

BOND UPDATE : BOND YIELDS CONTINUE TO GRIND HIGHER THIS DESPITE NEARLY “ALL” WEEKLY RSI’S NOW BEING STRETCHED TO 1994 STATUS! THIS ESSENTIALLY IS A VERY “RARE” SITUATION THAT WONT BE HELPING BOND LONGS. OBVIOUSLY AND NORMALLY HISTORY REGULARLY REPEATS ITSELF GIVEN THAT ON MOST OCCASIONS POST 1994 THIS EXTENT OF RSI DISLOCATION IS FOLLOWED BY A MAJOR YIELD FALL. IT HIGHLIGHTS THAT SOME ONE OFF, “LEFT FIELD” NEWS IS COMING OR AS MENTIONED PREVIOUSLY STOCKS FAIL.

ESSENTIALLY THESE TECHNICAL DISLOCATIONS ARE HISTORICALLY UNSUSTAINABLE.

IT HAS AND IS A PAINFUL WAIT BUT ACCORDING TO THE RSI DISLOCATIONS IT “WILL HAPPEN”! THESE SIGNALS WONT ABATE.

US 30YR YIELDS HAVE NOW SPENT 4 WEEKS FAILING THE 200 PERIOD WEEKLY MOVING AVERAGE 2.4530.

US 10YR YIELD RSI DISLOCATION IS THE MOST SINCE “1994”!

US BOND AND SWAP CURVES CONTINUE TO “SCREAM” FOR A MAJOR FLATTENING GIVEN THE HISTORICAL RSI DISLOCATION. THE OTHER POINTER IS THE 102030 SWAP CURVES CONTINUES TO INDICATE THE 20YR IS “OUT OF LINE” WITH THE WINGS!

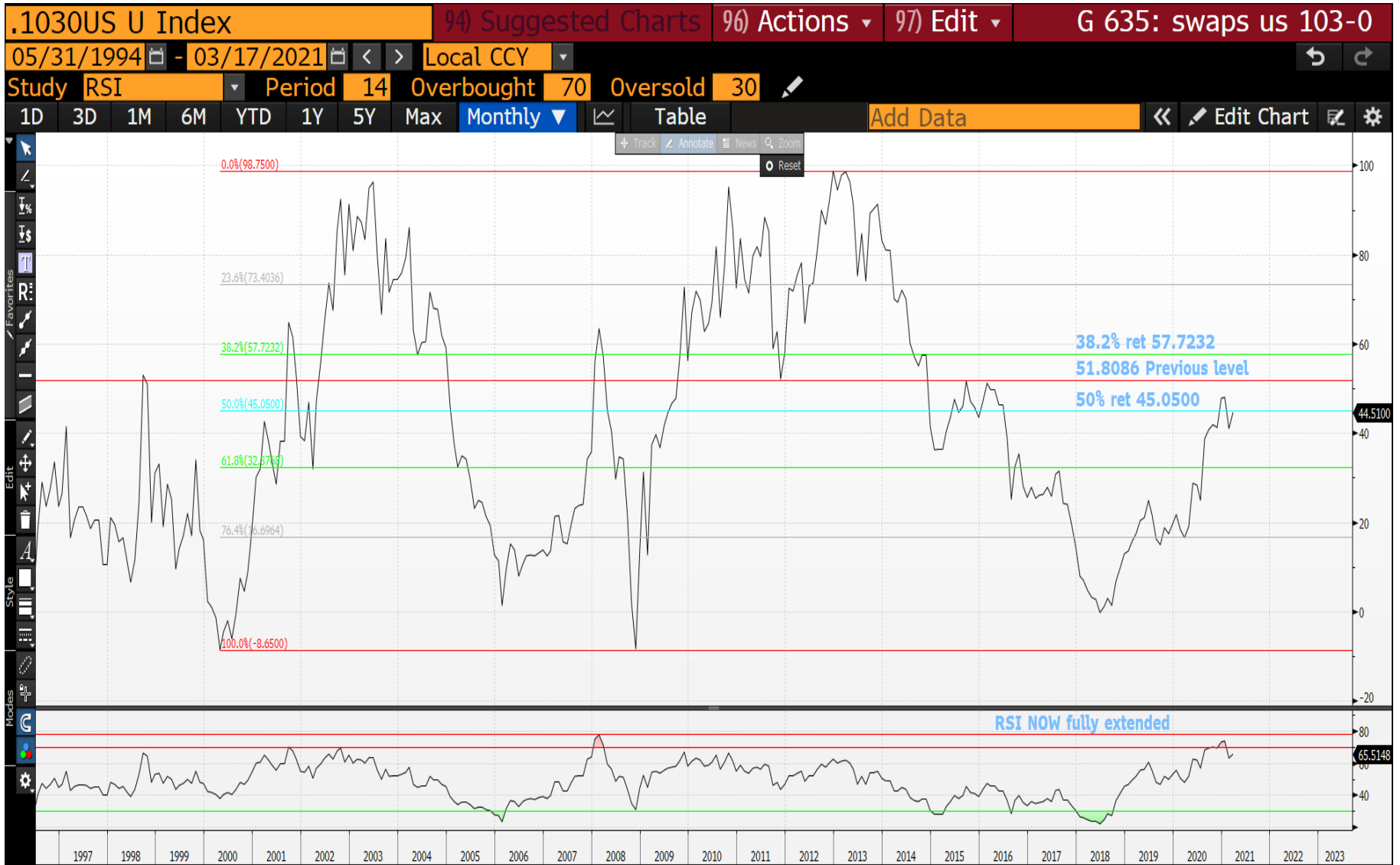
US102030 Swap monthly : We have rejected the 50% ret 34.4750 with plenty of scope to head a lot lower, more worryingly we emulate the formation of 2008.



