

FX UPDATE : THE USD COULD SOON BE IN A LOT OF TROUBLE AS WE APPROACH “VERY” SIGNIFICANT LEVELS PREVIOUSLY TESTED. SUB THESE LEVELS ARE MAJOR POCKETS OF “FREE AIR” AND THIS SHOULD AID THE BOND YIELD HIGHER CALL!

THE AUD HAS PAUSED BUT STILL HAS SIGNIFICANT UPSIDE POTENTIAL.

GIVEN THE USD WEAKNESS IS BACK THEN THIS SHOULD DRIVE BOND YIELDS HIGHER.

USD MXN IS STILL FINALLY SUB ITS 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.

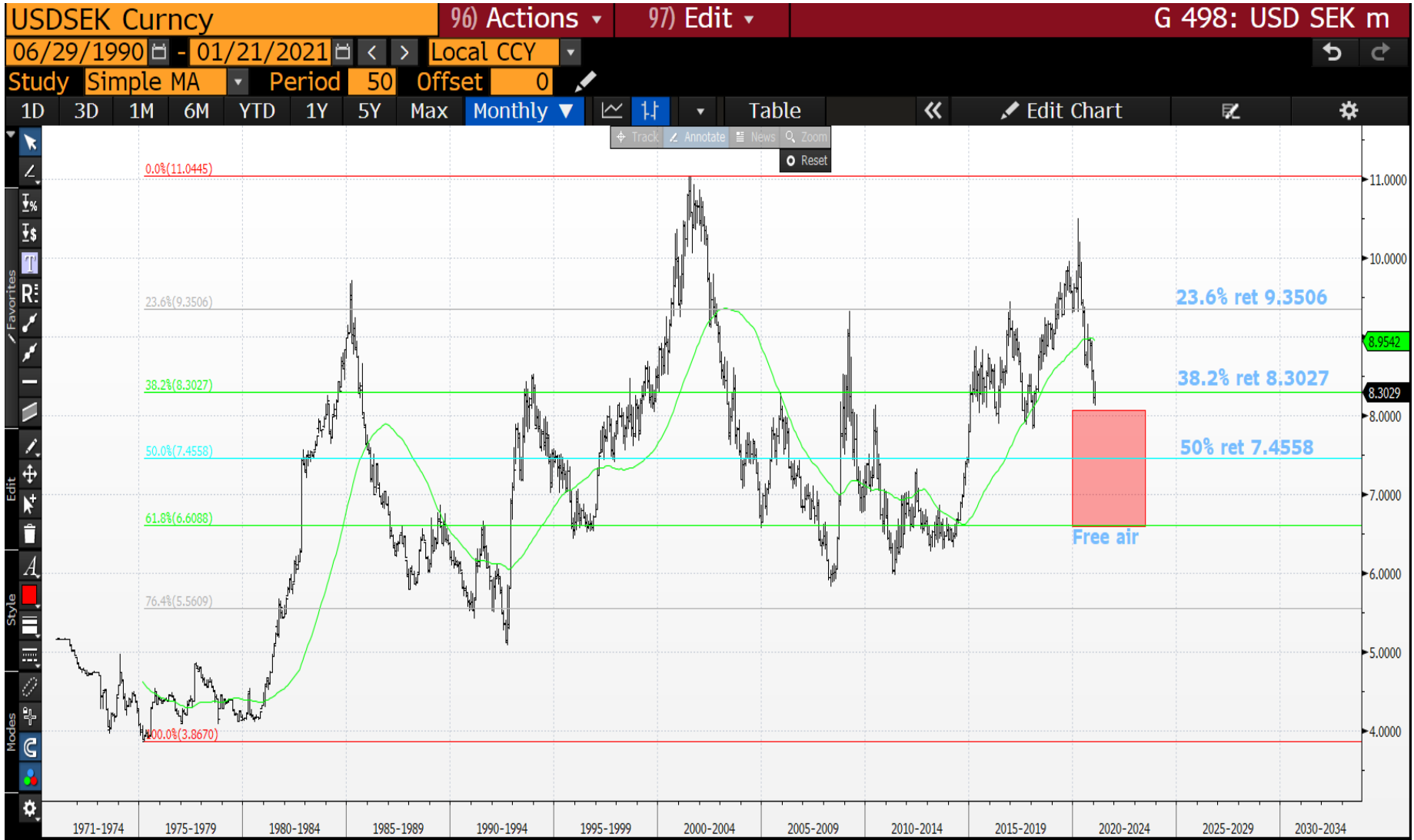
USDTRY HAS A PERFECT FAILURE AT ITS MAJOR 2001 TRENDLINE 8.0084 AND POISED TO HEAD A LOT LOWER.

