

BOND UPDATE : POST NON-FARM YIELDS HAVE FALLEN WITH THE PROSPECT OF TESTING LAST MONTHS NON-FARM YIELD LOWS. WE ARE EDGING CLOSE TO A MAJOR “YIELD DROP” ACROSS MANY BOND MARKETS.

THE MONTHLY RSI DISLOCATIONS REMAIN AND SOME KEY LEVELS ARE APPROACH IN EQUITIES.

US 5YR YIELDS HAVE REJECTED THE MULTIYEAR 23.6% RET 0.8737 ON ITS LATEST BOUNCE.

THE US 30YR YIELD CHART IS FAILING SO MANY PROFOUND LEVELS AND HOPEFULLY THIS MONTHS NON-FARM WILL HELP.

GET READY TO PARTY LIKE 1994! THE HISTORICAL-TECHNICAL PICTURE HIGHLIGHTS A SWATHE OF 1994 RSI EXTENSIONS WHICH ARE VERY OBVIOUSLY EXCEPTIONAL!

ESSENTIALLY THESE TECHNICAL DISLOCATIONS ARE HISTORICALLY UNSUSTAINABLE.

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!

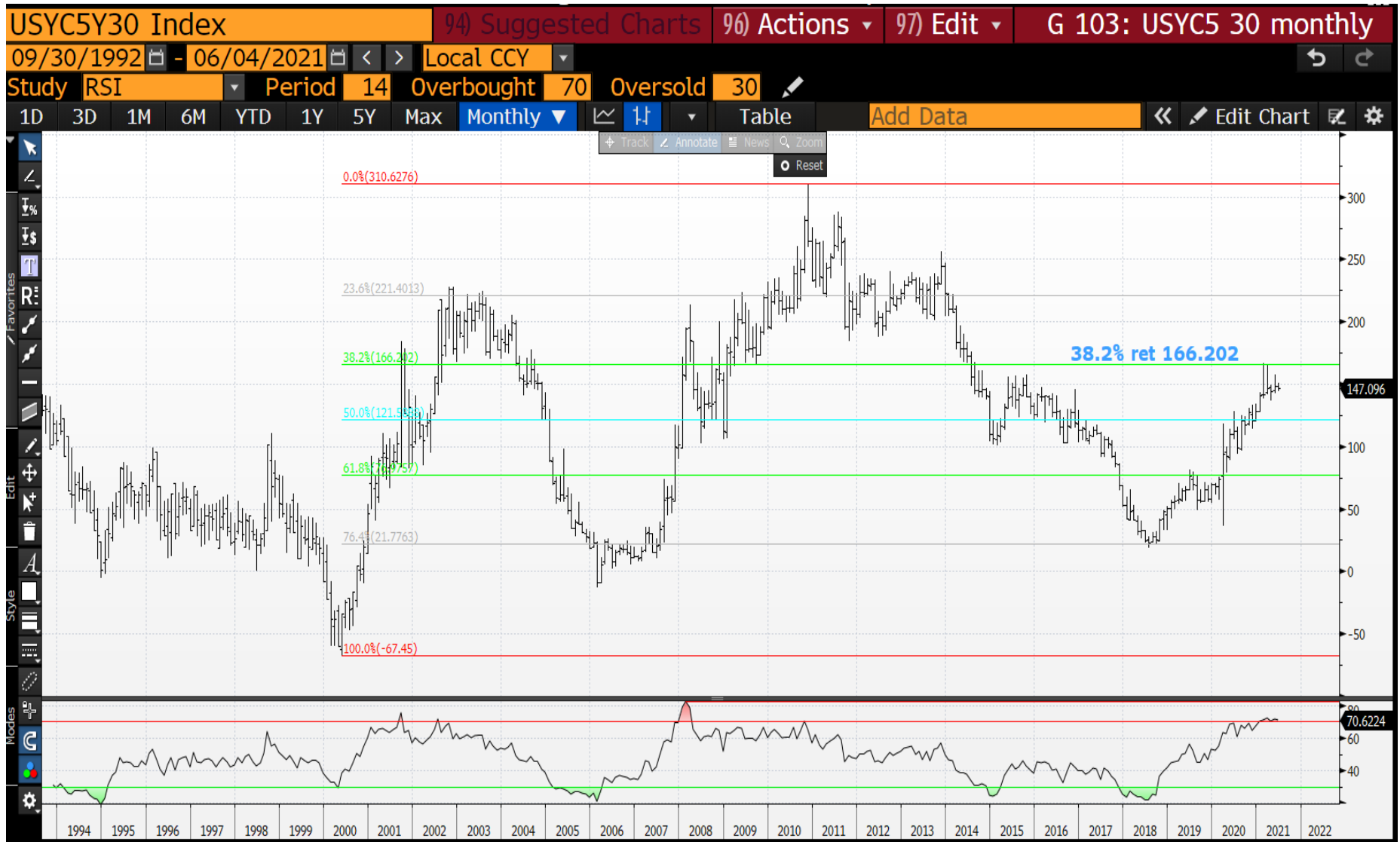
US102030 Swap monthly : We have widened back out to the long-term resistance 50% ret 34.4750, the RSI remains HIGH. Things happened quicker in 2008 but we still have time. If yields head lower then remember HOW far this could also go, see 2008!



