

PLEASE READ : IS JANUARY TO BE A MASSIVELY EXPLOSIVE MONTH?

I DON'T NORMALLY COLLATE THIS NUMBER OF CHARTS IN ONE PIECE BUT FEEL IT IS WORTH IT THIS TIME. THERE ARE "SO MANY" CHARTS WITH "FREE AIR" OR CAPACITY FOR "FREE AIR" LOOMING. JANUARY REALLY COULD BE A ONE DIMENSION MONTH AND TIME TO MAKE A YEARS ALPHA!

IN THIS PRESENTATION IS BOND YIELDS, FX AND BREAKEVENS TO GO SOMEWAY TO HIGHLIGHT THE ONCE IN A LIFETIME RSI DISLOCATIONS AND POTENTIAL MONTH WE MAY HAVE!

**BOND YIELDS : YESTERDAYS YIELD UPDATE WAS A SHOCK GIVEN THE INSTANT RESPONSE BUT DOES HIGHLIGHT JANUARY COULD BE THE MONTH TO CATCH EVERYONE OUT!
OBVIOUSLY THIS IS A BIG CALL GIVEN WE ARE 6 DAYS INTO THE NEW YEAR-MONTH BUT IT IS WORTH CLARIFYING THE "ROOM" MANY LONGTERM CHARTS HAVE!
IT GOES WITH OUT SAYING THAT THE WEEKLY CLOSES WILL NEED TO REFLECT THE TREND AND IDEALLY IT IS A STRAIGHT LINE MOVE, CERTAINLY ONE TO PONDER-DISCUSS.**

FX : I HAVE MENTION USD WEAKNESS AS A MAJOR CONCERN FOR SOME TIME GIVEN THE ONCE IN A LIFETIME RSI DISLOCATIONS FORMULATED IN MARCH LAST YEAR. WE STILL HAVE CONSIDERABLE ROOM FOR FURTHER WEAKNESS AND THAT MAY CAUSE A RUN ON THE USD THIS MONTH. MANY KEY LONGTERM LEVELS HAVE OR ARE ABOUT TO BE BREACHED.

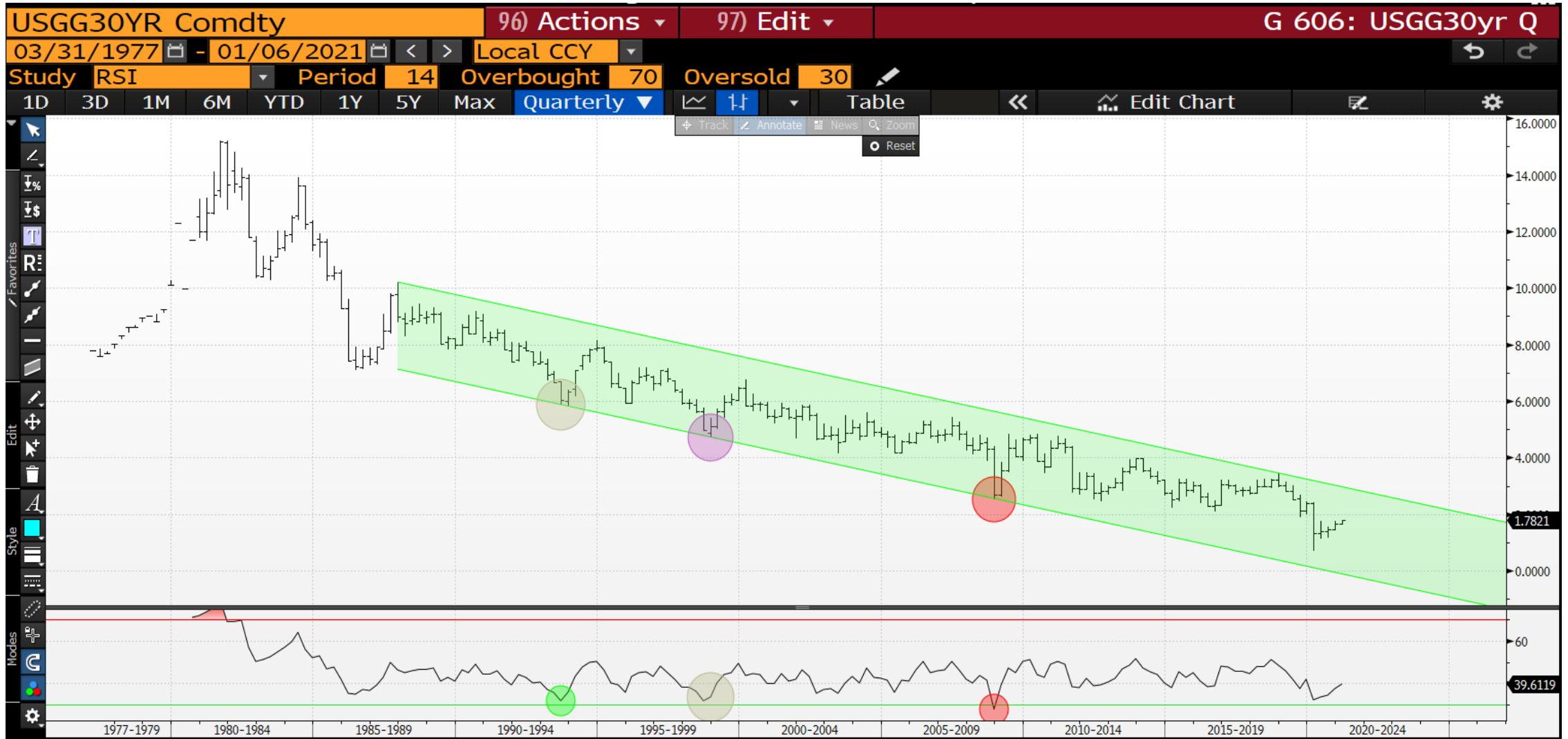
BONDS YIELDS : EVEN I WAS SURPRISED BY THE SPEED OF THE OVERNIGHT YIELD POP BUT THIS COULD EASILY PERSIST AS MENTIONED NUMEROUS TIMES IN THE PREVIOUS SINGULAR UPDATES. WE HAVE REMAINED ABOVE KEY 200 DAY MOVING AVERAGES IN US 30YR AND 10YR FOR SOME TIME.

SO MANY MONTHLY AND QUARTERLY YIELD CHARTS HAVE MULTI YEAR RSI DISLOCATIONS THAT HARP BACK TO 2008-09 EXTENSIONS! HENCE THE LATEST MOVE HIGHER IN YEILD IS ONLY JUST THE START.