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

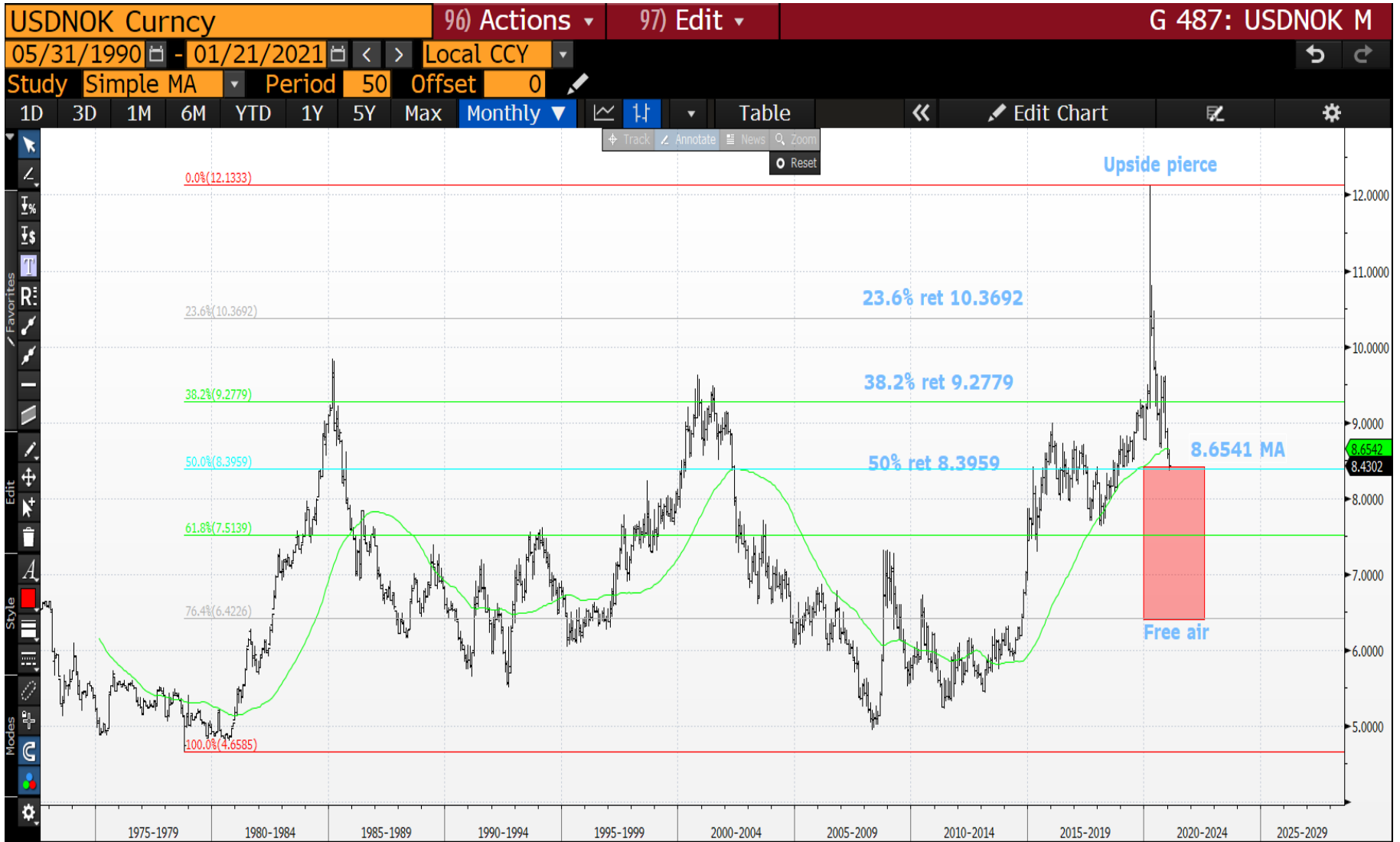
USD CAD monthly : Given we have stalled it is now time to breach the MULTI-YEAR 50% ret 1.2625, sub this its free fall time!



