

BONDS YIELDS : TECHNICALS ARE CALLING FOR A PAUSE THE YIELD RALLY INITIATED IN MARCH 2020!

LAST WEEK I DISCOVERED THAT 20YR US BONDS WERE TECHNICALLY-HISTORICALLY “OUT OF SYNC” WITH 10’S AND 30’S, IF 20YRS BONDS BOUNCE THEN THE YIELD RALLY SHOULD STALL AND WE MUST BE DUE FOR A CORRECTION BY NOW.

A STEEPENING CURVE HAS ALWAYS BEEN AN “ASSIST” TO THE YIELD CALL HIGHER BUT THAT TOO IS NOW OVER BOUGHT!

WEEKLY YIELD RSI’S ARE THE KEY, ESPECIALLY IN THE BACKEND AS THEY HAVE FINALLY BECOME OVERBOUGHT.

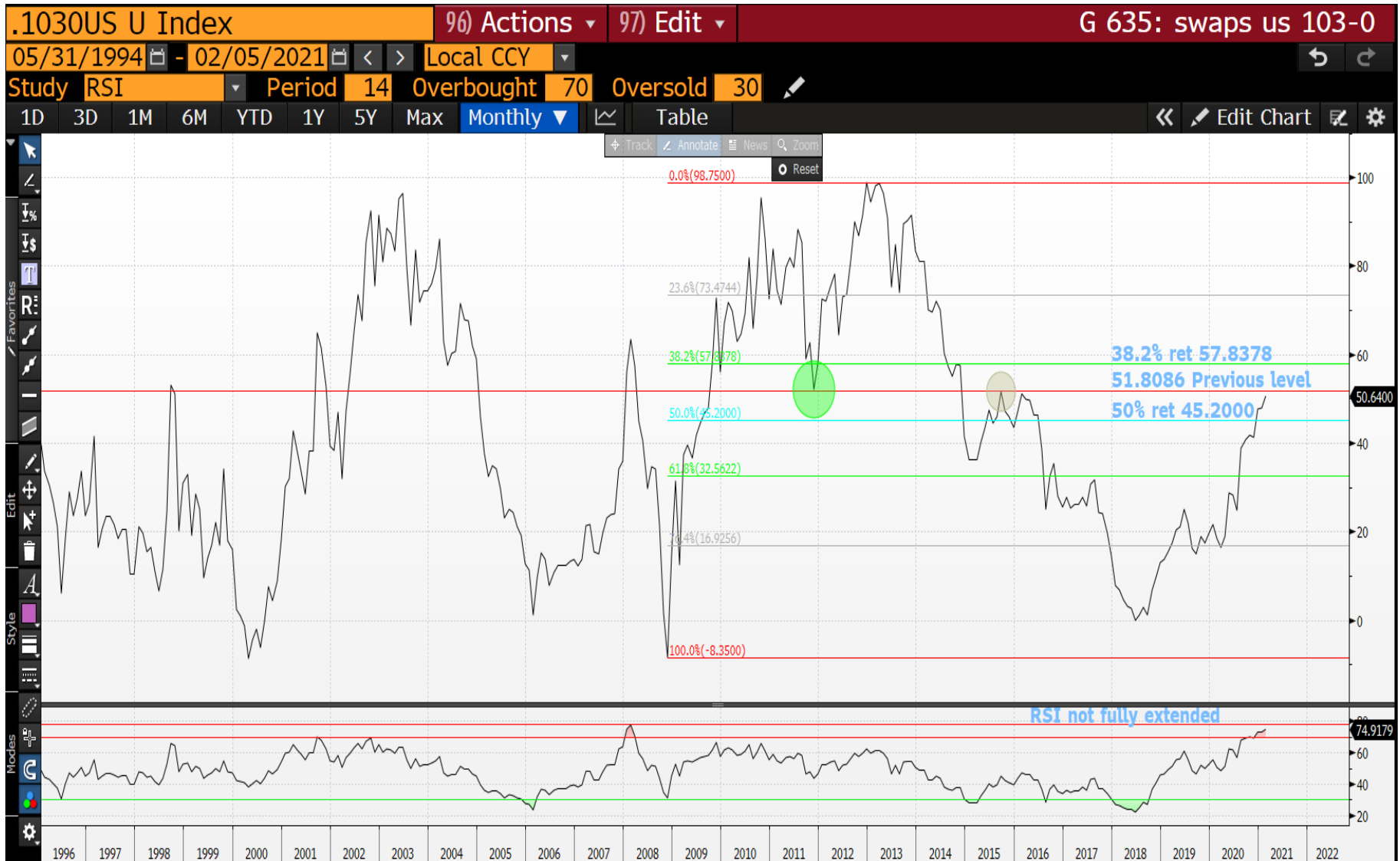
THE MONTHLY CHARTS STILL FORECAST HIGHER YIELDS FOR THE LATER PART OF THE YEAR!

ALL EYES ON THE DBR 46, THIS HAS ALWAYS BEEN A TECHNICAL FAVOURITE AND IT NOW HAS A RARE RSI DISLOCATION AS IT HITS A MULTI YEAR 38.2% RET 165.087.