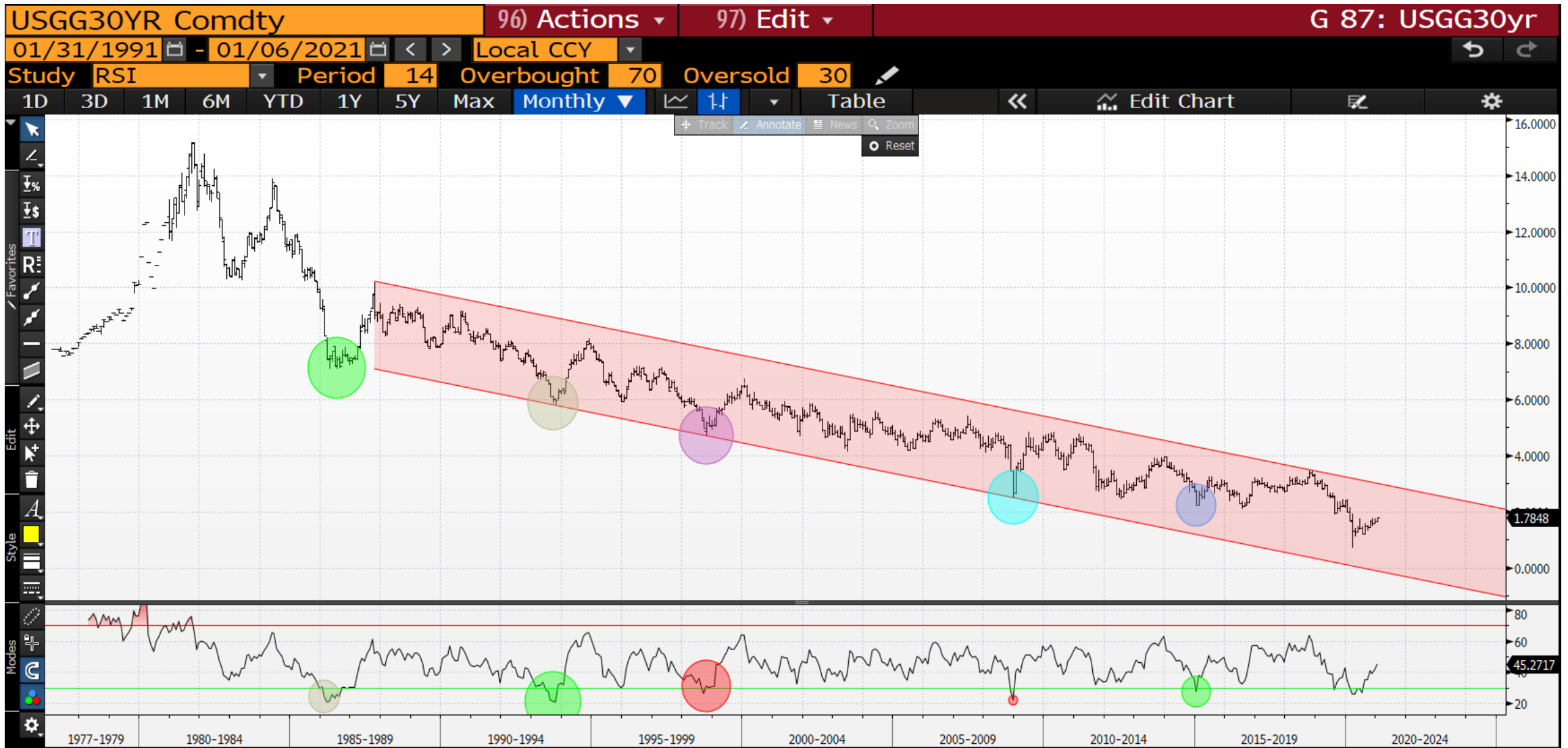
CERTAINLY THE WEEKLY AND DAILY CLOSES NEED TO REFLECT THE TREND BUT SO MANY YIELD CHARTS HAVE “CLEAR AIR ABOVE THEM”.



USGG30yr quarterly : This EASILY highlights the RARE situation we are in but if HISTORY repeats itself then things could get messy! Certainly back above 2.00 will be a critical turning point.



USGG30yr monthly : The good news is the monthly RSI reached a similar dislocation to the previous chart endorsing the scope to head a lot higher. There remains room in the RSI.



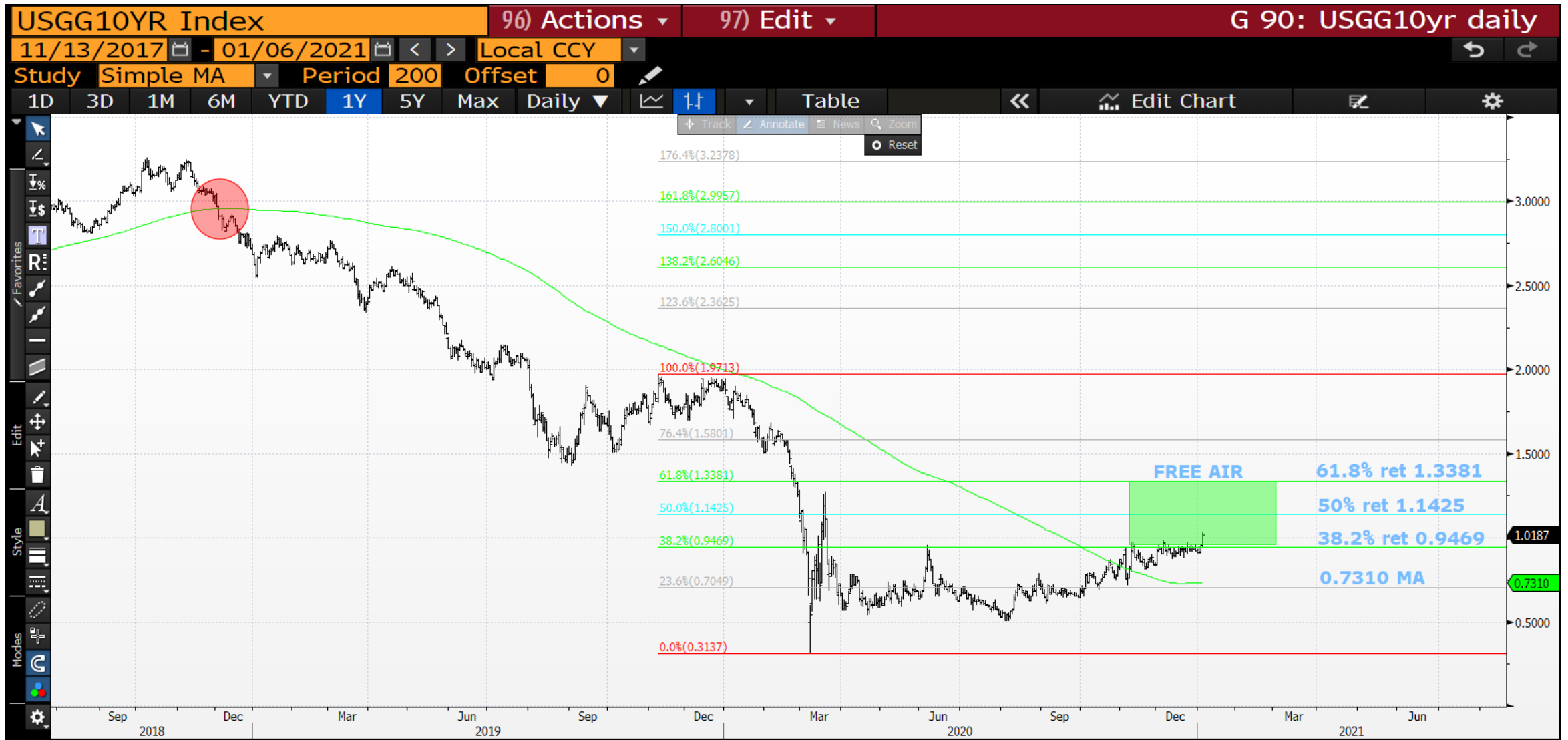
USGG30yr yield daily : We have been battling with a breach of the MULTI YEAR 38.2% ret 1.7533, now it has occurred there is plenty of upside free air.