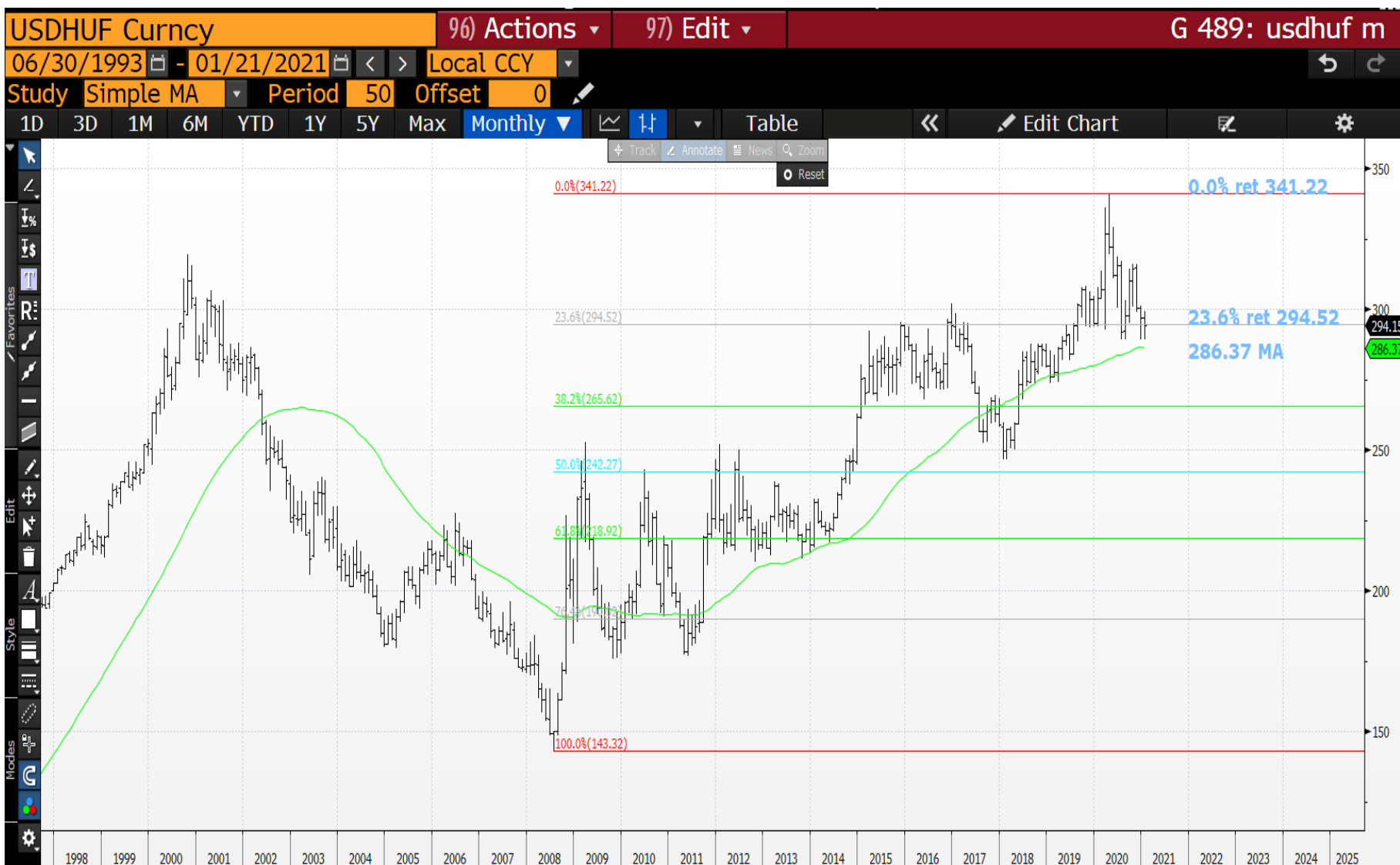
USD SEK monthly : The 38.2% ret 8.3027 has proved its worth and so time to breach 8.00 and into the FREE AIR.



