

BOND UPDATE : BONDS ARE AT A MAJOR JUNCTURE AND IDEALLY OVER THE NEXT FEW WEEKS WE SEE YIELDS “FALL”, THE INTERESTING PART OF THAT IS THE CTA’S ARE SHORT IN SIZEABLE VOLUME.

US 30YR YIELDS HAVE FAILED A KEY 61.8% RET 2.4065 ASSISTED BY A LOFTY RSI (PAGE 6).

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!

I HAVE INCLUDED THE FUTURES VOLUME CHARTS AS THEY HIGHLIGHT THE EXCEPTIONAL VOLUMES ROLLED, PRETTY MUCH INCREASED CTA SHORTS AS WELL DOCUMENTED.

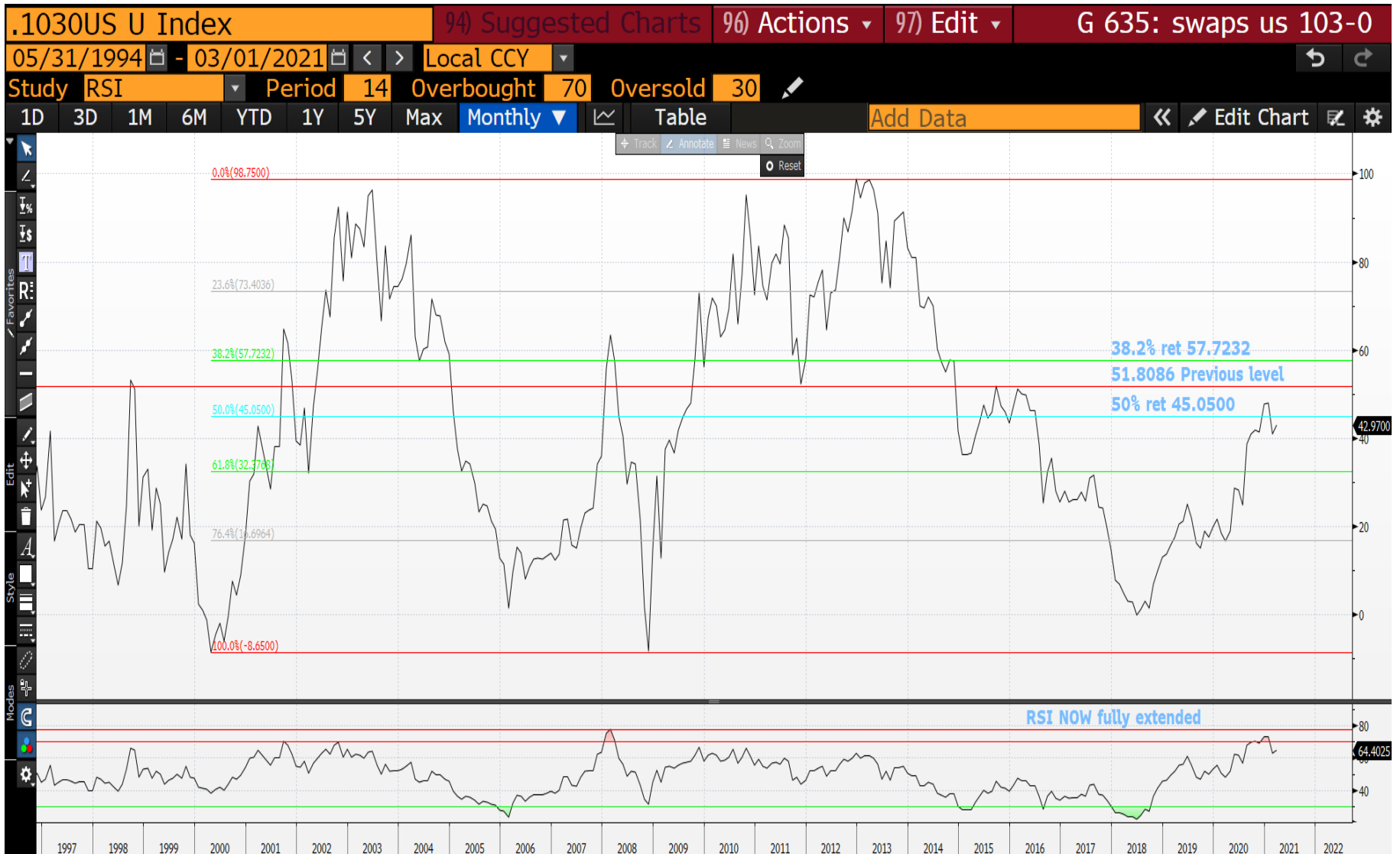
US102030 Swap monthly : We have rejected the 50% ret 34.4750 with plenty of scope to head a lot lower, more worryingly we emulate the formation of 2008.