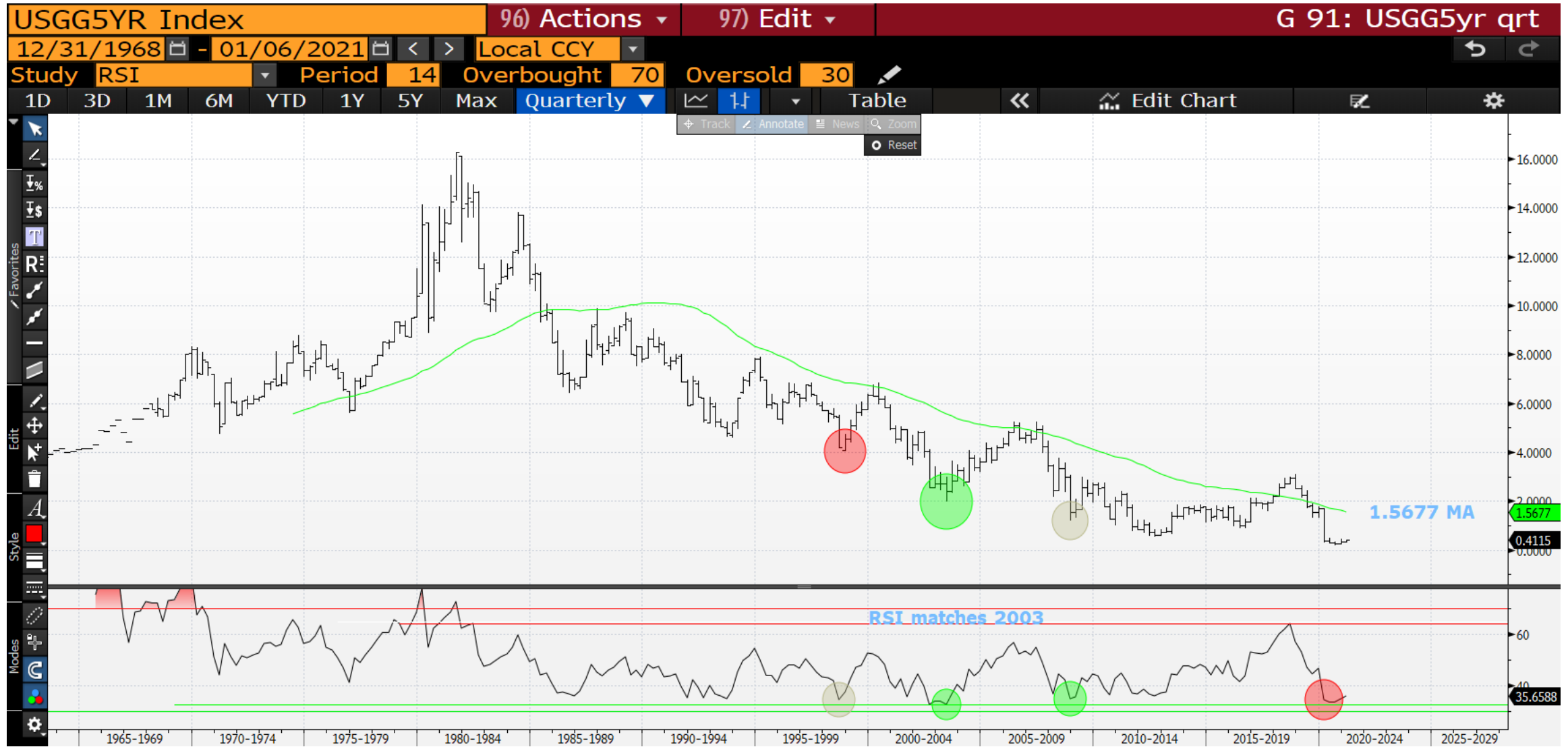
US 10yr yield quarterly : Another simple representation of the RARE dislocation point we are at! Certainly the 2.2844 moving average is a draw!



USGG10yr daily : Another nice BREACH of the multi year 38.2% ret 0.9469 with free air above.



USGG5yr quarterly : Another RSI and historical representation of where to expect yields in the next few years. WE HAVE SO FAR TO GO!!!



06/01/2021



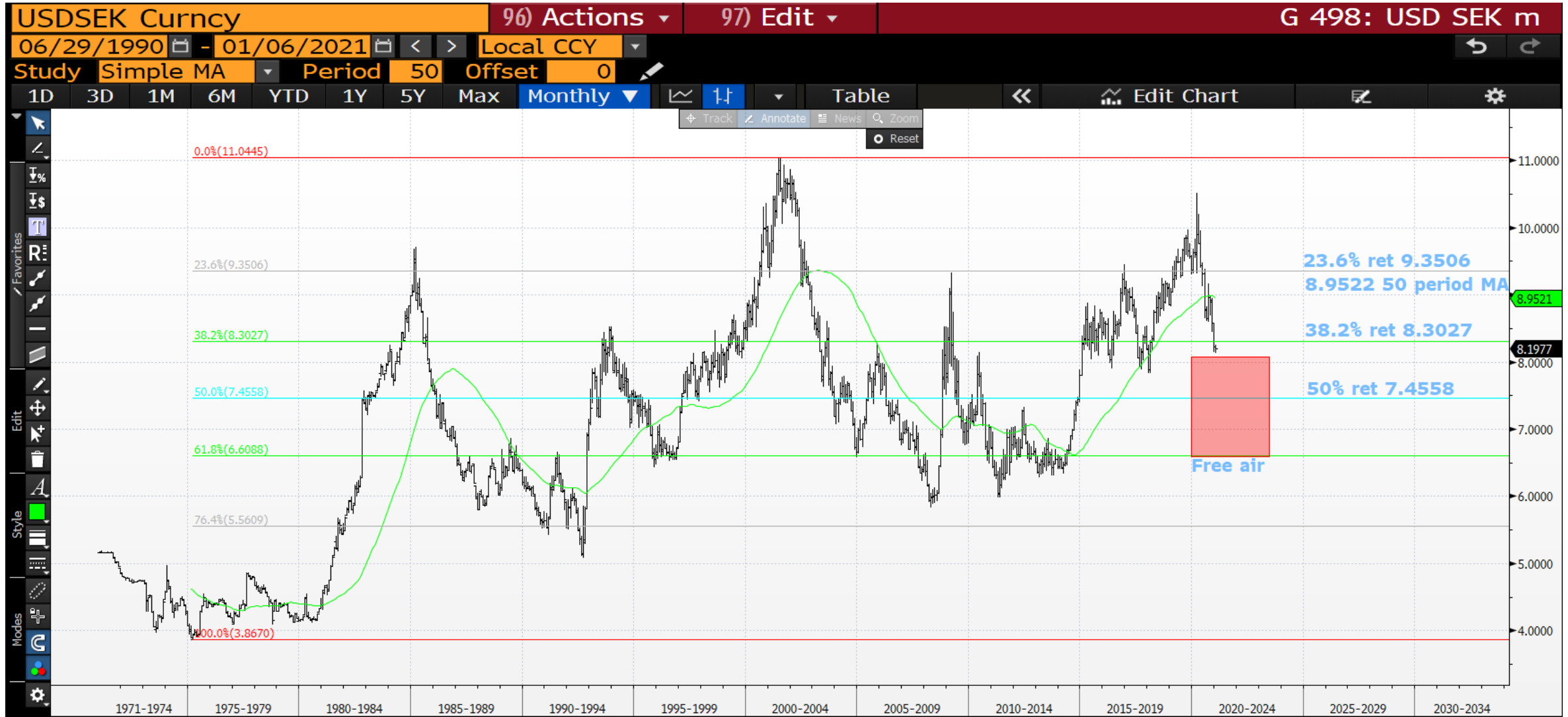
FX UPDATE : THE USD HAS BEEN A RELATIVELY EASY CALL LOWER GIVEN THE REDICULOUS RSI DISLOCATIONS INITIATED LAST MARCH. MANY CROSSES HAVE STARTED THAT UNWIND BUT MANY OFFER SIGNIFICANTLY “MORE” WEAKNESS TO COME AND LIKE BONDS CHARTWISE THERE IS AREAS OF “HUGE” FREE AIR.

BURNING QUESTION IS DO WE TAKE ADVANTAGE OF THIS IN JANUARY ESPECIALLY NOW MANY MAJOR LEVELS HAVE BEEN BREACHED.

