

BOND UPDATE : TIME FOR SOME MOVEMENT, THE MARKET HAS SPENT LONG ENOUGH FIGHTING THE WEEKLY RSI DISLOCATIONS. YIELDS SHOULD NOW START TO “FALL” AND MORE IMPORTANTLY MOMENTUM “PICKUP”. REMEMBER THE HISTORICAL RELAVANCE OF THE RSI DISLOCTIONS AND WHAT HAPPENED THEN.

GET READY TO PARTY LIKE 1994! THIS IS A CRUCIAL MONTH WITH IMPLICATIONS FOR THE NEXT QUARTER. WE HAVE SEEN YIELDS RISE NOW FOR MANY WEEKS BUT AS MENTIONED PREVIOUSLY THE HISTORICAL-TECHNICAL PICTURE HIGHLIGHTS A SWATHE OF 1994 RSI EXTENSIONS, THUS THE BOND BOUNCE “IF” CONFIRMED WILL BE FASTER AND MORE SUSTAINED THAN PEOPLE EXPECT. 1994 RSI EXTENSIONS ARE VERY OBVIOUSLY EXCEPTIONAL!

ESSENTIALLY THESE TECHNICAL DISLOCATIONS ARE HISTORICALLY UNSUSTAINABLE.

US 30YR YIELDS HAVE SEVERAL WEEKS TEASING THE 200 PERIOD WEEKLY MOVING AVERAGE 2.4482.

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 : This is now ready to head lower. If yields are a confirmed “STALL” then this fly should drop in a similar style to 2008!. If so that implies technically all value is in the 20yr part of the curve over the wings.