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

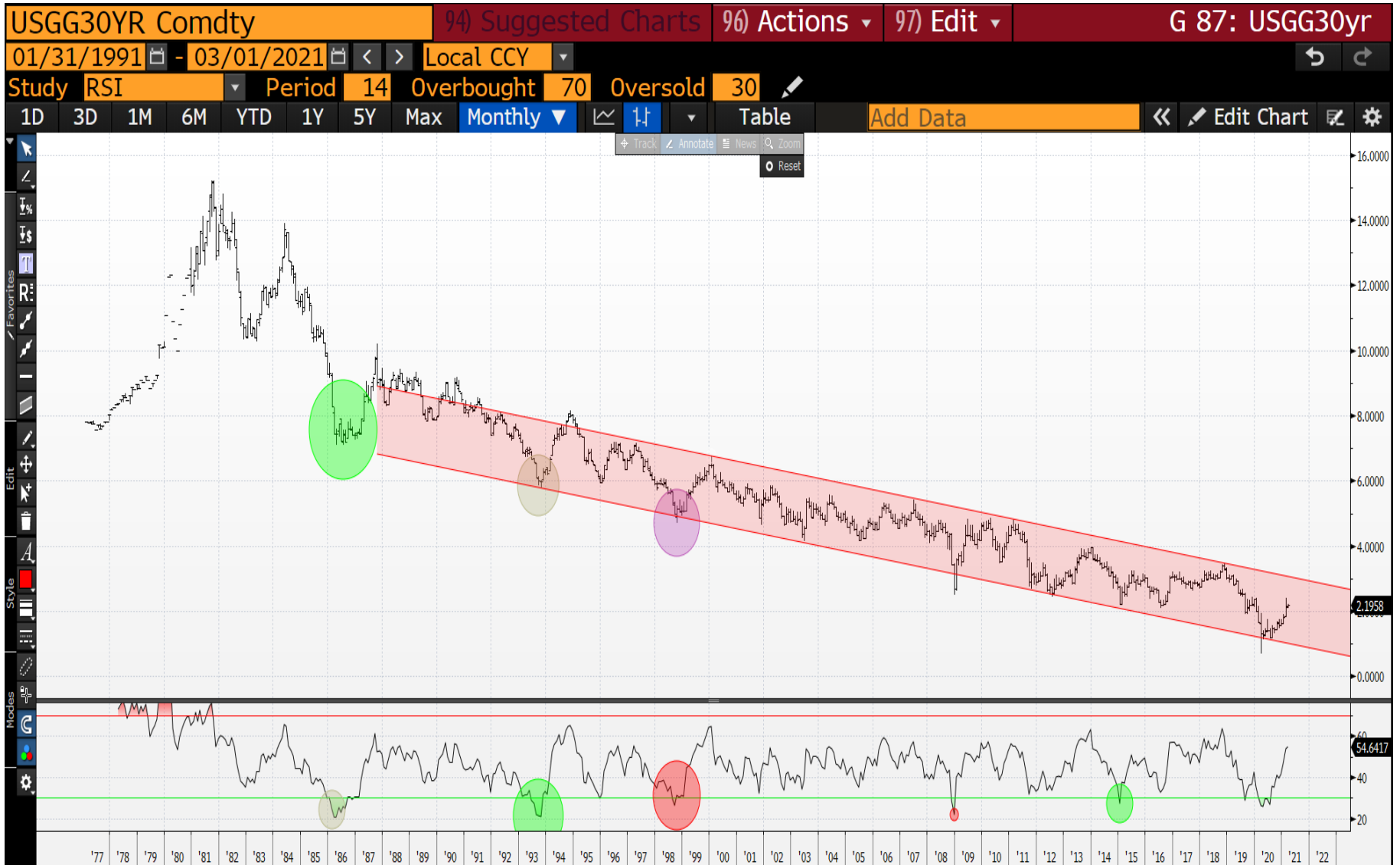


US 10-30 Swap monthly : The RSI is similar to 2008 and we are struggling to breach the 51.8086 previous high.