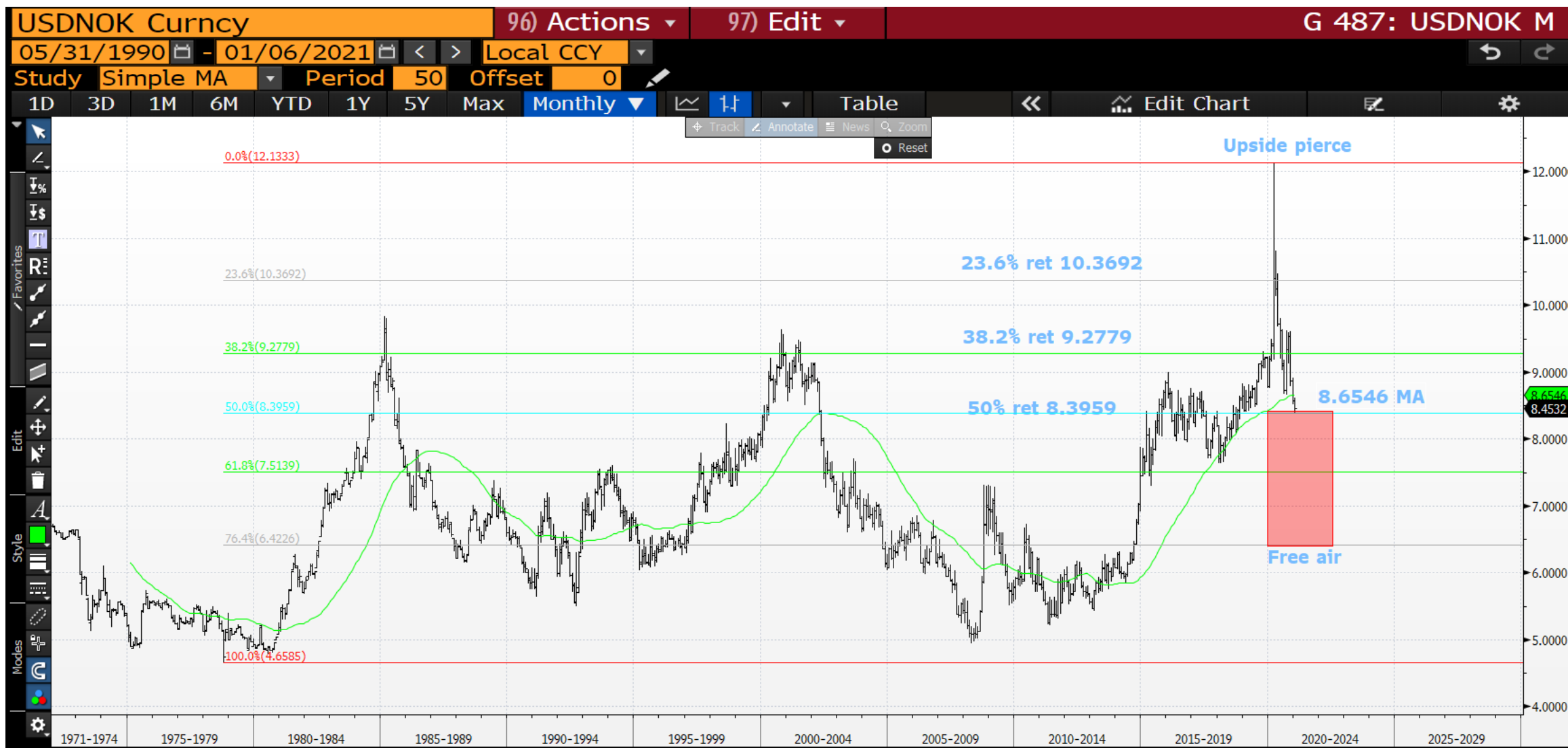
USD CAD monthly : We are now well below the 50 period moving average 1.3148 and poised for a breach of the MULTI-YEAR 50% ret 1.2625. Sub the 50% ret there is little support.



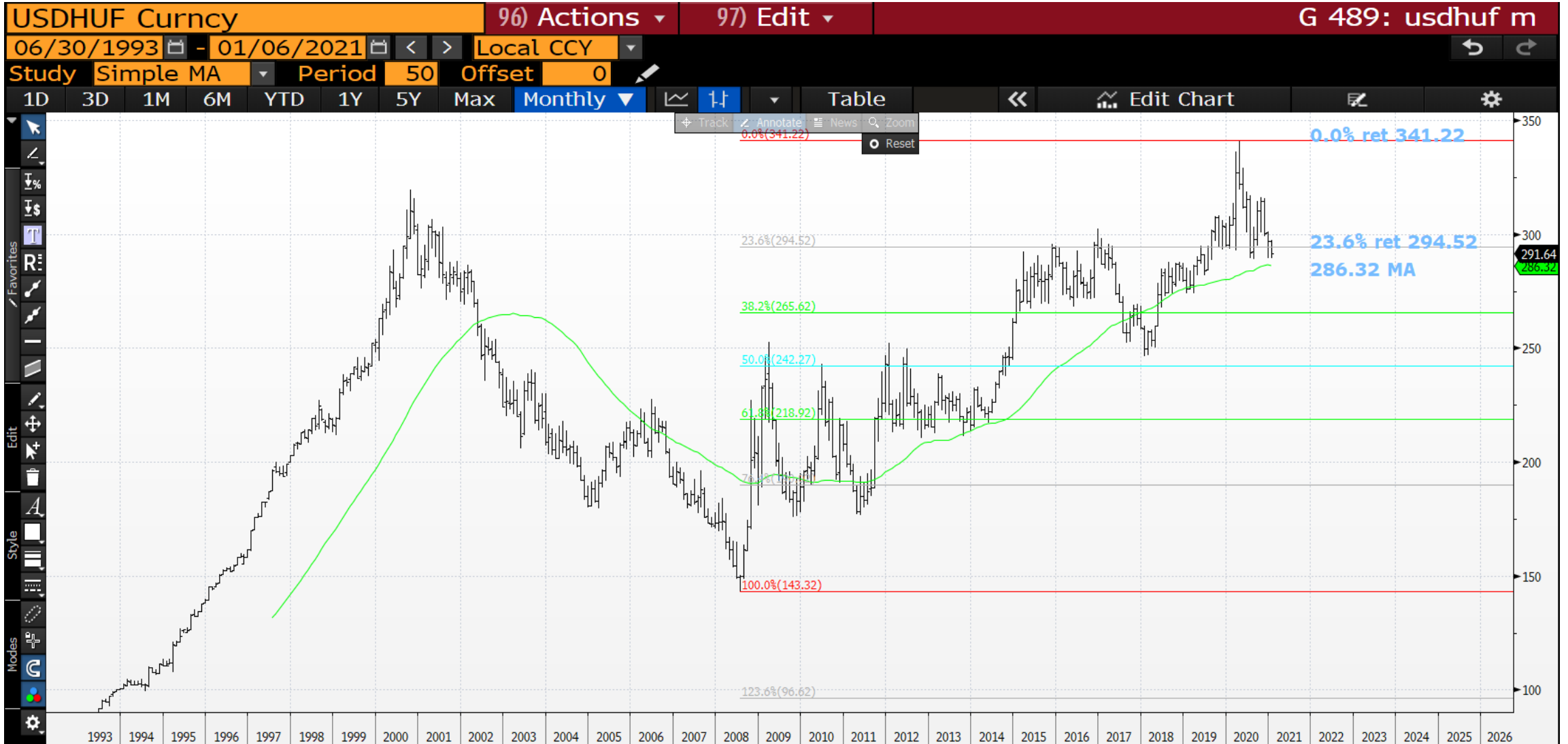
USD SEK daily : We have breached the 38.2% ret 8.3027 with plenty of scope to head a lot lower.



USD NOK monthly : We are sub the 50 period moving average 8.6546, this should be followed by a SWIFT push through the all important multi-year 50% ret 8.3959.



USD HUF monthly : The 286.32 moving average has proved its worth so ideally we breach this soon.

