

FX UPDATE : USD WEAKNESS CONTINUES TO COMPLEMENT OTHER MACRO VIEWS, IN MANY CASES WE HAVE BREACHED SIGNIFICANT LEVELS.

THE AUD COULD BE THE USD BAROMETER GIVEN IT IS SO CLOSE TO A MULTI YEAR RETRACEMENT 0.7185 AND MOVING AVERAGE 0.7276.

USD CAD IS ALSO POISED TO BREACH A MAJOR 50 PERIOD MOVING AVERAGE!

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 SOMNE TIME.

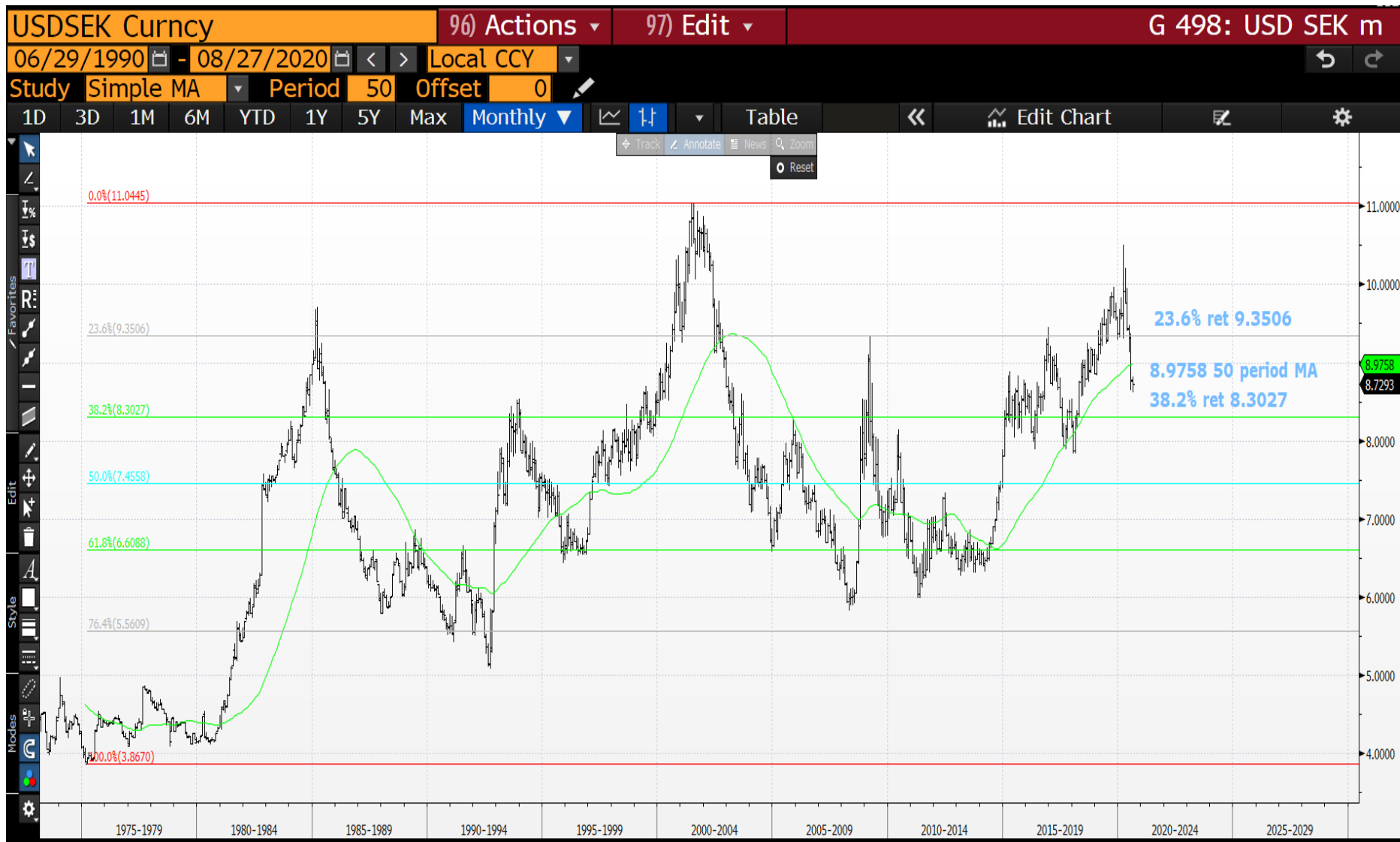
SOME CROSSES ARE AT MULTI YEAR EXTREMES AND REPRESENT A SIZEABLE LONGTERM TRADE OPPORTUNITY.