USD NOK monthly : We have HELD BELOW the 50 period moving average 8.6541 so time to re-breach the 50% ret 8.3959 and head a lot lower!



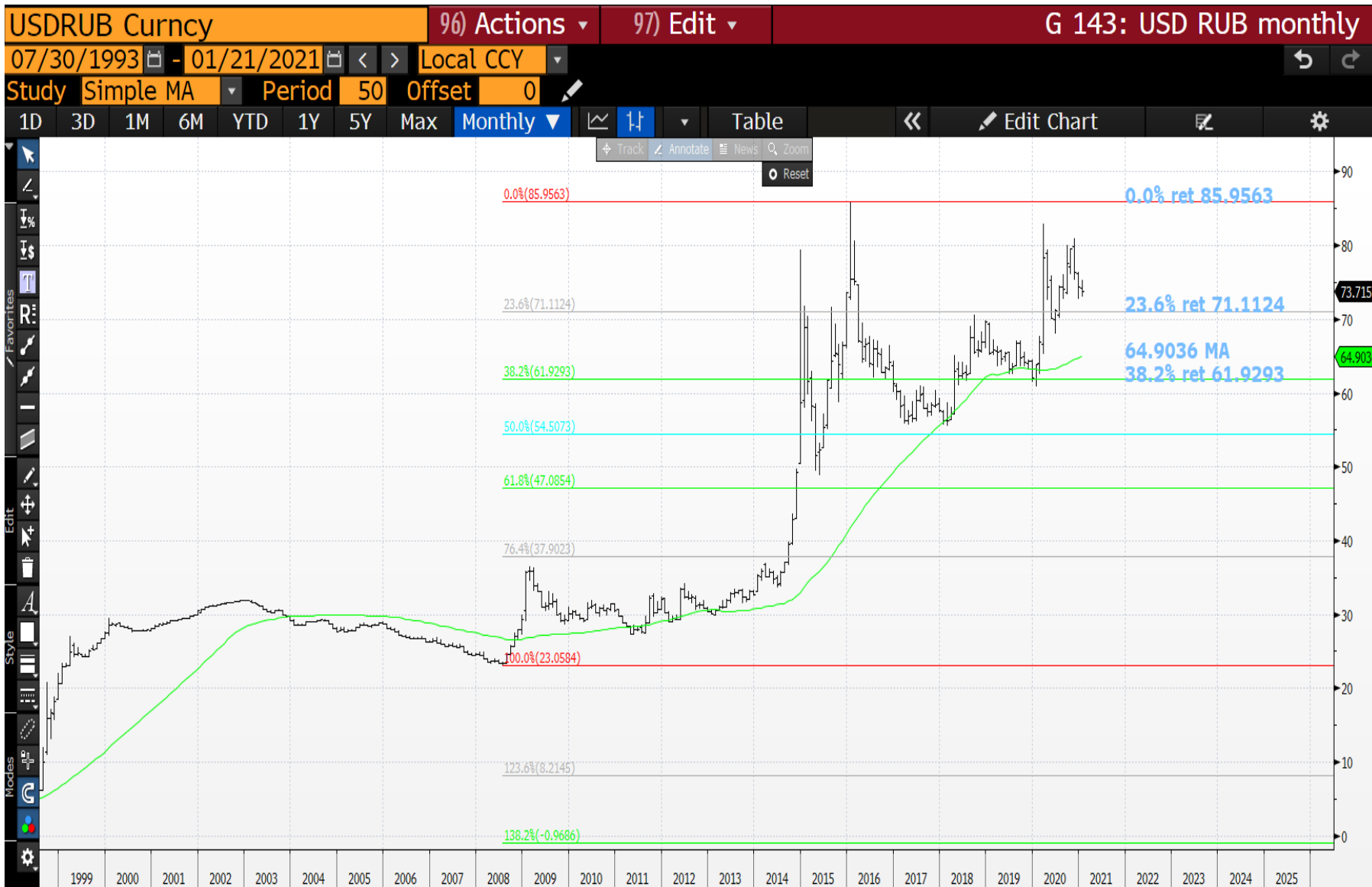
USD HUF monthly : The 286.37 moving average has proved its worth so ideally we breach this soon.