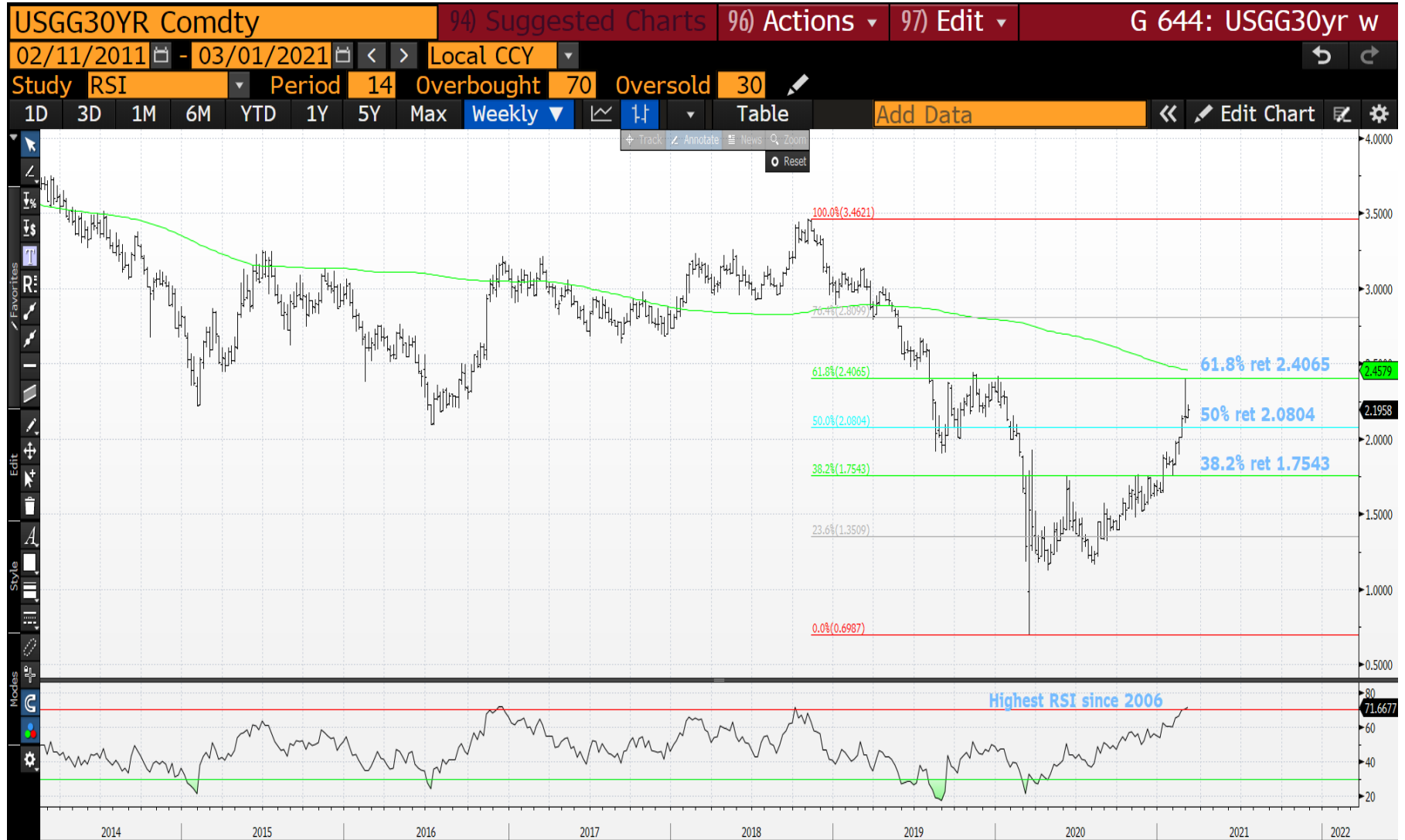


01/03/2021

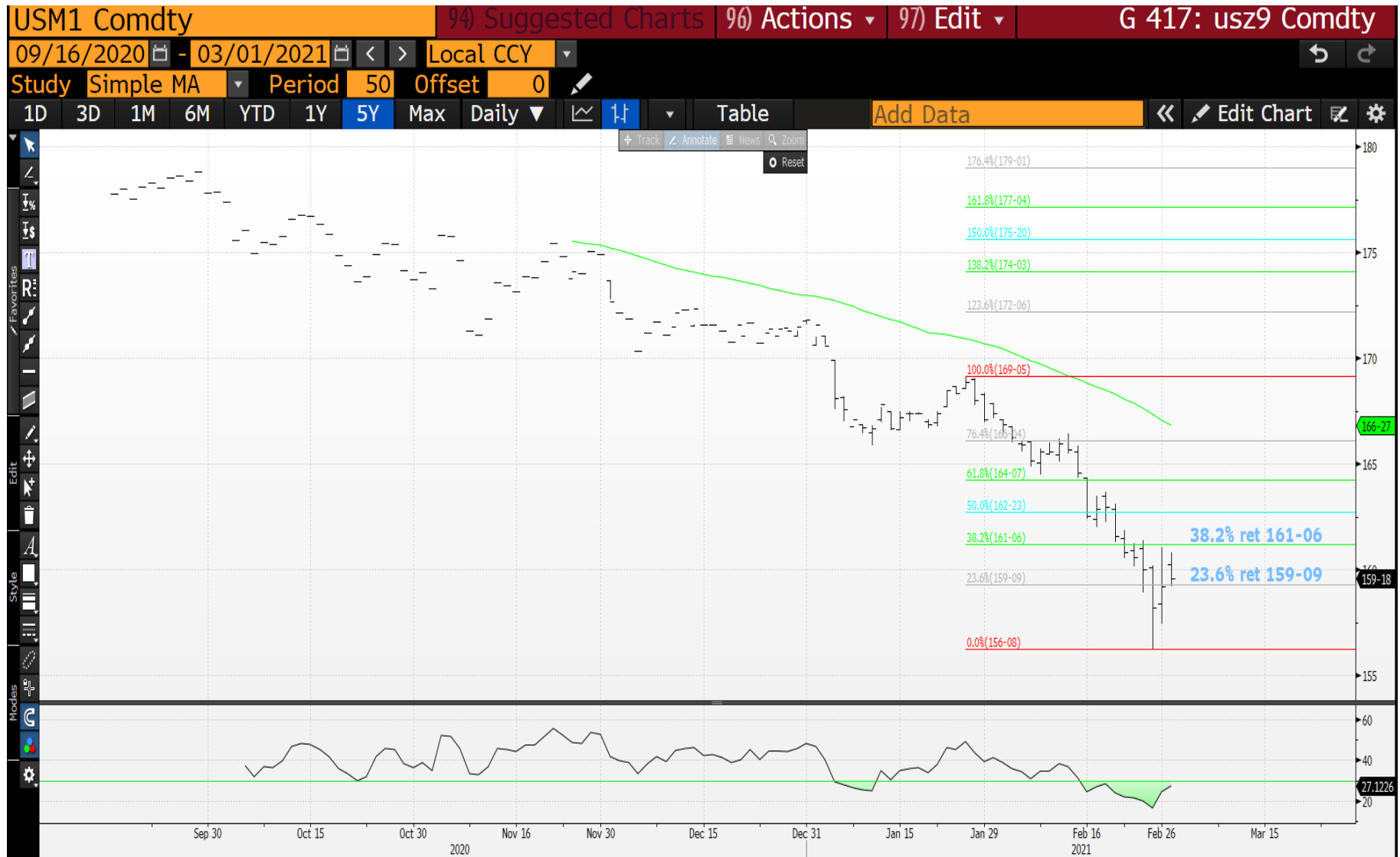
US 30yr yield monthly : The RSI is now pretty neutral, providing last months high remains then yields should fall.



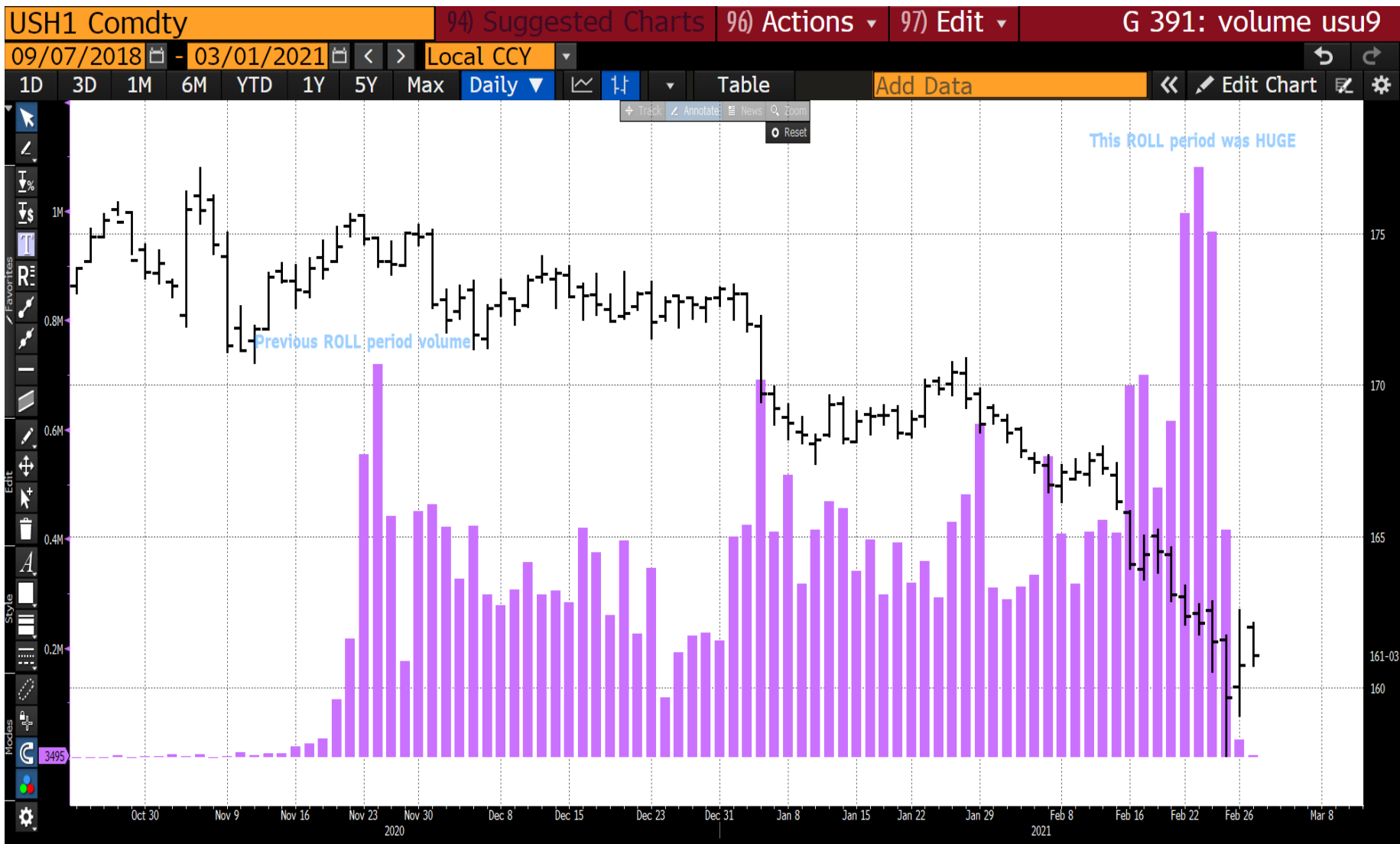
USGG30yr weekly : We have hit and rejected perfectly the 61.8% ret 2.4065 which is also a 50 period weekly moving average.



