

BOND UPDATE : YESTERDAY WAS HUGE DAY ENDORSING SOME VERY MAJOR TECHNICAL LEVELS ESPECIALLY IN US CURVES-SWAPS CURVES, NOW ITS TIME TO ADDRESS THE YIELD DISLOCATION AND POTENTIALLY TRAPPED VOLUME SHORTS! ALSO “TAKE NOTE” WHEN LOOKING AT THE MONTHLY SWAPS AND CURVE CHARTS WHAT HAPPENED IN 2008! NEARLY ALL CHARTS HAVE THE SAME RSI DISLOCATION AS THEN, THIS IS A “TURNING POINT”.

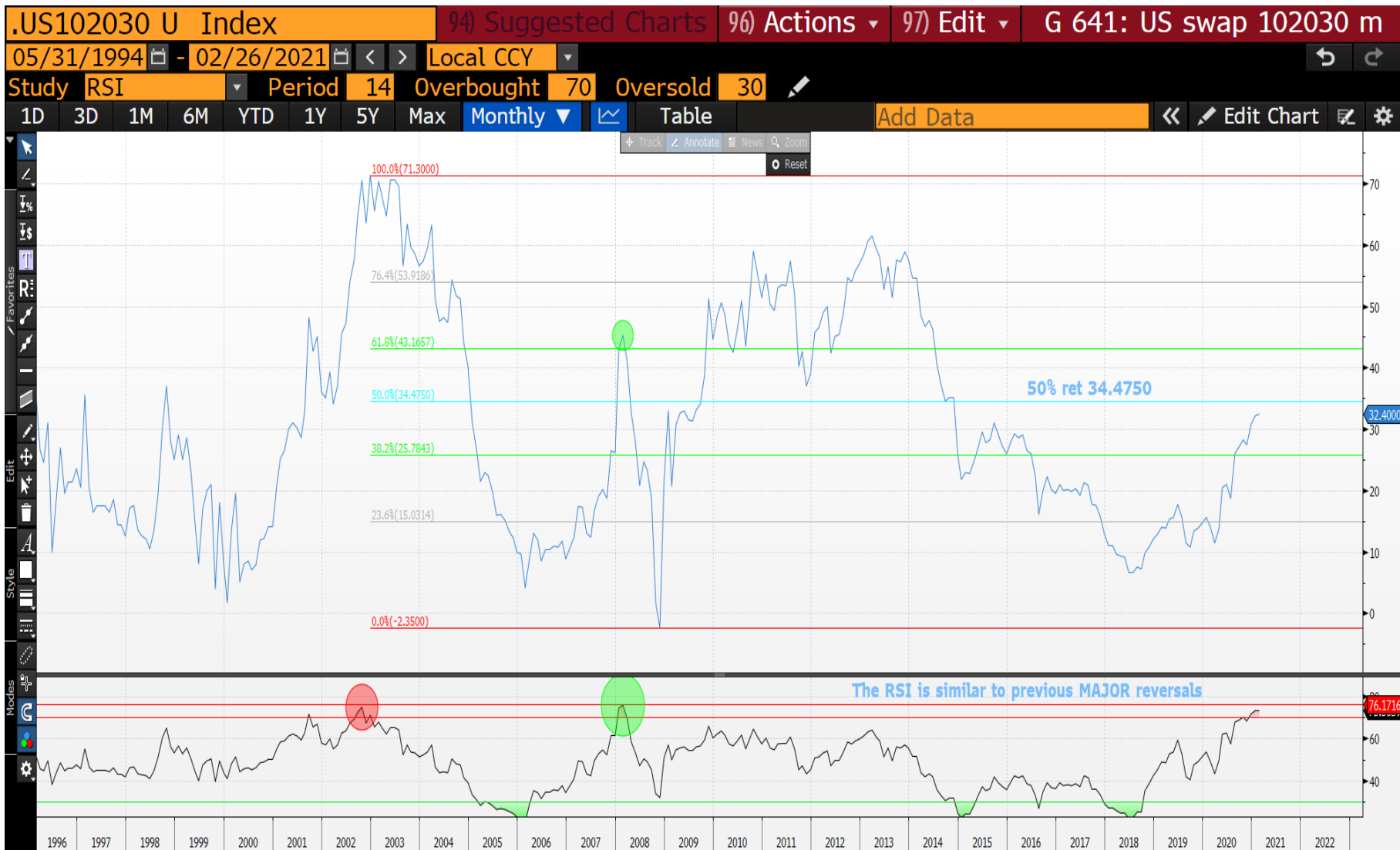
*****A MAJOR STAND-OUT IS THE MONUMENTAL VOLUMES ROLLED THIS TIME AGAINST LAST NOVEMBERS ROLL! IT HAS BEEN WELL DOCUMENTED THE VOLUME IS FRESH SHORTS, CTA’S HAVE BEEN MUSHROOMED THEIR POSITIONING. THIS SQUEEZE COULD HURT AND AS PER THE SWAPS 102030 FLY THE 20YR SECTOR OFFERS THE GREATEST VALUE. *****

THE NEXT BIG QUESTION IS WHAT WILL DRIVE A BOND RALLY NOW THAT THE CURVES HAVE PEAKED, ALL EYES SHOULD NOW BE FIRMLY ON STOCKS, THESE COULD SEE A MAJOR FALL FROM GRACE.