USD CZK monthly : Minimal range this month but we are already heading lower to the multi-year 23.6% ret 20.9479.

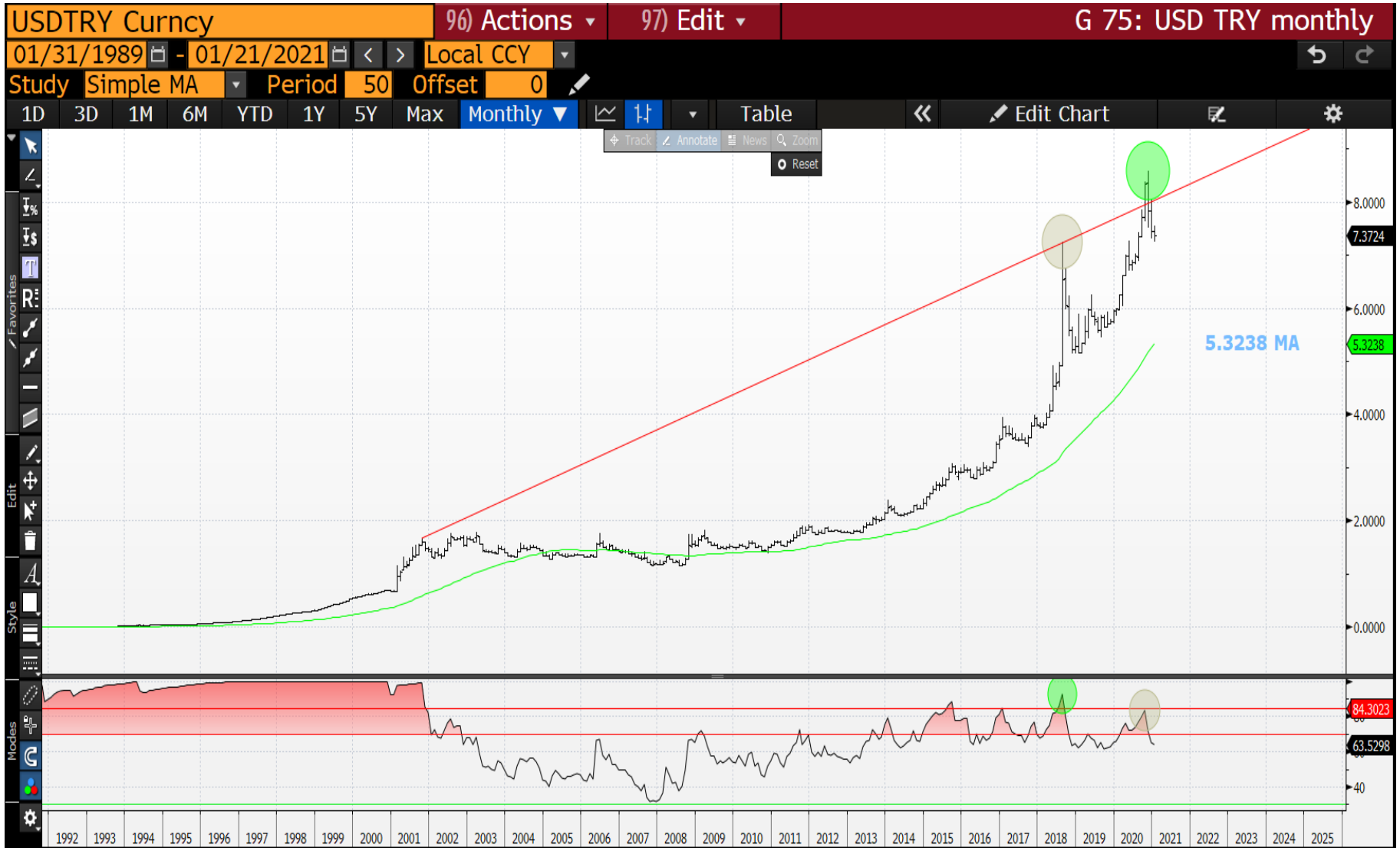


USD RUB monthly : We have bounced but now stalling so the next target is the 23.6% ret 71.1124.