US 30yr futures daily : Still more room in the RSI, ideally we close above the 38.2% ret 161-06 by the close today.



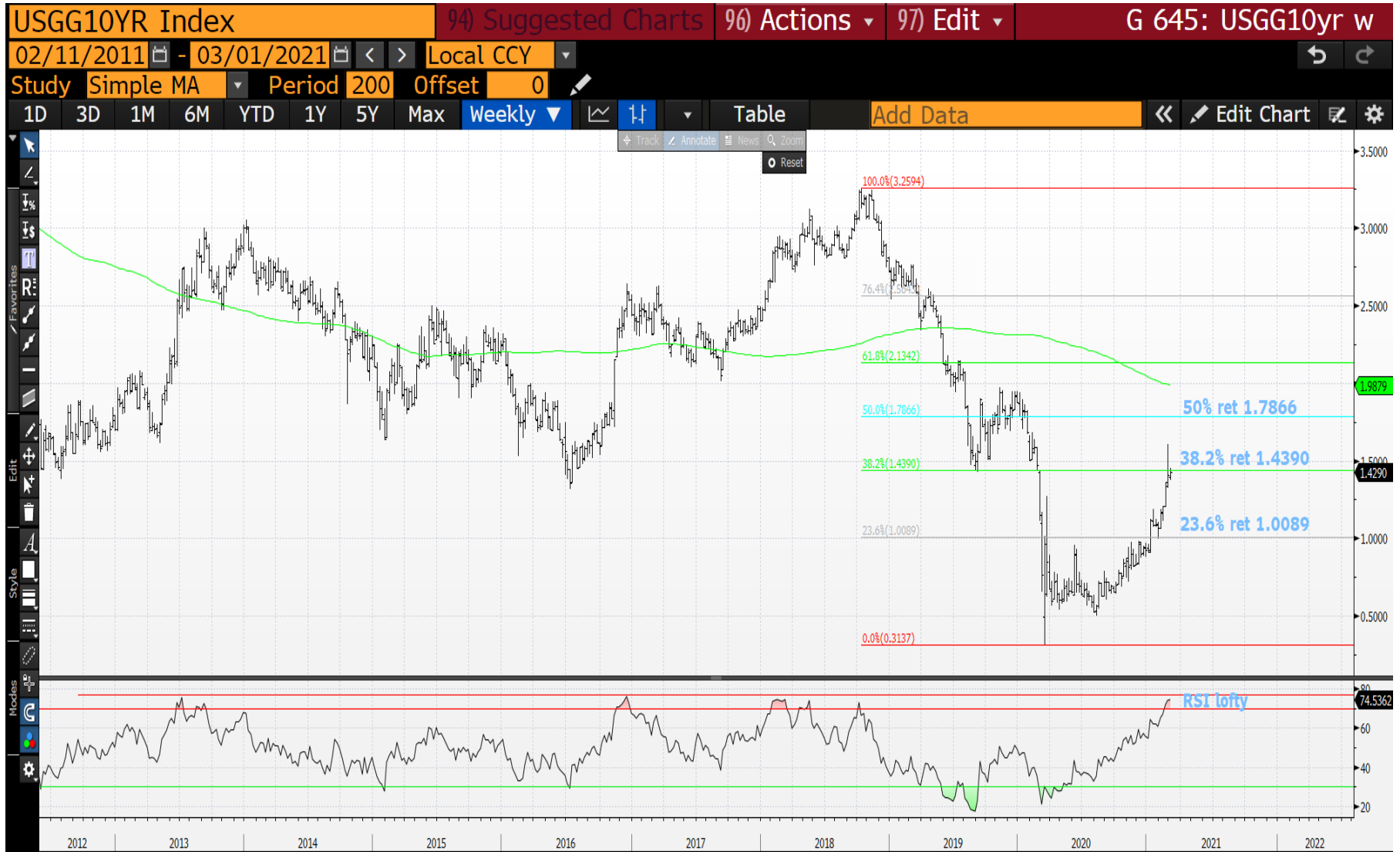
US 30yr futures and volume daily : This chart is only really included to EXPRESS the HUGE volume rolled this time around.