US 5-30 Swap monthly : Again we are back at familiar long-term resistance 115.713 and the RSI dislocation remains similar to 2008! The RSI remains steadfast and we have a LONGWAY to go! When this breaks lower it will hurt.



US 5-30 monthly : The RSI remains high and best of all we have created a perfect double top at the 38.2% ret 166.202. We need to push for new lows.



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 but we seem to be needing more time this time around. SUB 40 WILL BE A BIG BONUS.



US 10-30 monthly : The RSI is muted and ideally we need to breach the multiyear 50% ret 53.918 soon. We are faltering.



US 10-20 Swap weekly : Certainly a chart to watch given we have created an upside negative PIERCE but we do need to PUSH back below the 2.2982 moving average.



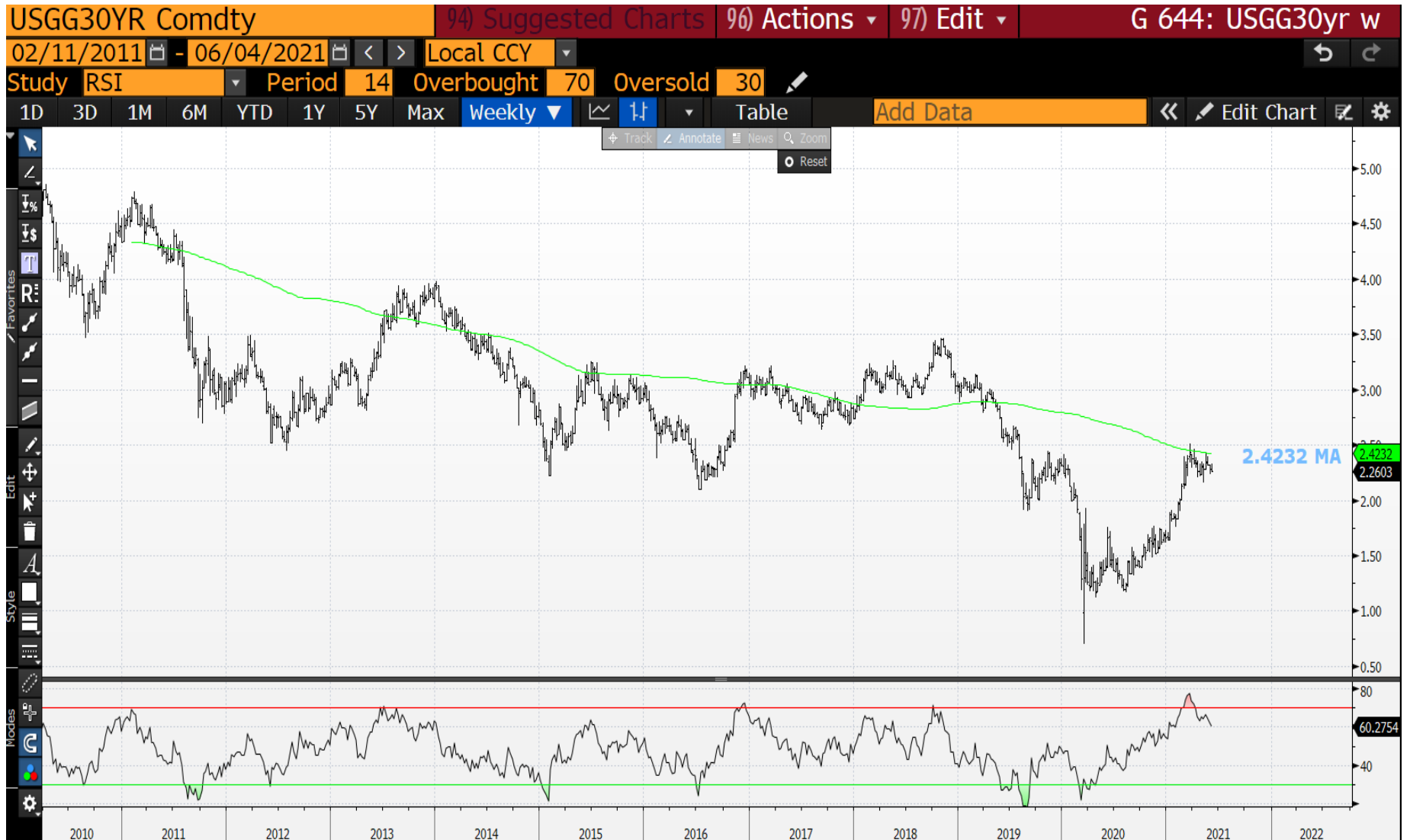
USGG30yr quarterly : The RSI continues to be lofty and we are teasing the 2.5090 2008 low.



