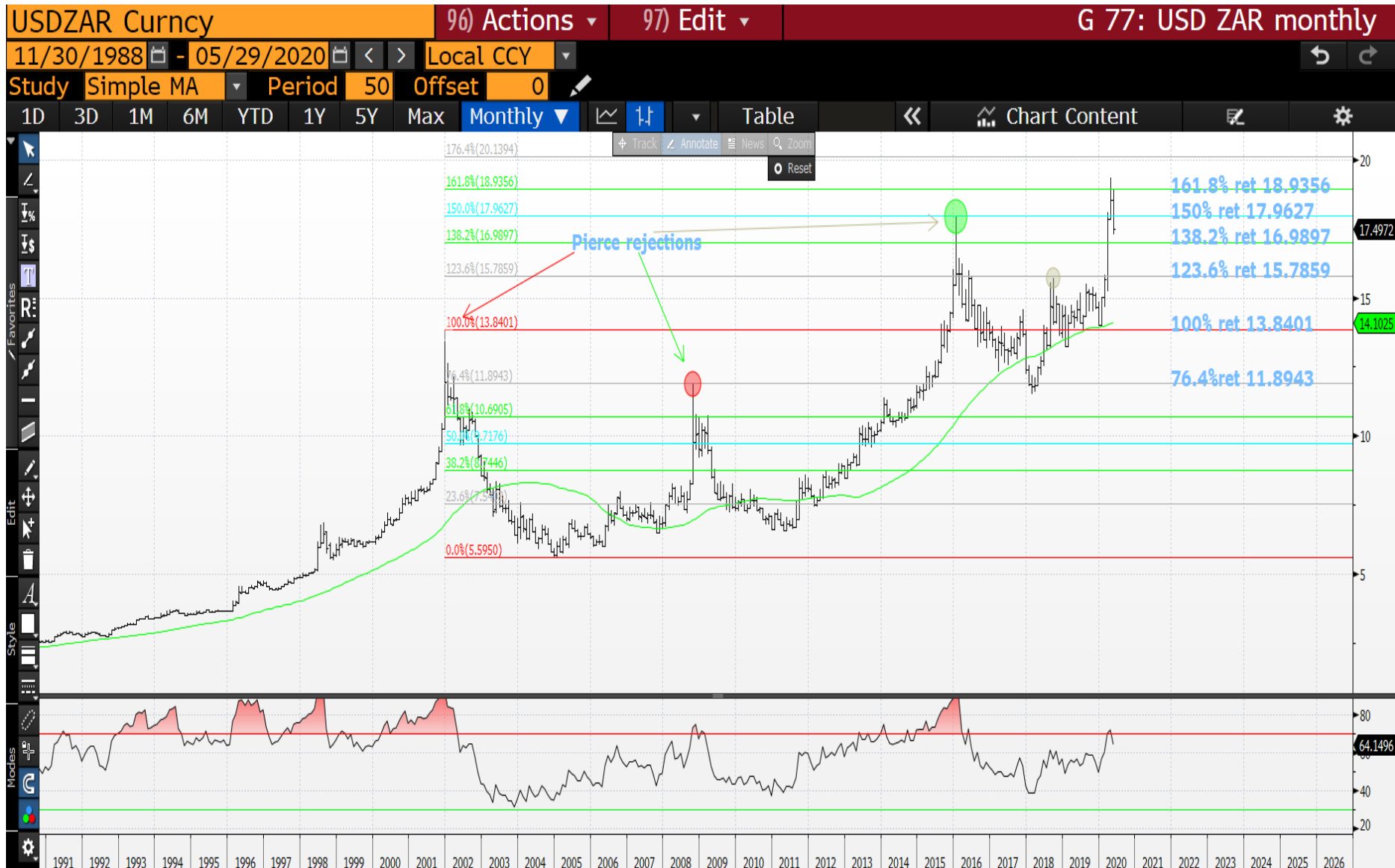
USD MXN monthly : The RSI has been higher but we do have a sizeable dislocation. A break of the 22.0385 previous high will help further USD weakness.



USD BRL monthly : This HAS TO COME BACK. The RSI is high and little to hold it any higher.  
Sub 5.00 should help.



USD ZAR monthly : The RSI is dislocated and we have breached the 150% ret 17.9627.

