

**BOND UPDATE : WE ARE NOW ENBARING ON A MAJOR-SUSTAINED DROP IN YIELDS GIVEN THE US 30YR HAS RE-BREACHED ITS 200 DAY MOVING AVERAGE 1.9557! CURVES SHOULD ALSO PERSIST IN TRENDING FLATTER AS MOST MONTHLY RSI ROLLED OVRE FROM 2008-1994 DISLOCATIONS.**

**NORMALLY I WOULD ALLOW MORE TIME FOR THE DAILY RSI TO DIFFUSE ITS DISLOCATION BUT THIS TIME WE ARE DEALING WITH A BIGGER MONTHLY 2008 STYLE ISSUE.**

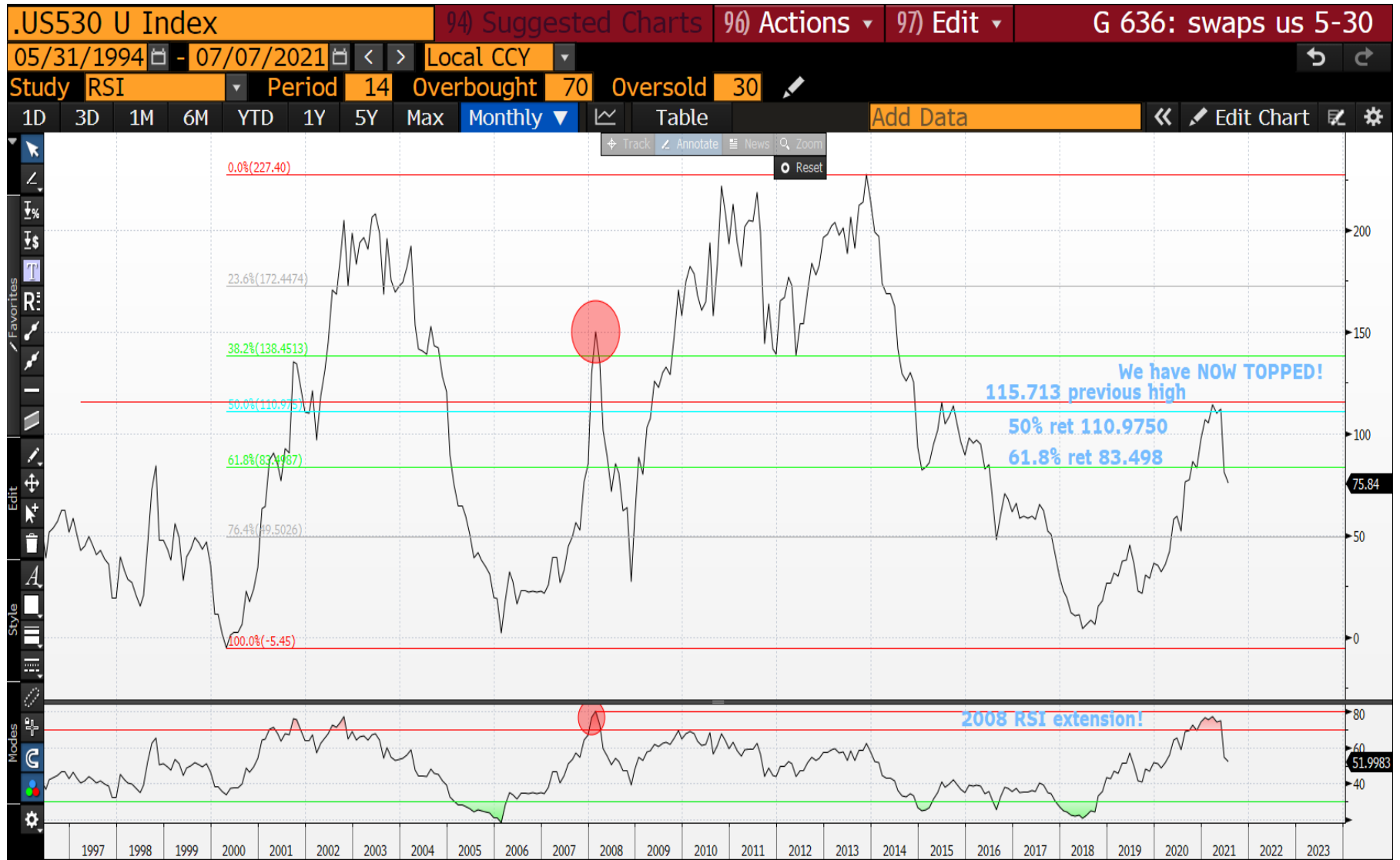
**\*\*\*BIG QUESTION IS IF YIELDS FALL SIGNIFICANTLY WHERE DOES THAT LEAVE STOCKS AND BREAKEVENS? BREAKEVENS TECHNICALLY-HISTORICALLY ARE ALSO FAILING ON “RARE” SEEN RSI DISLOCATIONS.\*\*\***