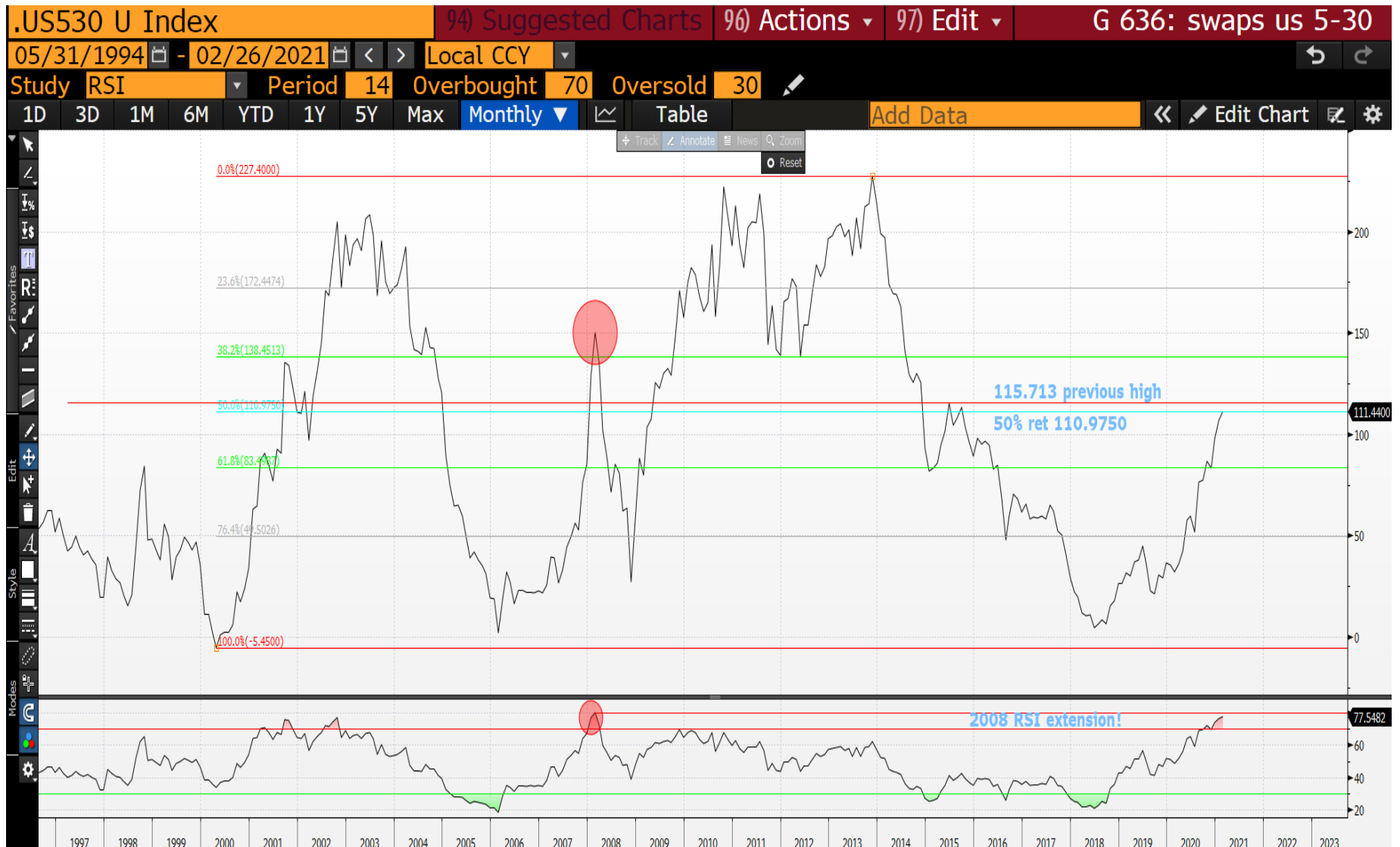
How Ugly Will It Get: CTAs Are The Most Short Treasury's Since 2018... And Getting Shorter

<https://www.zerohedge.com/markets/how-ugly-will-it-get-ctas-are-most-short-treasurys-2018-and-getting-shorter>

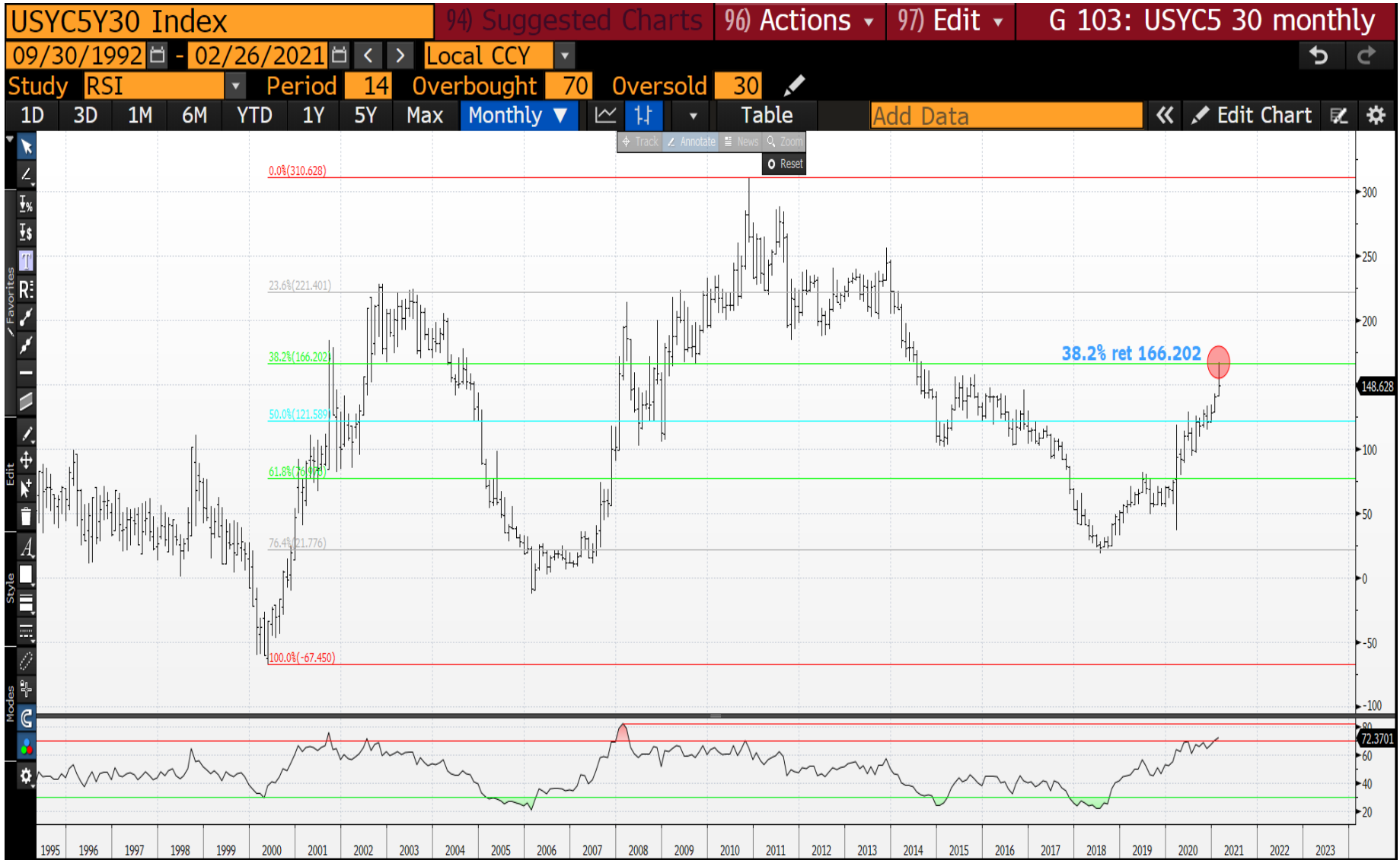
US102030 Swap monthly : This is a HUGE statement chart especially if we EVENTUALLY stall given the 2008 RSI extension. We have rejected the 50% ret 34.4750 nicely and this will be “etched” in stone as today is month-end. Is this 2008 all over again?