US 5-30 Swap monthly : This time the RSI is lofty matching that of 2008! We are also teasing the previous high 115.713.



US 10-30 Swap monthly : The RSI is similar to 2008 and we are seeing a major rejection of the 50% ret 45.0500.



US 10-20 Swap weekly : The RSI is similar to MANY dislocations whilst we are teasing the 61.8% ret 2.3475-200 period moving average.



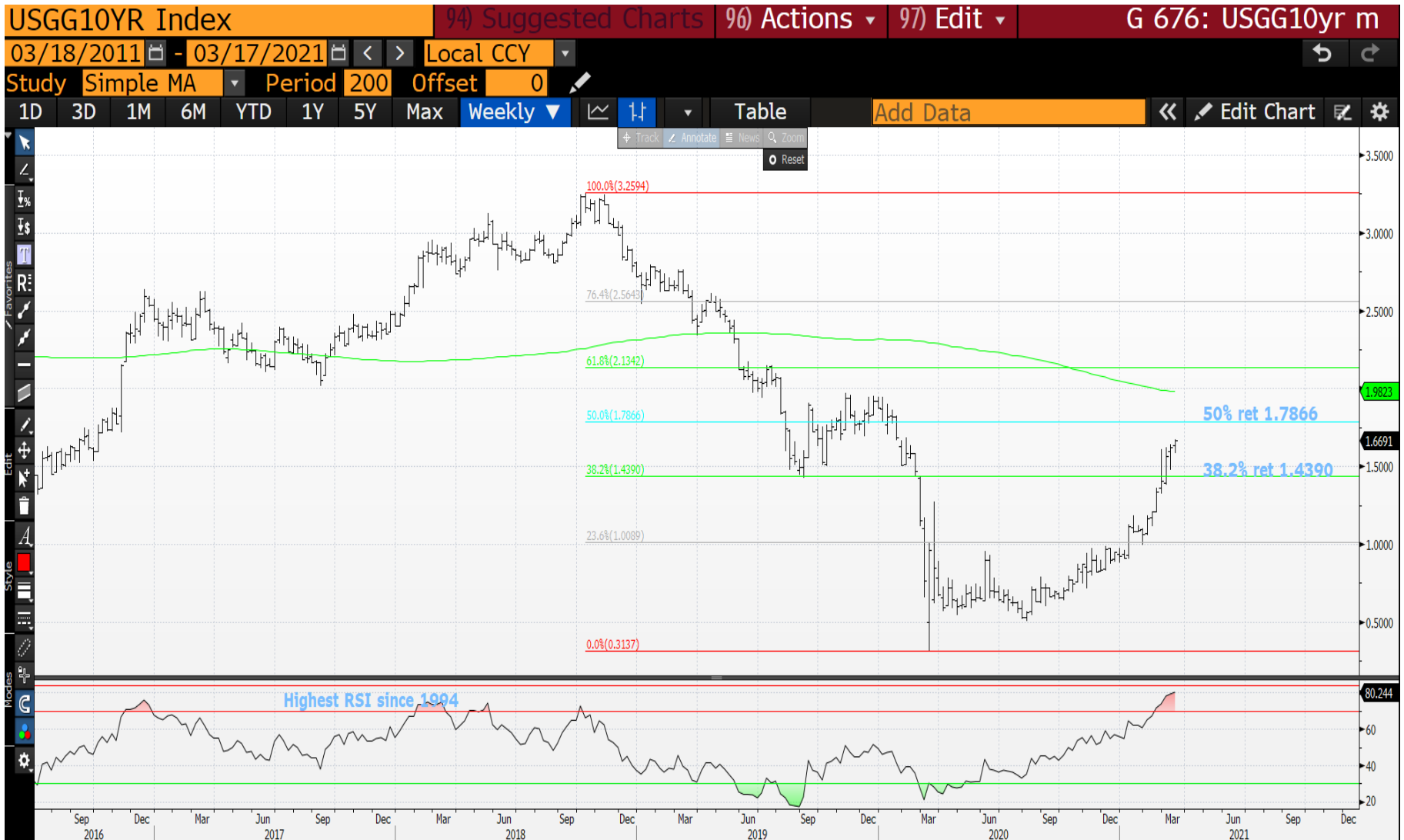
USGG30yr weekly : The RSI has now extended close to a level last recorded in 1994 and this level of extension is repeated in the following charts. Also on nearly all previous extensions of a lesser RSI yields have FALLEN. This extension is wrong.



