

FX UPDATE : THE USD CONTINUES TO WEAKEN AND IS APPROACHING SOME VERY KEY LEVELS, EVEN THROUGH IN SOME CASES. THIS SHOULD AID A BOND YIELD RALLY!

THE AUD IS WELL ON ITS WAY HIGHER GIVEN THE “FREE AIR” SPACE ABOVE!

USDSEK HAS BREACHED ITS LONGSTANDING 38.2% RET 8.3027.

USD MXN IS ONE TO WATCH GIVEN WE ARE POISED TO BREACH THE 50 PERIOD MOVING AVERAGE-38.2% RET 19.7005.

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.

USDTRY HAS A PERFECT FAILURE AT ITS MAJOR 2001 TRENDLINE 8.0084.

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

USD CAD monthly : ONE way traffic STILL as we head toward the MULTI YEAR 50% ret 1.2625, with plenty of scope to head a lot lower!



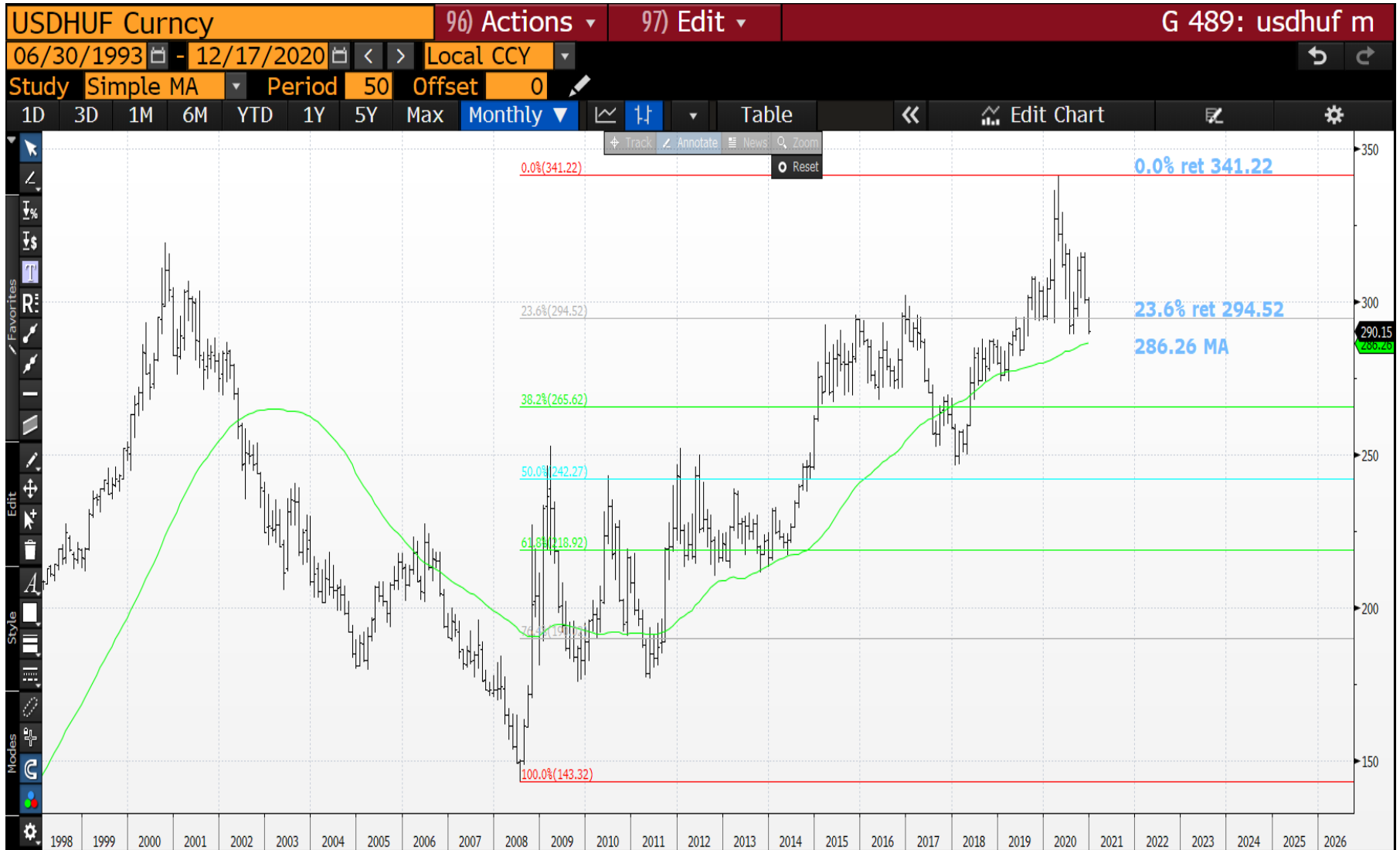
USD SEK daily : We have breached the 38.2% ret 8.3027 with plenty of scope to head a lot lower.