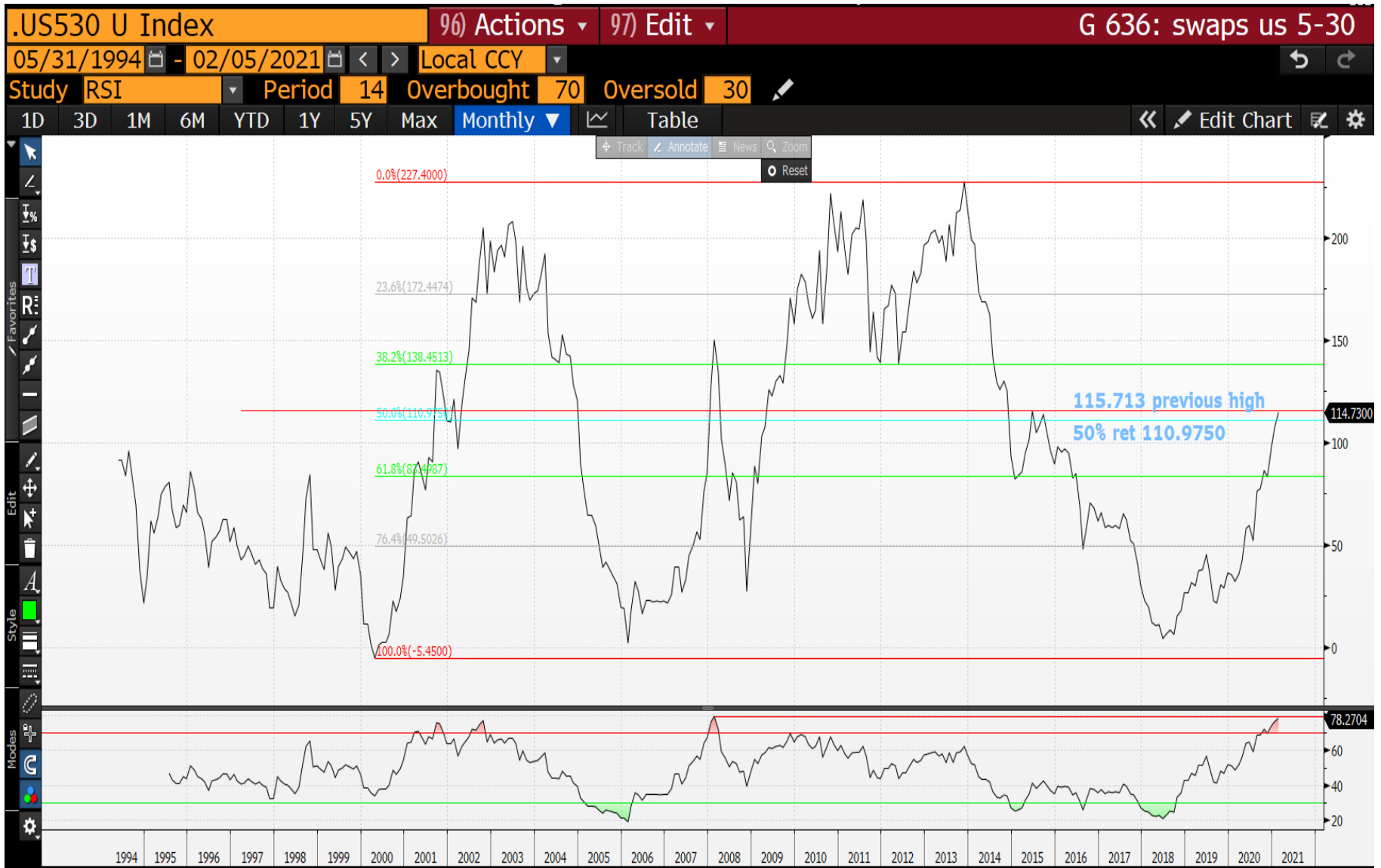
US102030 swap fly monthly : This is a HUGE statement chart especially if we stall at the multi year 50% ret 34.4750 and more worryingly emulate 2008. We haven't topped out yet but technically should do so, making the 20yr part of the curve cheap in respect to the "wings".



US1030 Swap monthly : We are obviously looking at a VERY RARE occurrence given the RSI and the reaction to this dislocation in 2008. it looks like the RSI will kick in soon and US curves start to flatten.