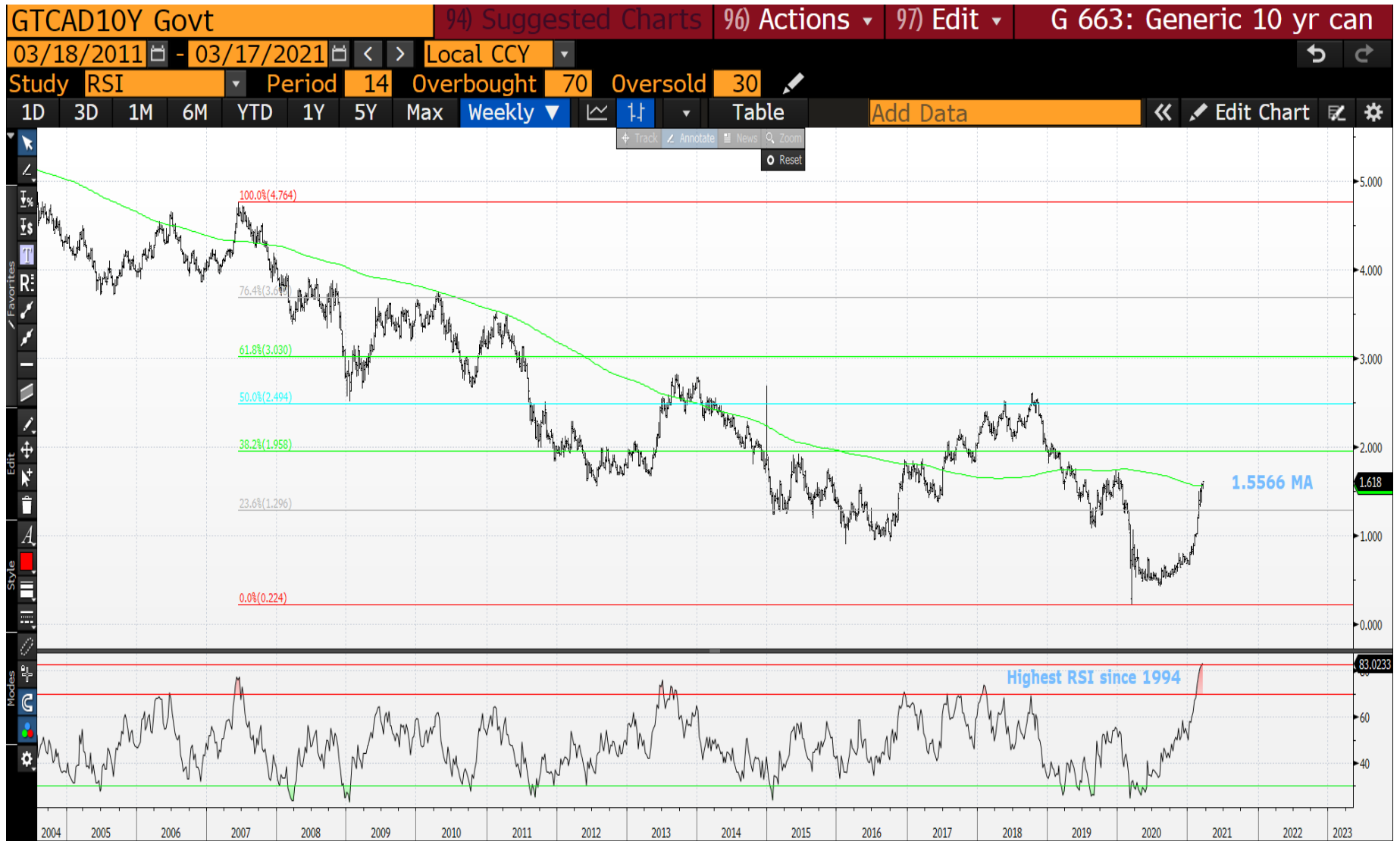
US 10yr yield weekly : A VERY important RSI dislocation given it is the HIGHEST since 1994!