US 5-30 Swap monthly : The RSI worked well as we have rejected the 50% ret 34.4750. If this TOP survives then we have along way to go! Is this 2008 all over again!

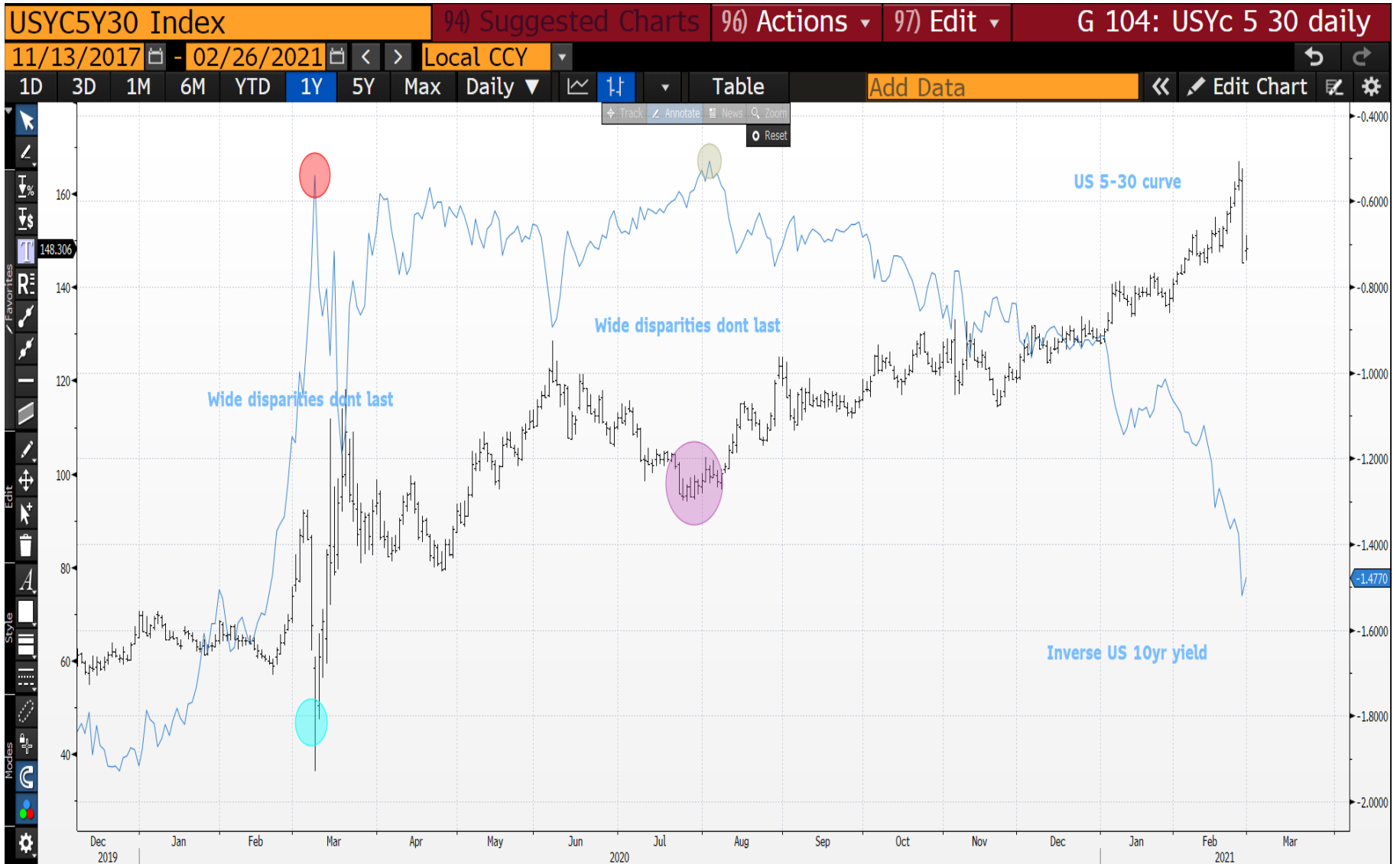


US 5-30 curve daily : Carnage of a flattening as we hit the MULTI-YEAR 382.5 ret 166.202.



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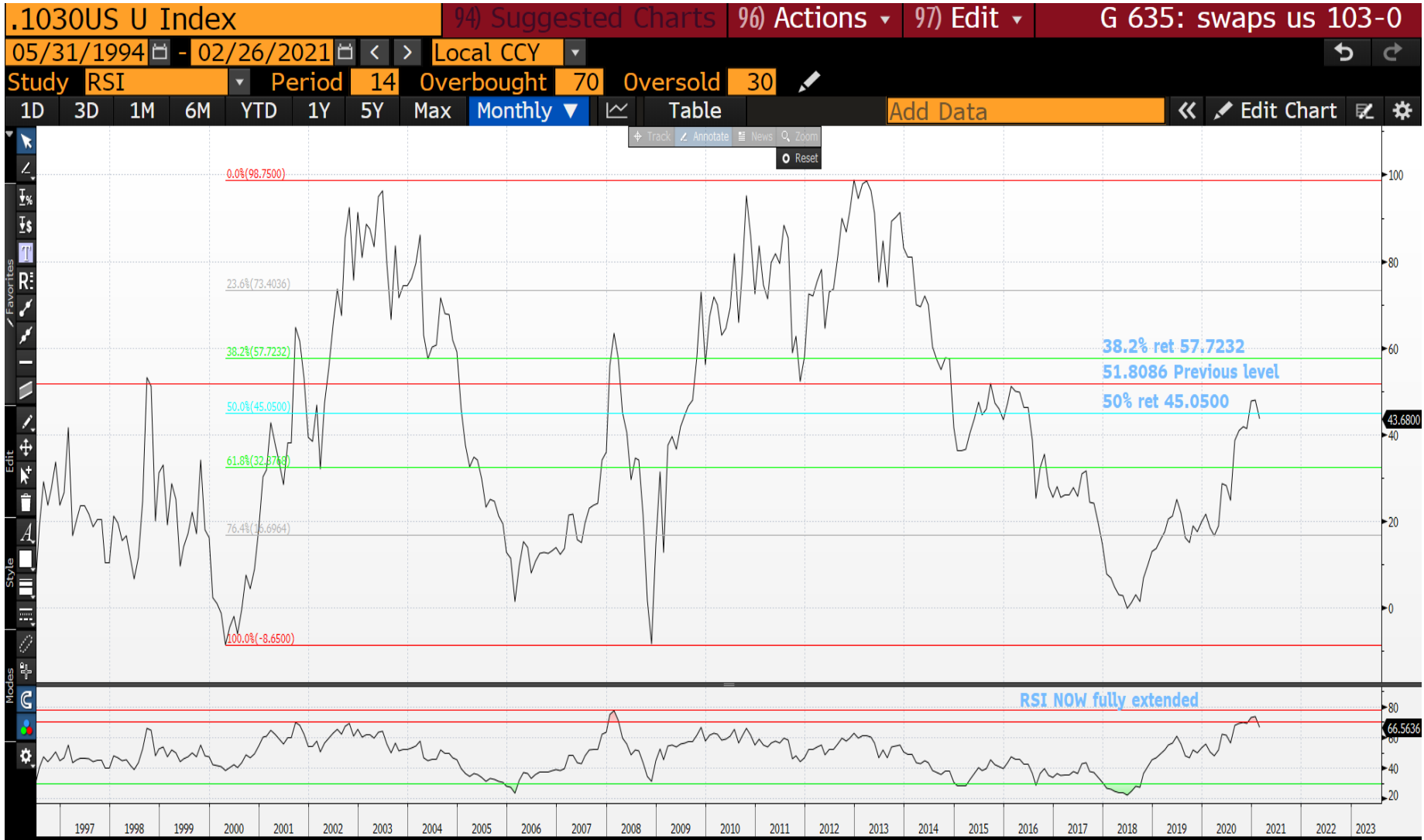
US 5-30 curve overlay with inverse US 10yr yield daily : We didn't take long in REDRESSING this anomaly, it would be good if yields could help more.