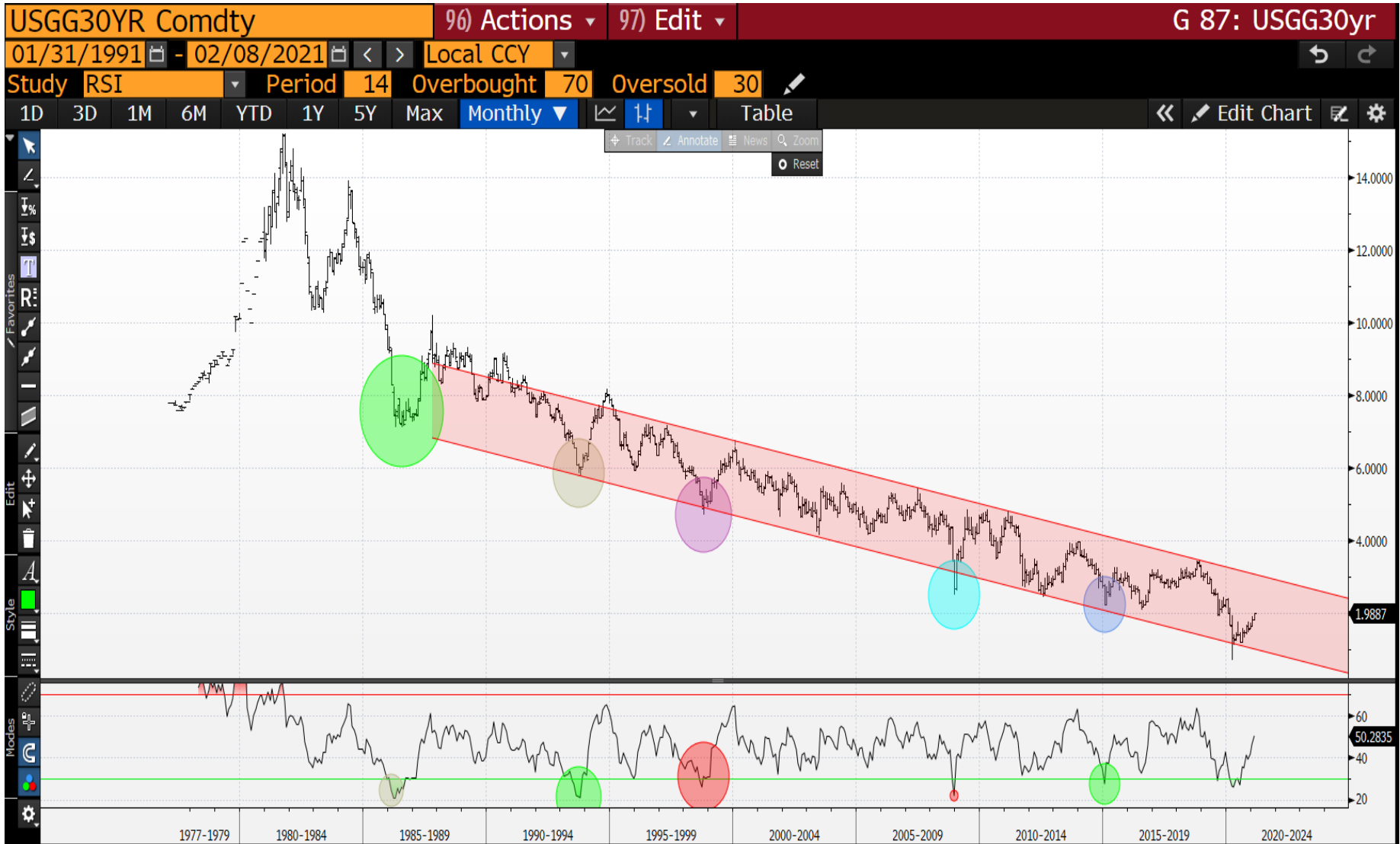


US 5-30 Swap monthly : This time the RSI is more lofty and close to that of 2008! We are also nudging the previous high 115.713. Again a flattening curve should mean the yield rally stalls.

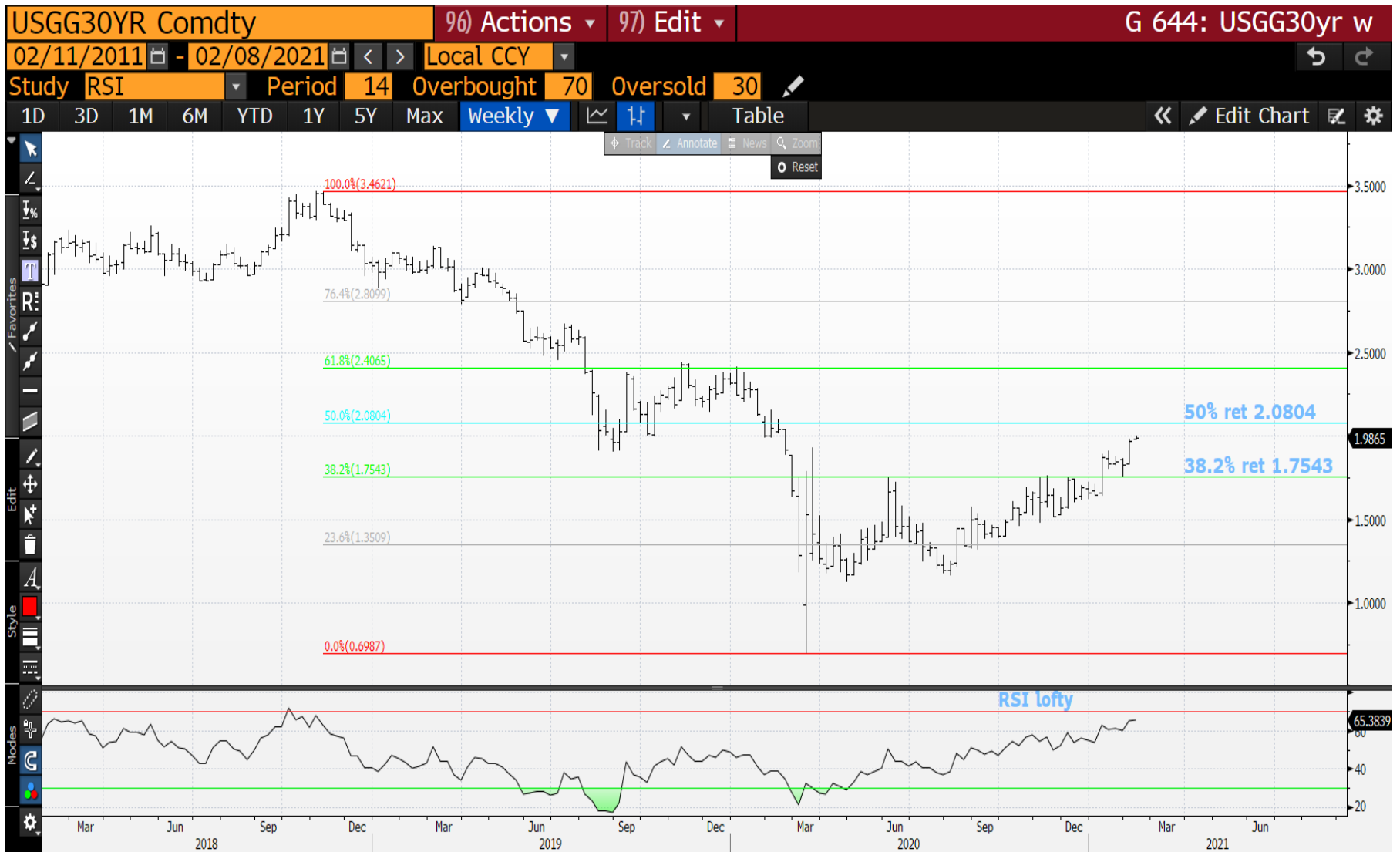


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USGG30yr monthly : The RSI still has room but we have come along way in a straight line since March 2020!