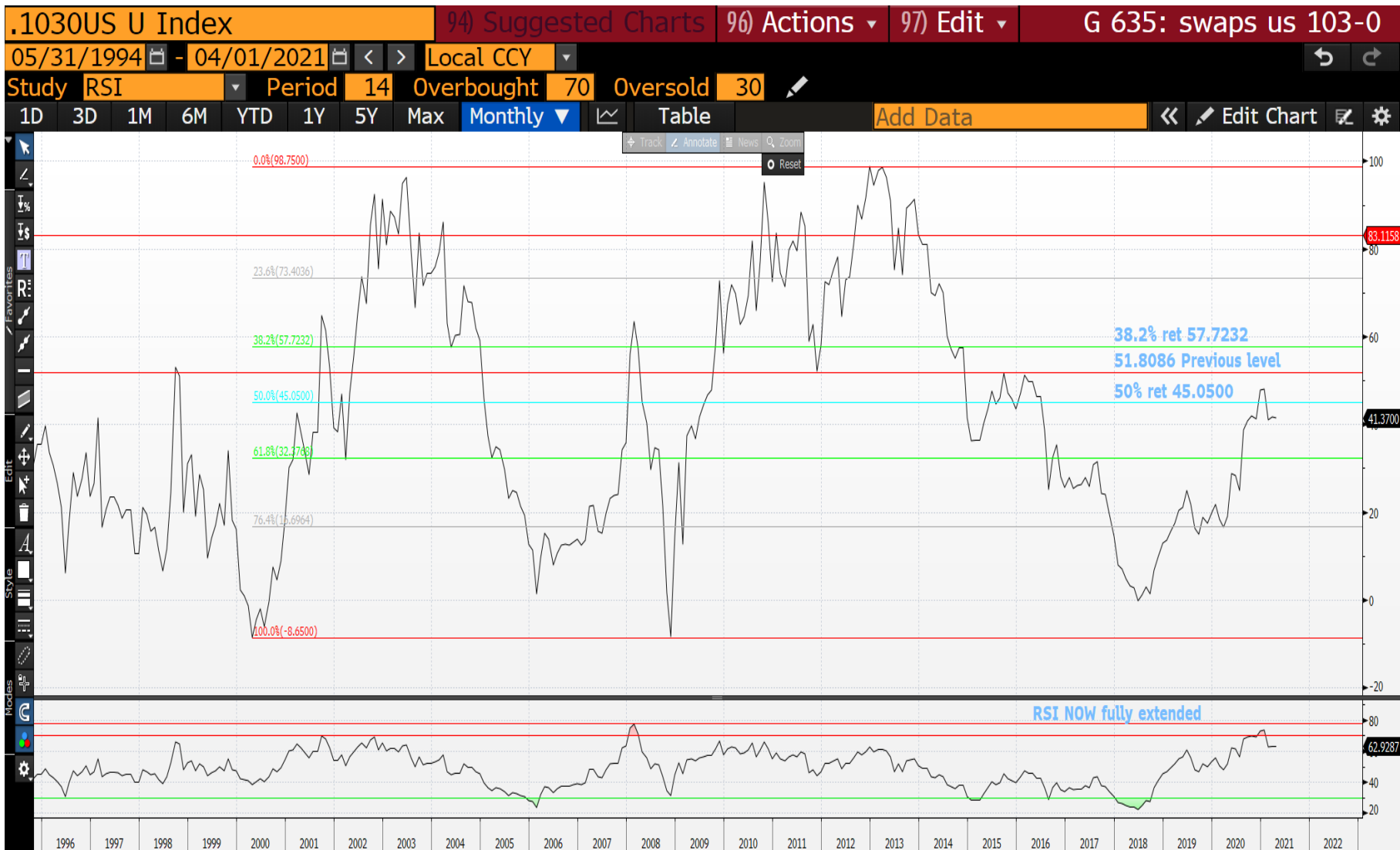


US 5-30 Swap monthly : This time the RSI is lofty matching that of 2008 AND we are failing the 115.713 previous high. We should get some movement soon.