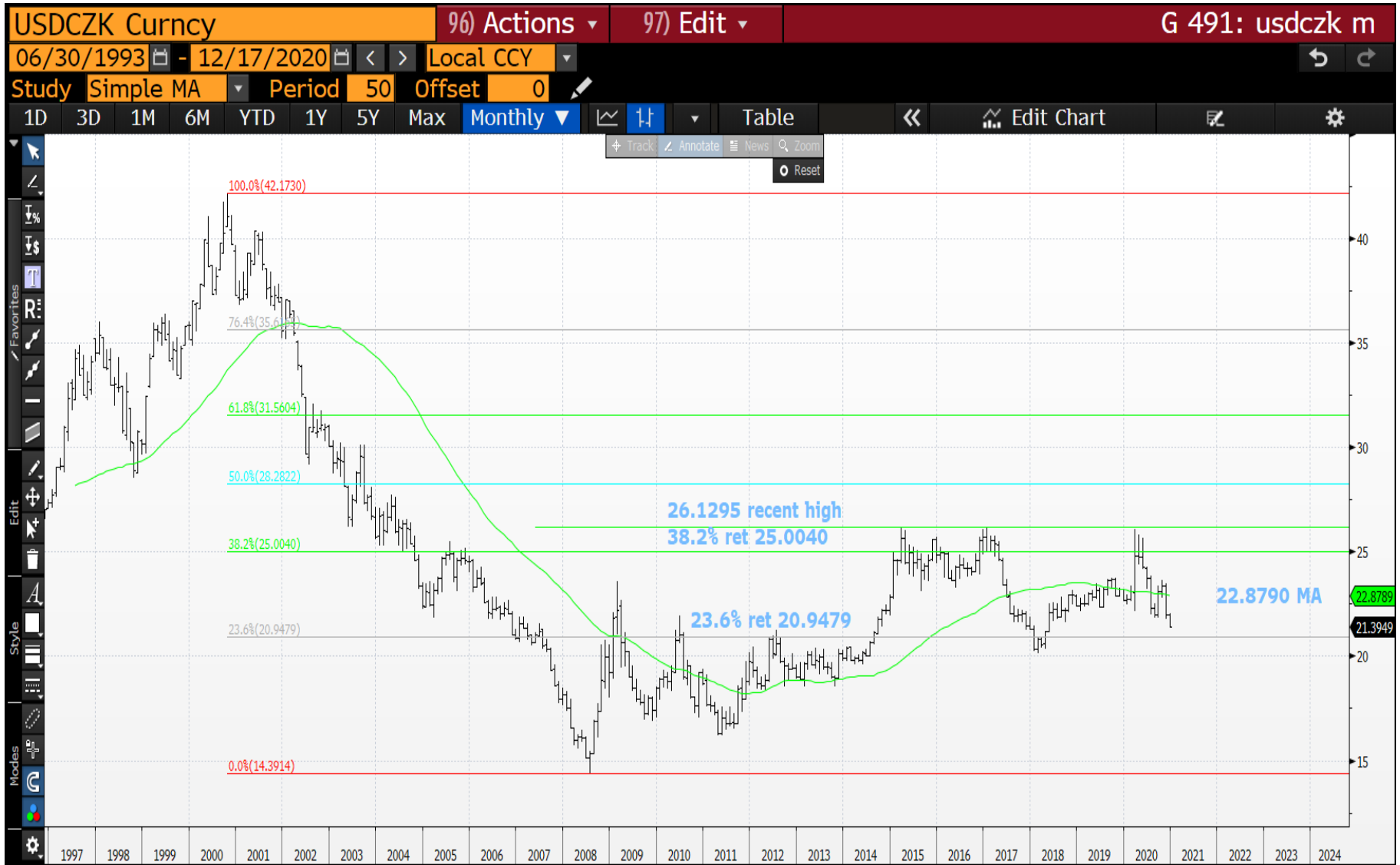
USD NOK monthly : We have FINALLY breached the 50 period moving average 8.6561 with scope to push on through the long-term 50% ret 8.3959.