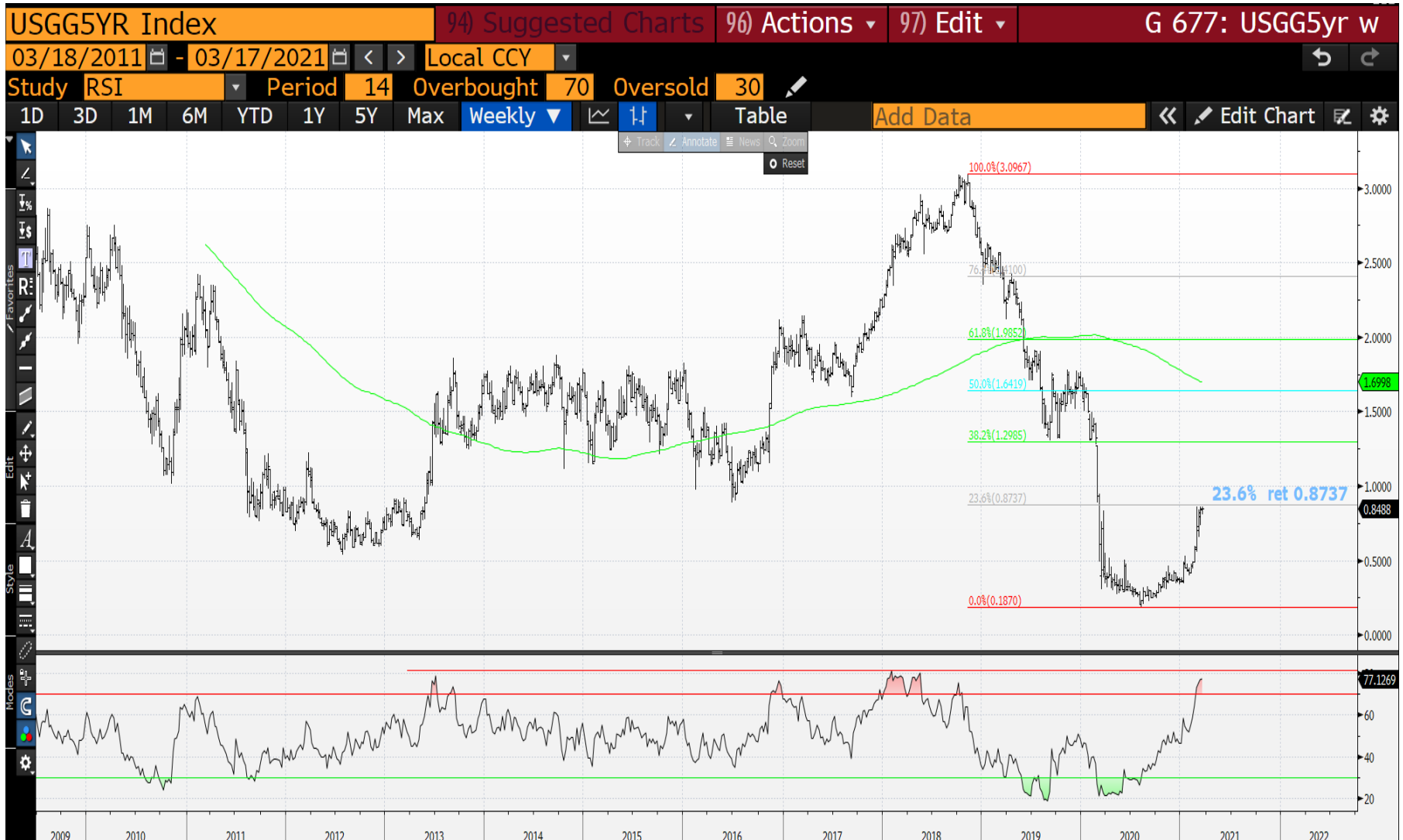
US 10yr yield weekly : Same chart as before with the 50% ret 1.7866 being the possible objective if we head much higher, despite the historical RSI dislocation.