US 10-30 curve daily : The RSI is lofty as we HIT the multi year 38.2% ret 89.115.



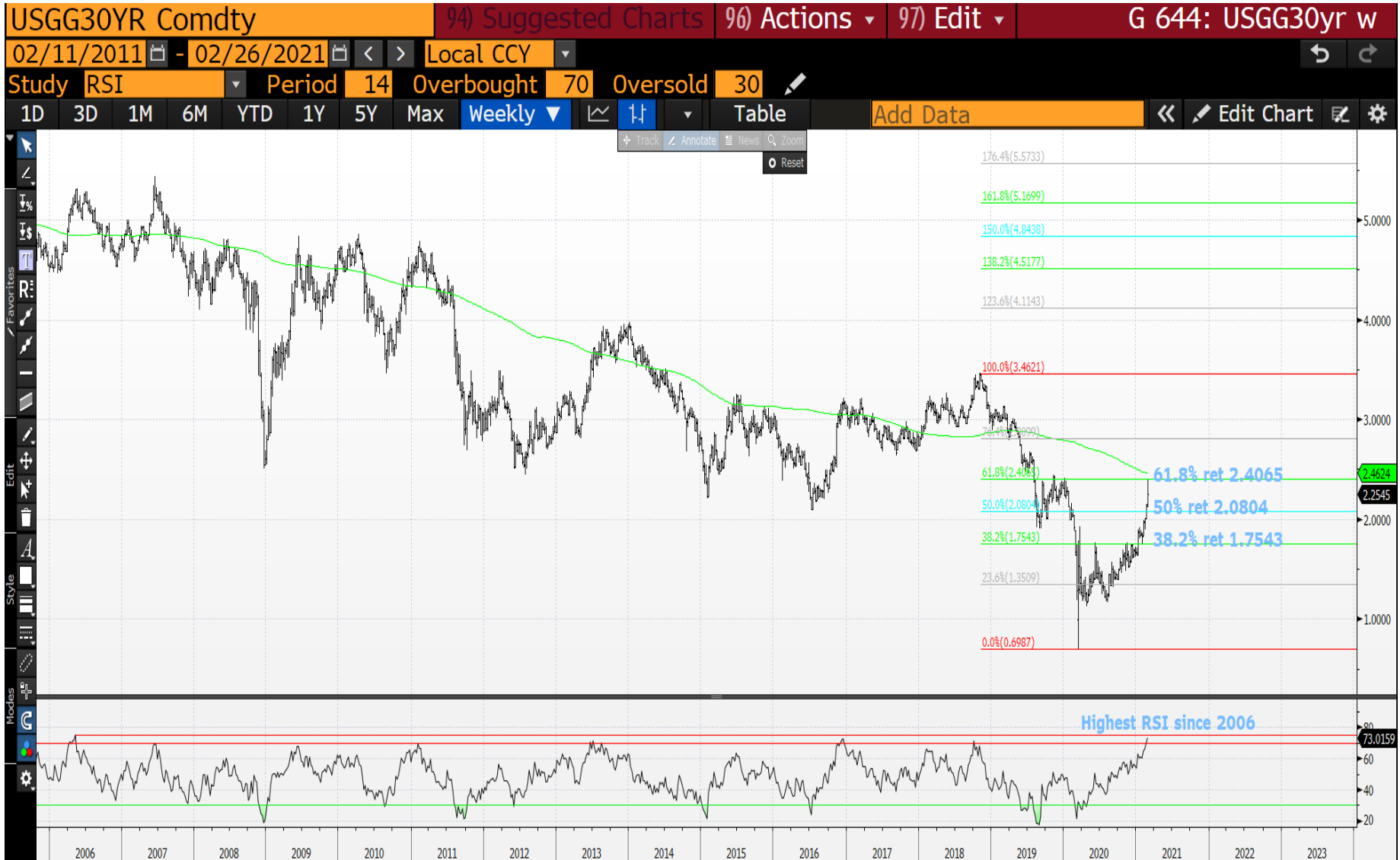
US 10-30 Swap monthly : The RSI is similar to 2008 and we have failed to breach the 51.8086 previous high.



