

BONDS YIELDS : YIELDS CONTINUE TO MOVE HIGHER ENDORSING THE BELIEF THAT MARCH'S YIELD LOWS "WAS IT". THE LOWS ARE IN AND YIELDS ARE ONLY GOING HIGHER!

**** DO TAKE A LOOK AT ALL MONTHLY CHARTS ENCLOSED TO UNDERSTAND THE YIELD LOWS ARE IN AND HOW MUCH HIGHER THEY COULD GO! ****

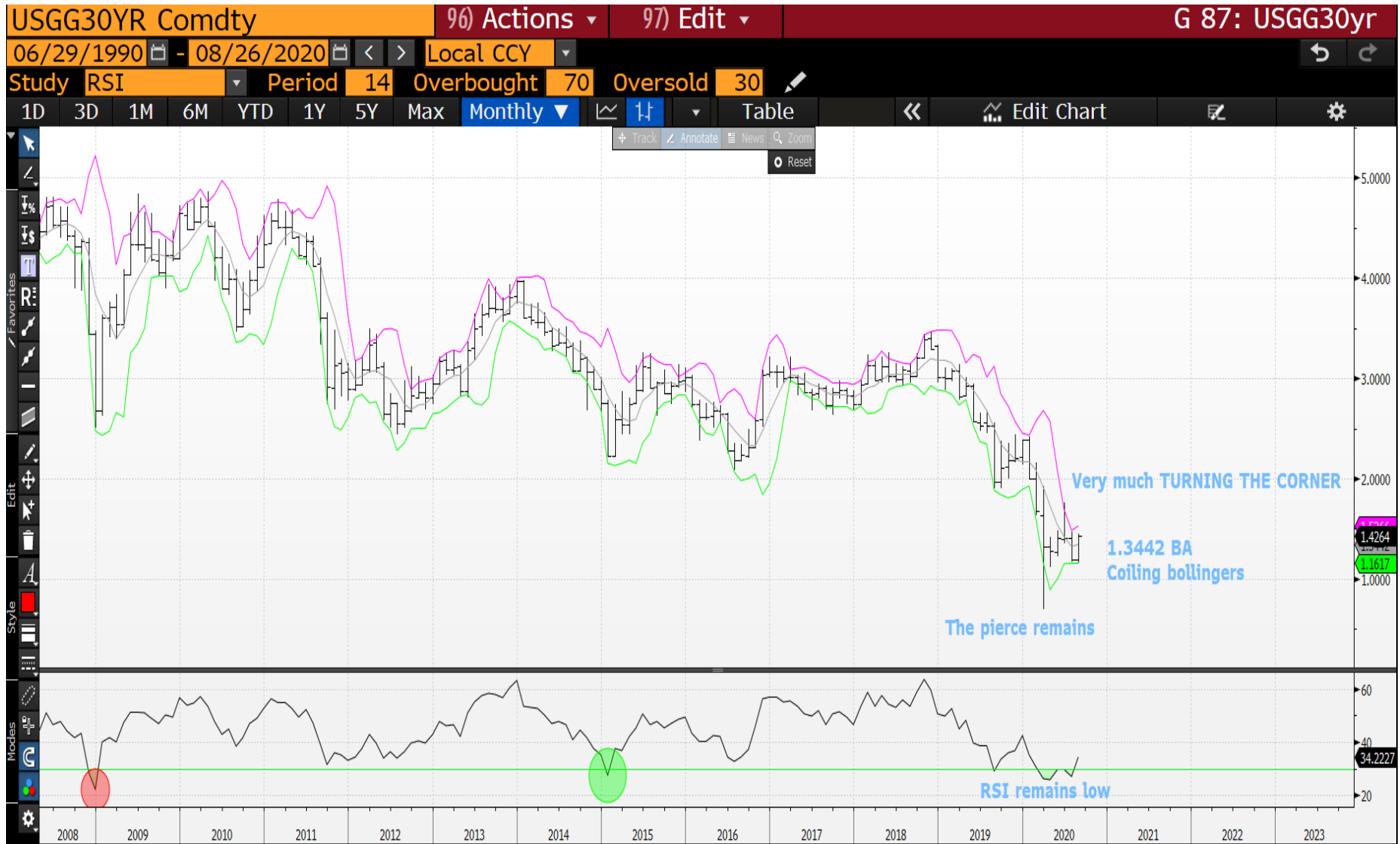
VOLUMES "SPIKED" YESTERDAY INDICATING FURTHER LONG BOND REDUCTIONS AND CALENDAR ROLLS.

OPEN INTEREST HAS SEEN SOME MAJOR DROPS AIDED BY LONG LIQUIDATION AND RECENT ROLL ACTIVITY. IT WILL BE INTERESTING TO SEE THE OPEN INTEREST LEVEL ONCE IN THE DECEMBER FUTURES CONTRACT.

DBR 46 HAS BREACHED ITS 200 DAY MOVING AVERAGE 166.423.

**** STILL CONFIDENT WE HAVE SEEN THE LOWS IN LONGEND YIELDS!****

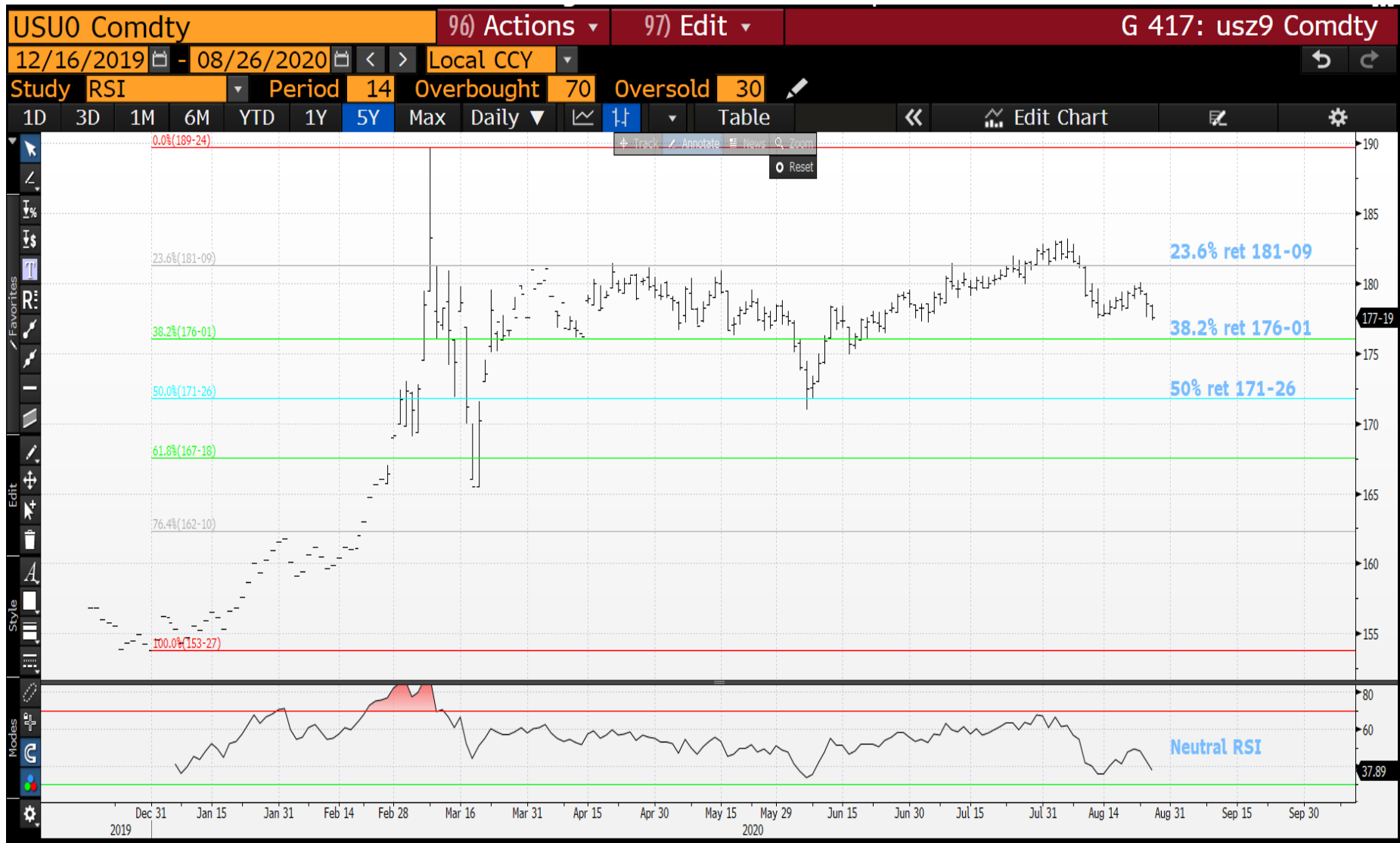
USGG30yr monthly : The BASE is formed and a VERY COILED SITUATION is occurring, yields could easily POP higher given the RSI dislocation and previous history.