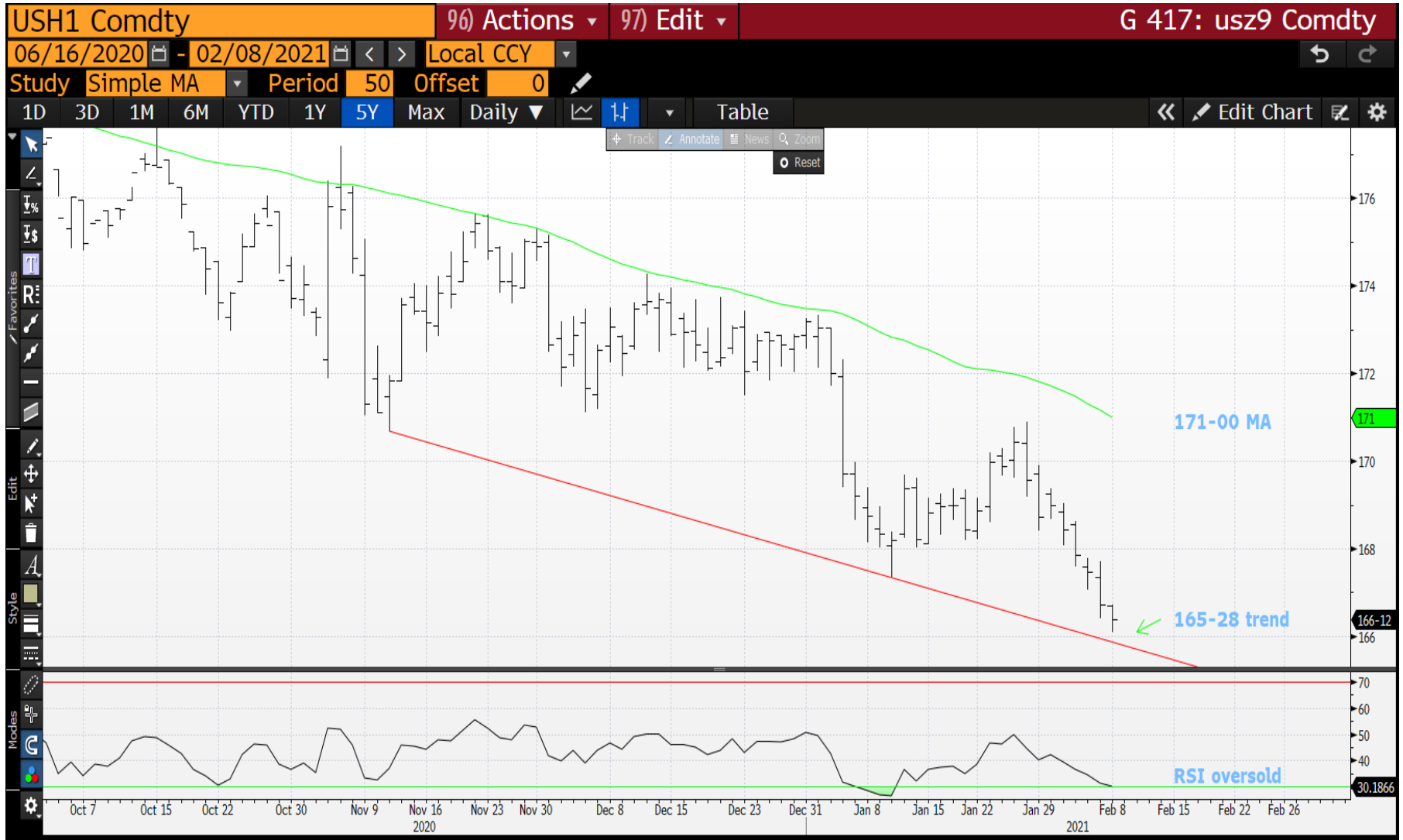
USGG30yr weekly : Probably the best duration chart to indicate fatigue so we are approaching an over bought RSI state and multi year 50% ret 2.0804.



USGG30yr yield daily : There is now additional conviction of a STALL from the lofty daily RSI.



US 30yr futures daily : We do have a new futures low BUT lets see how much room we have given the RSI and possible trend support at 165-28.

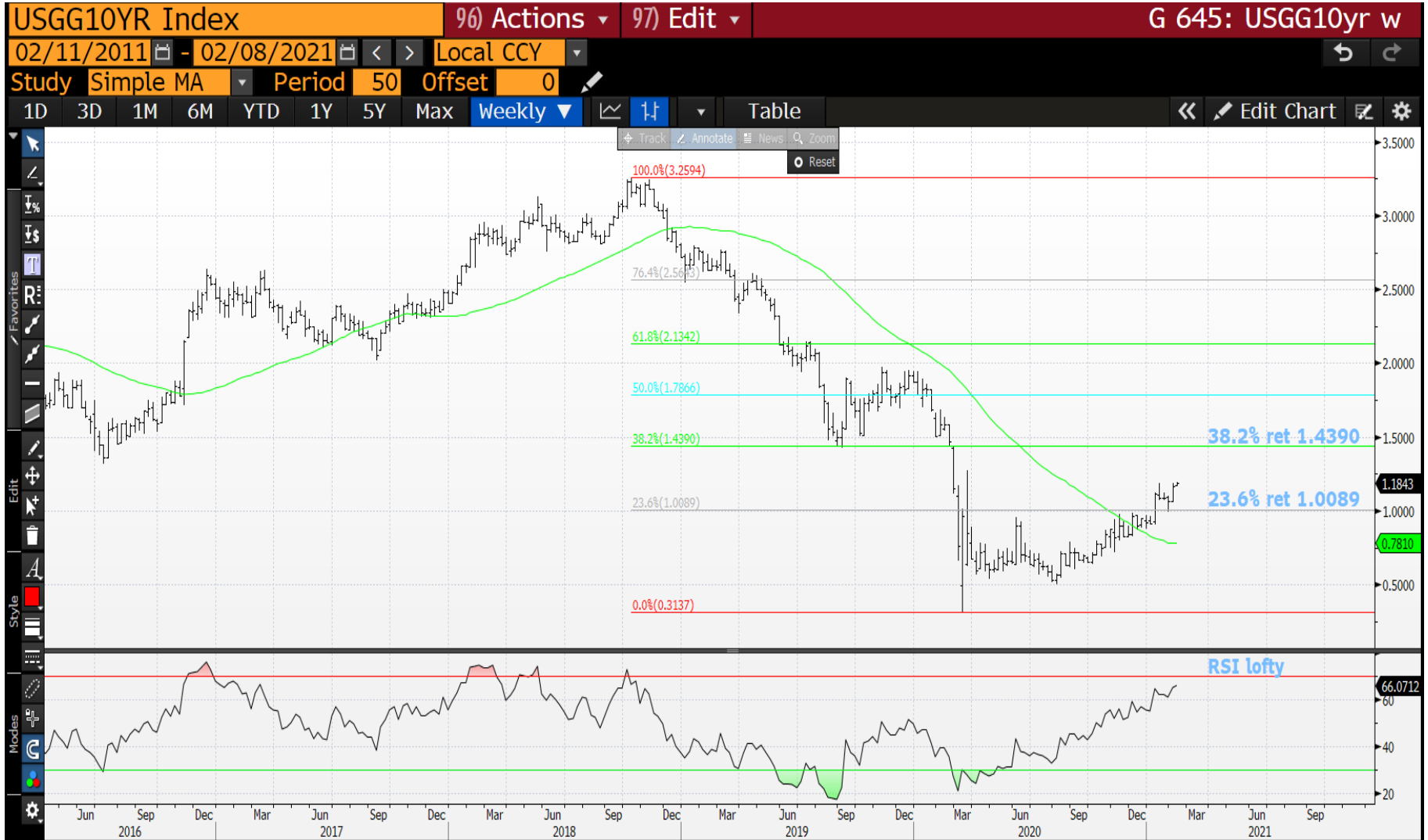


US 10yr yield quarterly : The RSI has plenty of room BUT it has been a straight line run since March 2020.