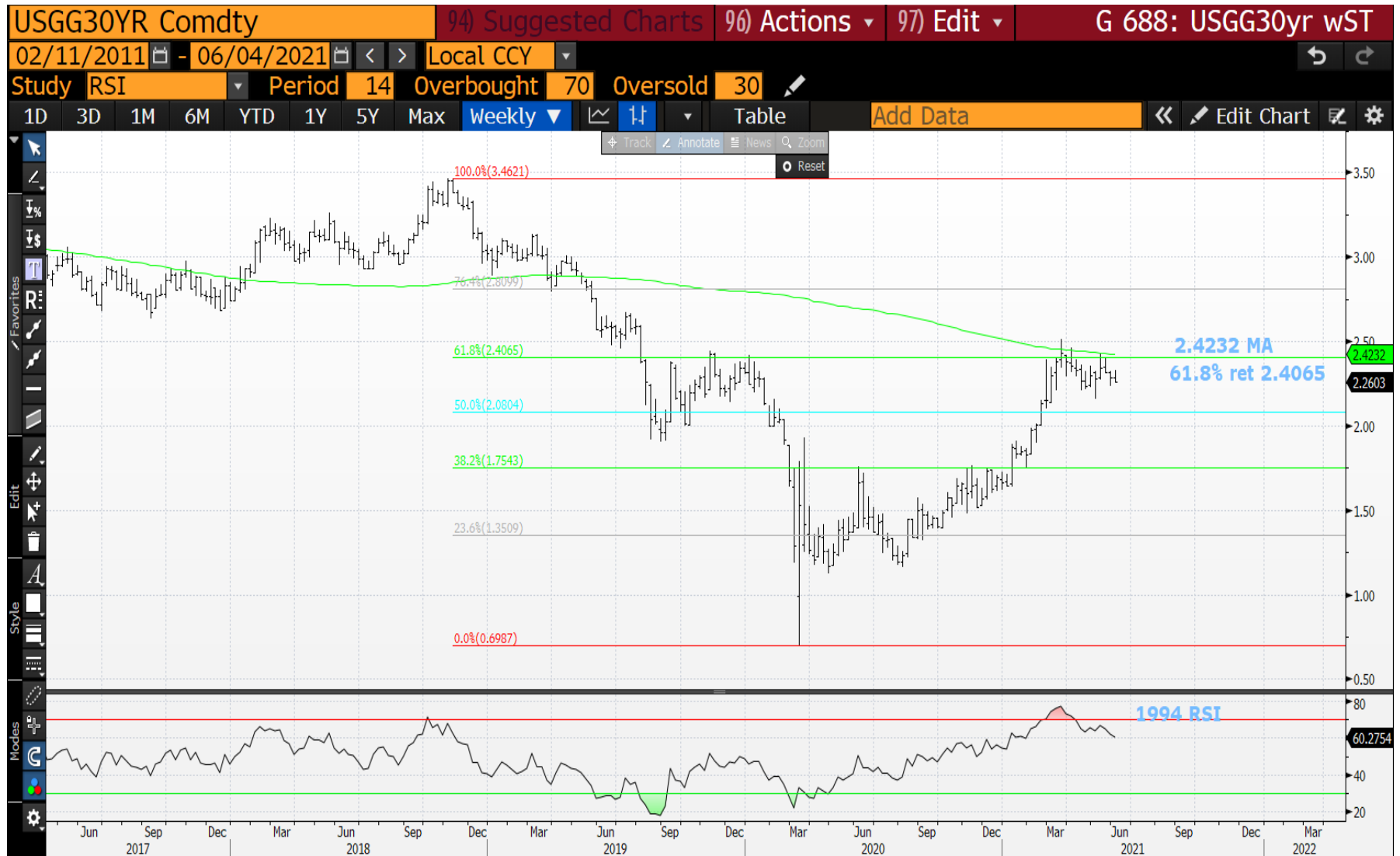
USGG30yr monthly : We are back testing the monthly the 2.4283 50 day MA, it is imperative we FAIL HERE. Ideally we continue heading lower.