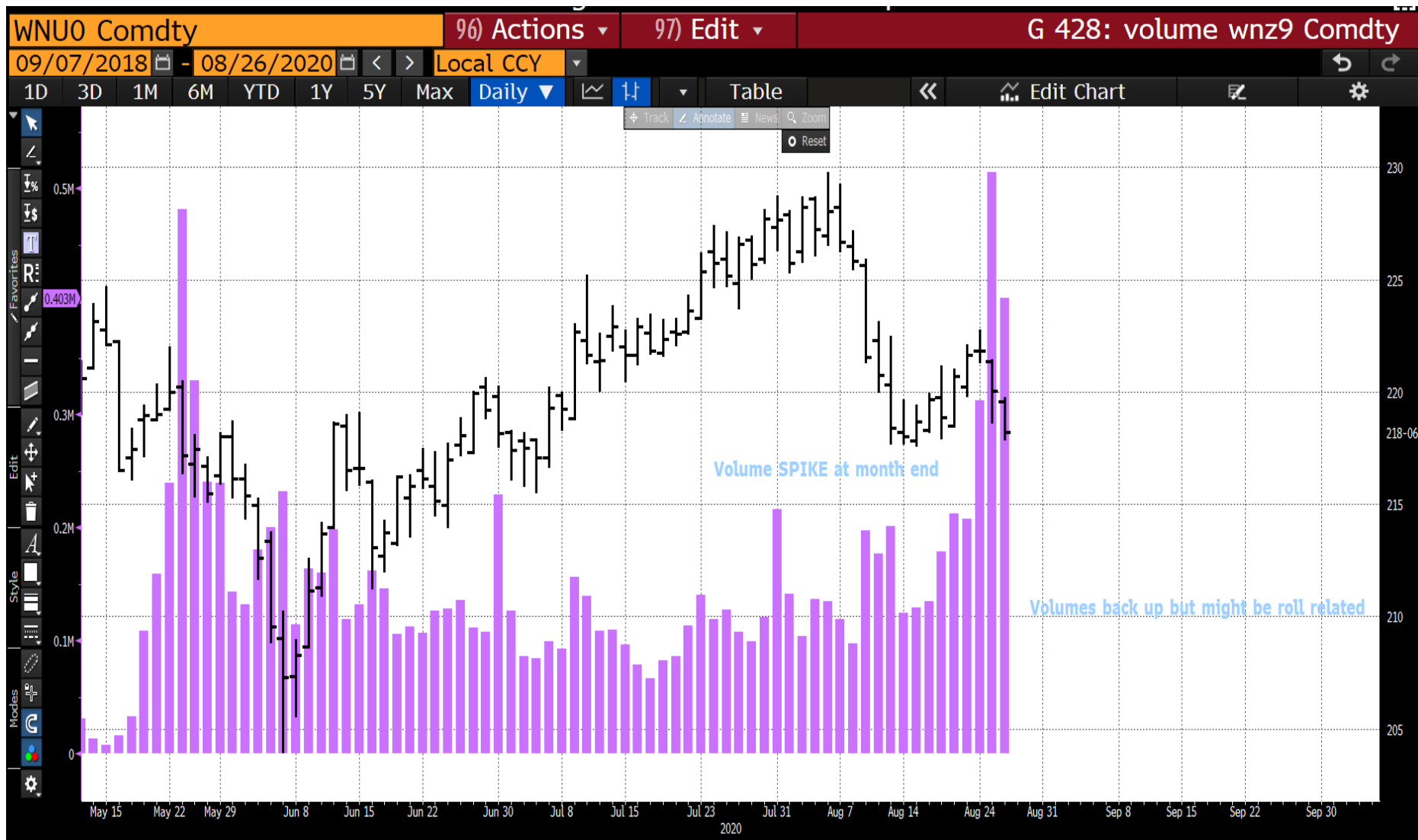
USGG30yr yield daily : A nice move today and above the 38.2% ret 1.4581 will be a HUGE help.



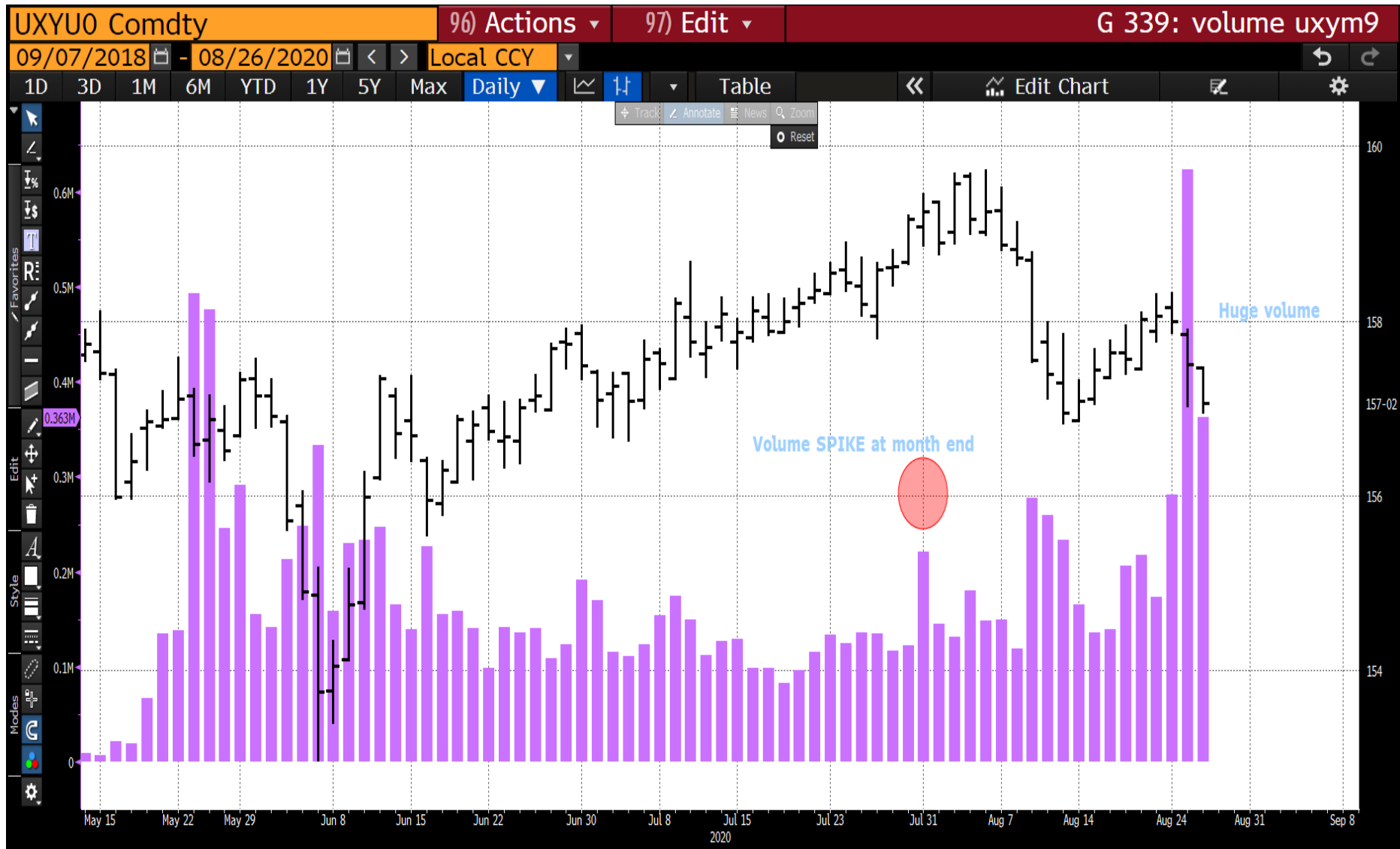
US 30yr futures daily : The RSI niggles has gone so ANY breach of the 38.2% ret 176-01 will be a MASSIVE statement.