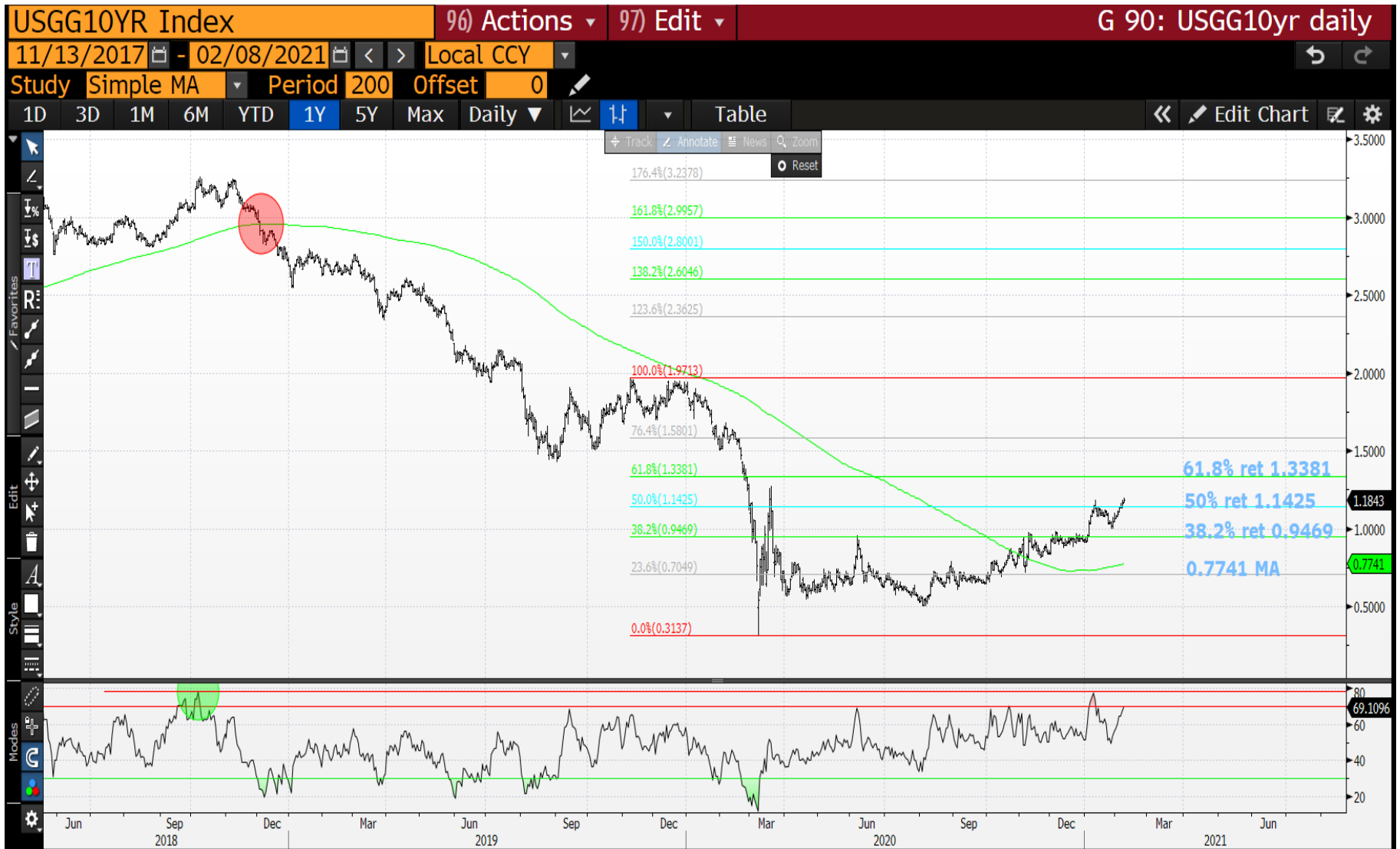


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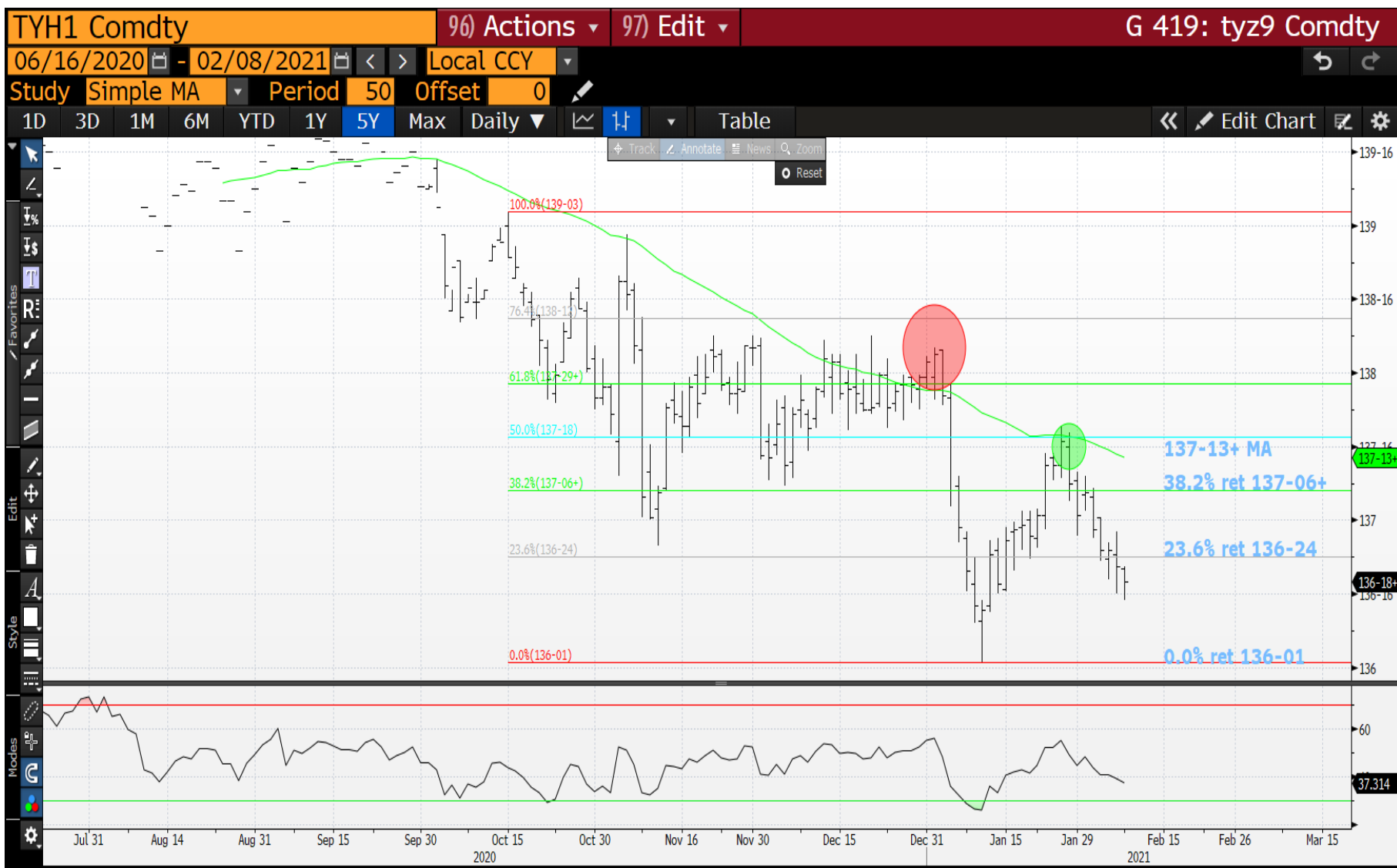
US 10yr yield weekly : The RSI is close to previous dislocations thus could be time to see yields STALL.