**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 : Finally we have a LONGTERM TOP so should see the 20yr sector perform. We are SUB the 38.2% ret 25.7843 i.e. this puts us in FREE FALL territory!



US 5-30 Swap monthly : We have had the flattening the RSI's have been calling for, if 2008 is to be replicated then this could flatten massively. Plenty of room to head lower, NOW sub the 61.8% ret 83.498.



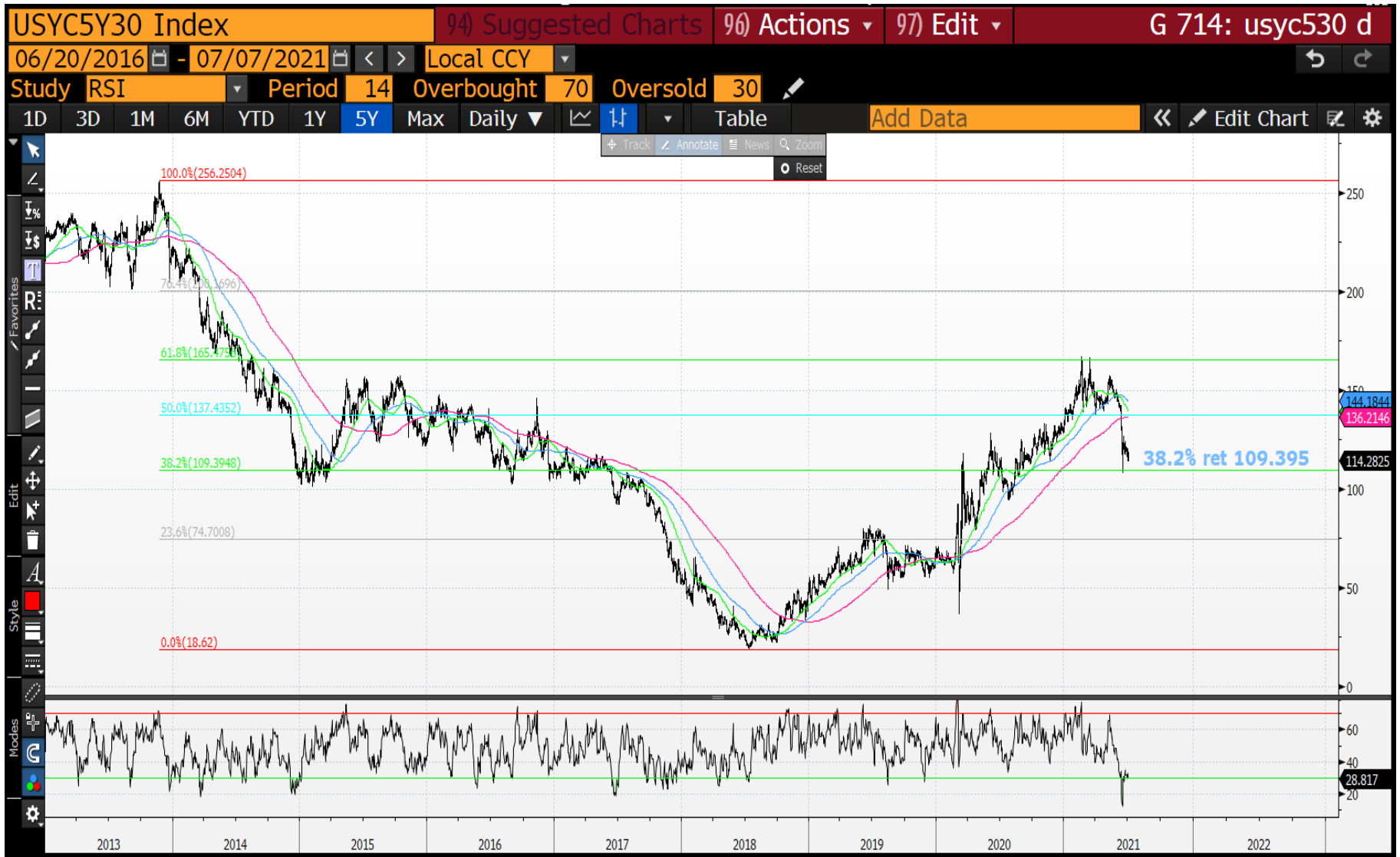
US 5-30 Swap daily : This RSI WAS low and now diffused. As with the previous chart we are SUB all moving averages.