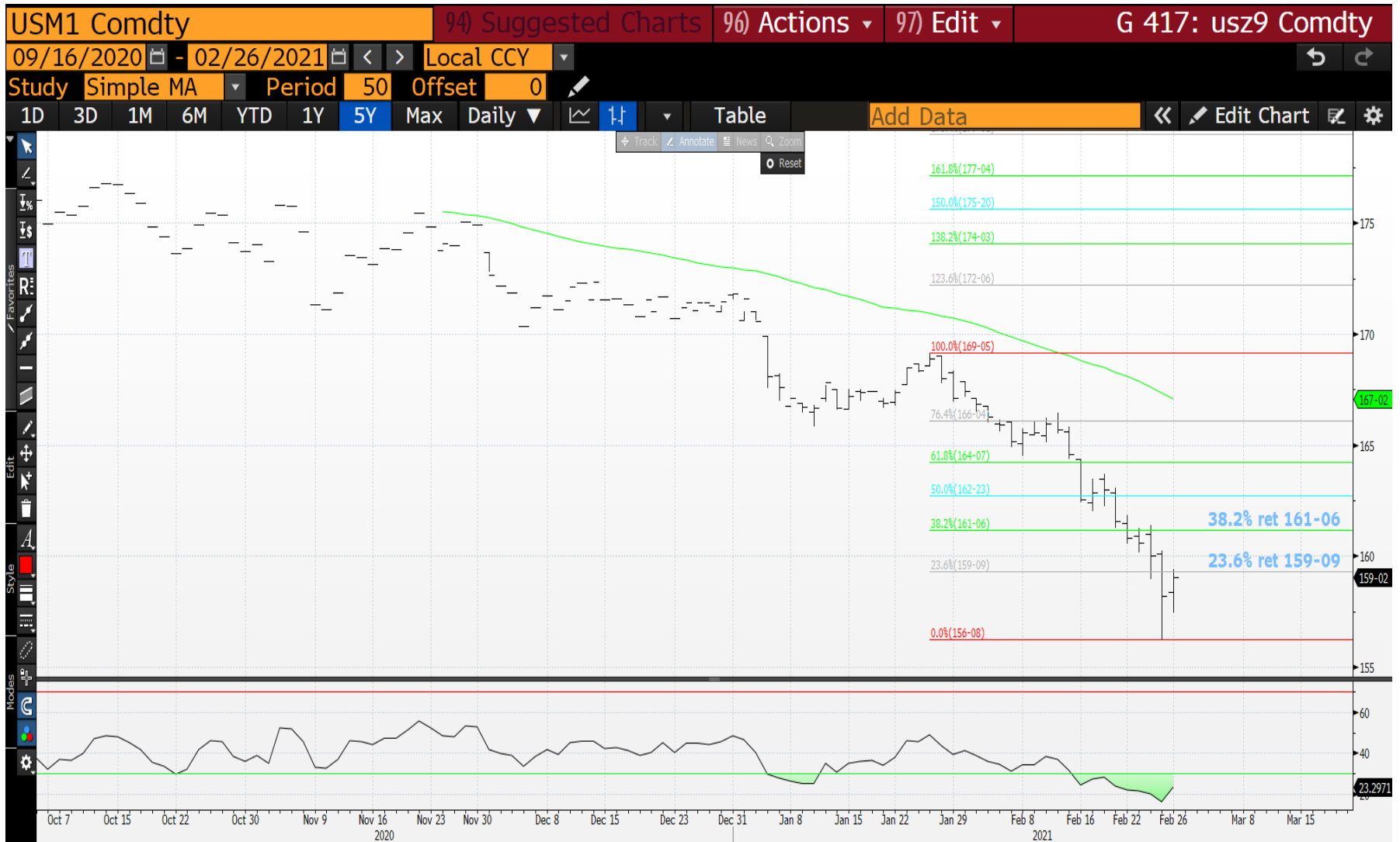
CAD 10yr daily : One market that has a MONSTER dislocation given the last time it was this extended was 1994!



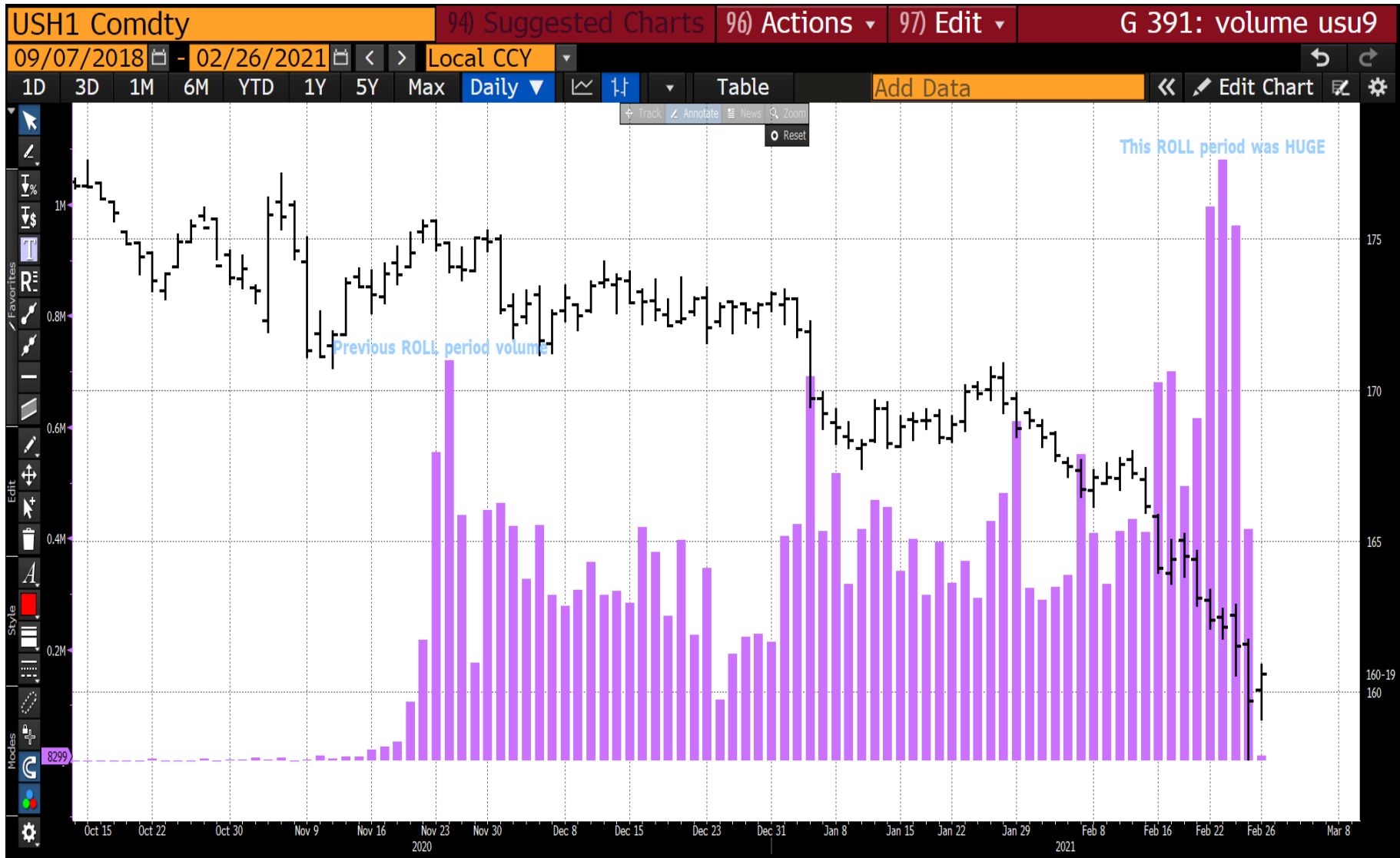
USGG30yr weekly : This should be time for yields to FALL given we have rejected the 61.8% ret-weekly 50 period moving average 2.4065. The big worry here is lets hope the latest RSI dislocation doesn't emulate that of 2018!