21/01/2021

USD TRY monthly : A small pause in proceedings given this cross has along way to fall, but we are edging lower again.



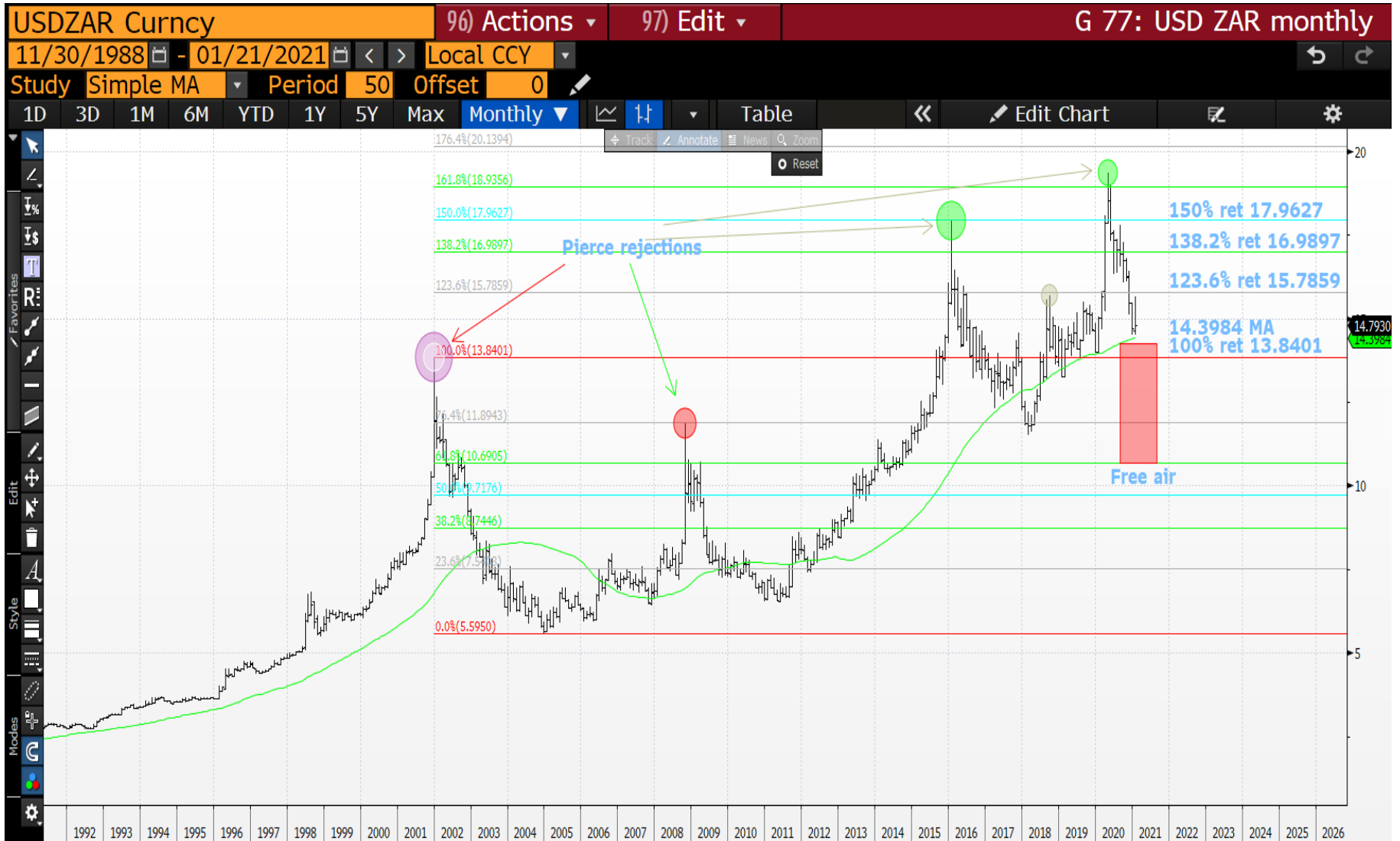
USD MXN monthly : We have BREACHED the 50 period MA-38.2% ret 19.7005 so now time to head lower into the FREE AIR portion of the chart.



USD BRL monthly : A nice REVERSAL on the month and a breach of the 23.6% ret 4.9243 will be a MAJOR step.