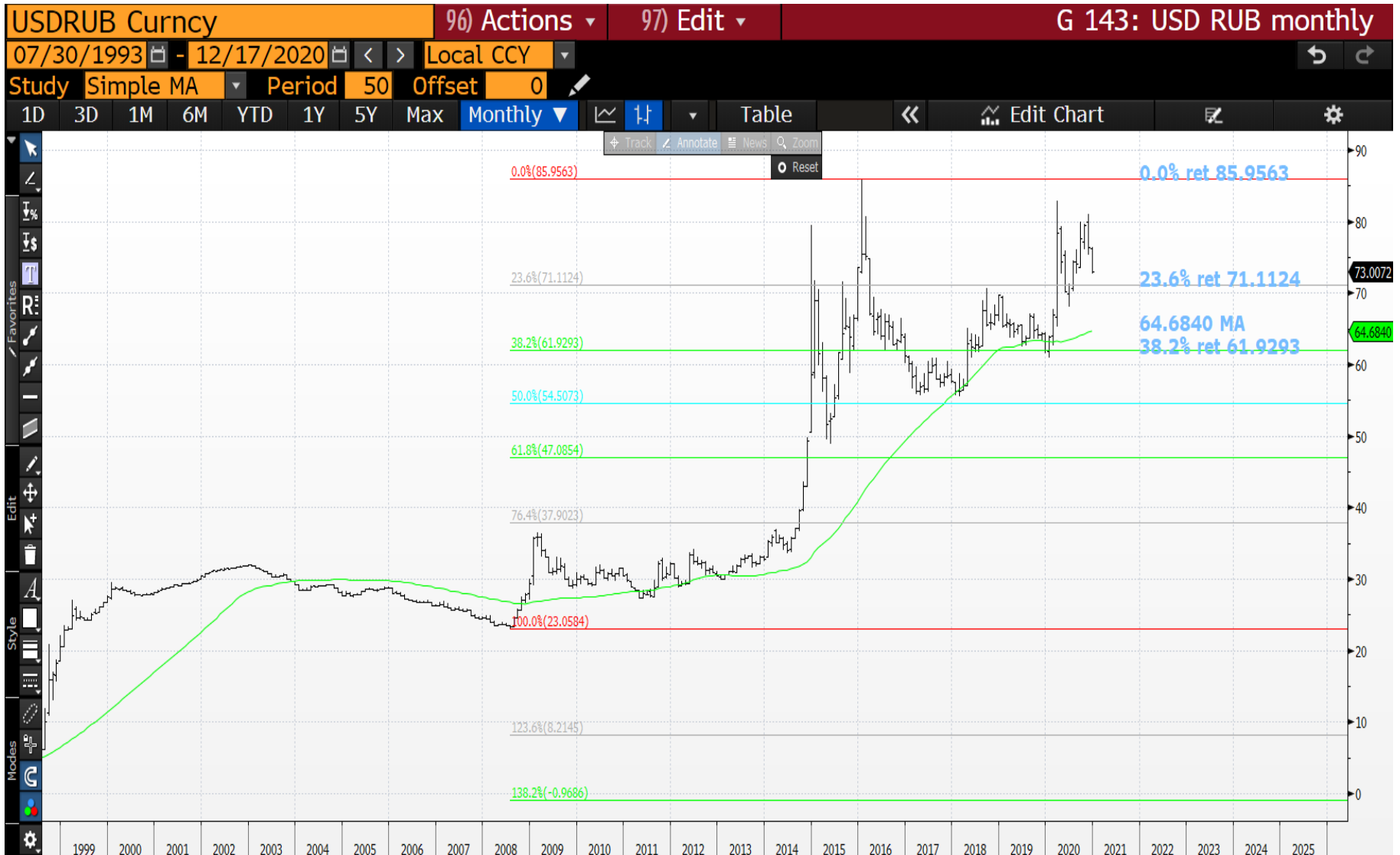
USD HUF monthly : We have a NEW LOW already and should draw toward the ALL IMPORTANT 286.26 moving average.



USD CZK monthly : We have a new low so next stop the multi year 23.6% ret 20.9479.