US 5-30 monthly : This too is a very nasty long-term TOP formation, we double topped against the 38.2% ret 166.202. Sub the 50% ret 121.588 helps and sub last month low 107.7234 will be a massive help.



US 5-30 daily : Another VERY LOW RSI, THE LOWEST EVER! We have worked off the RSI dislocation thus us if we re-breach the 38.2% ret 109.395, it will open the flood gates.

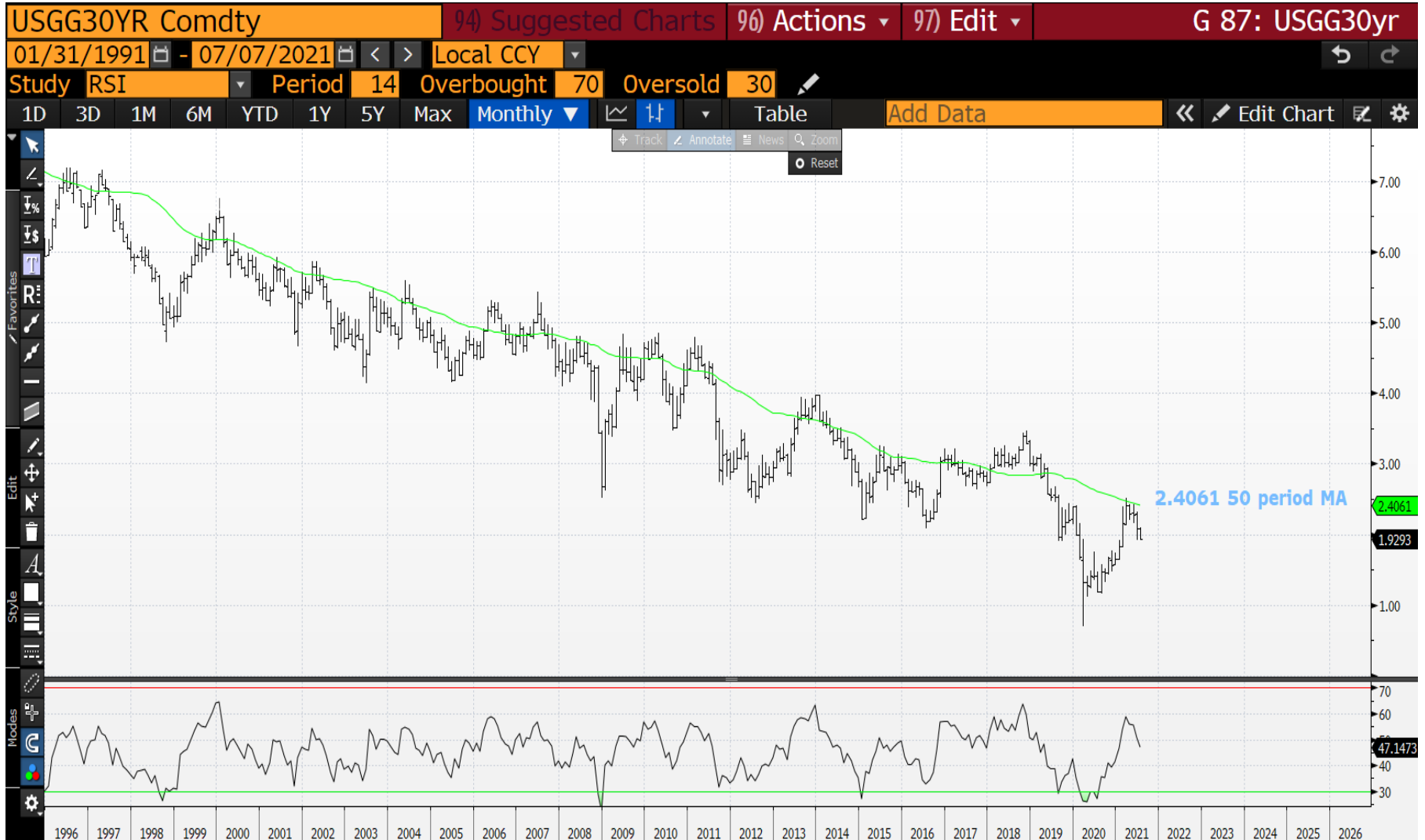


US 10-20 Swap weekly : We are now sub all major levels leaving a MAJOR LONGTERM TOP behind.