USD CAD monthly : A MAJOR long-term DOUBLE top has been created so ONLY ONE WAY!
We have breached the all important 1.3170 moving average, so its FREE FALL time.



27/08/2020

USD SEK daily : We have breached the all important 8.97587 50 period moving average, so just need to maintain momentum given the lame RSI. Next stop the 38.2% ret 8.3027.



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USD NOK monthly : A MASSIVE upside pierce thus THIS CROSS SHOULD HEAD A LOT LOWER.
Hopefully we push through the 8.5935 moving average soon.



USD HUF monthly : We are well on our way, ideally we breach the 284.26 moving average soon.



USD CZK monthly : Hopefully we can continue gradually grinding lower, targeting the 23.6% ret 20.9476.



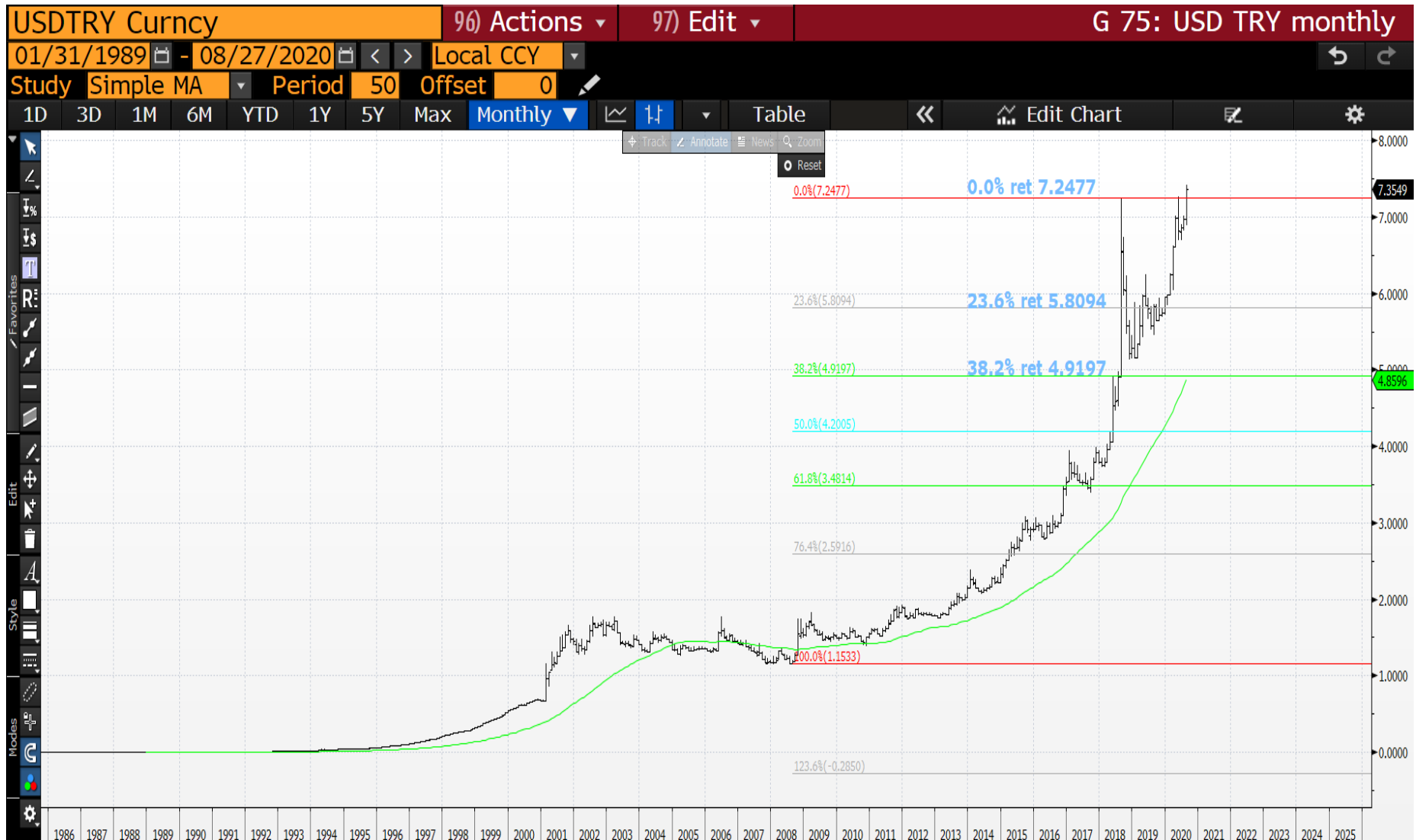
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USD RUB monthly : This cross seems to be holding now that we are above the 23.6% ret 71.1124.