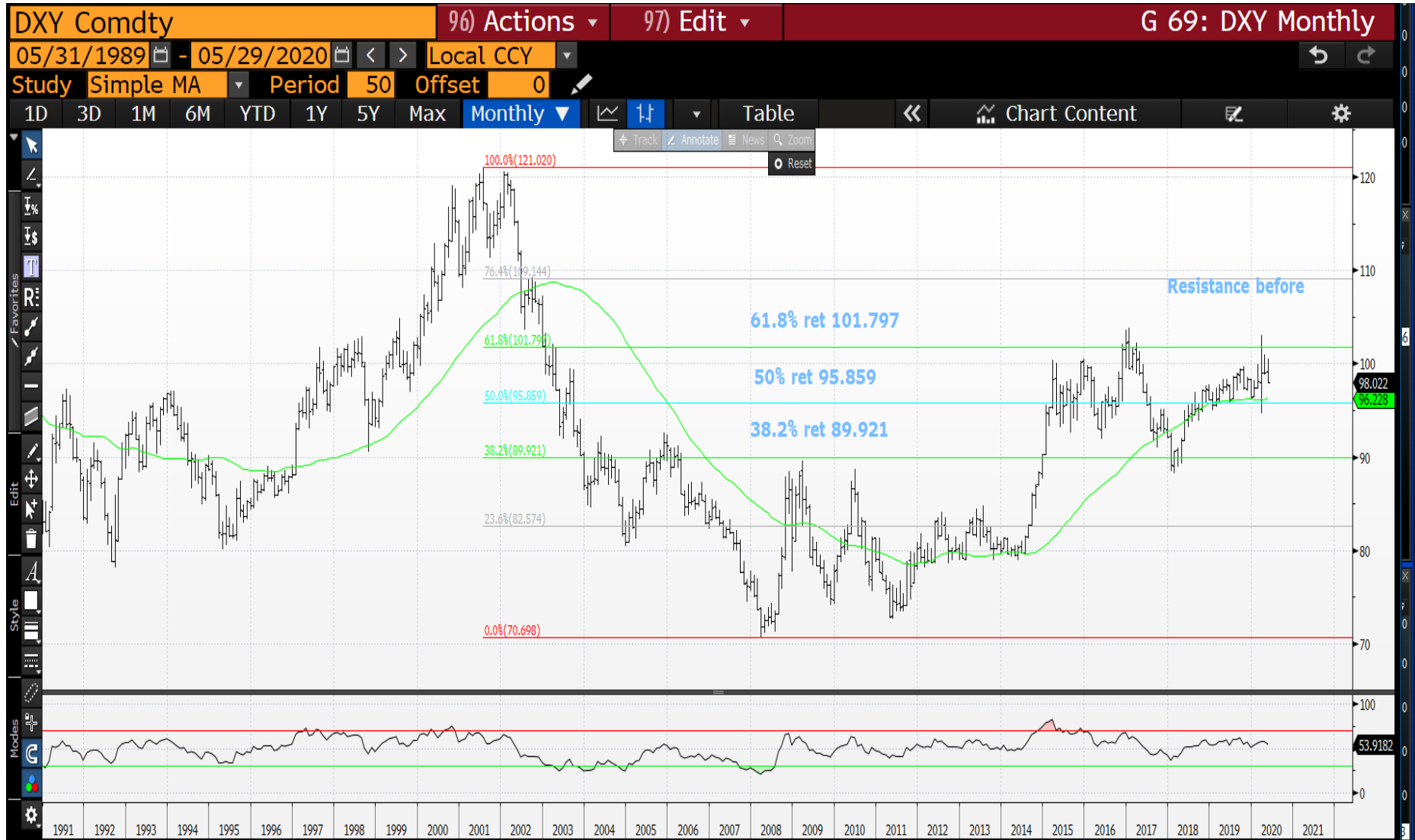


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AUD USD monthly : This AUD low stands out like a sore thumb. We should emulate 2008-09 bounce! Above the 0.7296 will confirm a more MAJOR recovery.