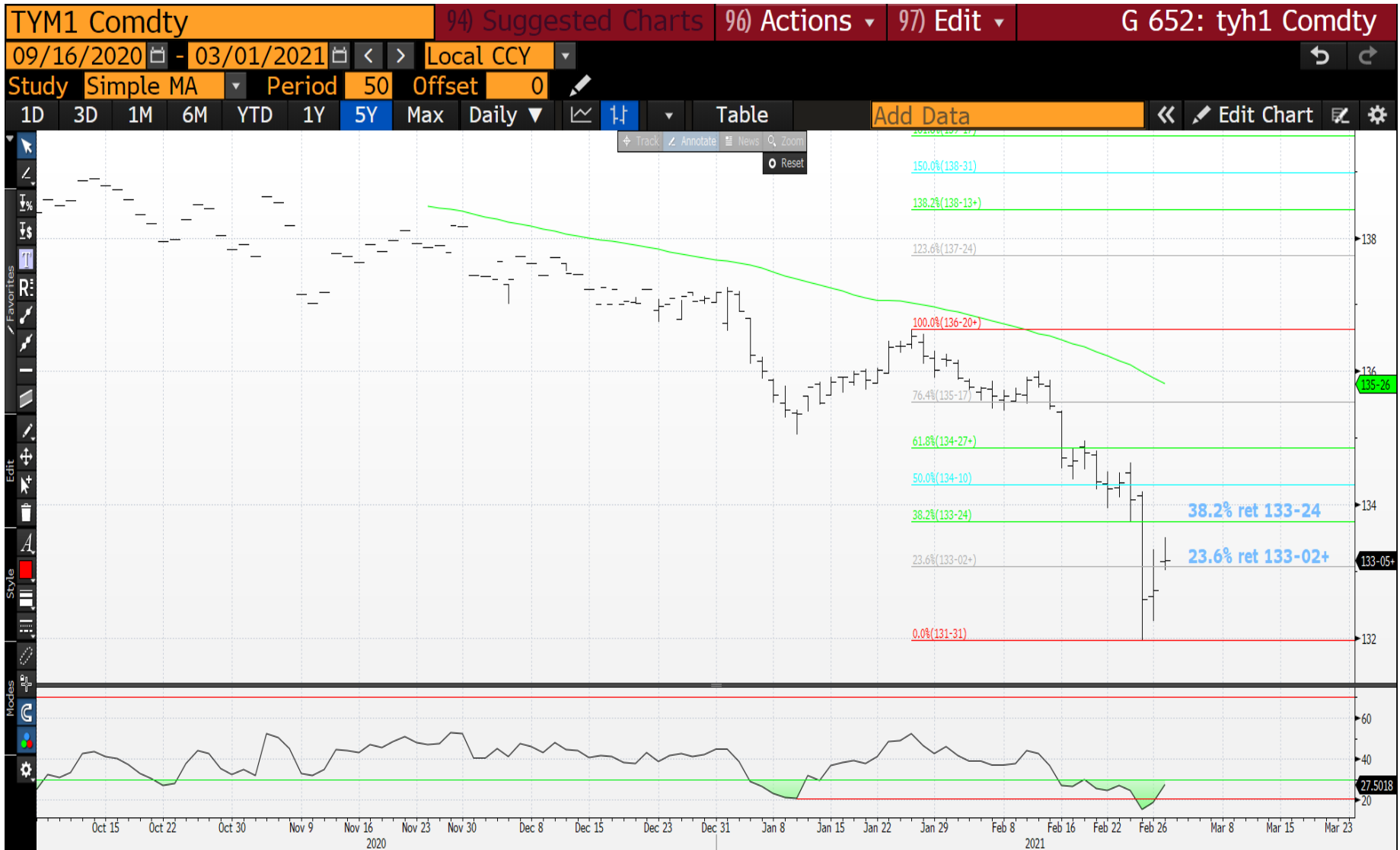
US 10yr yield quarterly : Again the RSI has lost a lot of its venom.



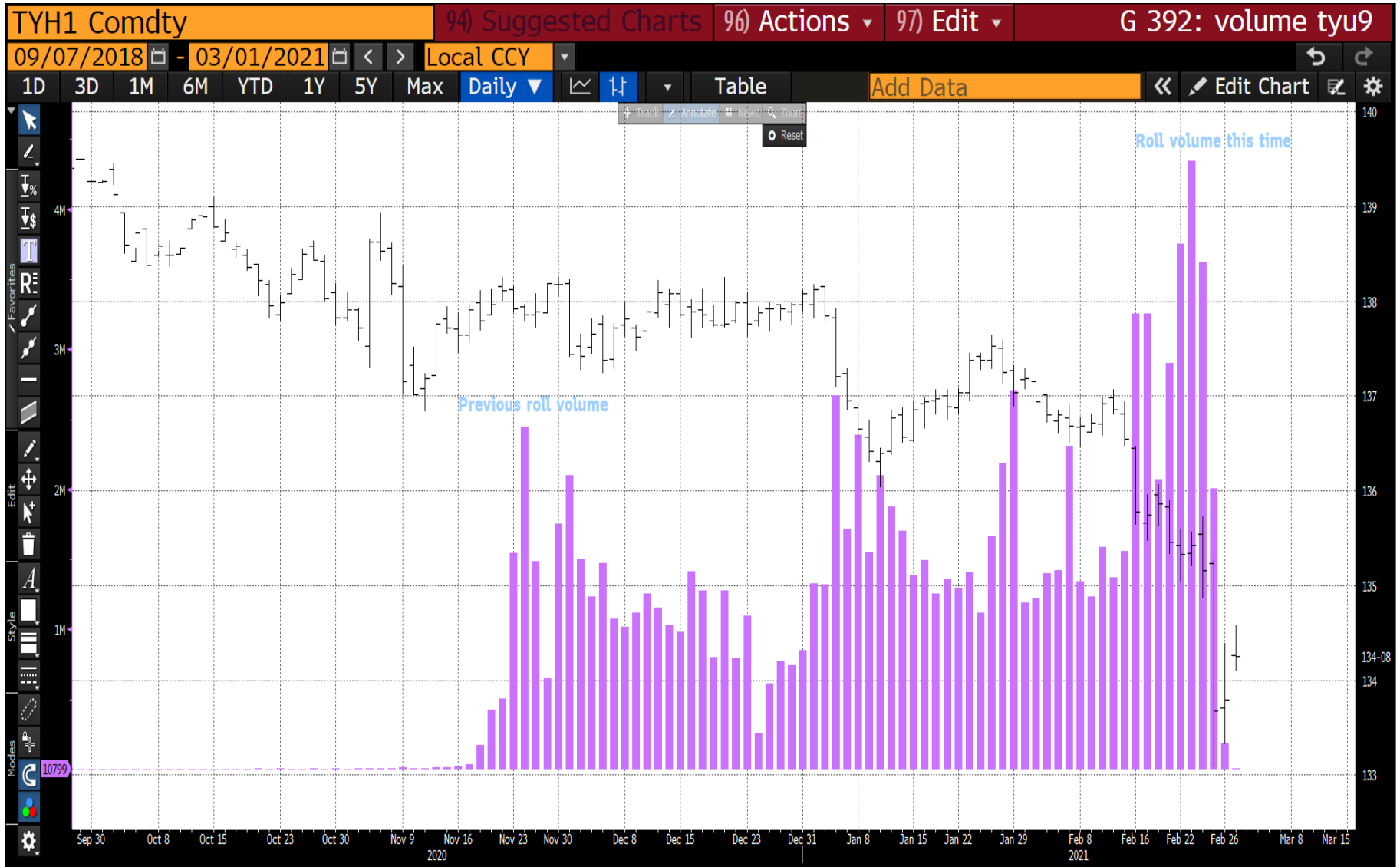
US 10yr yield weekly : The RSI is finally dislocated and ideally we REMAIN below the 38.2% ret 1.4390.