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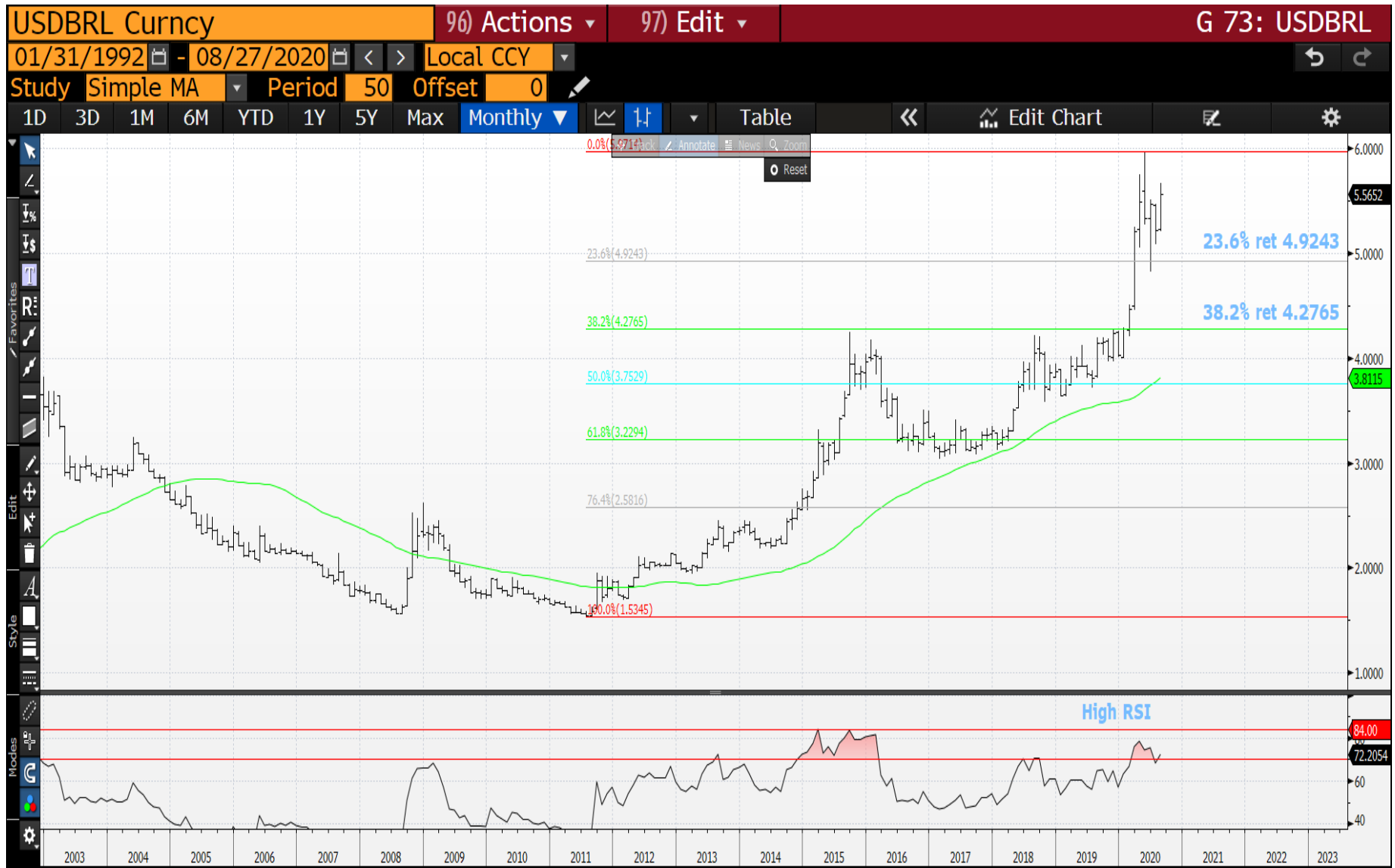
USD TRY monthly : A near perfect failure at the previous high BUT we are far from FAILING, new high so lets see.