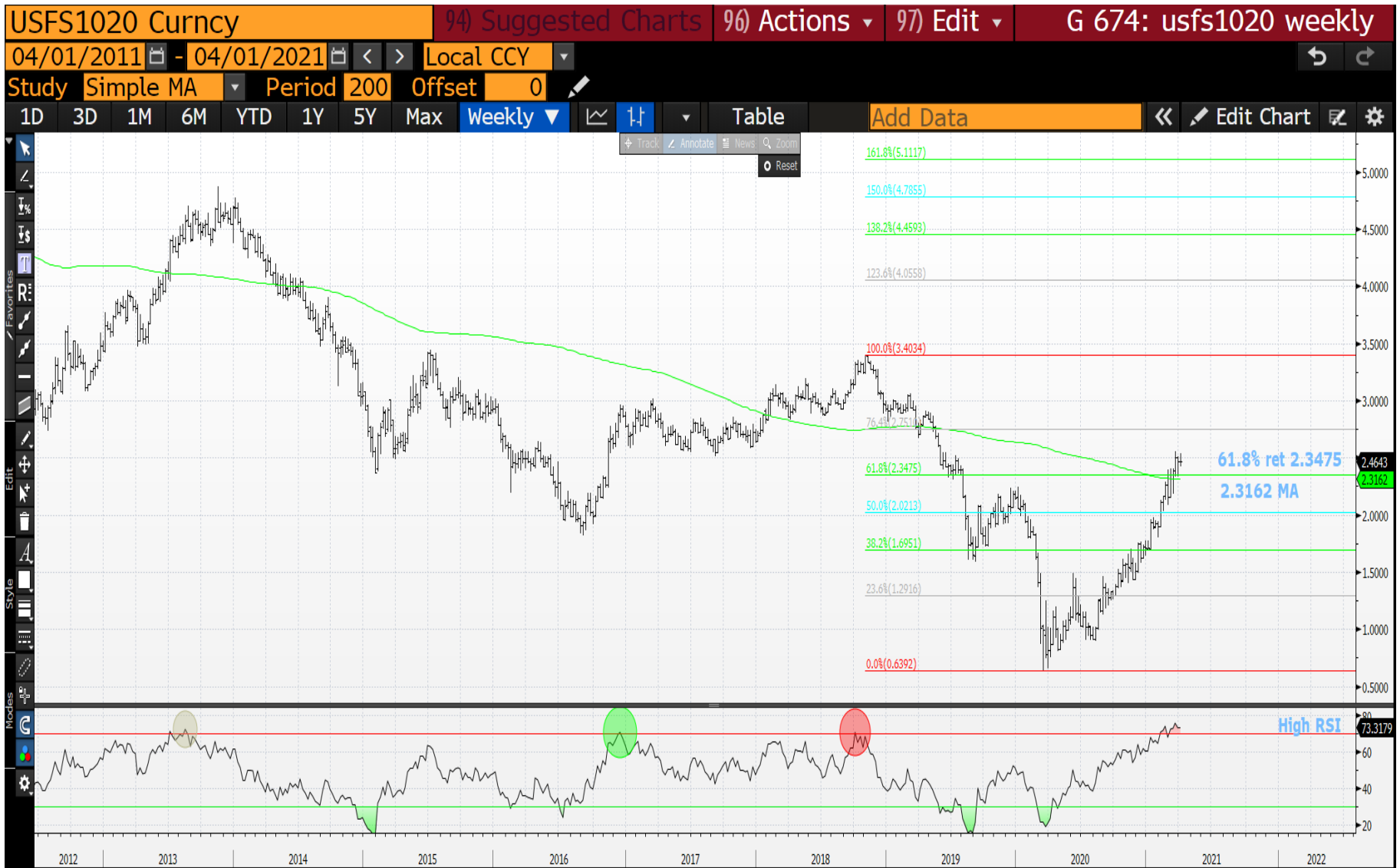


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US 10-30 Swap monthly : The RSI is similar to 2008 and we are seeing a rejection of the 50% ret 45.0500. The 2008 move was menacing! The curve is continuing to flatten and should mean yields stall.



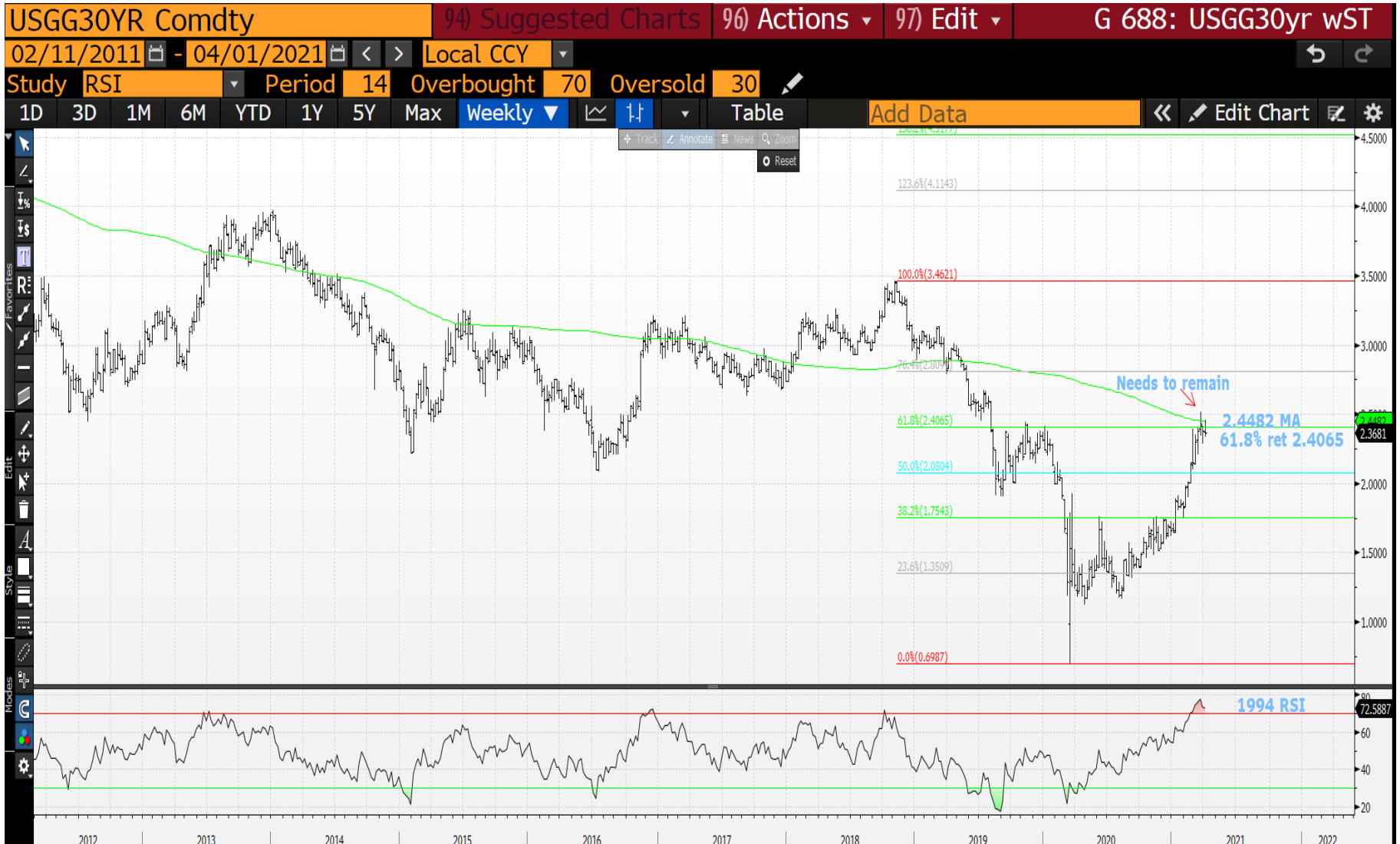
US 10-20 Swap weekly : Certainly a chart to watch given we have created an upside negative PIERCE thus closing sub the 61.8% ret-moving average 2.3162 will be a SIGNIFICANT confirmation-bonus.