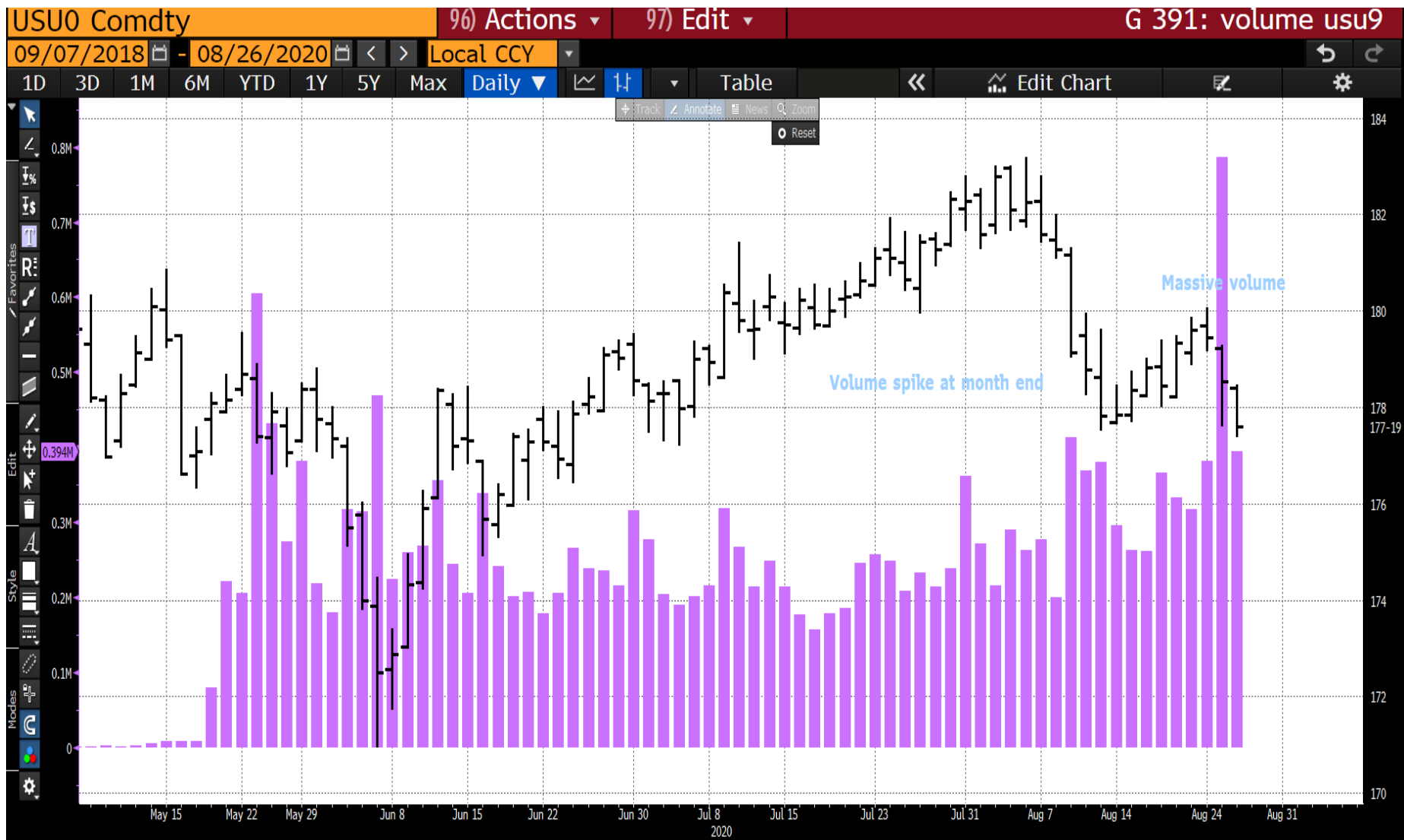
WNU0 futures volume daily : HUGE volume, a lot related to rolls now but might mask the fact that longs were reduced.



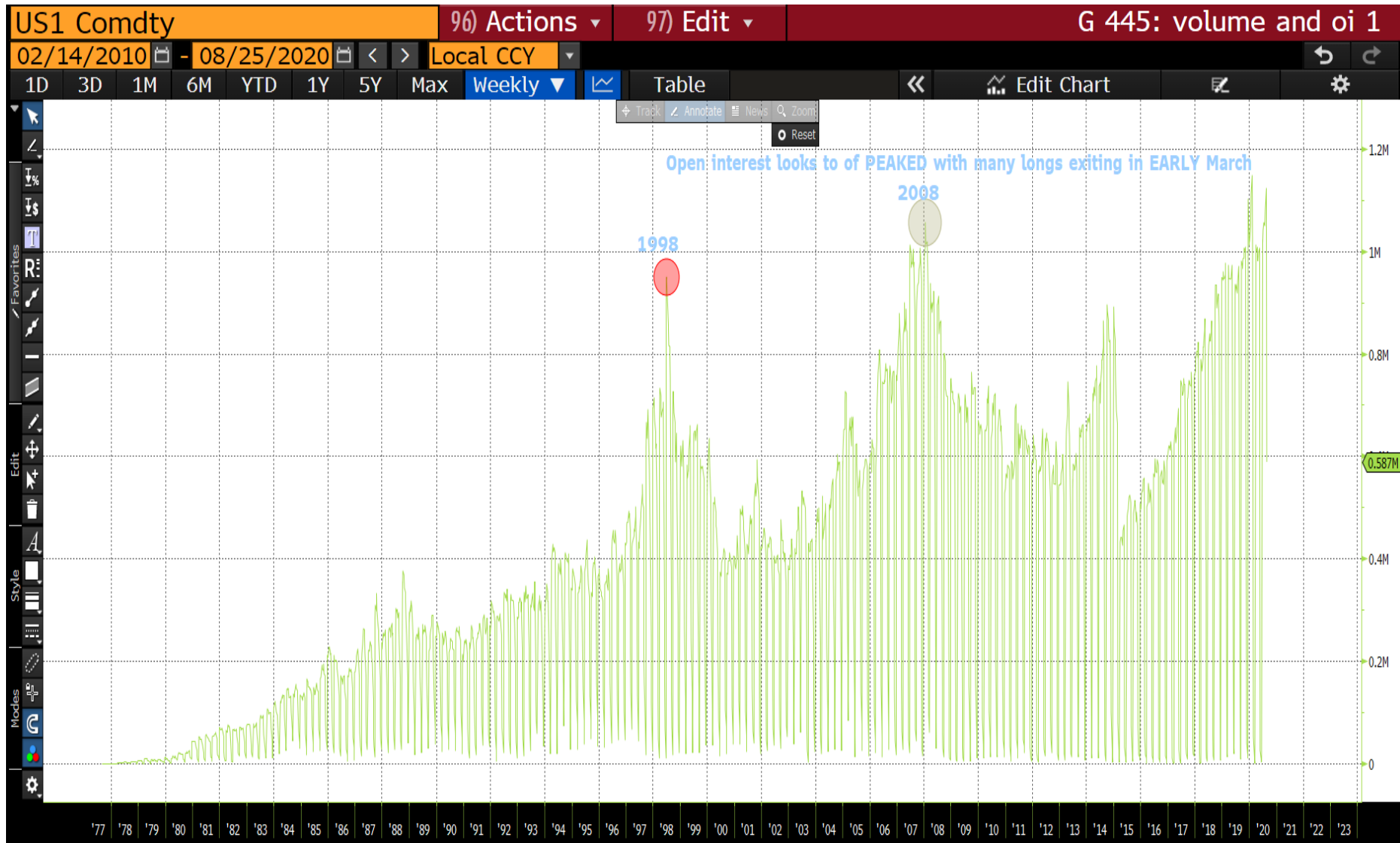
UXYU0 futures volume daily : Sizeable volumes of late.



US 30yr futures volume daily : VERY sizeable volumes of late MORE now roll related BUT could also be long bond reduction.



US 30yr futures OI weekly : Open interest has seen a SHARP drop based on recent VOLUME, roll related but lets see how it is once we are in December futures.