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USGG30yr monthly : This has been a near perfect failure and now the market is poised into free fall territory.



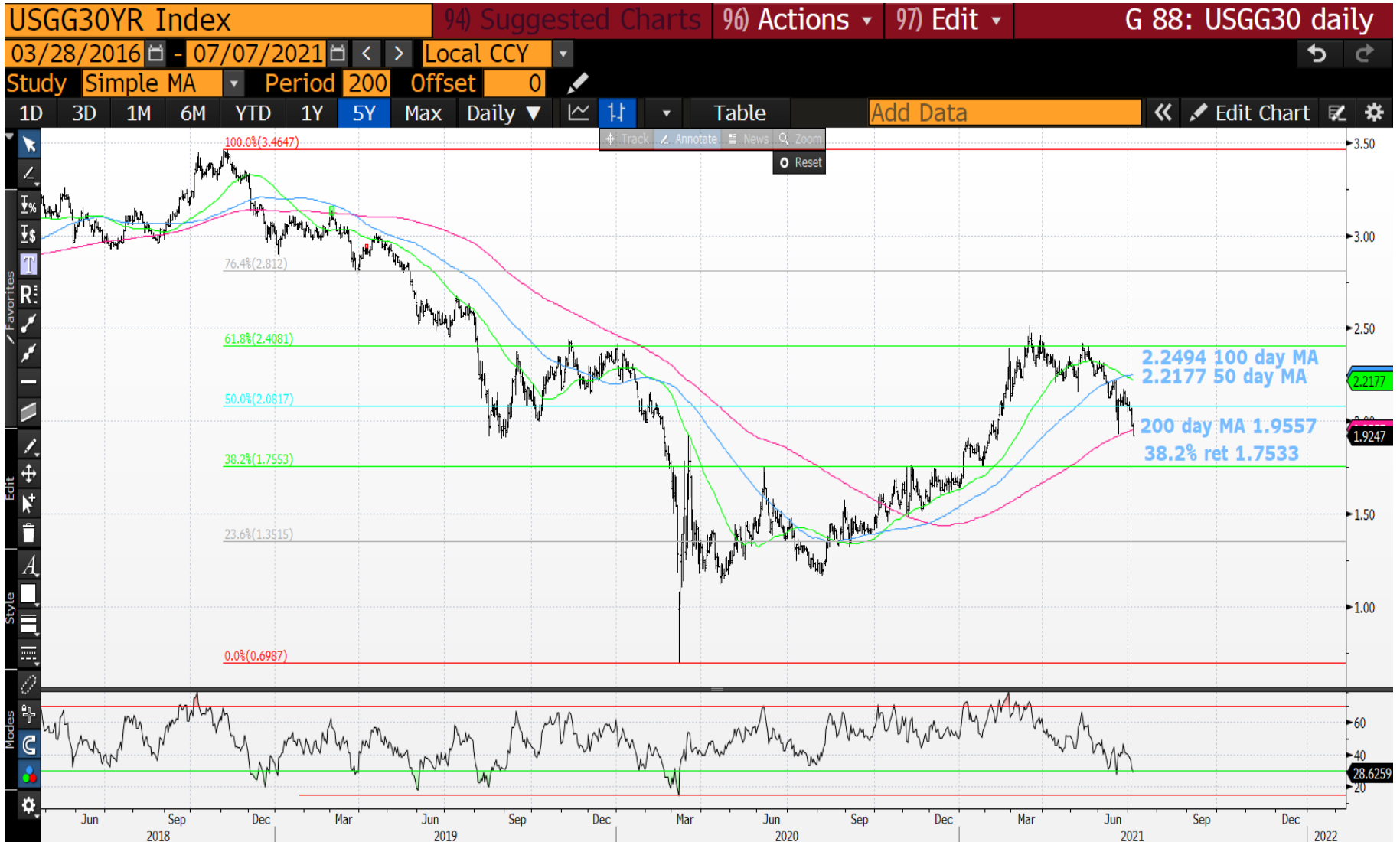
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USGG30yr weekly : We have breached the recent low and targeting the 38.2% ret 1.7543.