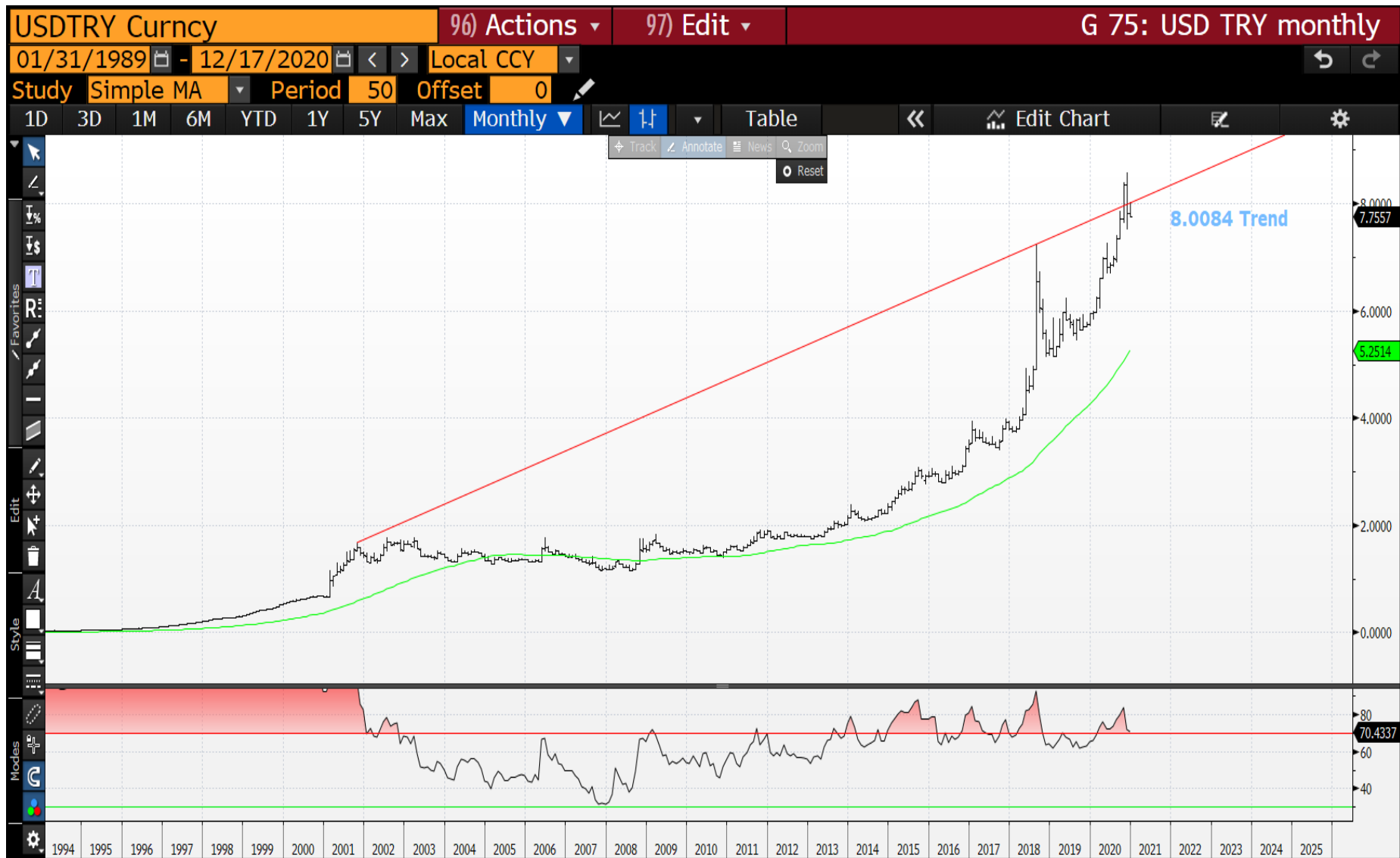


USD RUB monthly : We have stalled and poised to grind lower, next target is the 23.6% ret 71.1124.



17/12/2020

USD TRY monthly : The RSI is rolling over as we fail PERFECTLY at the 8.0084 multi year trend line, time to fail.