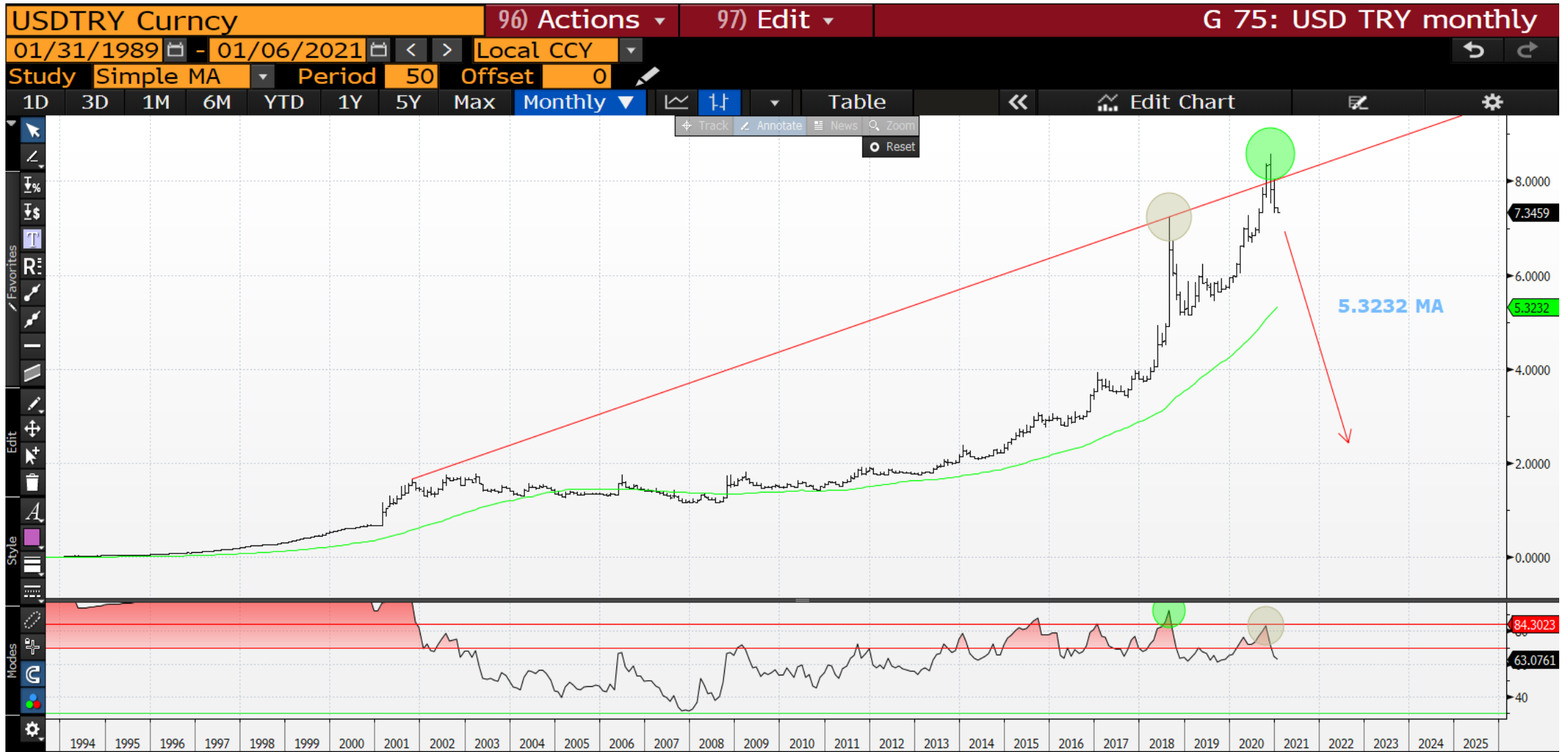


USD CZK monthly : A nice slow GRIND and hopefully we breach the multi-year 23.6% ret 20.9479 soon. Sub 20.00 things get MESSY.