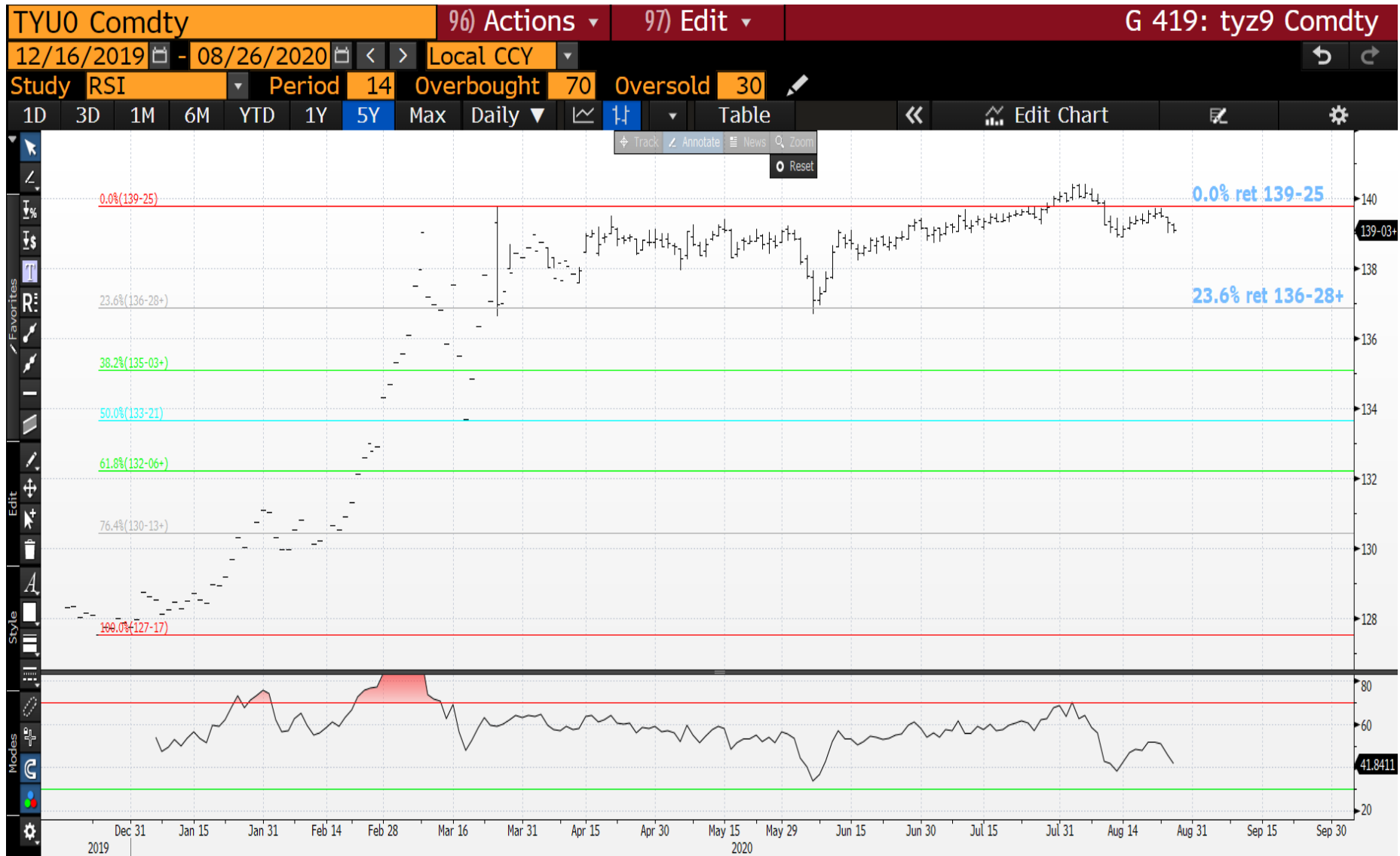


US 10yr yield quarterly : The RSI continues to say it all! A miniscule quarter AGAIN but the RSI remains unfazed and pointing to a LOW in yields down here. We are finally pointing higher.