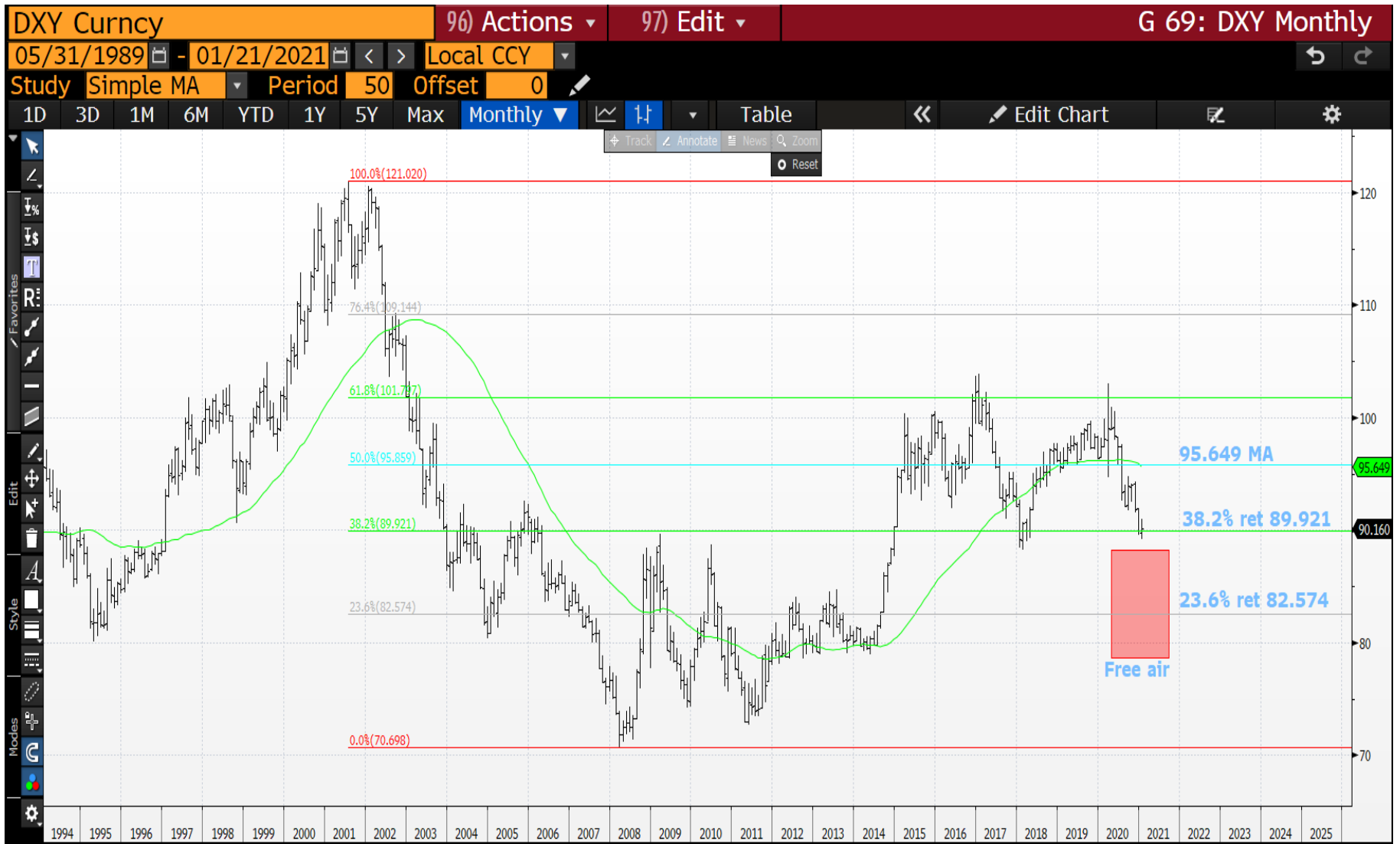
USD ZAR monthly : Over time have found this to be a VERY TECHNICAL cross. Another MAJOR reversal on the month with the added bonus of breaching the 14.3984 moving average. The FREE-AIR beckons.



AUD USD monthly : We have PLENTY OF UPSIDE ROOM! Next big target is the 50% ret 0.7929.