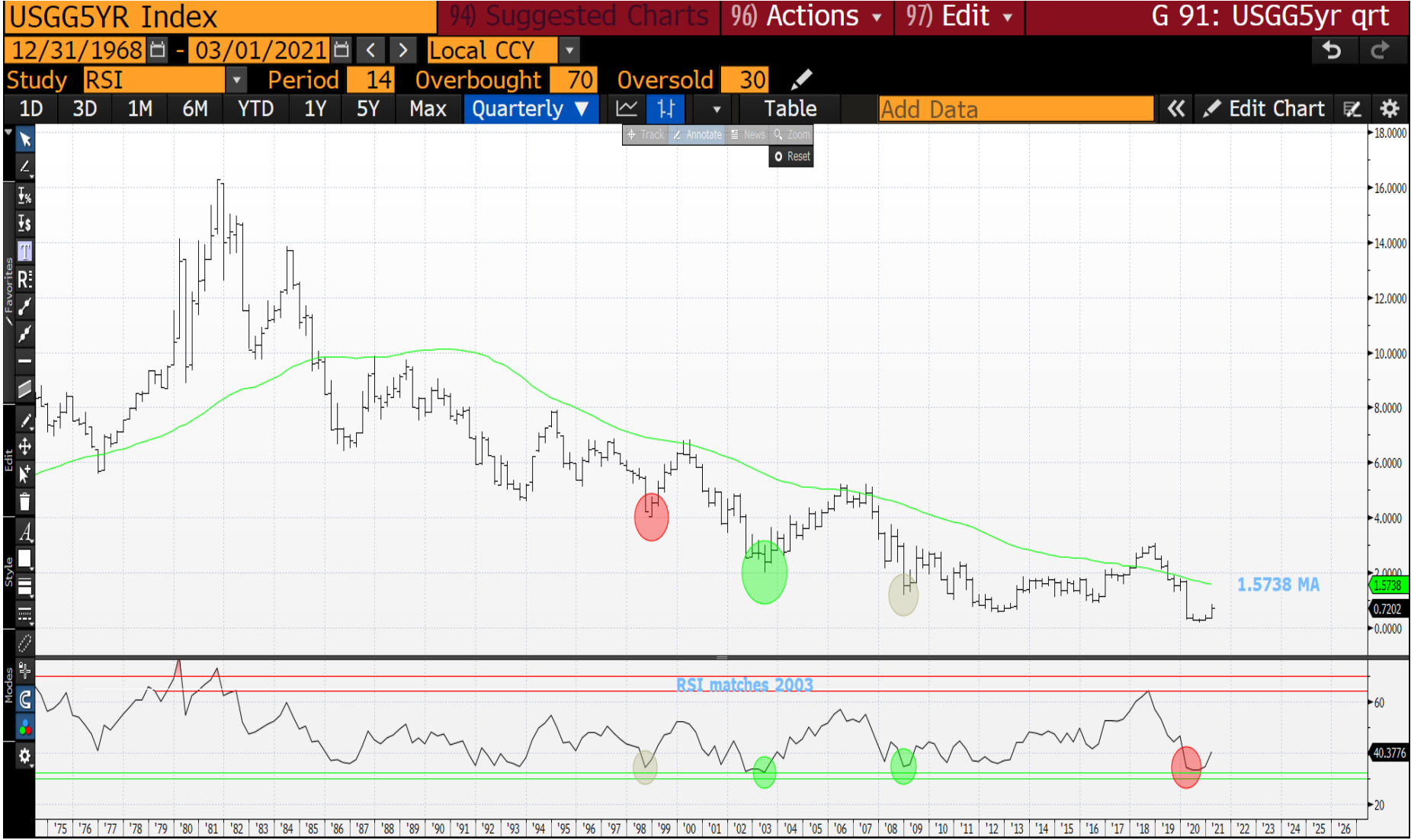
US 10yr futures daily : The RSI has NEVER been lower! Hopefully we can recover today and close above the 38.2% ret 133-24.



US 10yr futures and volume daily : This chart too is just used to emphasise the HUGE volume shorts ROLLED into June, it DWARFS that of late November 2020.