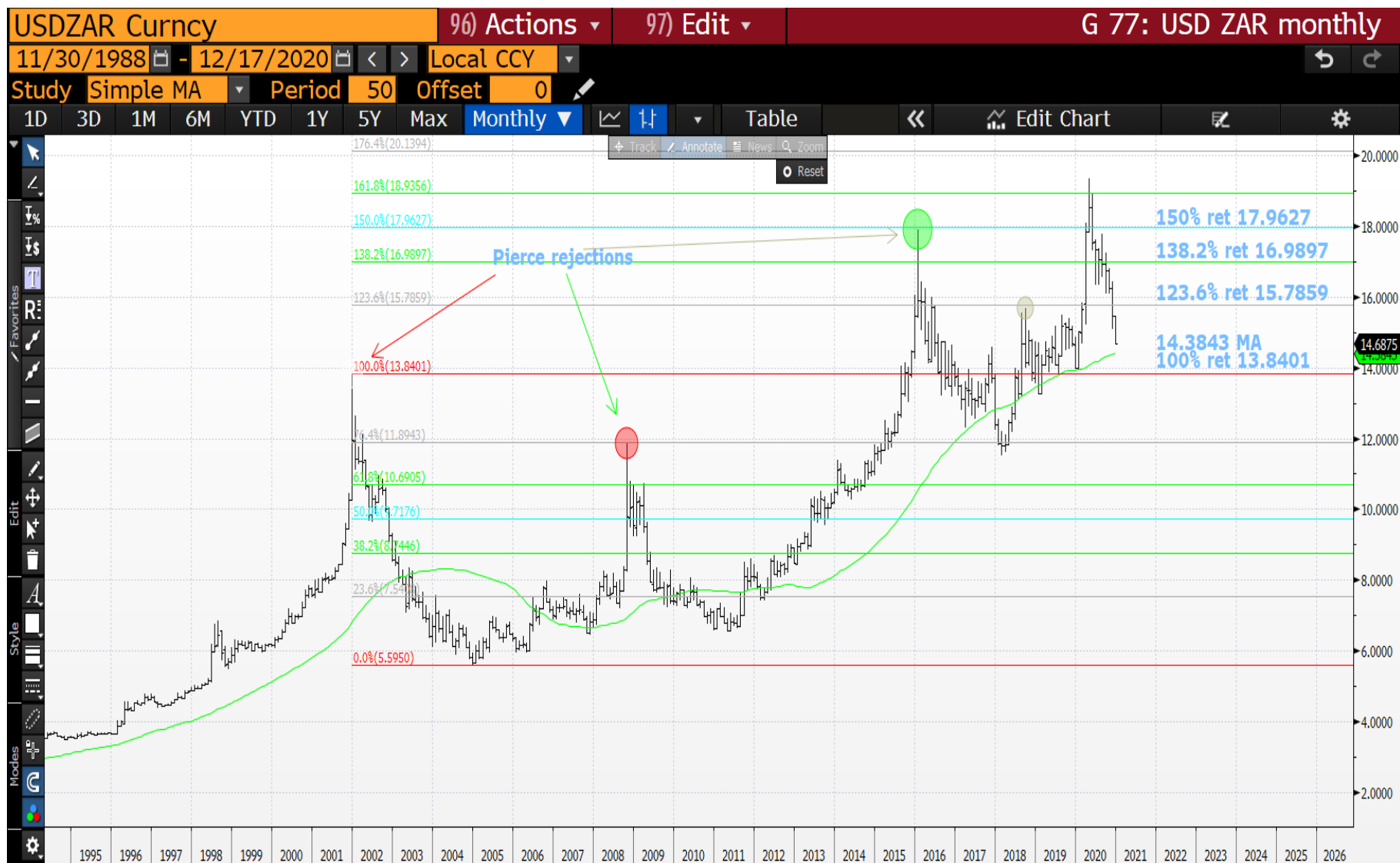
USD MXN monthly : One to watch if the 50 period MA-38.2% ret 19.7005 is breached, then its free fall time!



USD BRL monthly : The RSI remains reasonably high and a major free fall if the 23.6% ret 4.9243 is breached. Plenty of volume TRAPPED above us now.



USD ZAR monthly : Over time have found this to be a VERY TECHNICAL cross, the next key break will be the 14.3843 moving average.



AUD USD monthly : ****READY TO EXPLODE **** We have a new high and **PLENTY OF UPSIDE ROOM!** Next stop the multi year 50% ret 0.7929.



DXY monthly : We are pushing on through the 38.2% ret 89.921.



USD CLP monthly : We have breached the previous high 759.75 and poised to head a lot lower toward the 697.74 moving average.



US 30yr (inverse yields) overlay USD vs RUB,BRL,MXN,CLP monthly :

All crosses now align which should prompt bond yields to head higher, so much more scope for lower USD and HIGHER bond yields.



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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