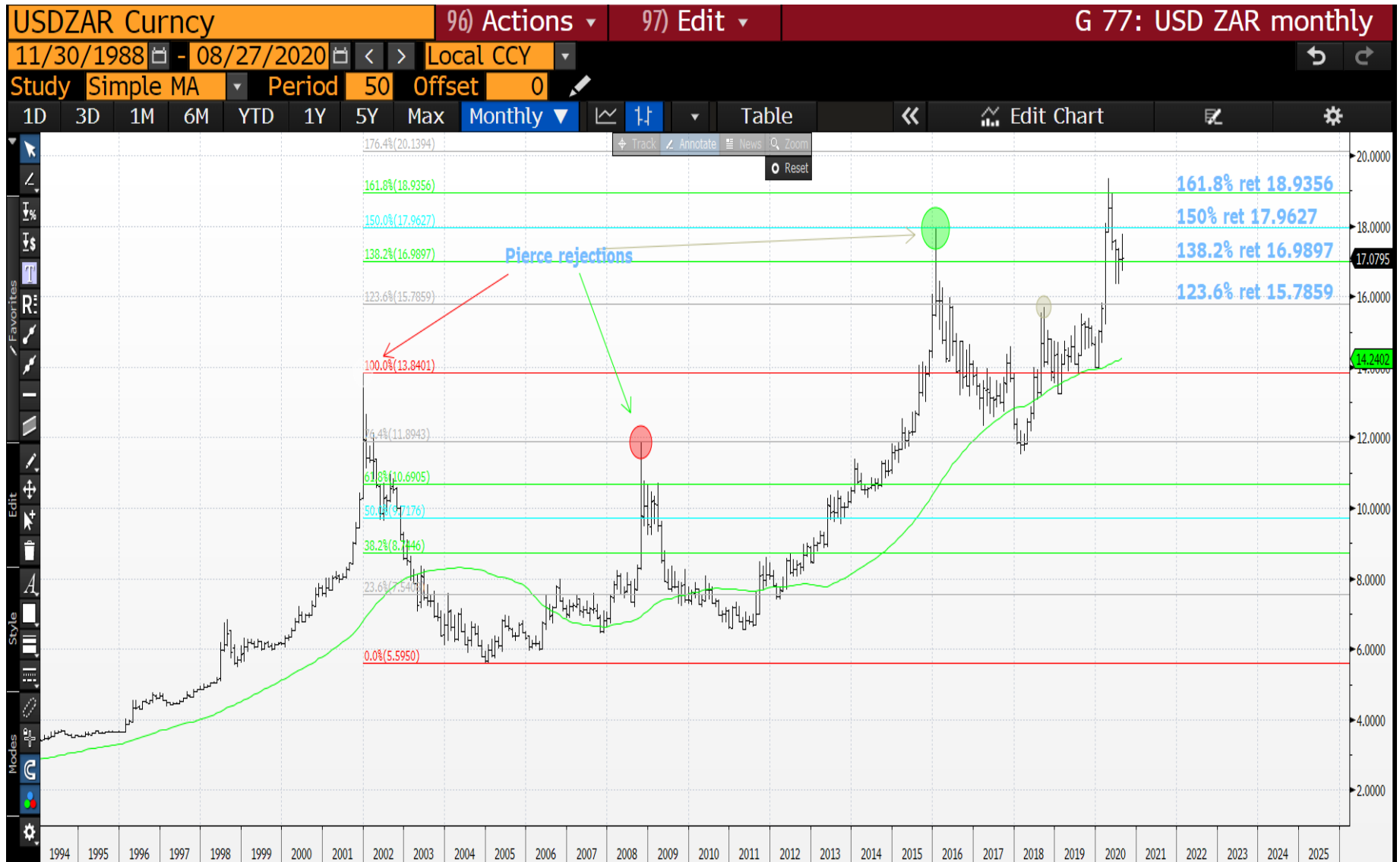
USD MXN monthly : Sub the 22.0385 previous high will help further USD weakness, just need to breach the previous low 21.4647.



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 : A BASE seems to have gone in so ideally we need to breach the 138.2% ret 16.9897 again.