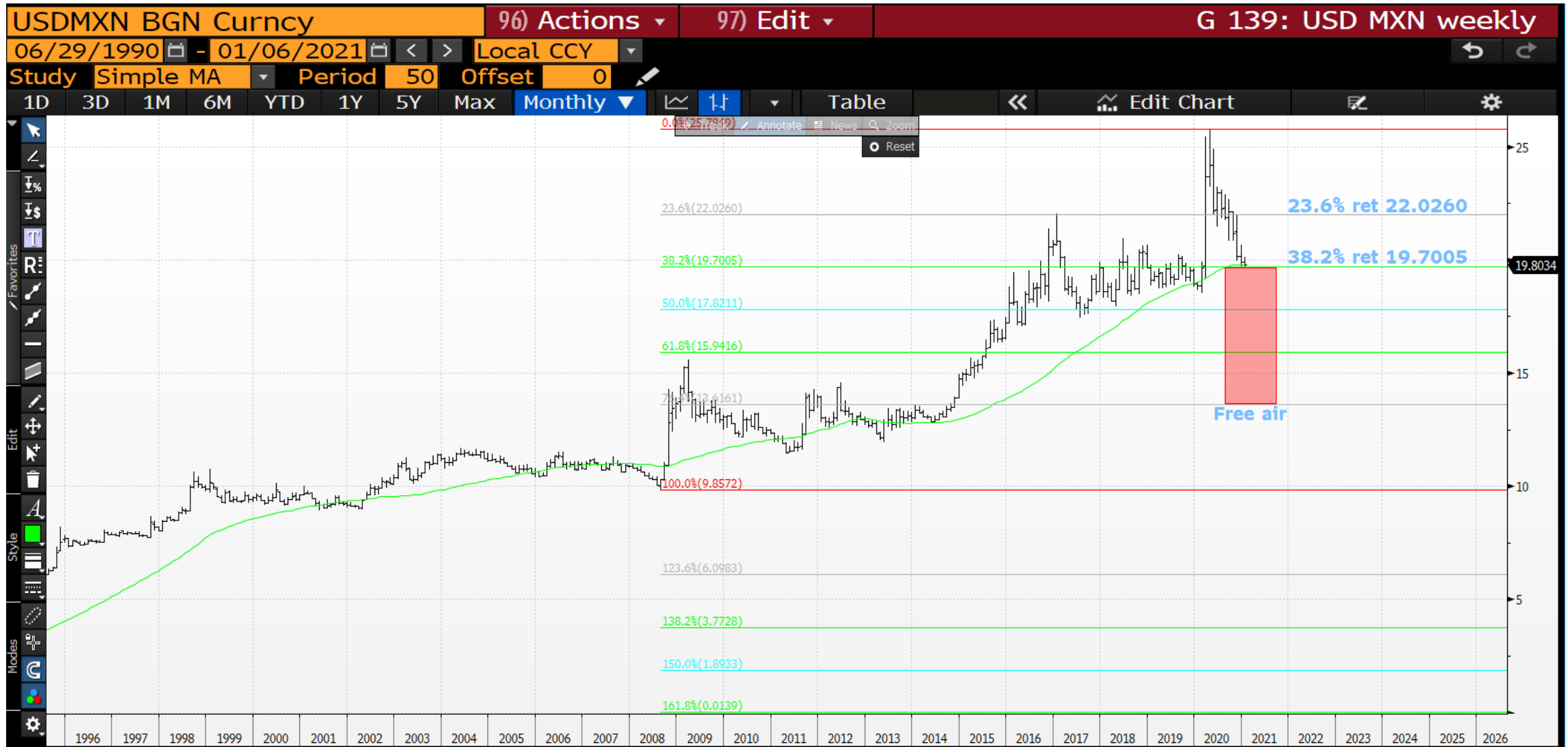


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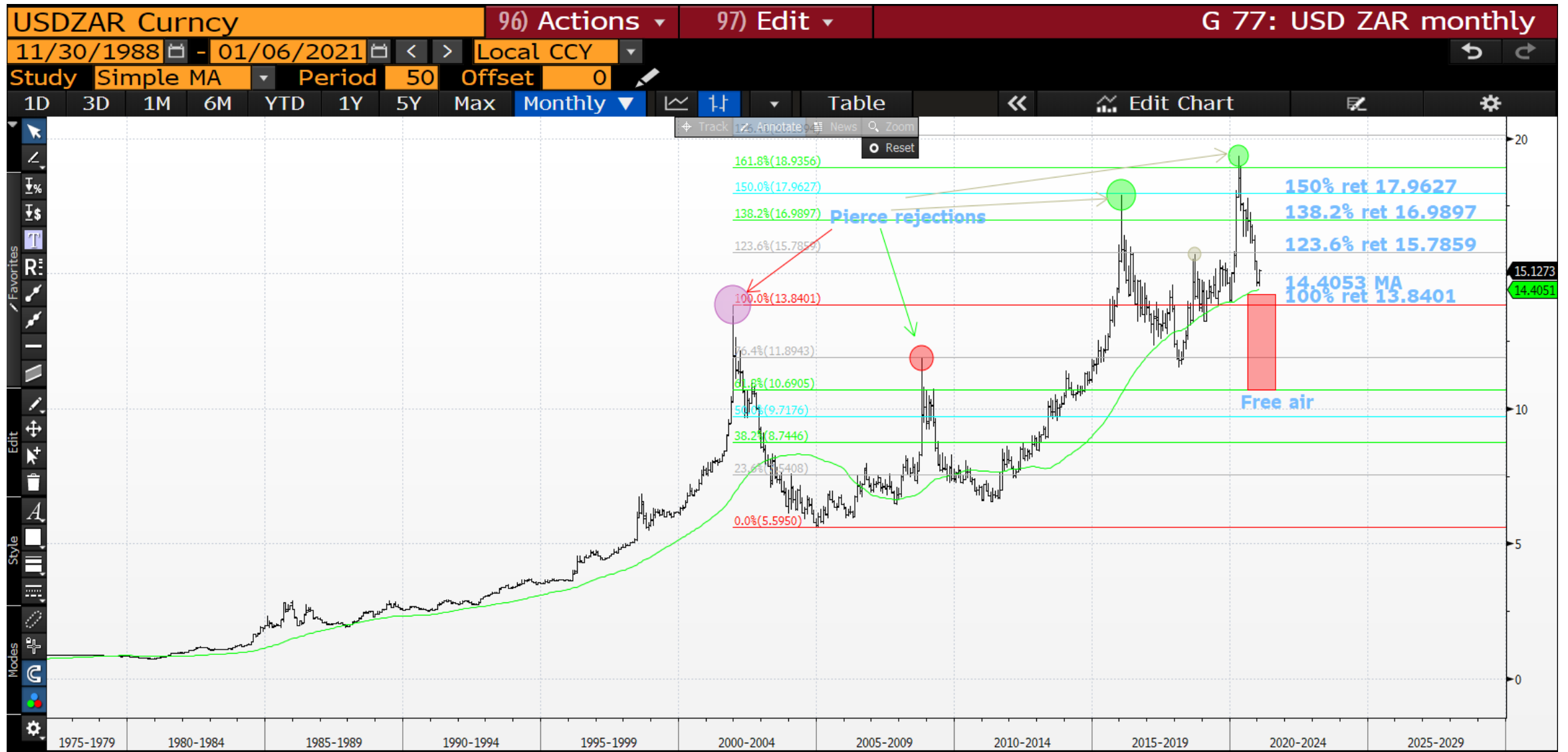
USD TRY monthly : So far we have had a NEAR PERFECT failure at the multi-year trend line, time to EXTEND THE RANGE LOWER. A breach of last months low 7.3089 will help.



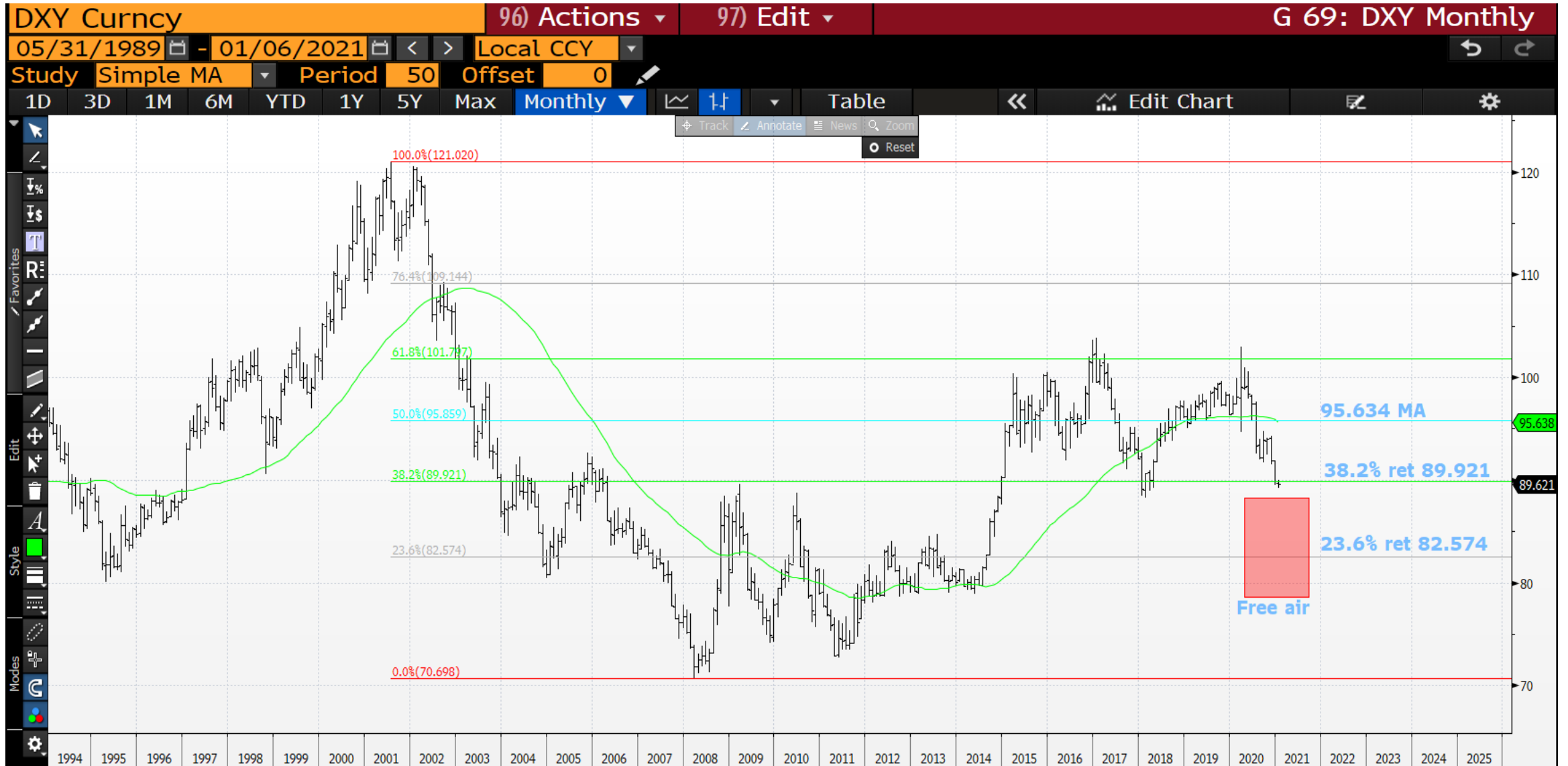
USD MXN monthly : One to watch if the 50 period MA-38.2% ret 19.7005 is eventually breached, then its free fall time!