USGG30yr weekly : We persist in failing the moving average 2.4232 and must make use of the lofty RSI, we need to capitalise on todays yield drop.



USGG30yr weekly : The good thing is we have failed and rejected the resistance 61.8% ret 2.4065-2.4232 moving average. Ideally we breach the recent low 2.1548. If the recent low is breached then it will be free fall time!



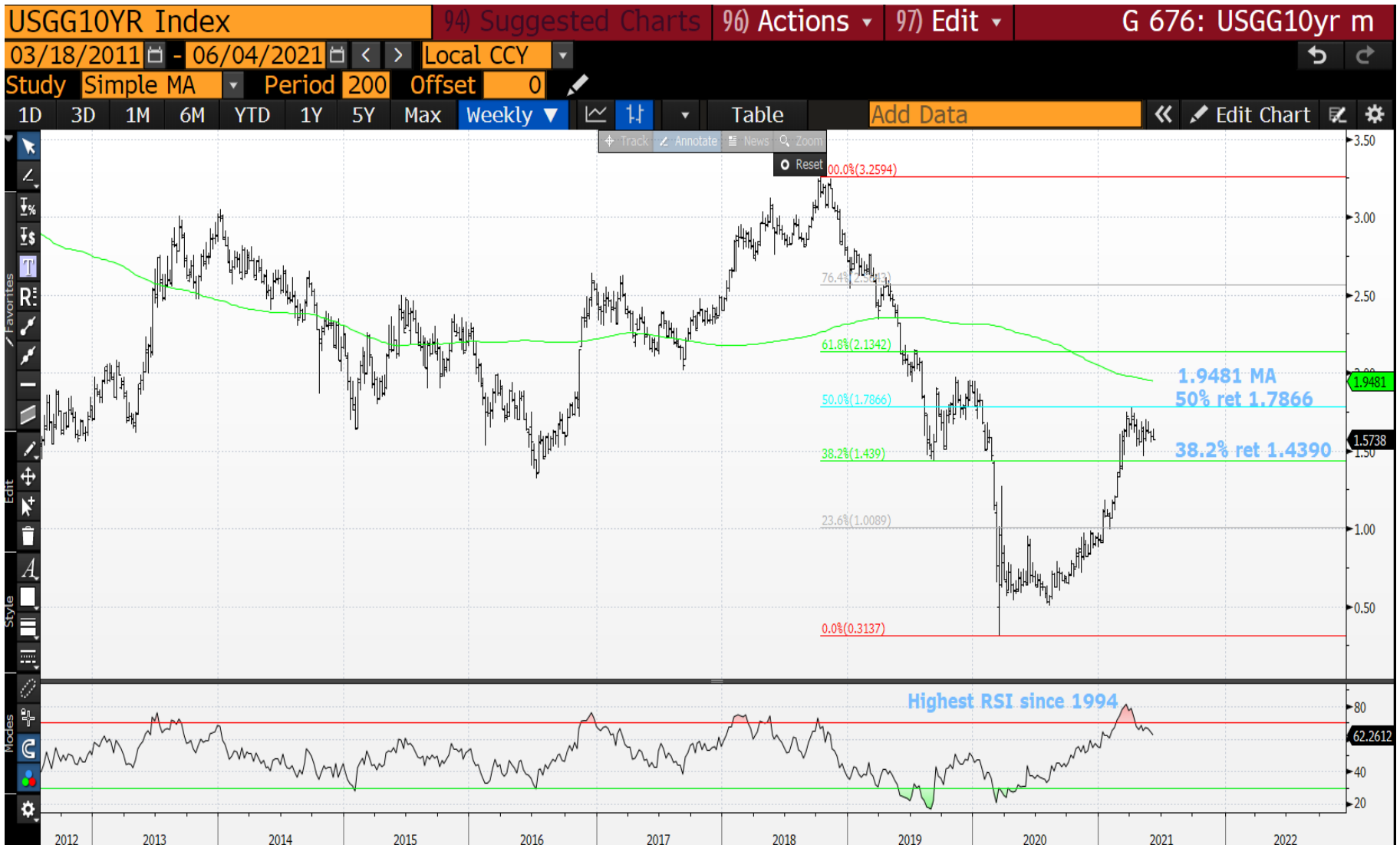
US 10yr yield monthly : Time to breach last months low 1.4643.



US 10yr yield weekly : A VERY important RSI dislocation given it is the HIGHEST since 1994 and it hasn't abated! A SOLID top in play now. We just need to break out of this congested range and 1.4643 low.