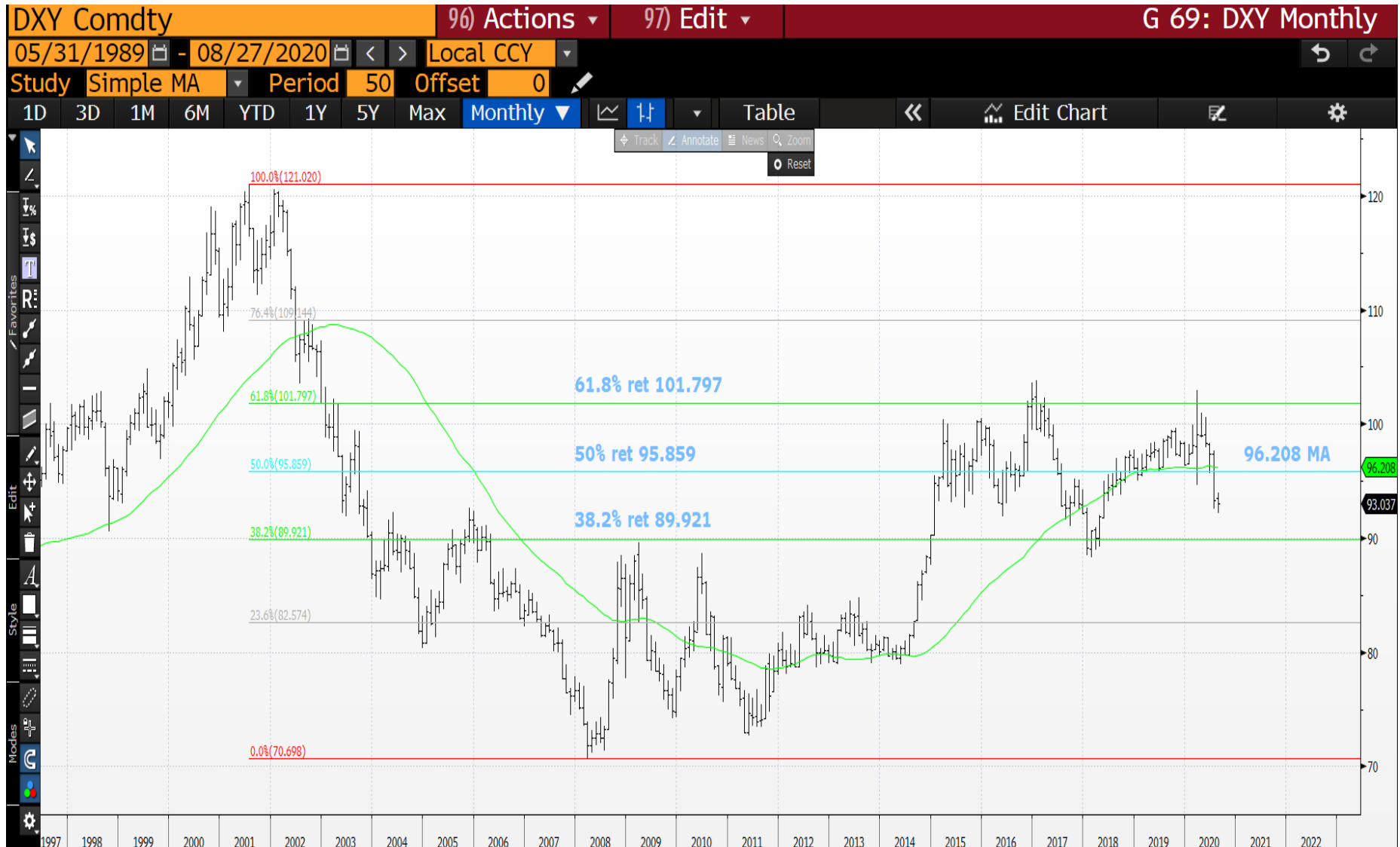


AUD USD monthly : This AUD low stands out like a sore thumb. Probably a chart that will tell us the most by either failing or breaching the 0.7277 50 period moving average.
 A DECISIVE BREAK is looming!



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DXY Comdty : 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 is
HELPING. Next stop the 38.2% ret 89.921.



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USD CLP monthly : Ideally we head back toward the 100% ret 759.75.



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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. THE USD NOW NEEDS TO MAKE UP ITS MIND.



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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