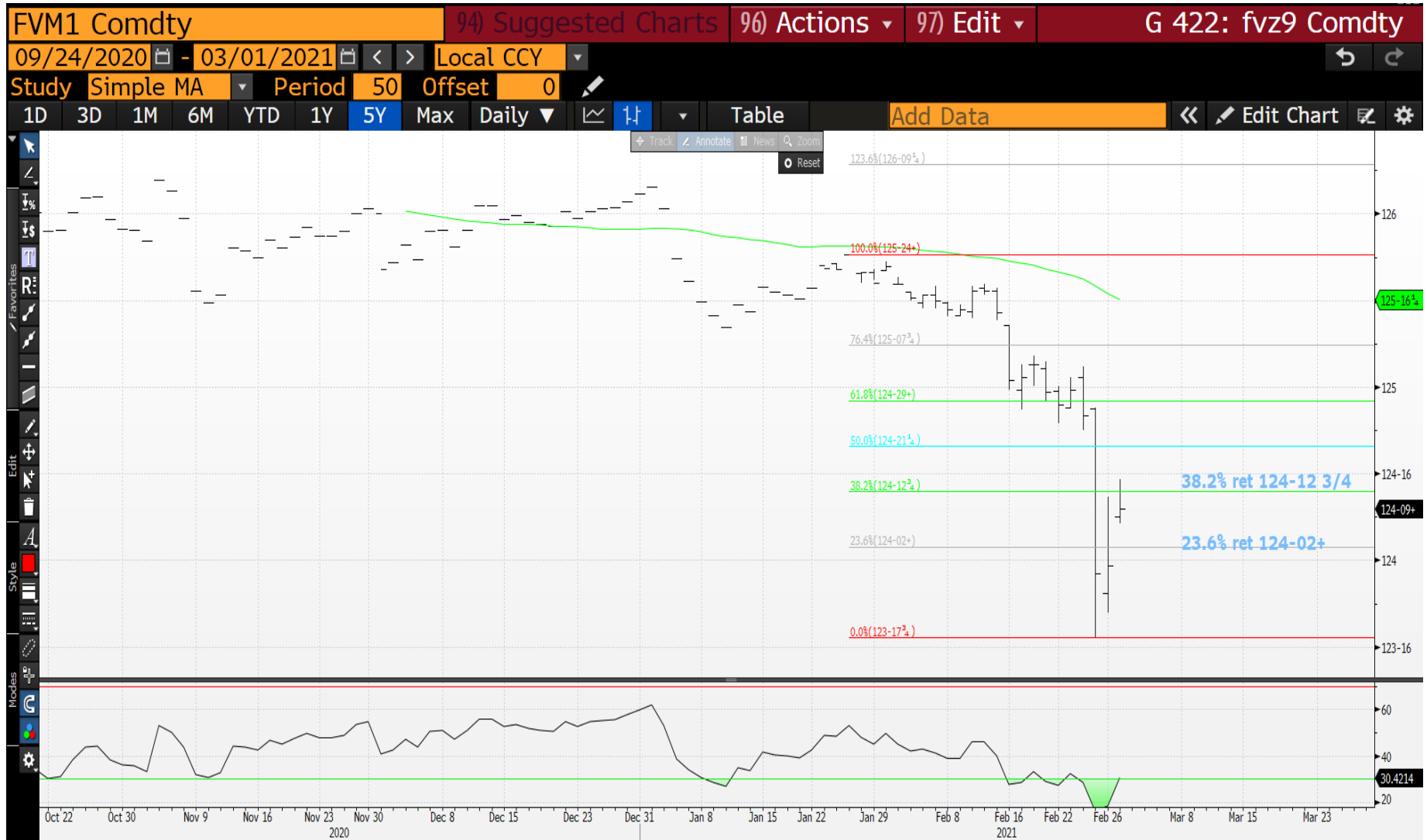
US 5yr yield quarterly : A decent move this quarter.



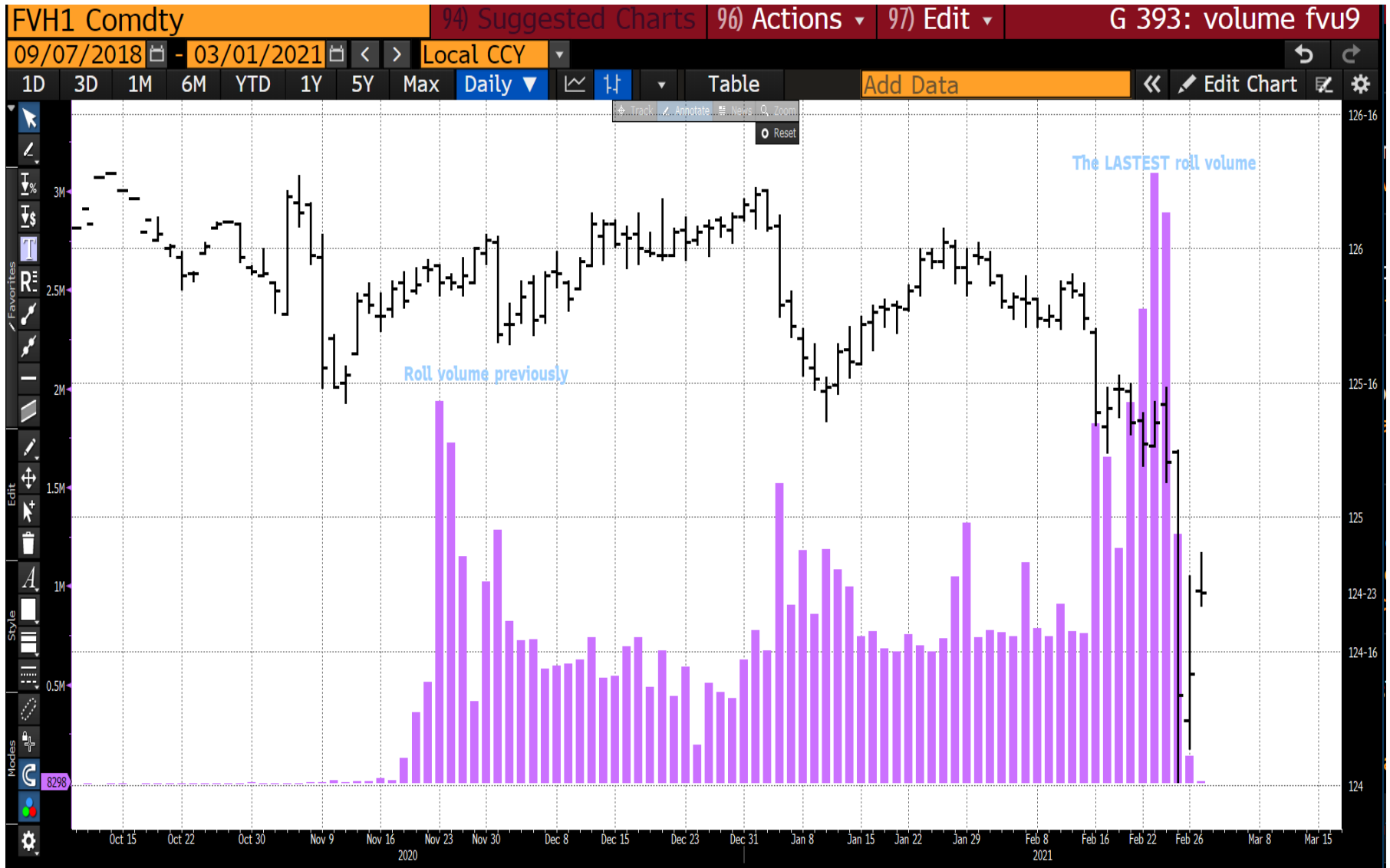
USGG5yr daily : Given the RSI dislocation this should help the market remain below the 38.2% ret 0.7961.