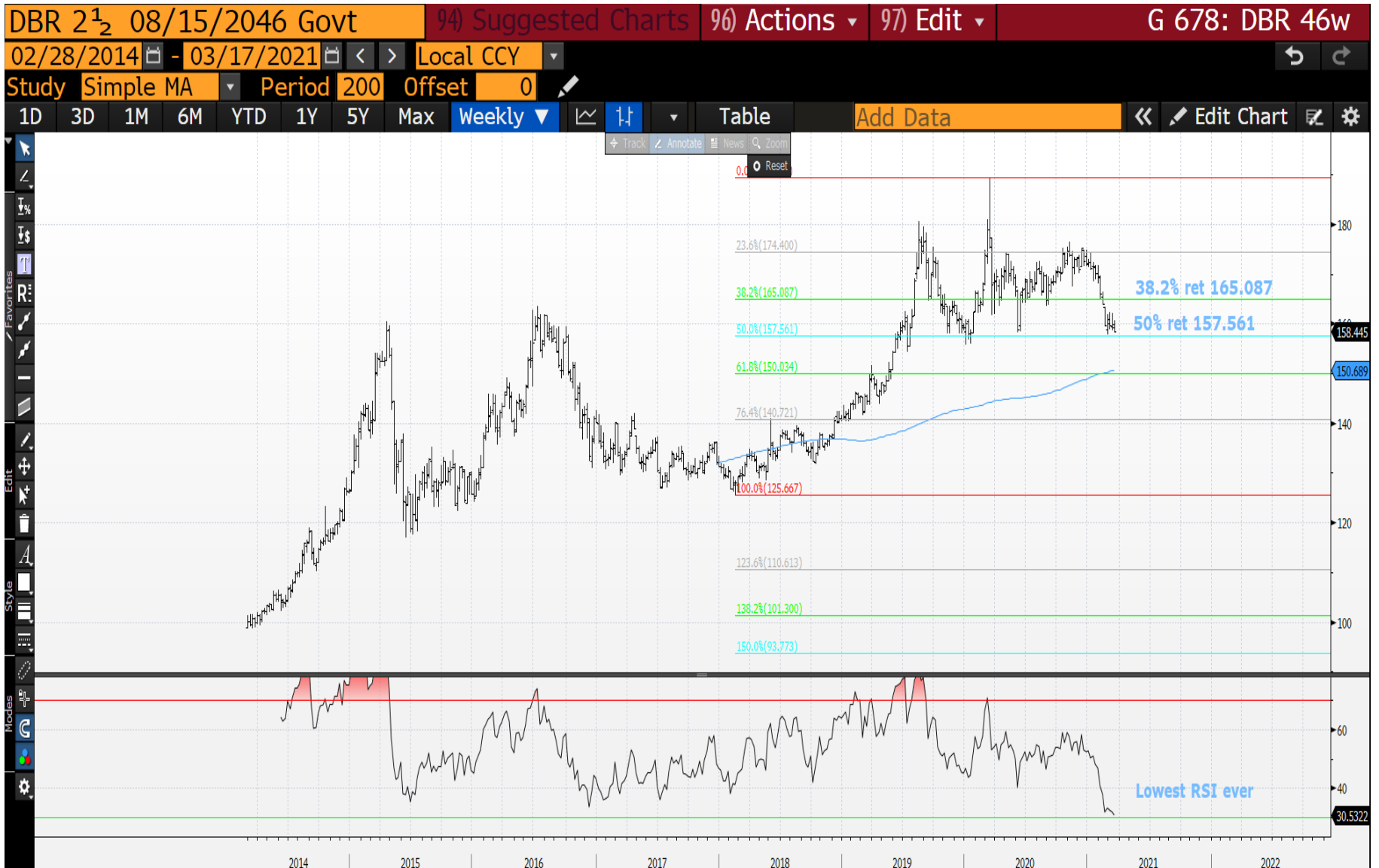
CAD 10yr yield weekly : This too has an RSI dislocation last witnessed in 1994 whilst we flirt with the 1.5566 200 period moving average. Historically this extension is wrong.



US 5yr yield weekly : This is not the same historical RSI dislocation but we struggling to breach the 23.6% ret 0.8737.



DBR 46 weekly : This RSI is the LOWEST ever!



DBR 46 daily : This RSI is off the lows BUT the multi year 50% ret 157.561 is HOLDING.



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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