USGG30yr daily : The RSI is now mixed and the big issue is the 50-100 day moving averages are about to CROSS LOWER. We have also now breached to 200 day moving average 1.9557 thus LONGTERM failure.



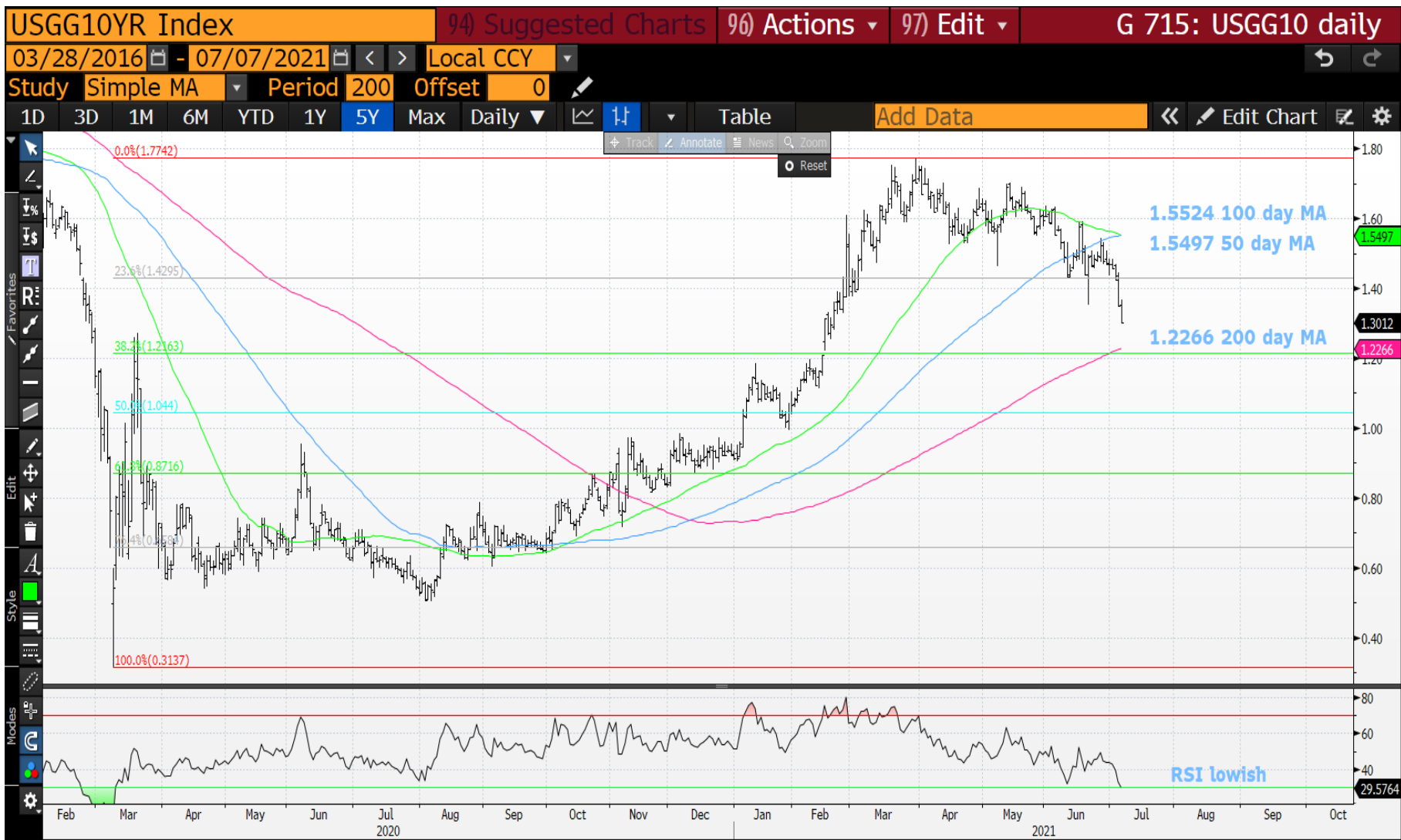
US 10yr yield monthly : A nasty low to breach HISTORICALLY but given the RSI “JUST” kinking lower then the next leg lower should be BIG.