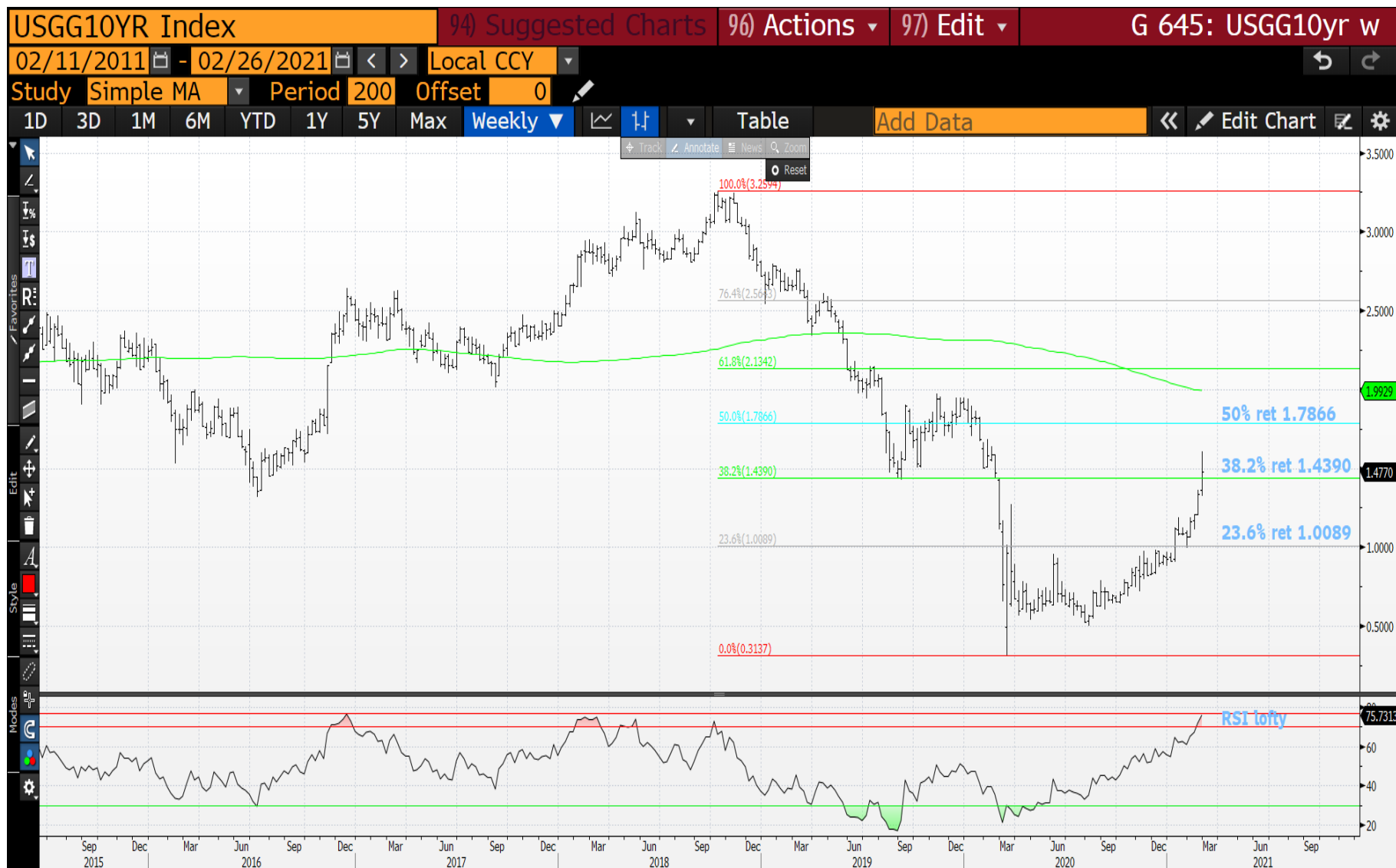
US 30yr futures daily : An extended RSI!



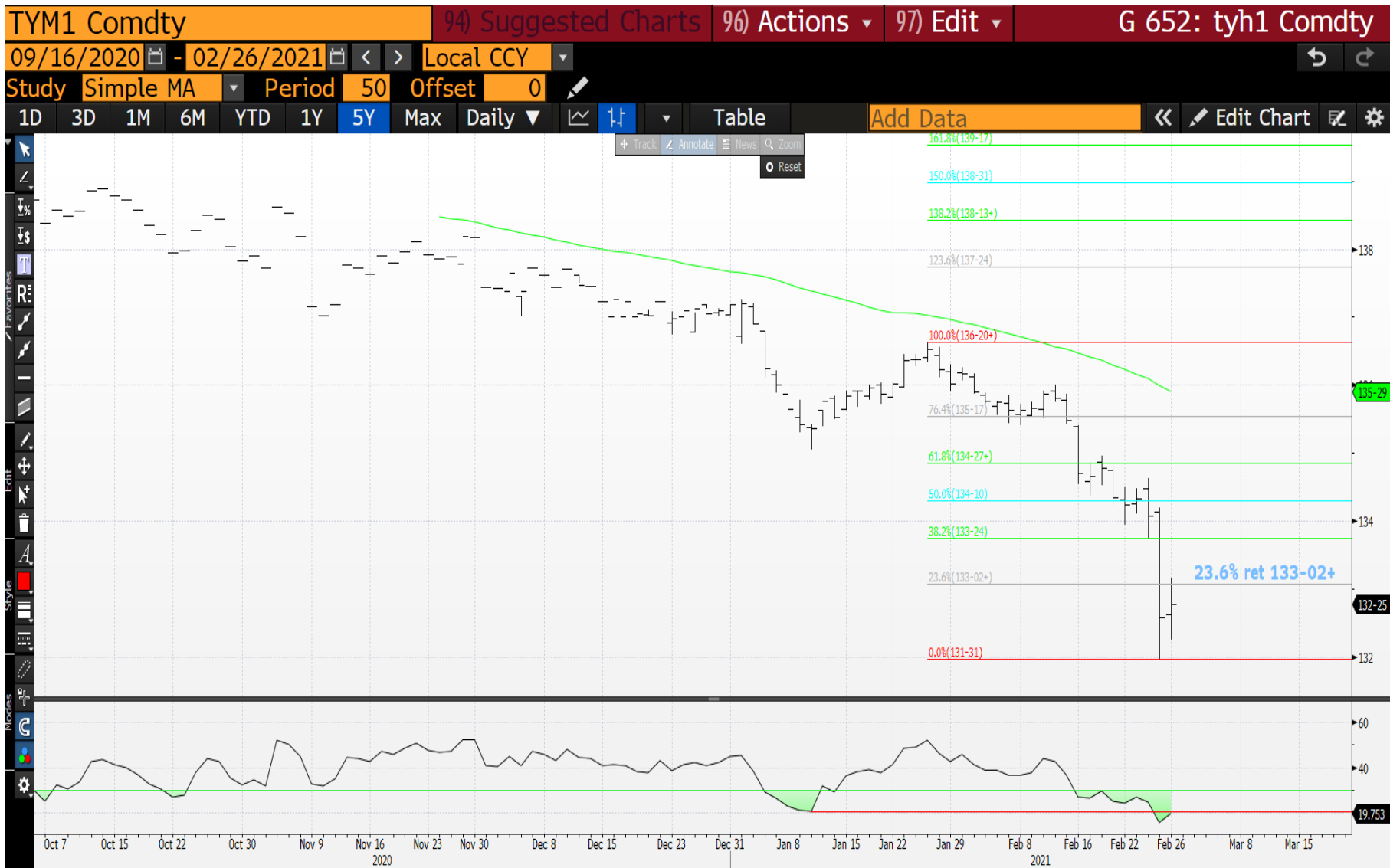
US 30yr futures and volume daily : The recent ROLL VOLUME dwarfs that of late November and as widely speculated in the news it is FRESH SHORTS.