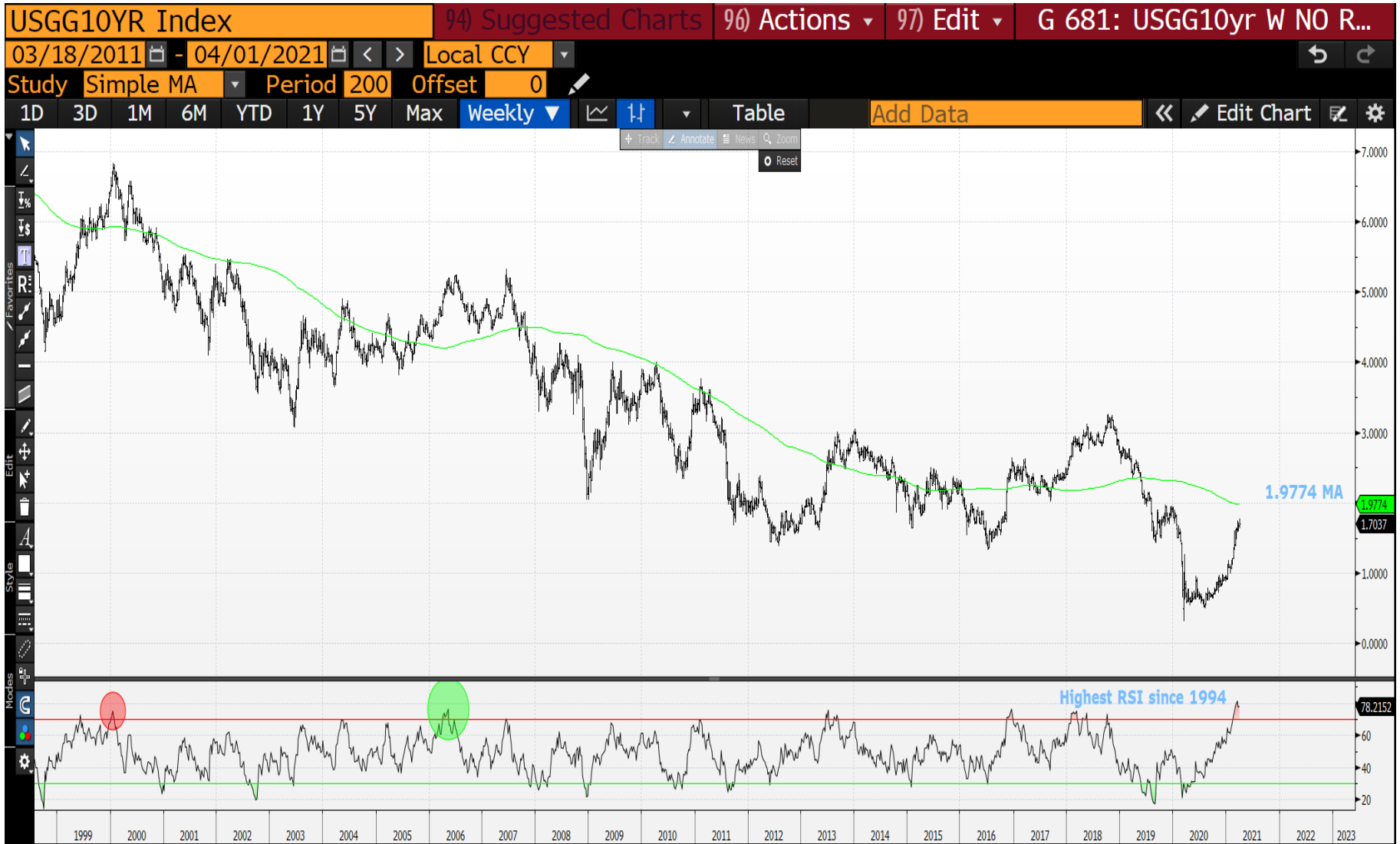
USGG30yr weekly : The RSI continues to REMAIN extended at a level last recorded in 1994, this level of extension is repeated in the following charts. Also on nearly all previous extensions of a lesser RSI yields have FALLEN. This extension is wrong and about to react.