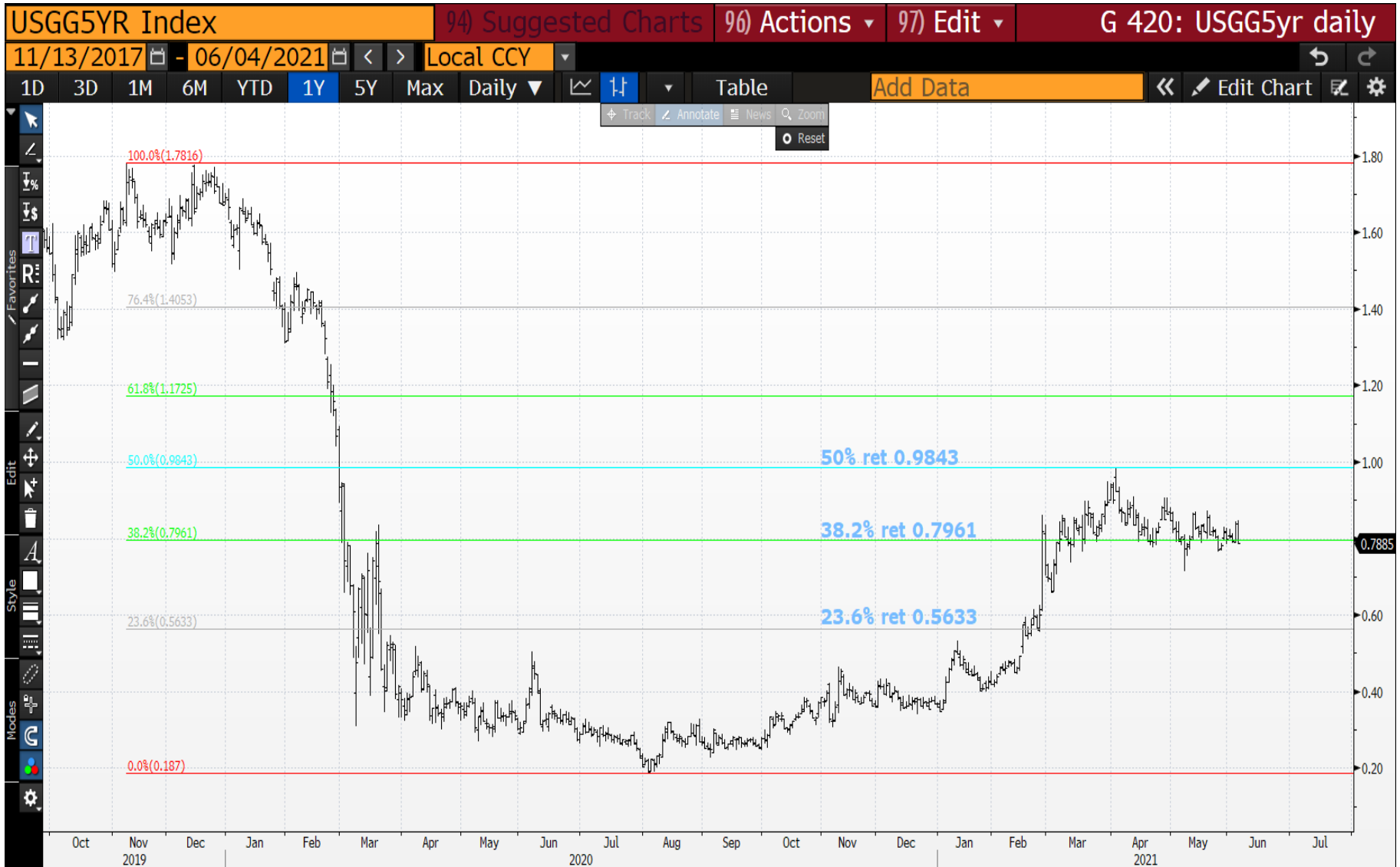
US 10yr yield weekly : A further chart with congestion so ideally we breach the 38.2% ret 1.4390 it will be free fall time.



US 5yr yield weekly : We have potentially a NICE LONGTERM TOP in play. We FAILED the 23.6% ret 0.8737 AGAIN and hopefully will BREACH the recent low 0.7132 soon.



US 5yr yield daily : We keep failing the trend line so ideally we breach the 38.2%ret 0.7961 soon. We NEED to speed up the slow GRIND lower.



DBR 46 weekly : A near perfect chart given we HELD the 152.024 200 period moving average and the RSI has never been this dislocated before. Things should liven up once above the 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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