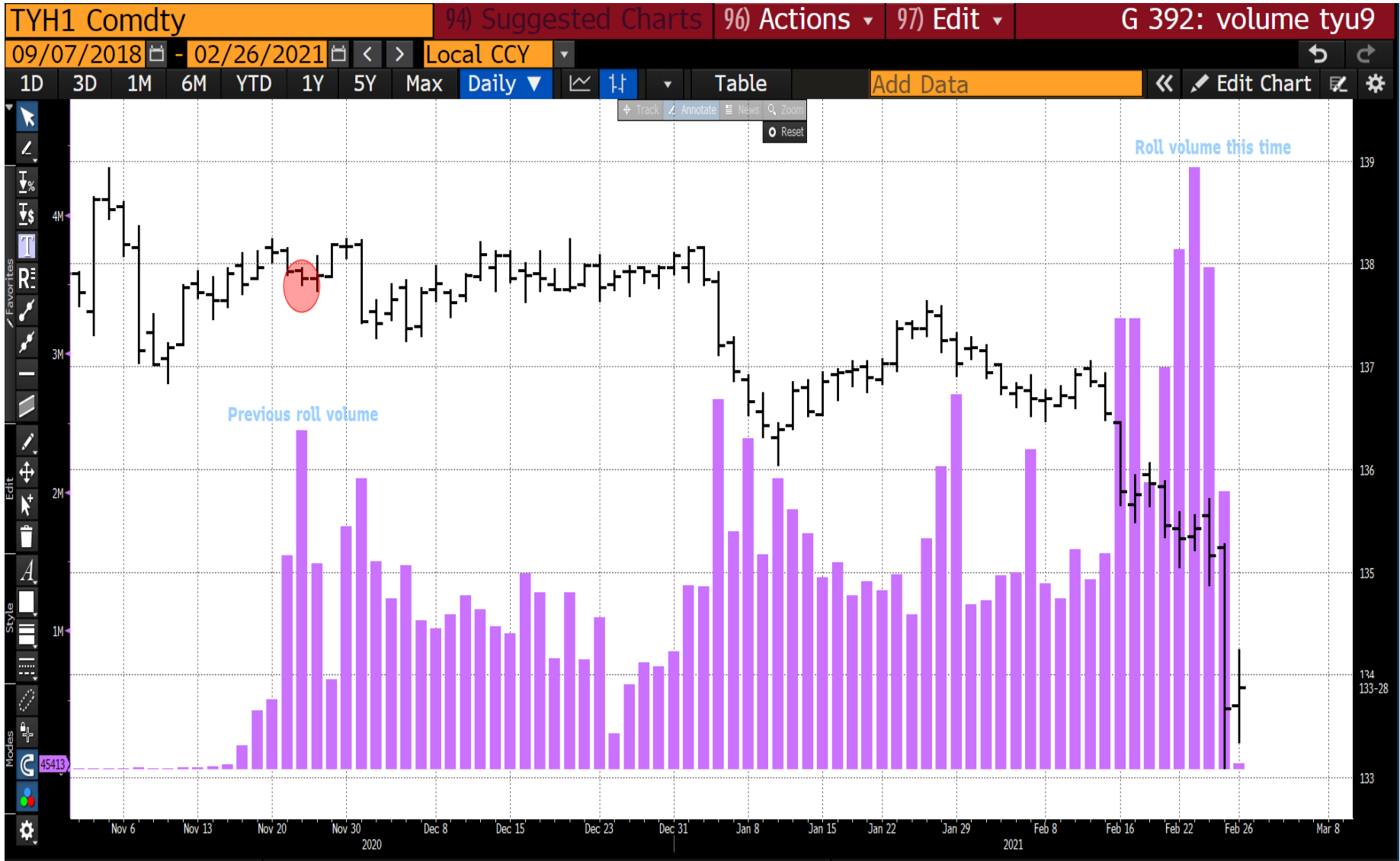
US 10yr yield weekly : Sadly no major levels hit but the RSI is certainly dislocated, sub the 38.2% ret 1.4390 will be key. Again lets hope this RSI dislocation does not formulate a 2018 style move!