USGG30yr weekly : The RSI CONTINUES to forecast lower yields so ideally the recent high remains and we re breach the 61.8% ret 2.4065. We should start to see the RSI kick in and yields head lower.



US 10yr yield weekly : A VERY important RSI dislocation given it is the HIGHEST since 1994 and it hasn't abated!

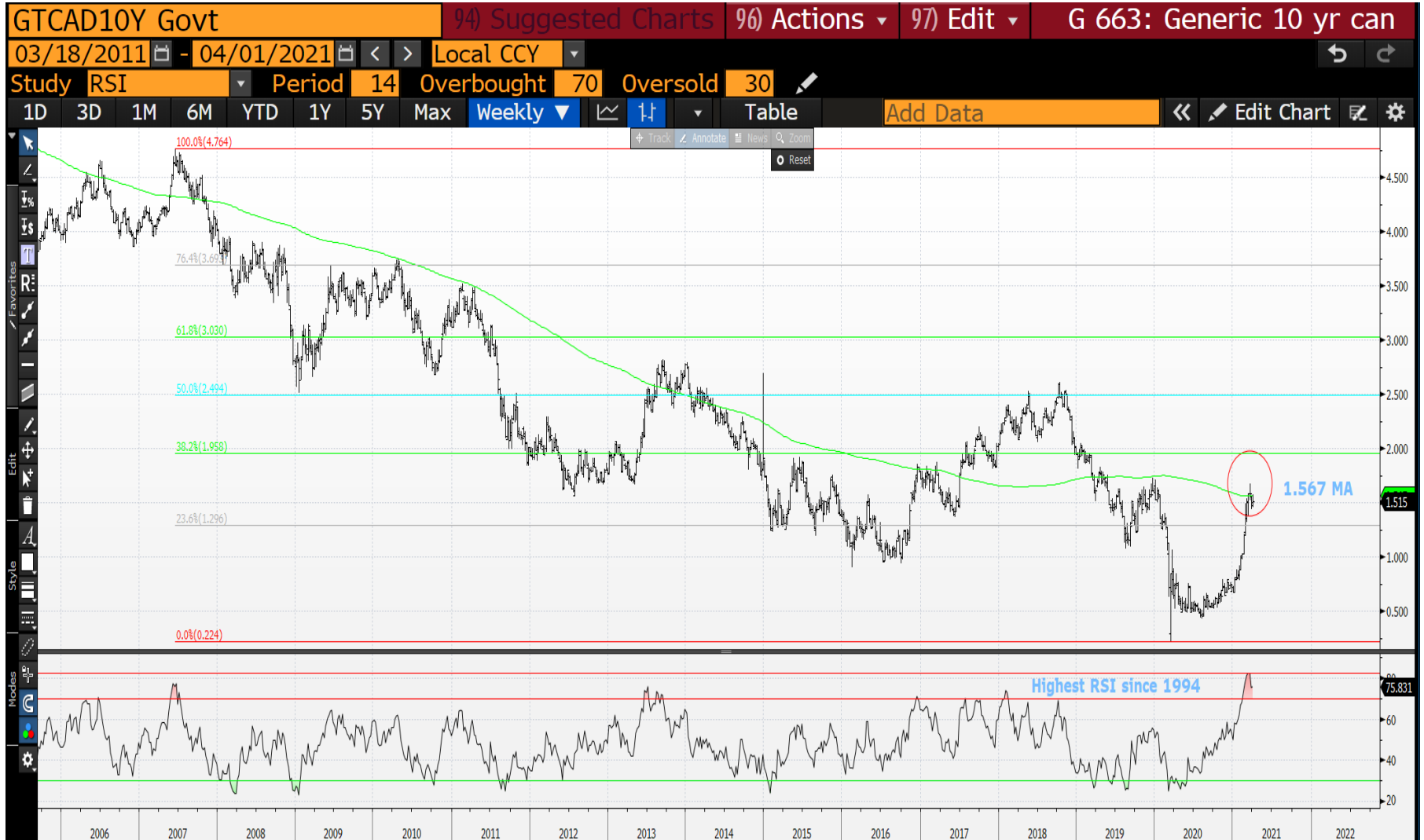