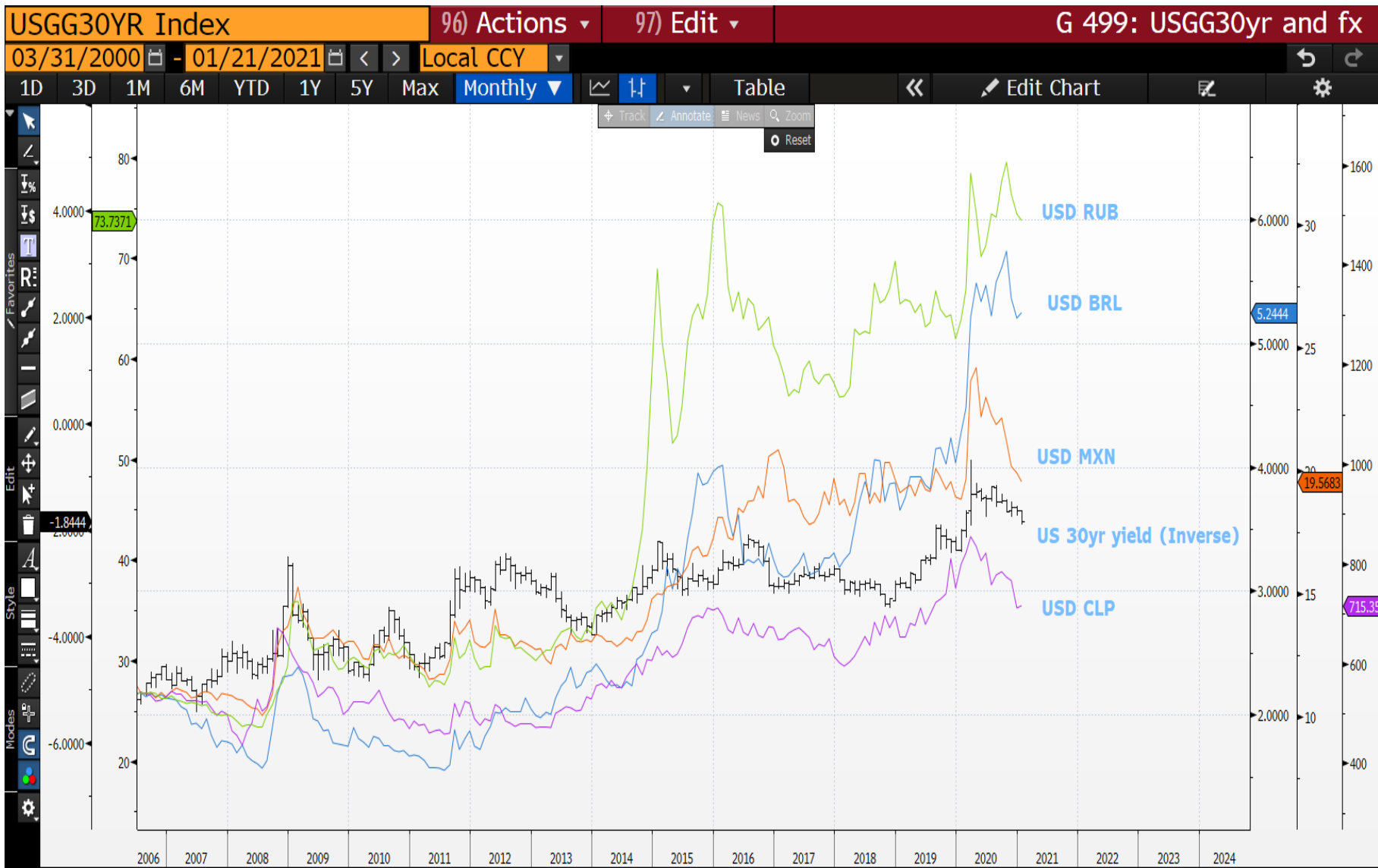
DXY monthly : We are TEASING the MULTI-YEAR 38.2% ret 89.921.



USD CLP monthly : The 698.38 moving average has proved its worth and we are now poised to breach it!



USD crosses and INVERTED bond yield : Given the USD is heading lower then this should DRIVE bond yields higher!



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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