USGG10yr daily : Maybe a little more room in the RSI but certainly yields will fall MUCH further if the 50% ret 1.1425 is breached.



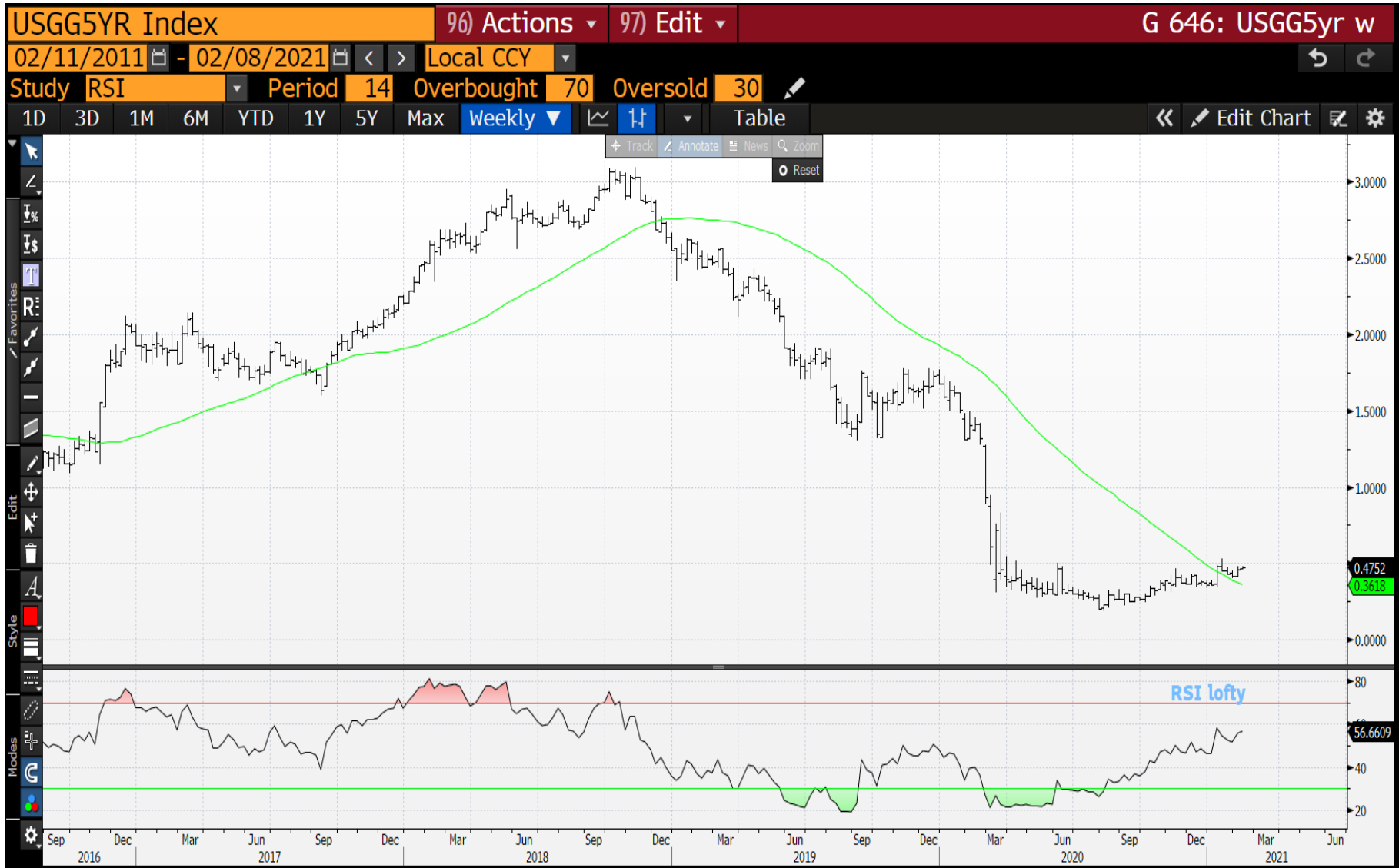
US 10yr futures daily : This RSI is pretty mixed but back above the 23.6% ret 136-24 mshould bring a halt to the sell off.