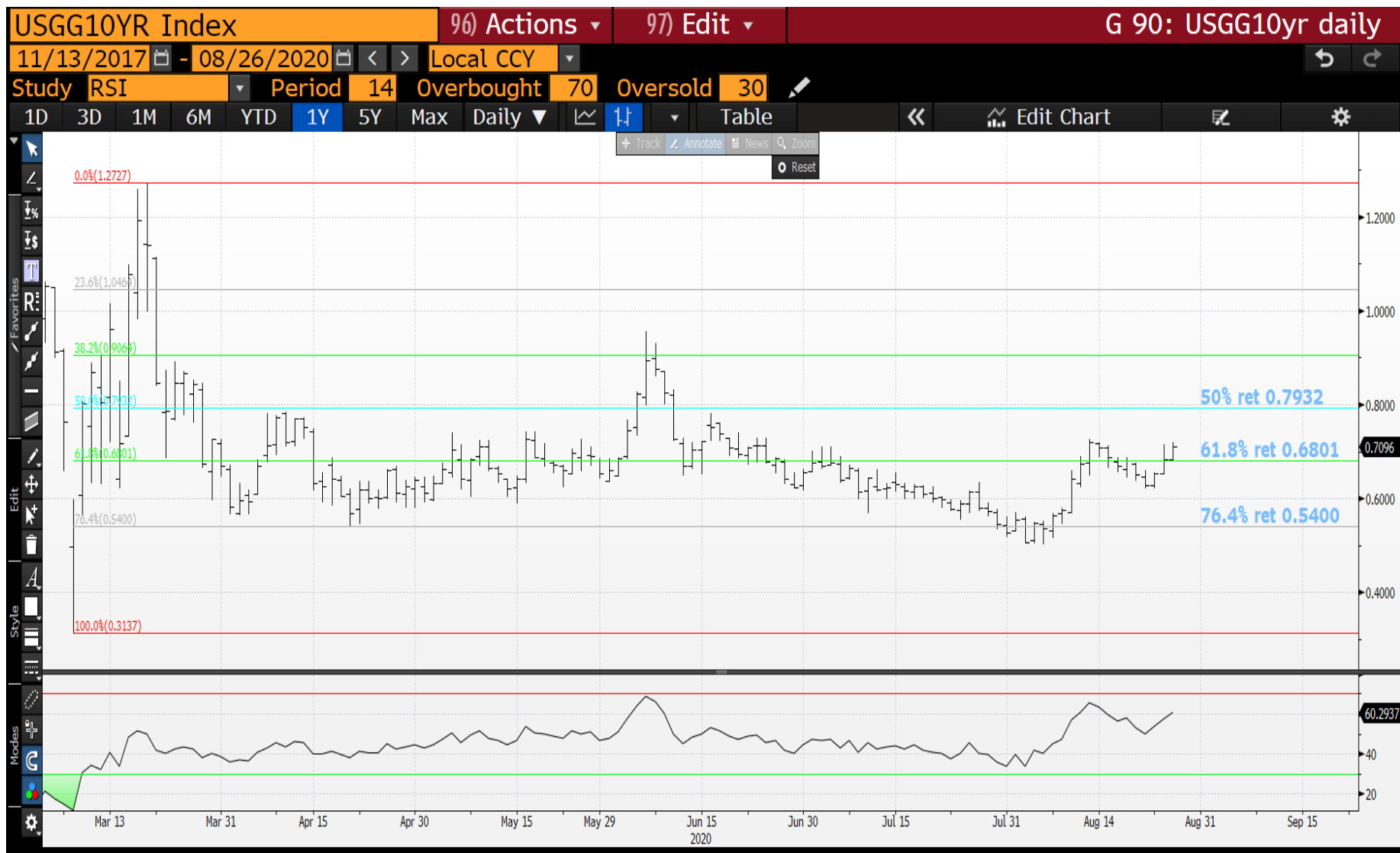


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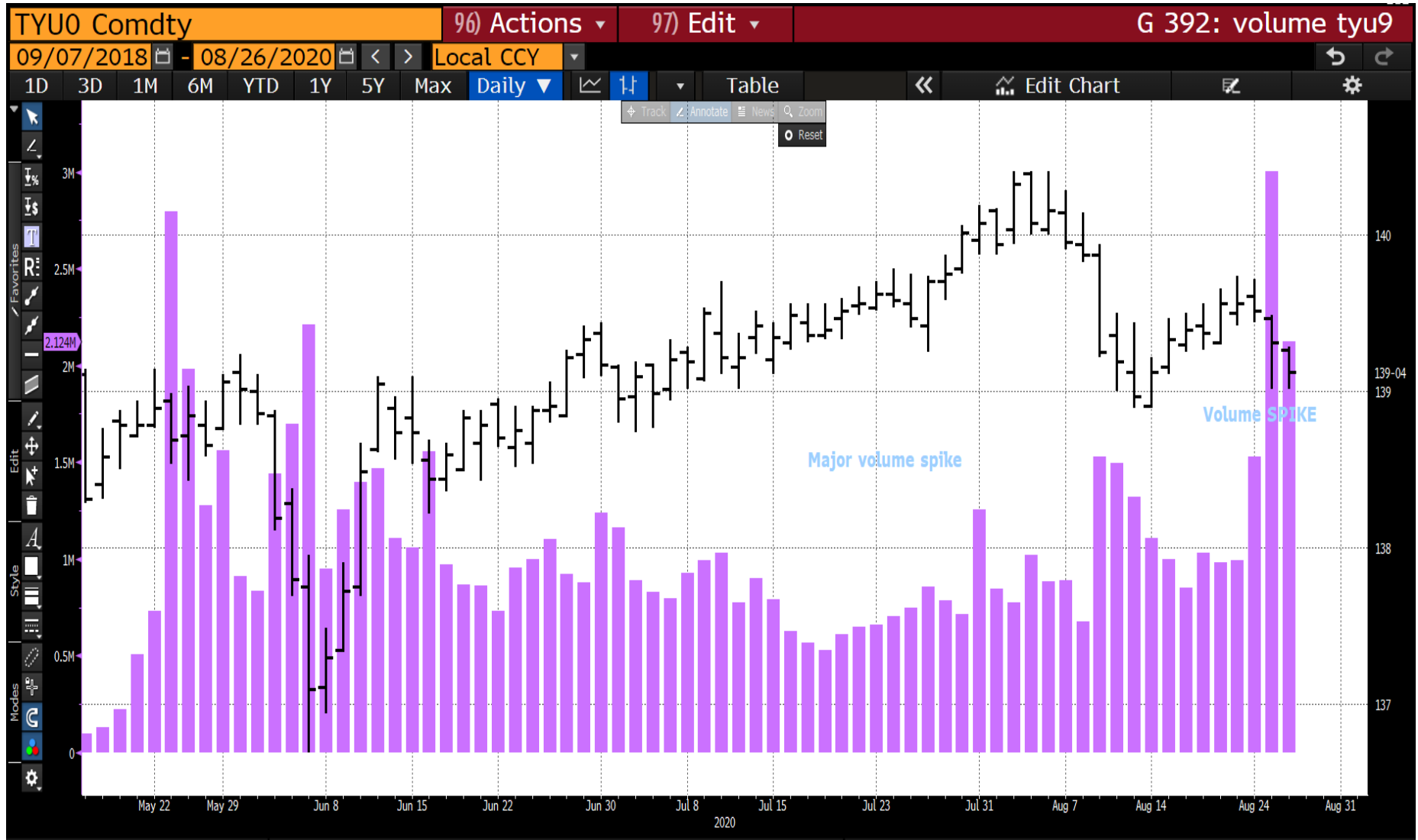
US 10yr futures daily : The RSI is neutral and we are stalling at the previous high 139-25.



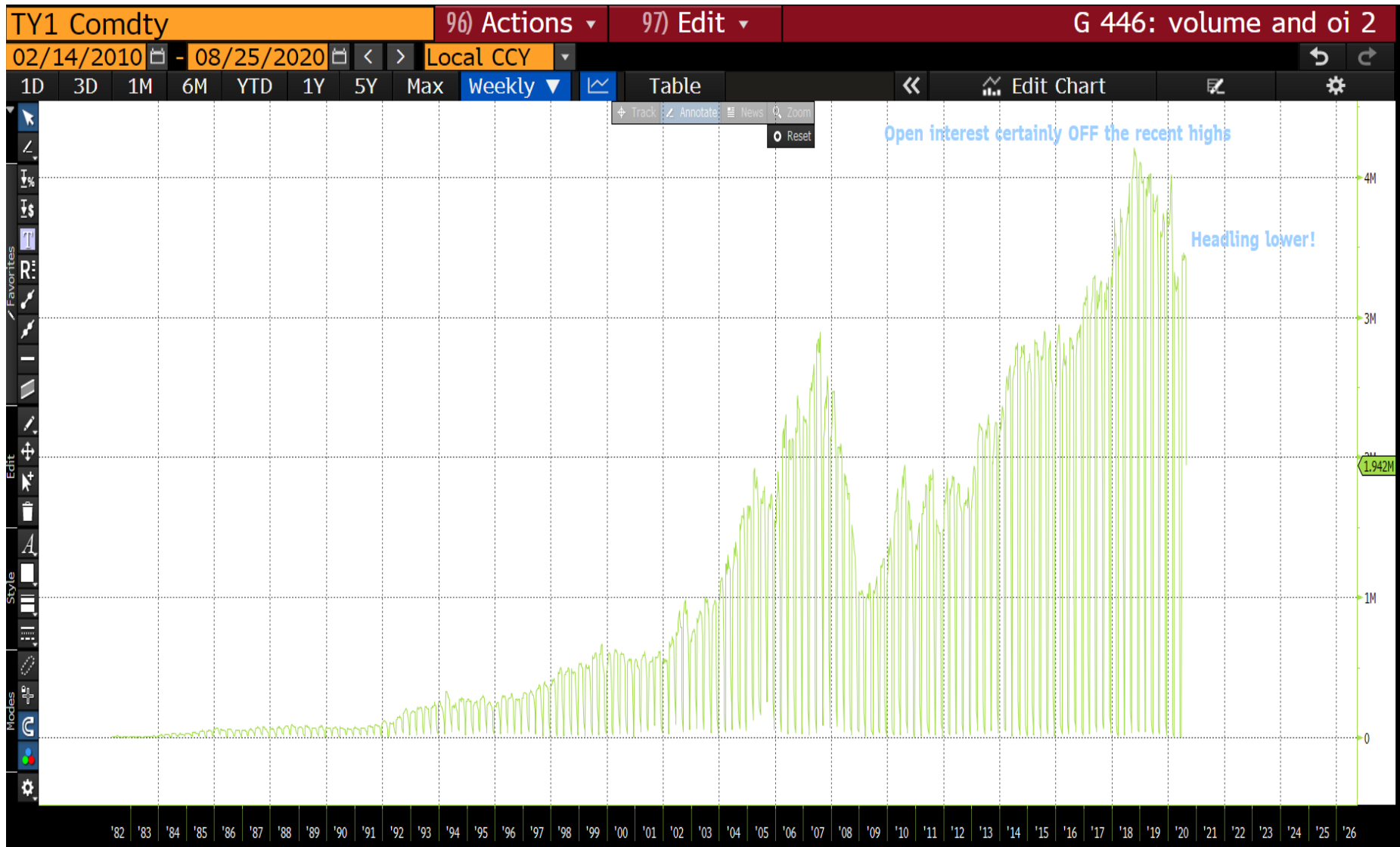
USGG10yr daily : The RSI is neutral thus ideally we breach the recent high 0.7257.



US 10yr futures volume daily : Volumes remain high especially as we PEAKED yesterday.



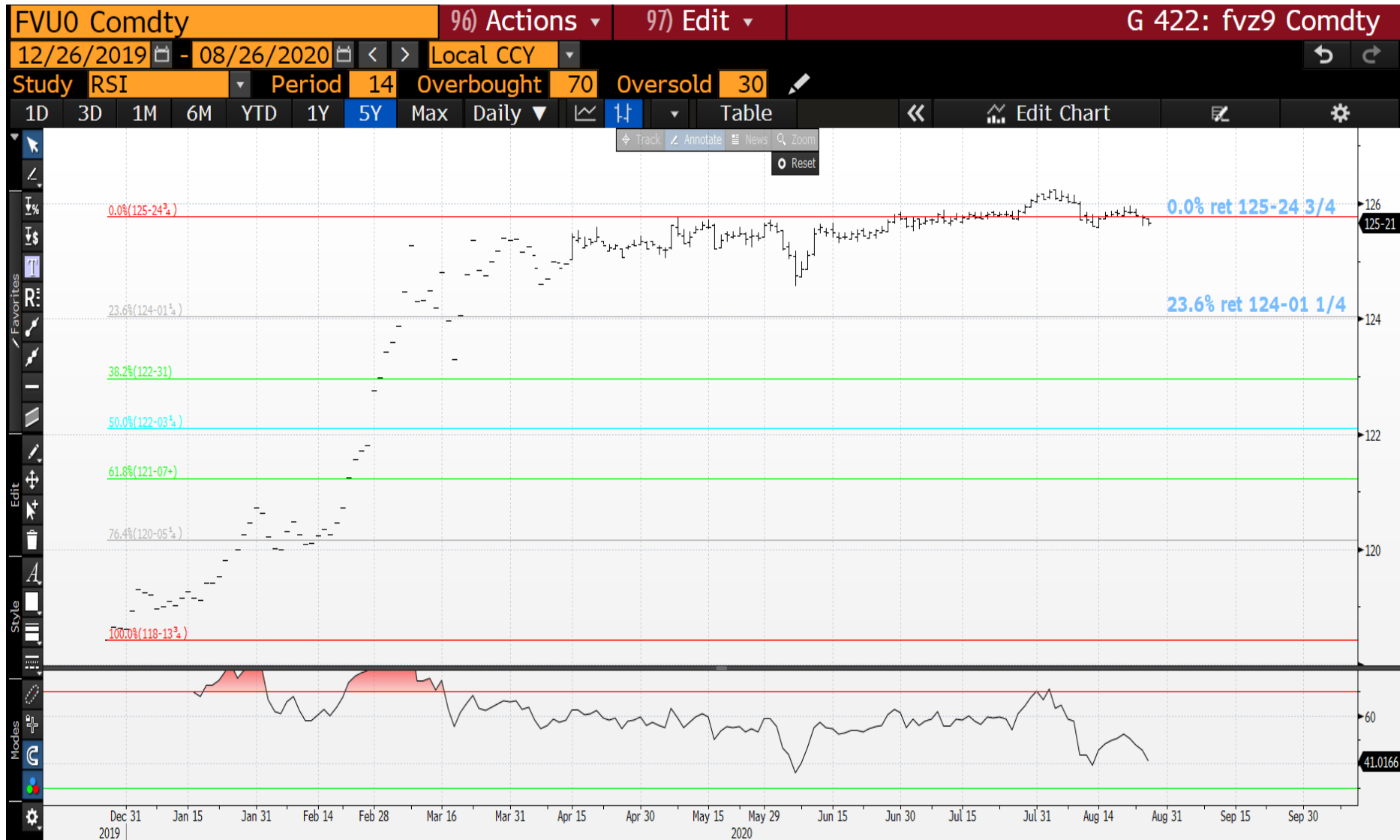
US 10yr futures OI weekly : Open interest continues to fall aided by rolls, lets see where it is when in the December futures.