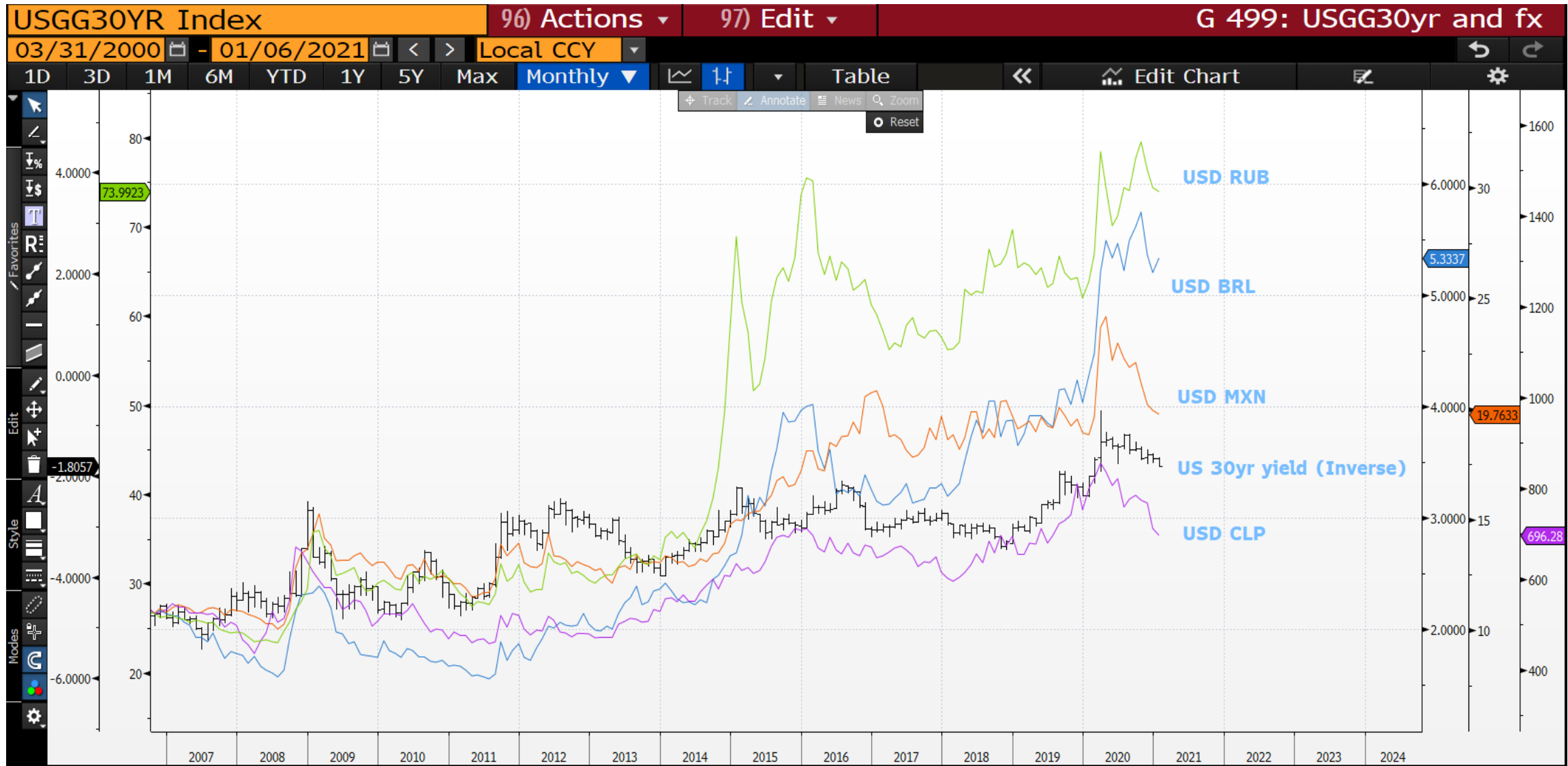
USD ZAR monthly : Over time have found this to be a VERY TECHNICAL cross. The 14.4053 moving average is proving its worth and should be breached soon.



DXY monthly : We have BREACHED the MULTI-YEAR 38.2% ret 89.921 already, next stop the 23.6% ret 82.574.



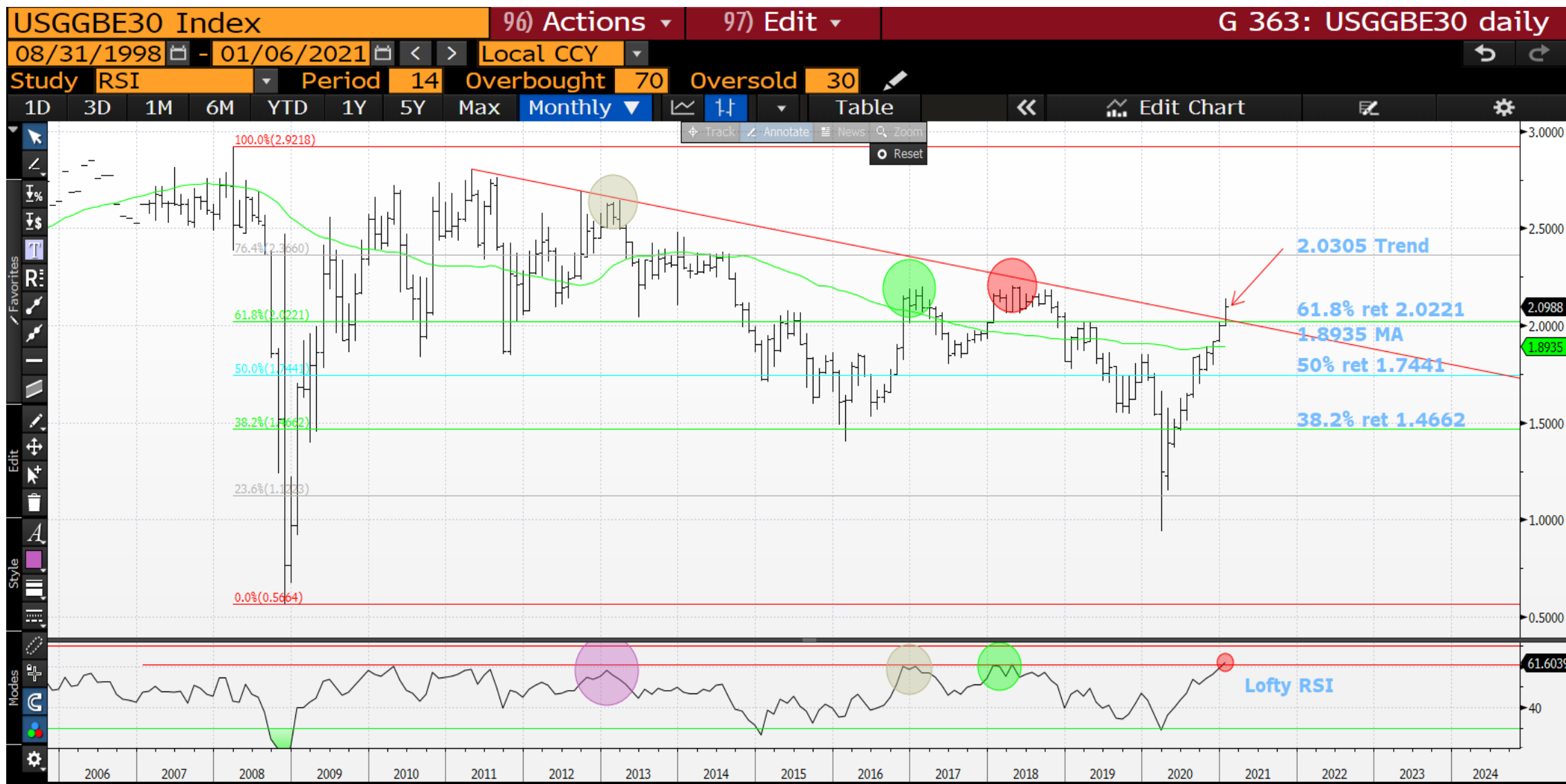
US 30yr (inverse yields) overlay USD vs RUB,BRL,MXN,CLP monthly :
With the USD seeing further weakness if should mean Bond Yields rally.