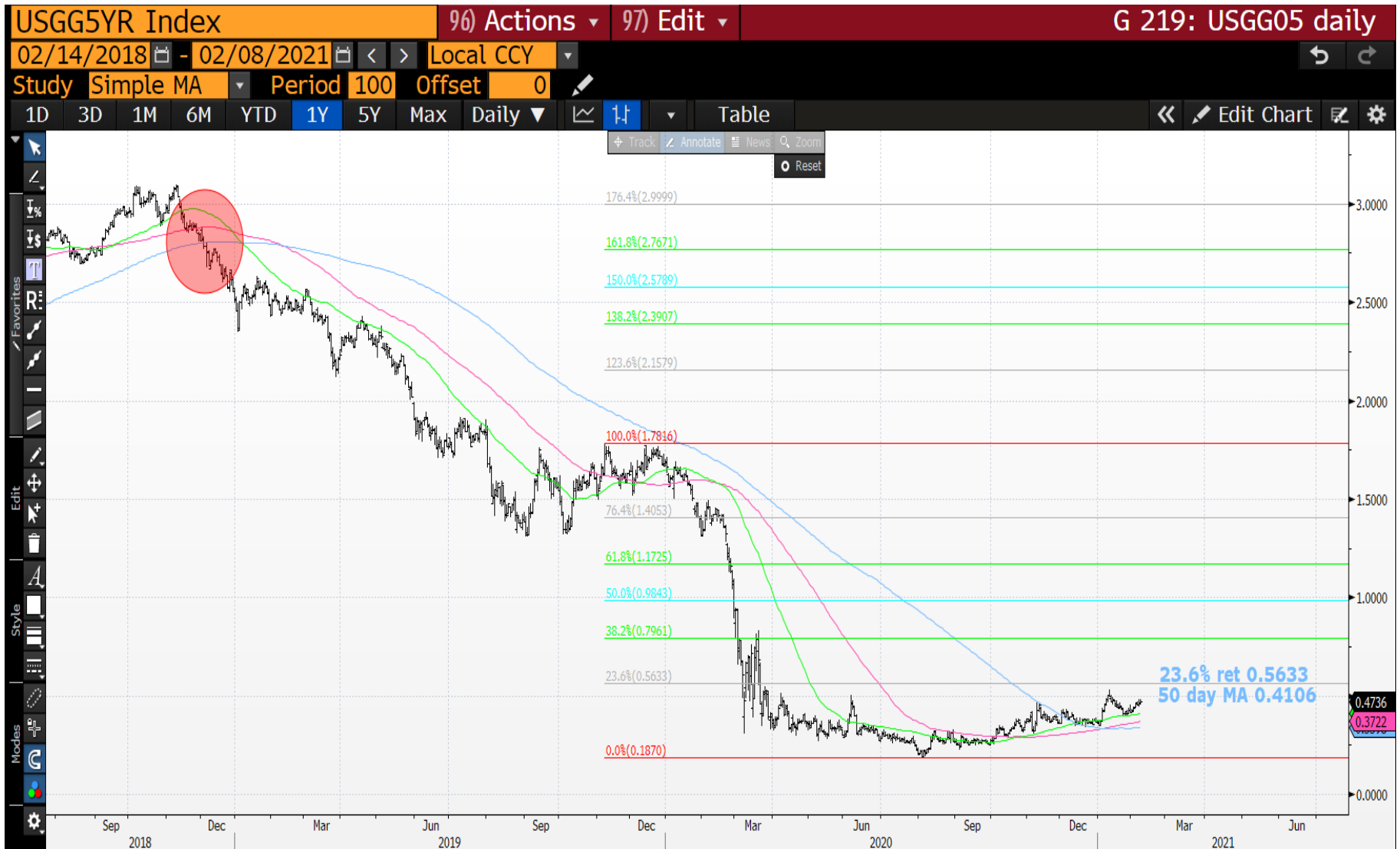
USGG5yr quarterly : There is still a huge amount of room in the RSI for yields to head higher.



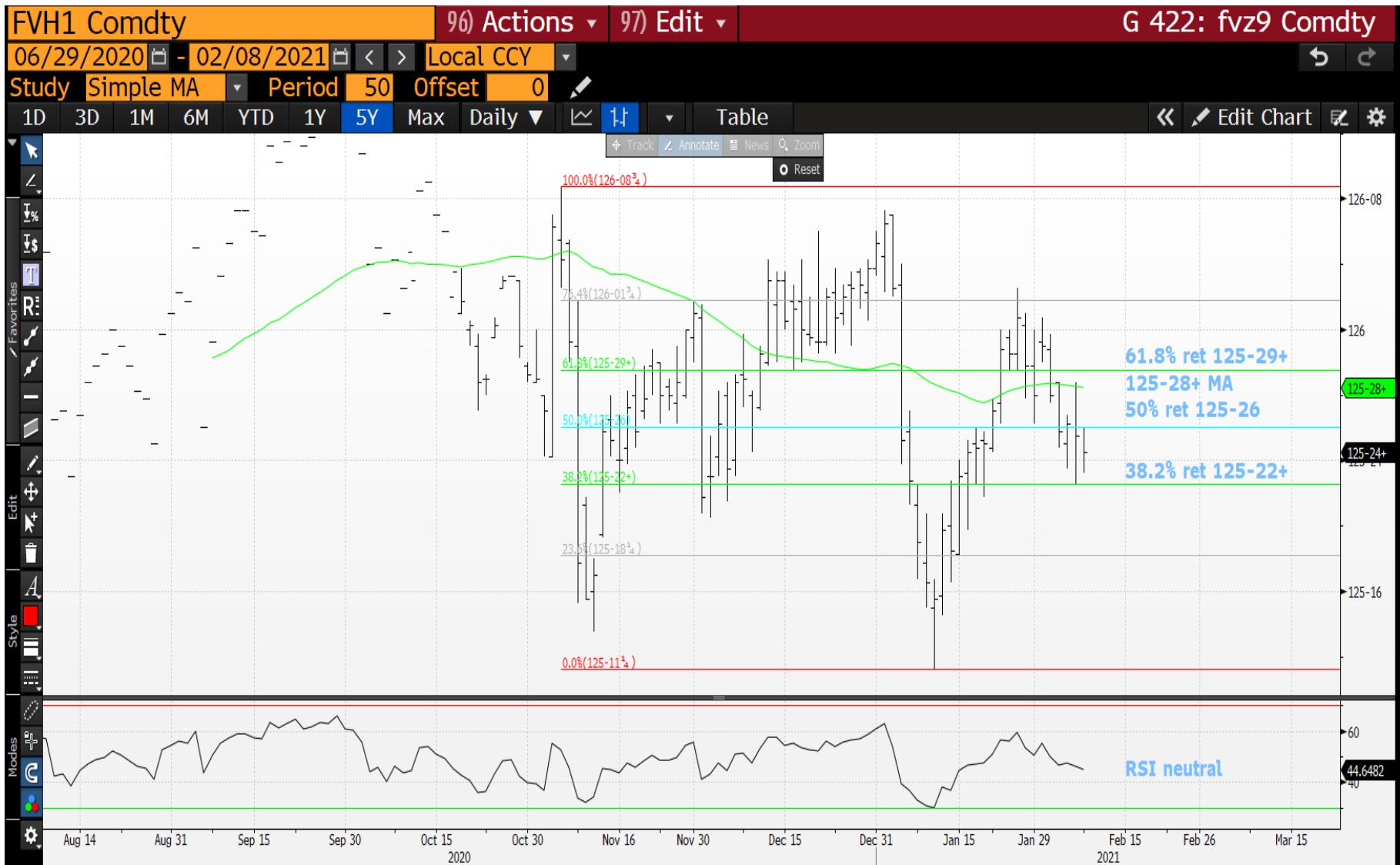
USGG5yr weekly : Not such a lofty RSI so lets see.