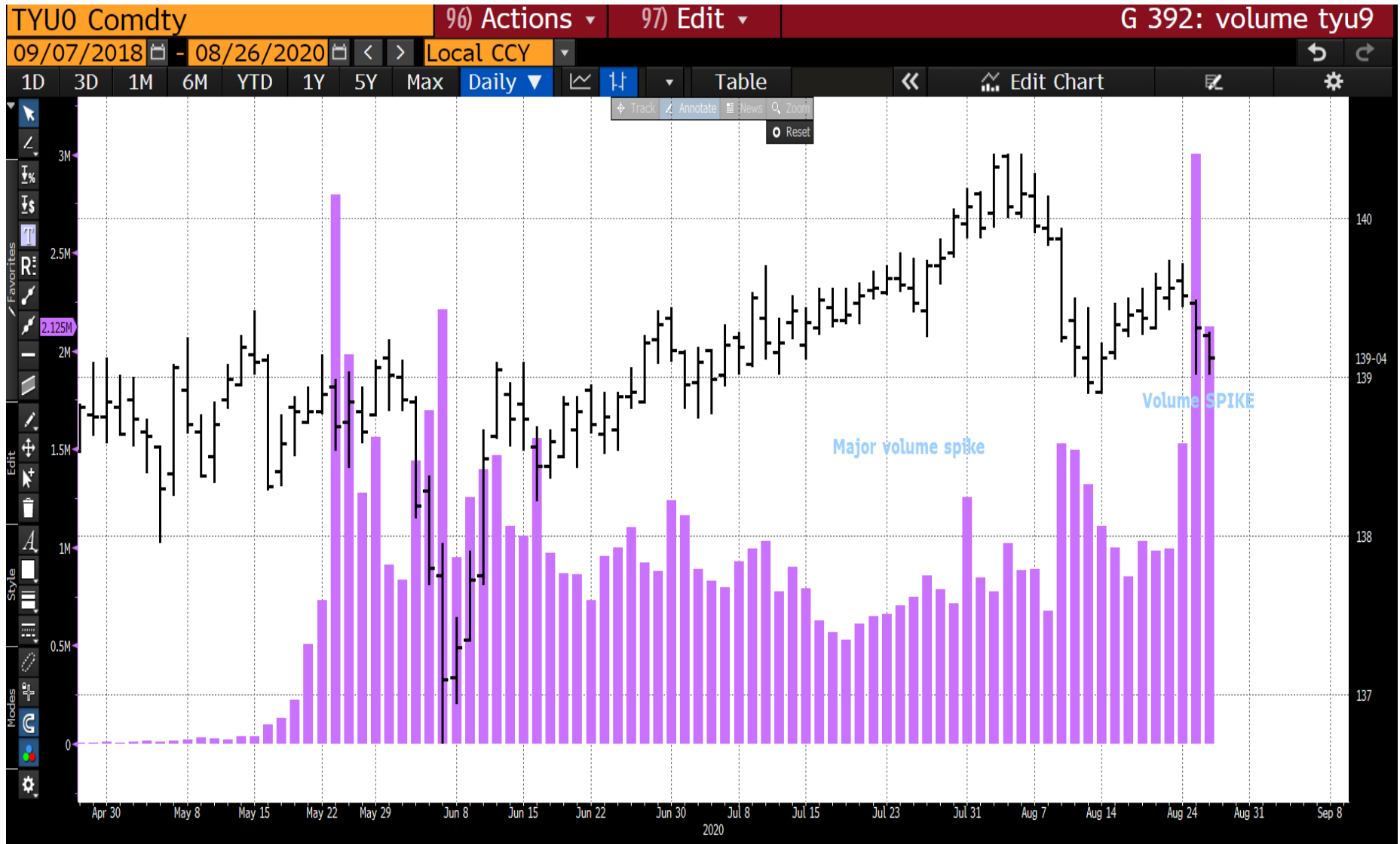
USGG5yr quarterly : Once again the long-term outlook is for higher yields BUT the miniscule ranges aren't helping. No pierce BUT the RSI now matches that of 2008-09 so we are in the "right region" to HOLD!



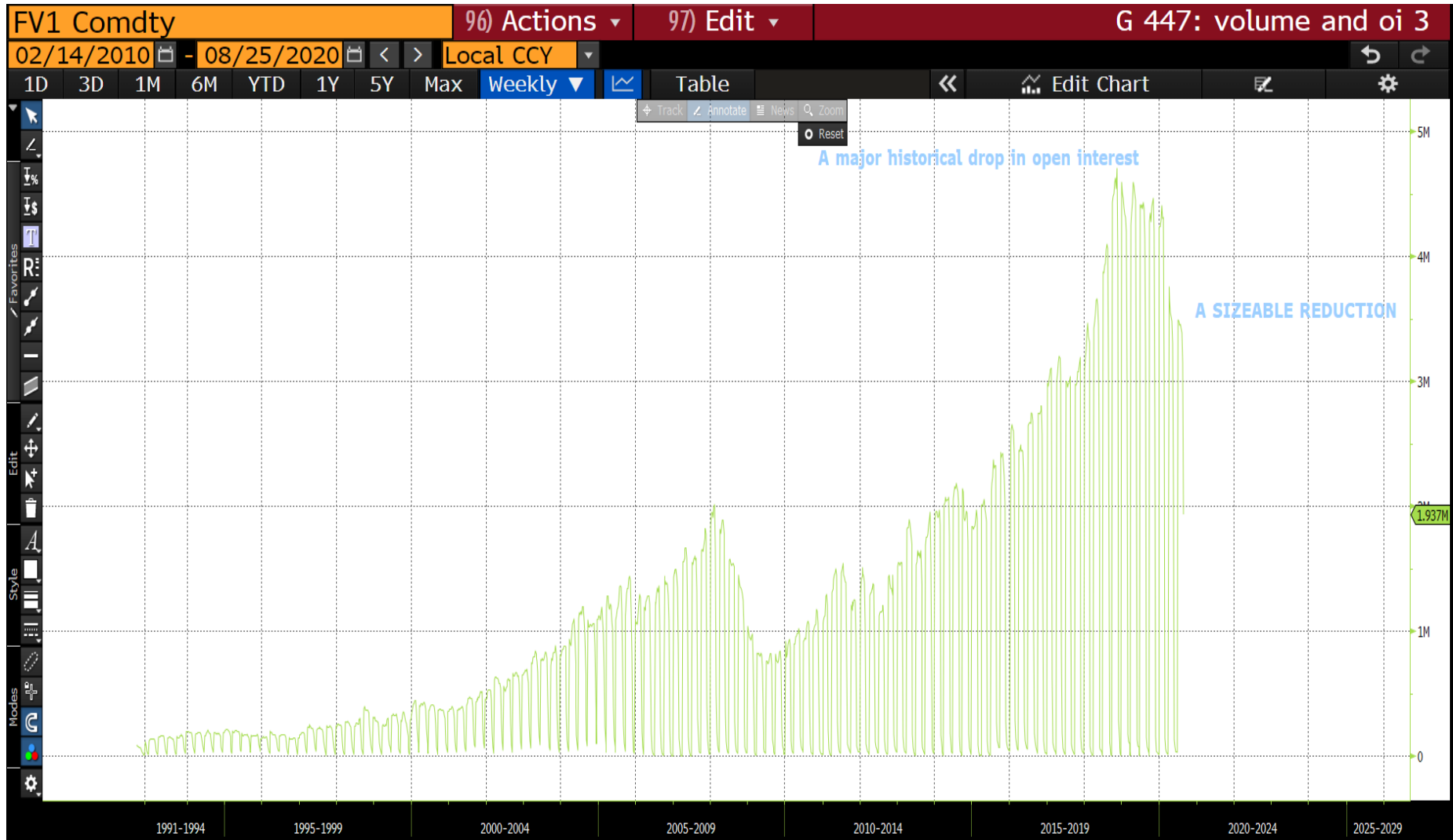
US 5yr futures daily : The RSI is neutral but we have breached the previous high 125-24 3/4.