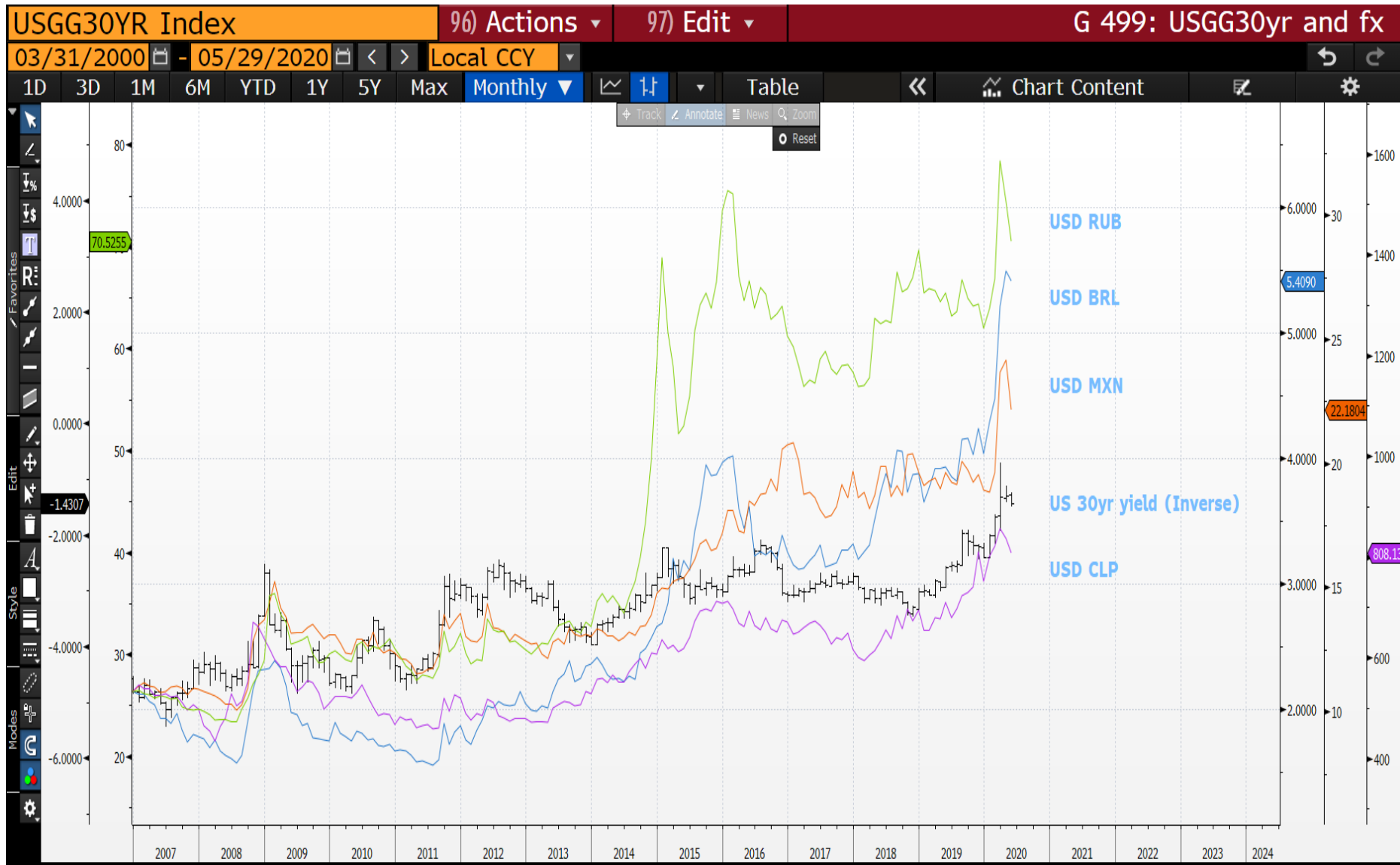
DXY monthly : Like many other CORE crosses they do not represent an EXTREME. The month of March on this chart was a blow out of an extended range. Overall though we remain sub the previous resistance and sub the 50% ret 95.859 we should head lower.



USD CLP monthly : The HIGH RSI is working and we have already breached the 123.6% re 838.18, we just need to breach 800.00.



US 30yr (inverse yields) overlay USD vs RUB,BRL,MXN,CLP monthly : A very SIMPLE chart highlighting the USD weakness and BOND YIELDS should head HIGHER for some time to come.



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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