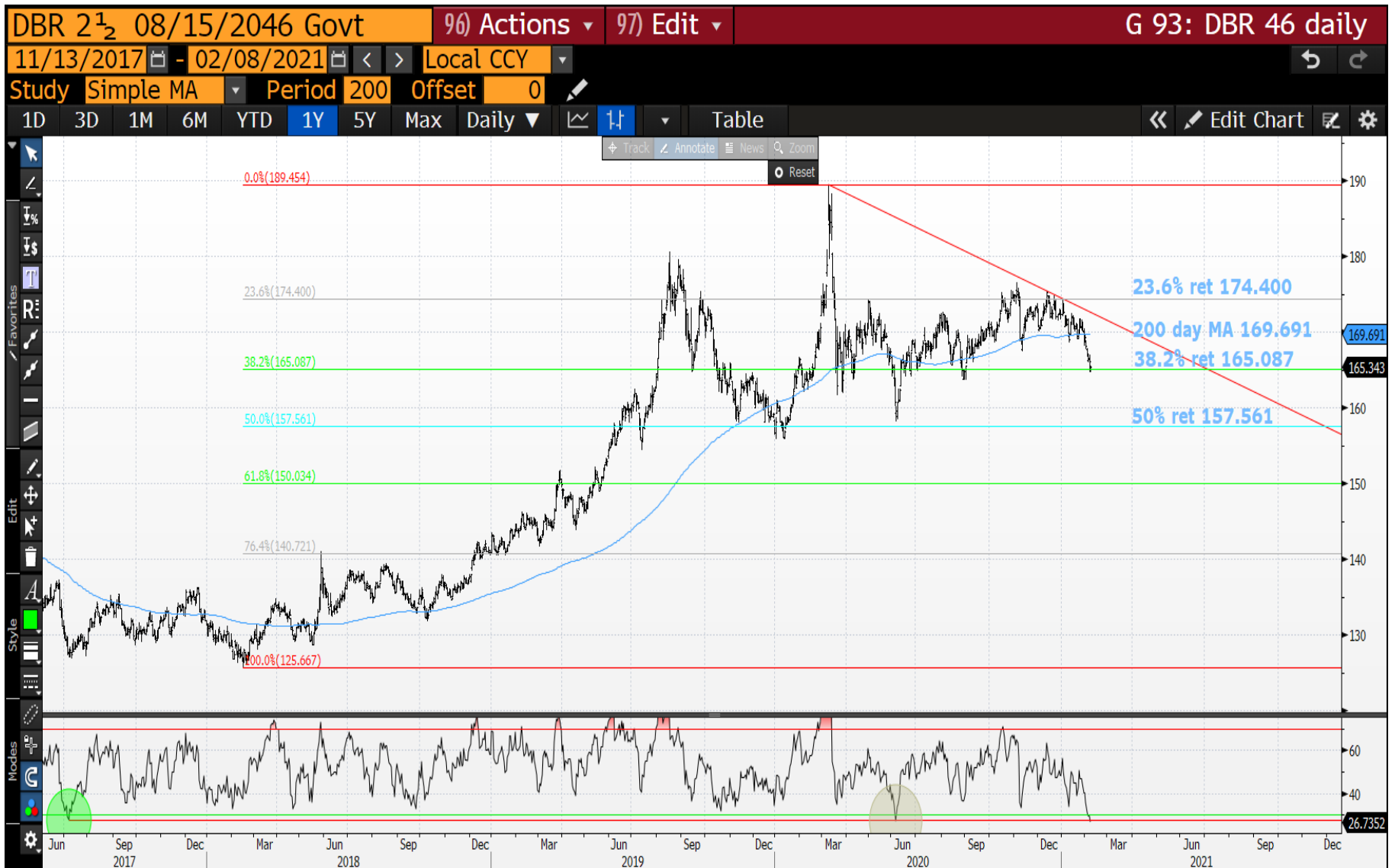
USGG5yr daily : It has been a nice HOLD of the 50 day moving average 0.4106 but little progress of late.



US 5yr futures daily : The RSI is now VERY neutral so very sideways, a lot higher is the 125-28+ MA is breached.



DBR 46 daily : A favourite chart as it seems to move VERY TECHNICALLY. This bond should HOLD given its technical capability on previous occasions. The RSI is an added bonus so we TECHNICALLY should hold and bounce.



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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