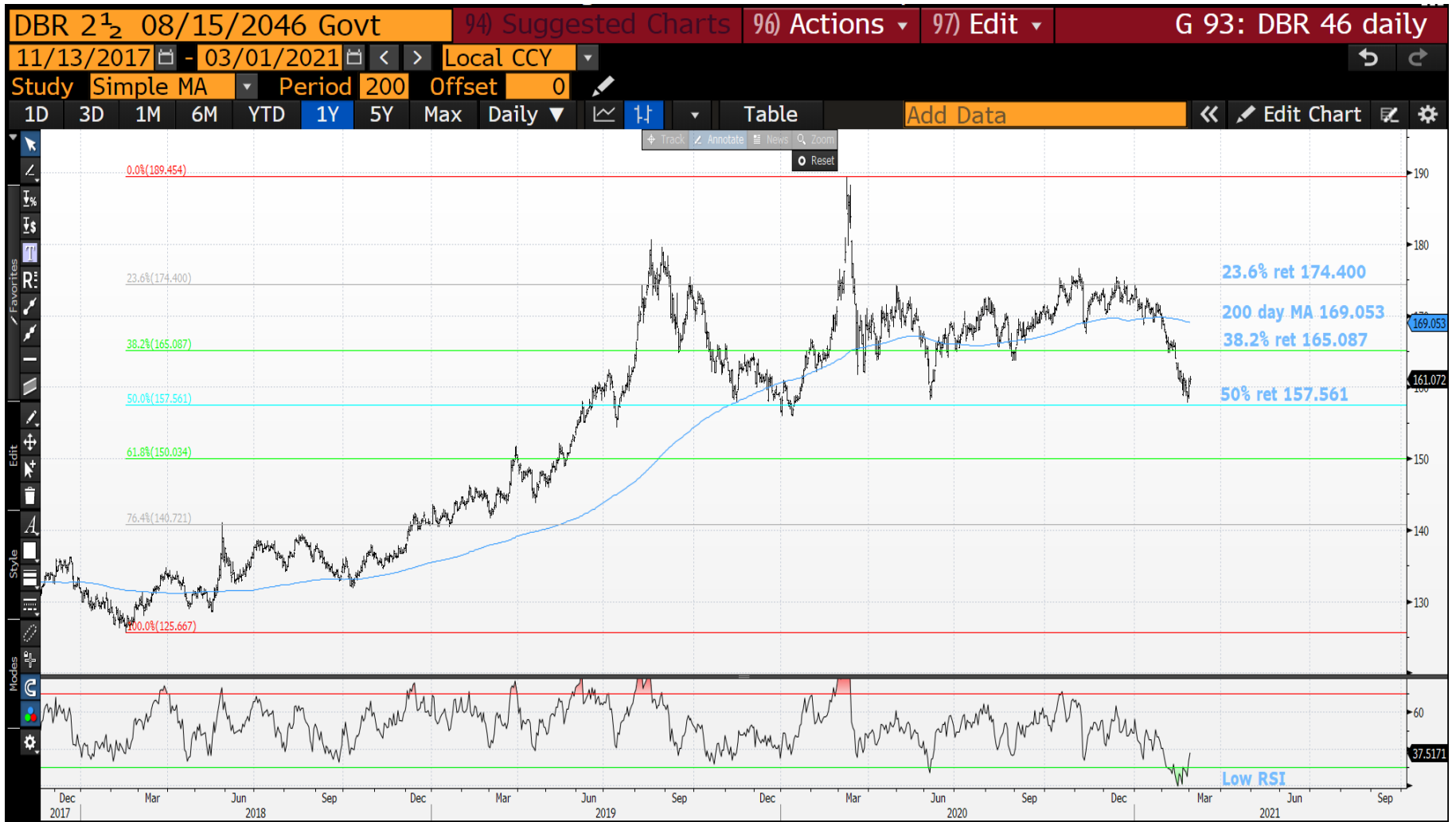
US 5yr futures daily : Ideally today we recover back up the range and close above the 38.2% ret 124-02+.



US 5yr futures and volume daily : Another HUGE volume ROLL period!!



DBR 46 daily : This RSI is wrong we are now as low as 2015, this looks like a BASE.



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.

Astor Ridge takes no proprietary trading risk, has no market making facilities, and has no position in any security we discuss in this e-mail. The views in this e-mail are those of the author(s) and are subject to change, and Astor Ridge has no obligation to update its opinions or the information in this publication. If this e-mail contains recommendations, those recommendations reflect solely and exclusively those of the author, and such opinions were prepared independently of any other interests, including those of Astor Ridge and/or its affiliates.

This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the clients who receive it. The securities discussed herein may not be suitable for all investors. Astor Ridge recommends that investors independently evaluate each issuer, security or instrument discussed herein, and consult any independent advisors they believe necessary.

The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

You should not use or disclose to any other person the contents of this research, nor take copies. This is not a representation or warranty and is not intended nor should it be taken to create any legal relations, contractual or otherwise. This research and any files transmitted with it are confidential, may be legally privileged, and are for the sole use of the intended recipient. Copyright in this research and any accompanying document created by Astor Ridge LLP is owned by Astor Ridge LLP.

Astor Ridge LLP is regulated by the Financial Conduct Authority (FCA): Registration Number 579287

Astor Ridge LLP is Registered in England and Wales with Companies House: Registration Number OC372185

Astor Ridge NA LLP is a member of FINRA/SIPC: CRD Number 282626

Astor Ridge NA LLP is Registered in England and Wales with Companies House: Registration Number OC401796