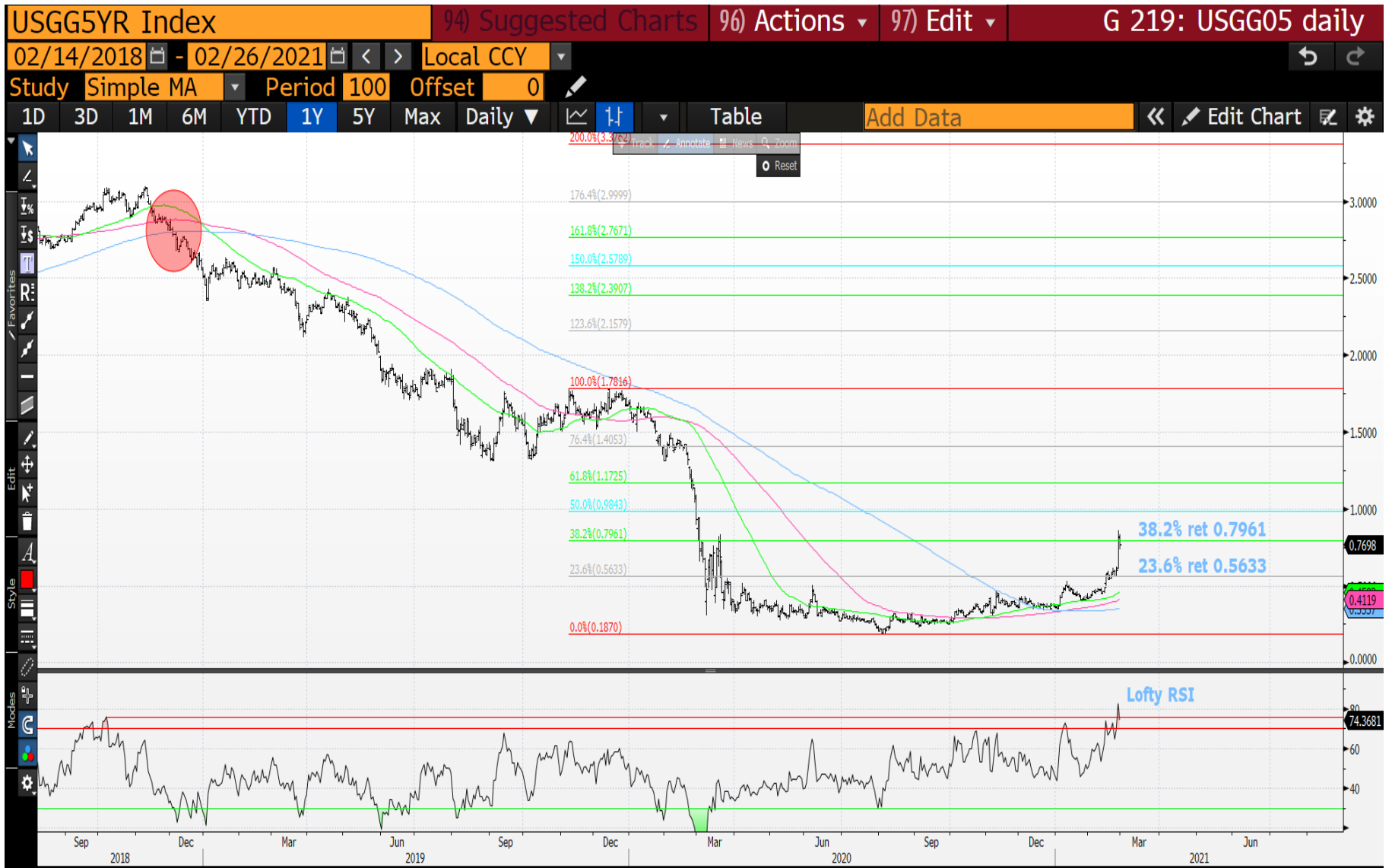
US 10yr futures daily : The RSI has NEVER been lower!



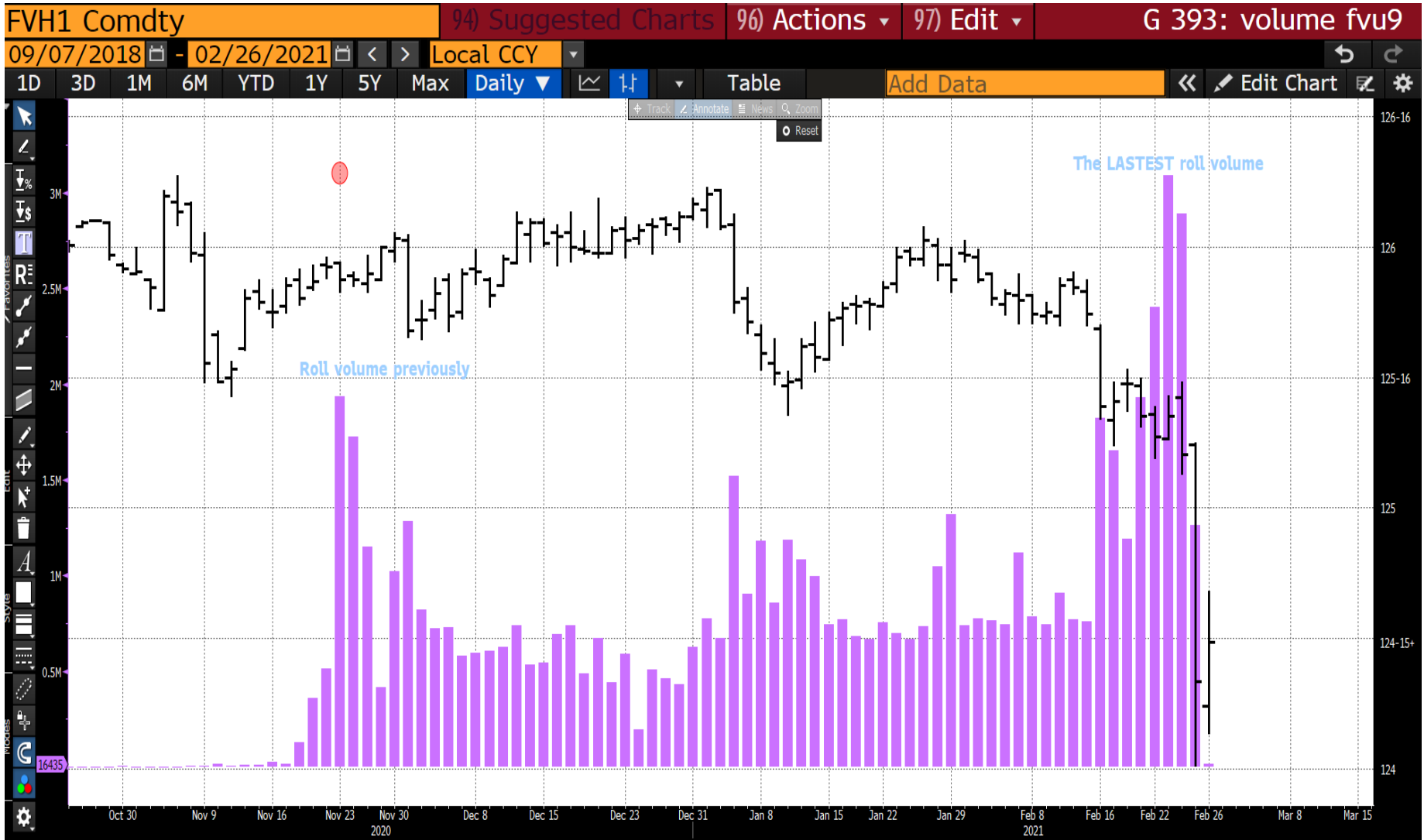
US 10yr futures and volume daily : The latest ROLL VOLUME creates a MASSIVE shadow over late November! ALL CTA shorts according to various news articles.



USGG5yr daily : Given the RSI dislocation NOW we should fail the 38.2% ret 0.7961.



USGG5yr daily : Not as dramatic as the previous ones but high volume indeed.



DBR 46 daily : Technically ready for a big rally.



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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