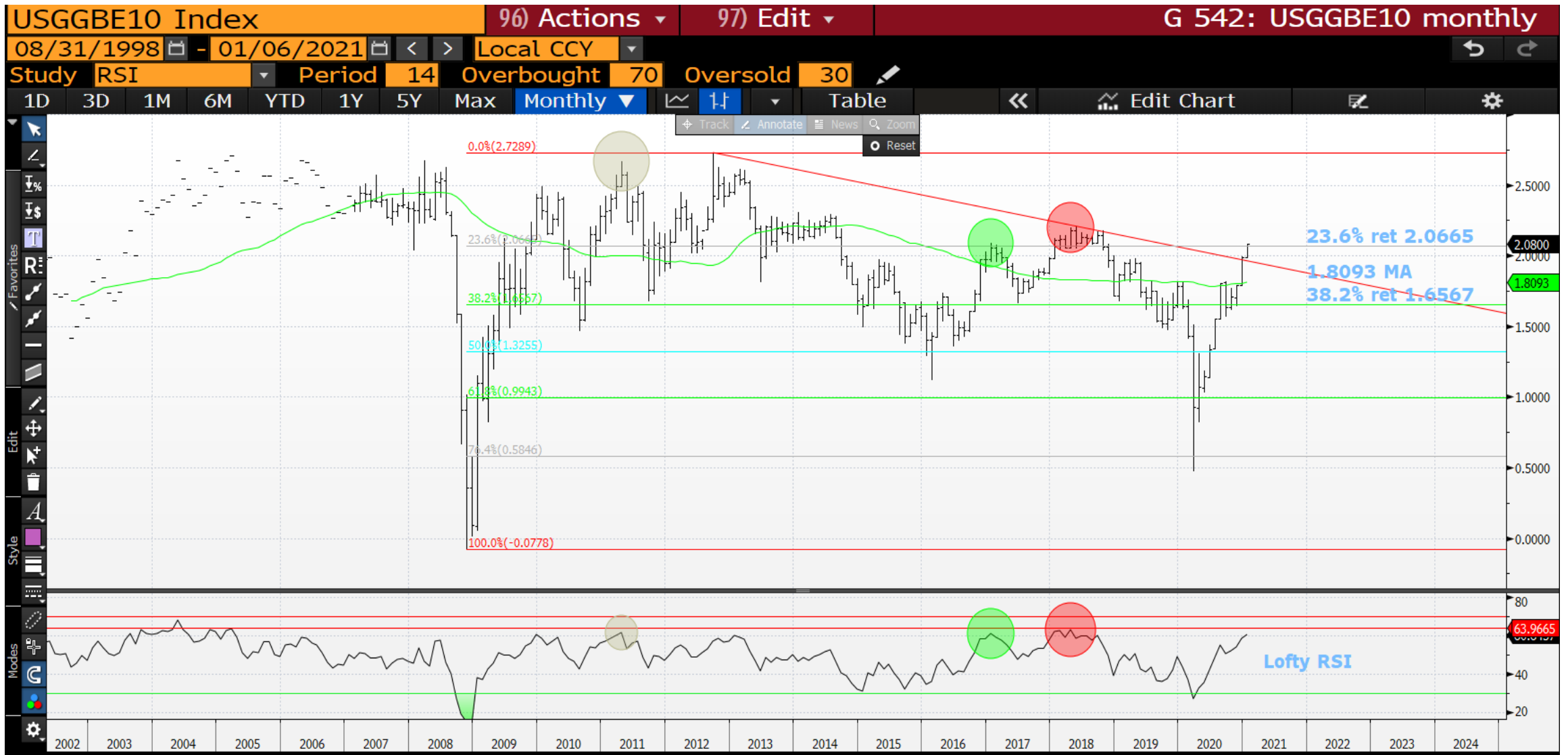
US BREAKEVENS AND USGGT : THE NEXT FEW CHARTS HIGHLIGHT SOME VERY MAJOR HISTORICAL RSI DISLOCATIONS, CERTAINLY WORTH BEARING IN MIND.



UKGGBE30 monthly : The RSI dislocation is very apparent and RARE so all eyes on this month close, especially if WEAK.



USGGBE10 monthly : This RSI isn't as lofty as before BUT we are hitting resistance levels.



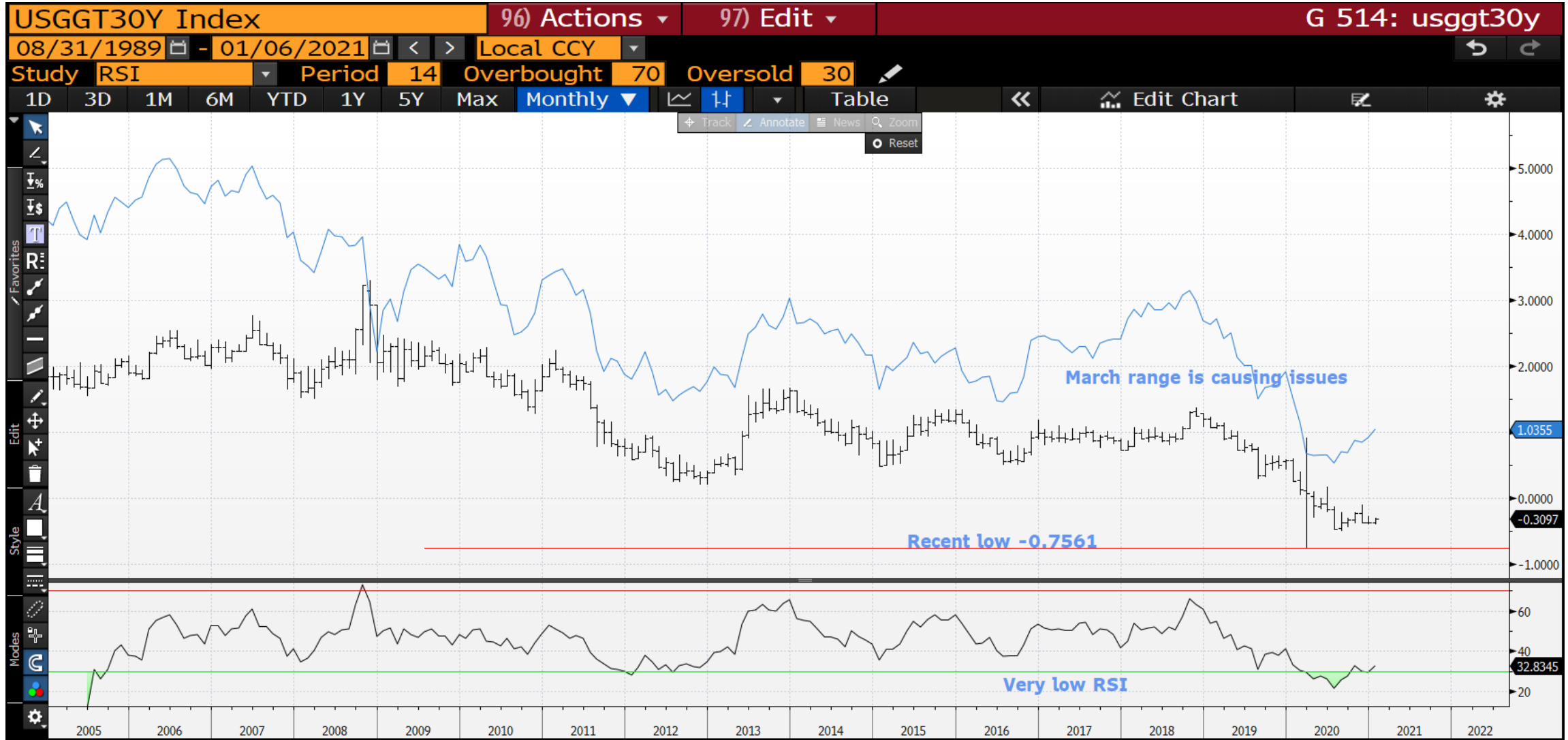
USGGT05Y and 5yr yield monthly : We probably need to revisit the 2012 low -1.8377 to initiate the RSI to move the market higher again. A RARE dislocation.



USGGT10 and 10yr yield monthly : We are finding support at the previous low AIDED by the RSI dislocation.



USGGT30Y and 30yr yield monthly : We are holding in well aided by the RSI.



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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