US 5yr futures volume daily : Sizeable volumes have been maintained aided by the rolls.



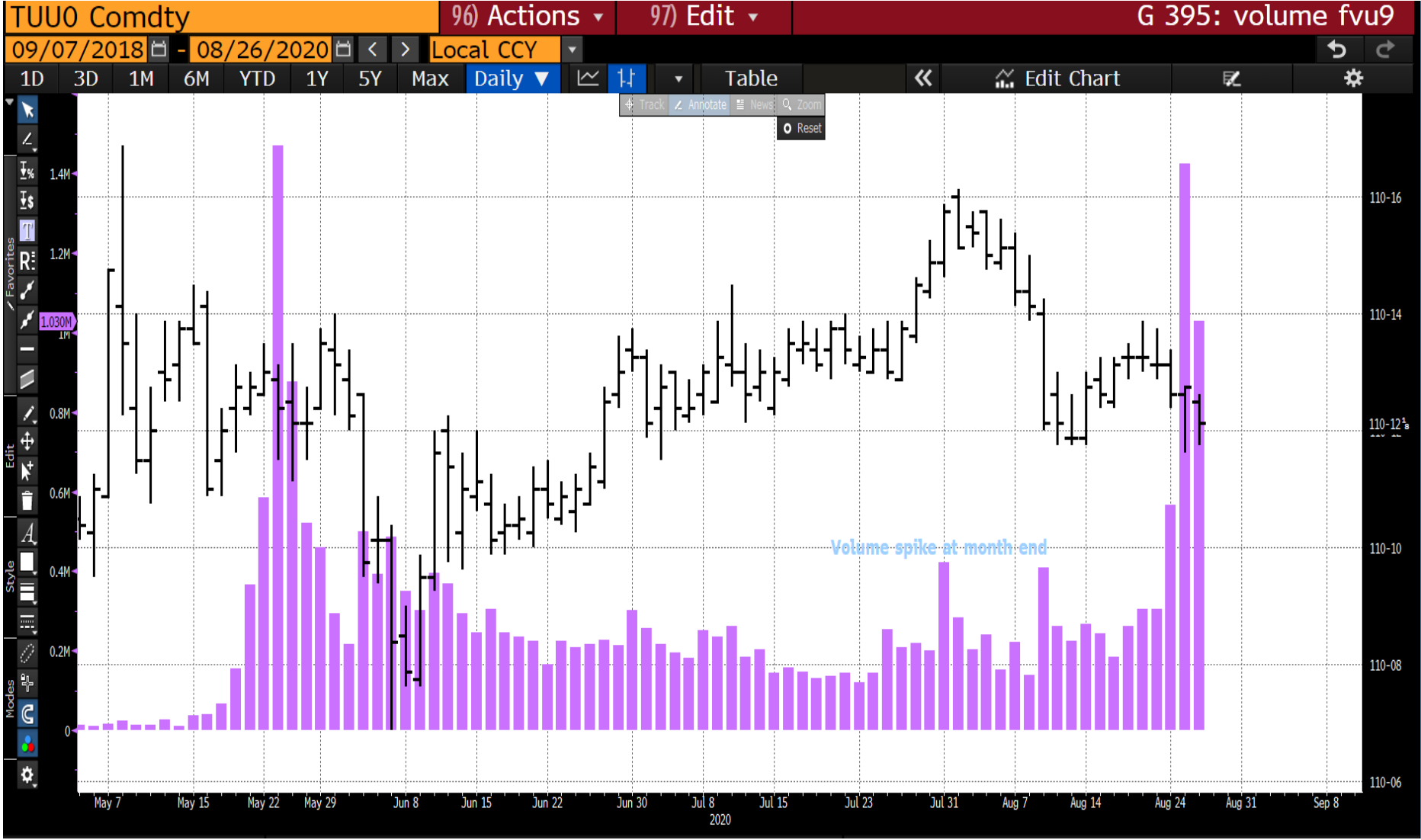
US 5yr futures OI weekly : Another sizeable open interest reduction given the recent VOLUME spike.



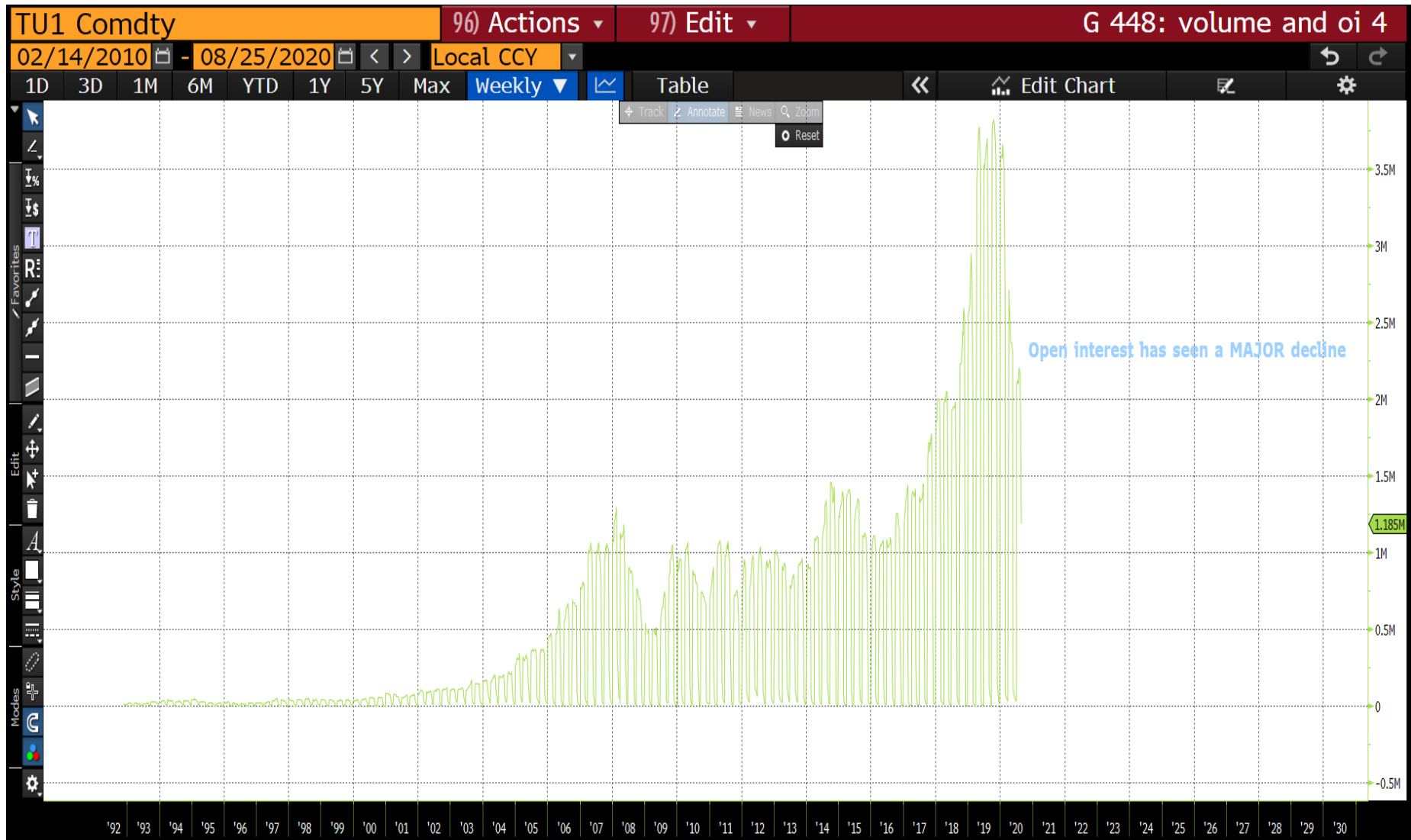
USGG2yr monthly : We have printed at the 2011 low so should now head higher, certainly the RSI is calling for it.