US 10yr yield weekly : We have a PERFECT rejection of the 50% ret 1.7866.

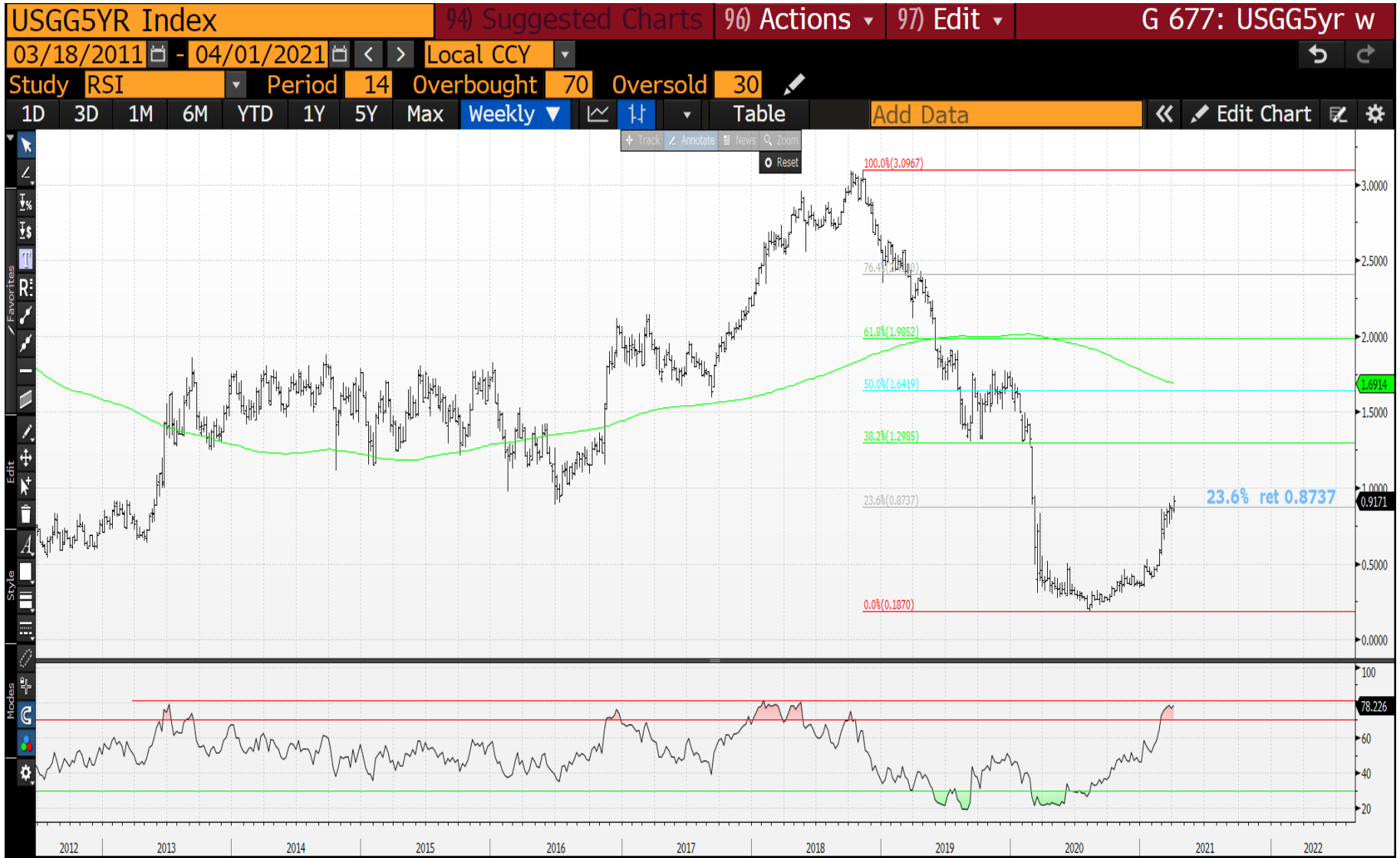


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CAD 10yr yield weekly : This too has an RSI dislocation last witnessed in 1994 whilst we flirt with the 1.567 200 period moving average. Historically this extension is wrong and HUGE scope to see yields head lower.