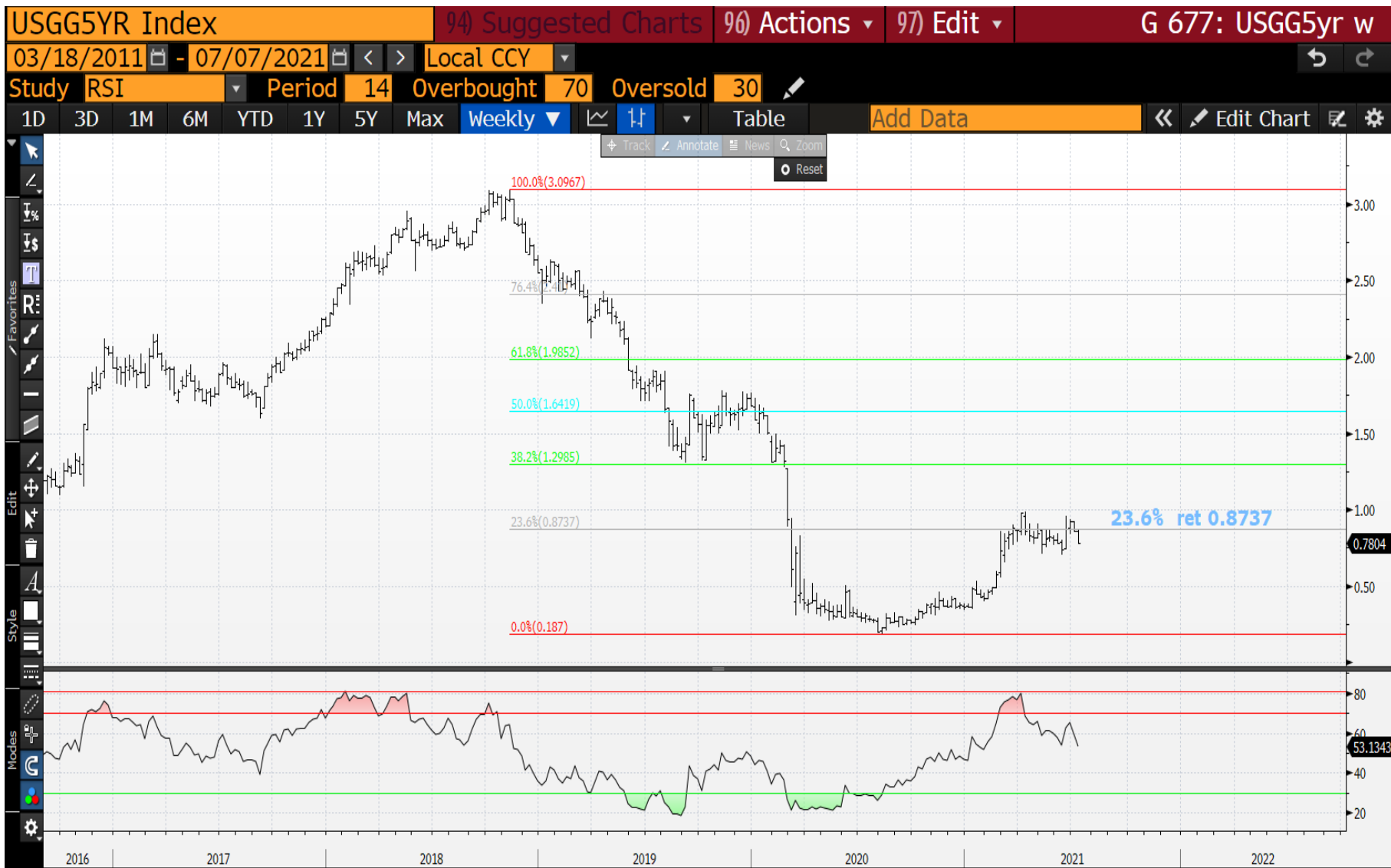
US 10yr yield weekly : We have finally breached the 38.2% ret 1.439 thus the next stop is the 23.6% ret 1.0089.



US 10yr yield daily : The 50-100 day moving averages have JUST crossed but the next big price is the 1.2266 200 day moving average.



US 5yr yield weekly : This has proved to be MASSIVE resistance 23.6% ret 0.8737 which has worked well again.



DBR 46 weekly : We breached the 50% ret 157.561 and well on the way to the 38.2% ret 165.087.



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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