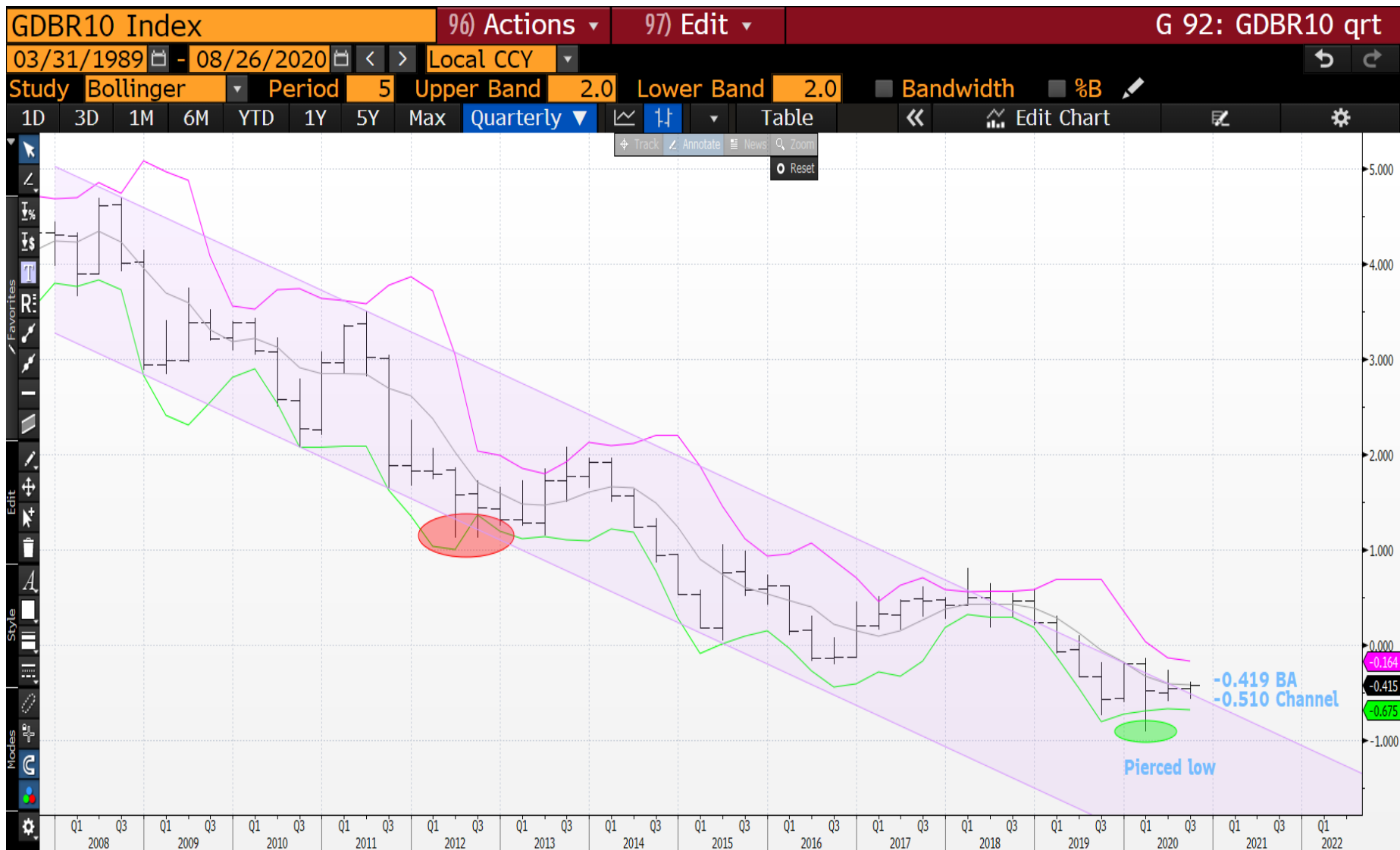
USGG2yr futures volume daily : Major VOLUME continues post month end.



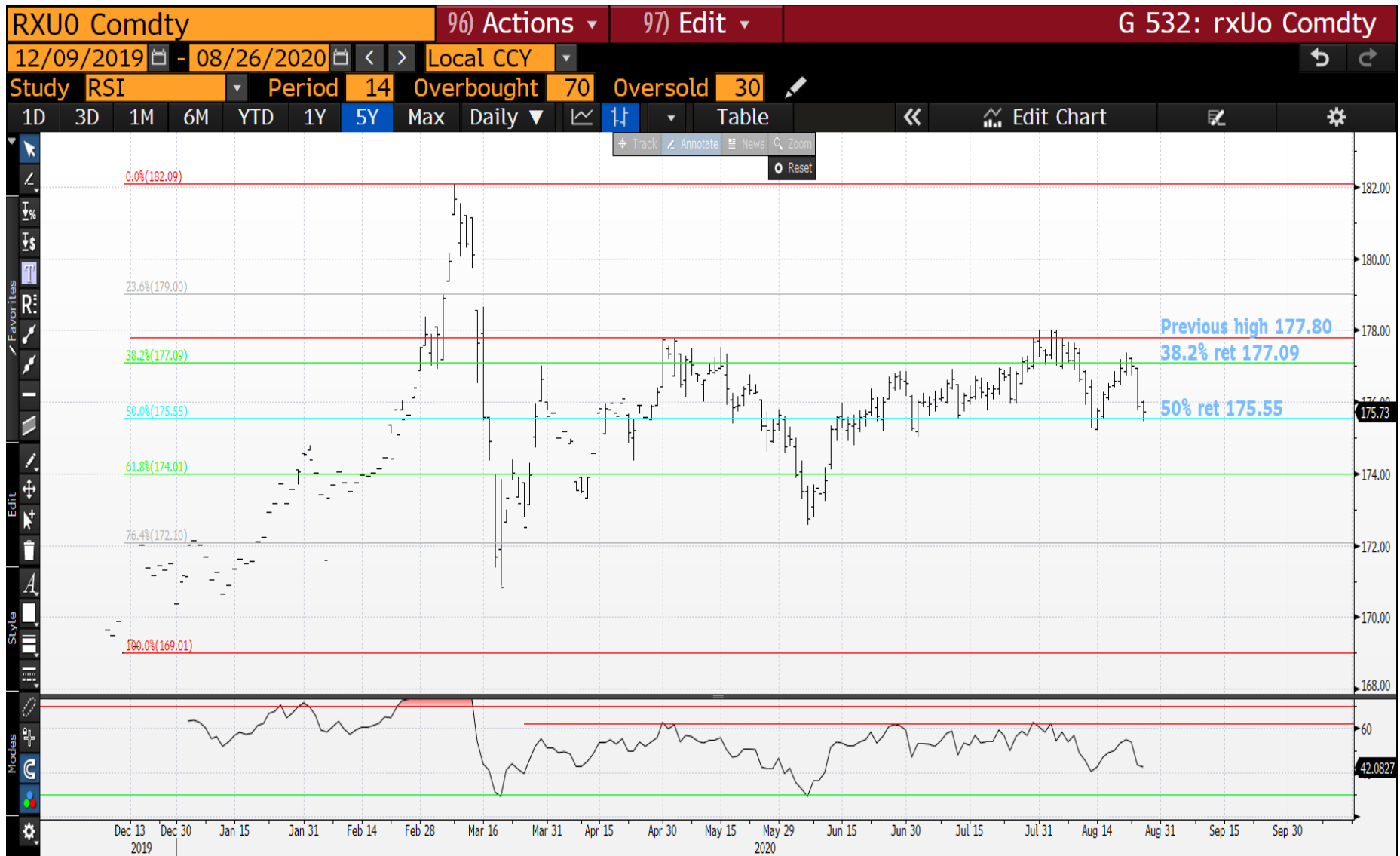
USGG2yr futures OI weekly : A very clear reduction in open interest of late PRIOR to the calendar rolls!



Generic German 10yr quarterly : We have left a sizeable downside pierce and teasing the bollinger average -0.425. We are BACK ABOVE the top of the long-term channel. We have a nice BASE formation but do expect a POP in yields soon.



Bund daily : We have tested the 50% ret 175.55 thus key if it is breached.



DBR 46 daily : ** A KEY CHART ** The 38.2% ret 165.087-200 day moving average 166.423 seem VERY KEY levels to breach.



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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