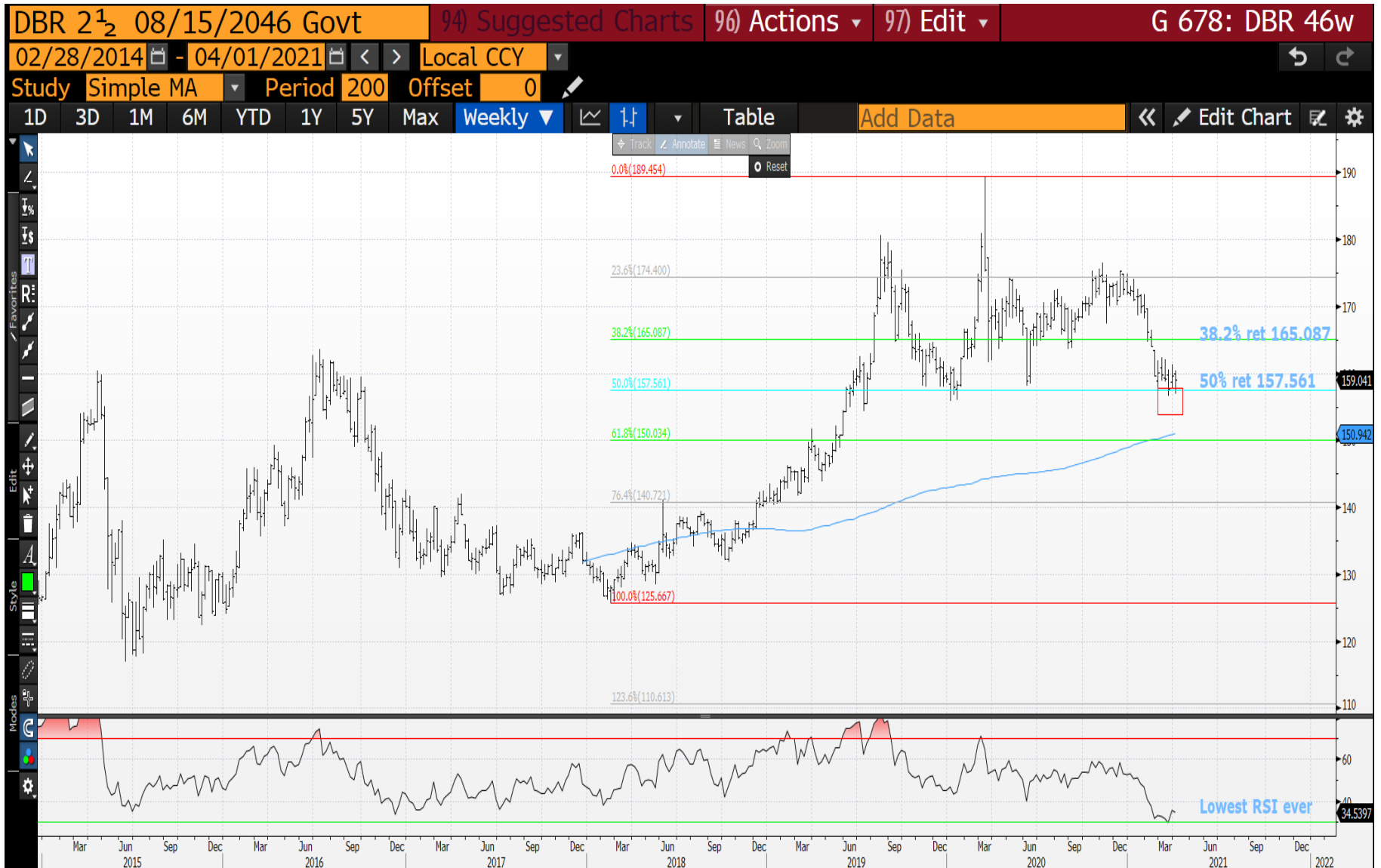


US 5yr yield weekly : Ideally we breach the 23.6% ret 0.8737.

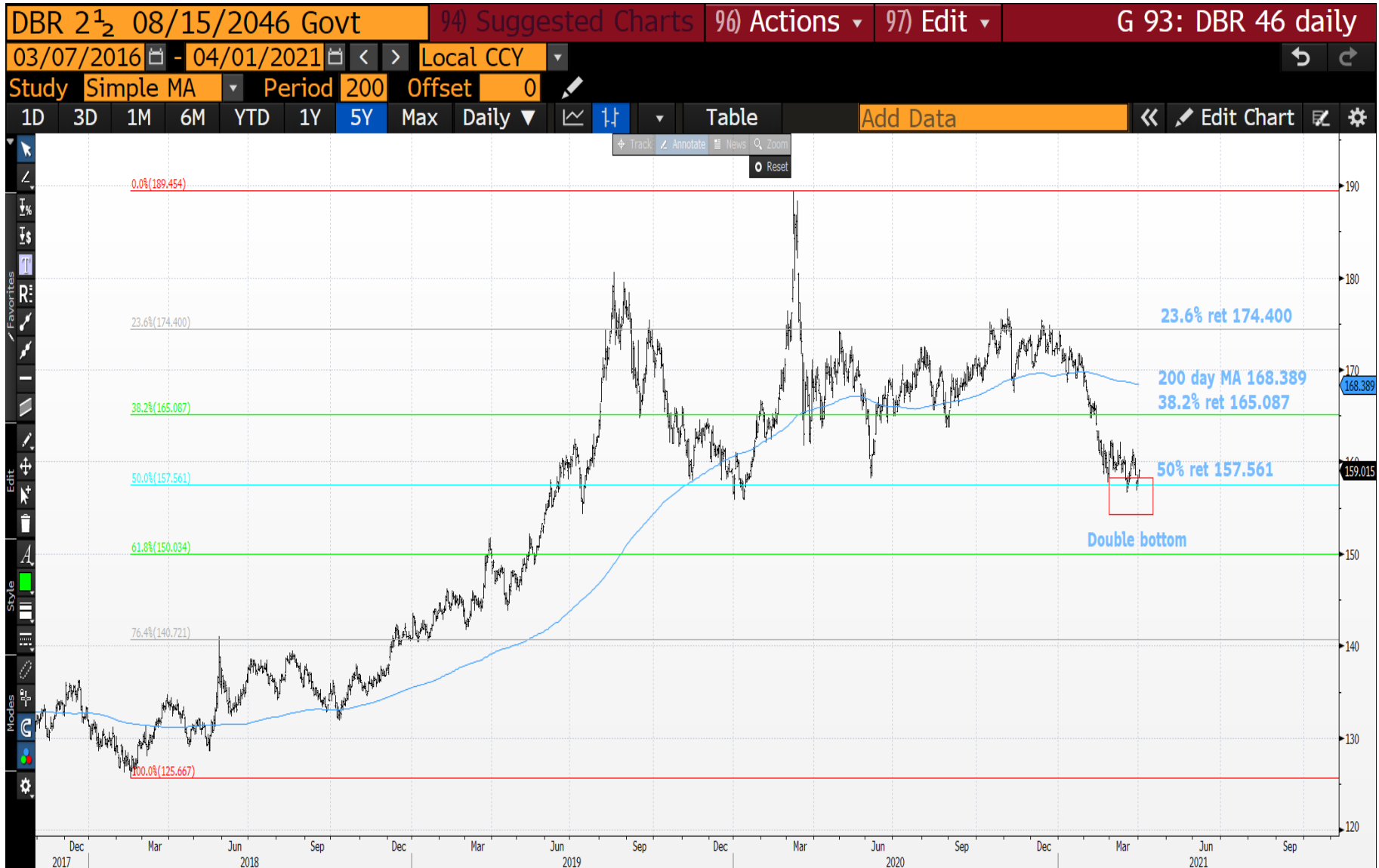


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DBR 46 weekly : This RSI is the LOWEST ever and HOLDING!



DBR 46 daily : We have a DOUBLE BOTTOM against the multi year 50% ret 157.561.



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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