

BOND UPDATE SPECIAL : ALTHOUGH THE BOND YIELD DROP HAS STOPPED IT IS ONLY A “PAUSE” GIVEN THE TRAILING 50 AND 100 DAY MOVING AVERAGE RESISTANCE. THE SAME APPLIES TO THE CURVES THEY TOO ARE SUB ALL MAJOR MOVING AVERAGES AND TRENDING FLATTER.

*****US 5YR HELD ITS 200 DAY MOVING AVERAGE 0.6163 YESTERDAY SO LETS SEE HOW LONG BEFORE IT IS RE BREACHED GIVEN IT TOOK 11 DAYS ON US 30YR AND 7 DAYS ON US10YR. *****

WE HAVE NOW BREACHED THE 200 DAY MOVING AVERAGES ON US 30 AND 10YR SO WE HAVE SIGNALLED THE START OF A VERY VERY “MAJOR” YIELD DROP. THIS IS CERTAINLY SOMETHING WORTH CONTEMPLATING LOOKING AT THE PREVIOUS OCCAISION THIS HAPPENED. WE ARE CLOSE TO REPLICATING 2018-2019 WHERE ALL CROSSED OVER THUS A SIGNIFICANT QUARTER-CLOSE!

THE LAST TIME THE 50-100-200 DAYS CROSSED WAS INITIATED IN EARLY 2019, THAT DROP DID NOT HALT UNTIL THE MOVING AVERAGES RE-CROSSED IN DECEMBER 2020!

USGG30yr monthly : The RSI has topped nicely but we do need a close at the lows for month end.



USGG30yr daily : The 38.2% ret 1.7553 has offered initial support but any yield bounce will encounter huge resistance from the various moving averages.



US 10yr yield monthly : The RSI remains useful and whilst sub the previous low 1.3180 all remains negative.



US 10yr yield daily : We are TESTING the 200 day moving average 1.2583 already BUT even if breached further moving average resistance will be encountered. It took 7 days before the 200 day moving average was re-breached post first time visited.



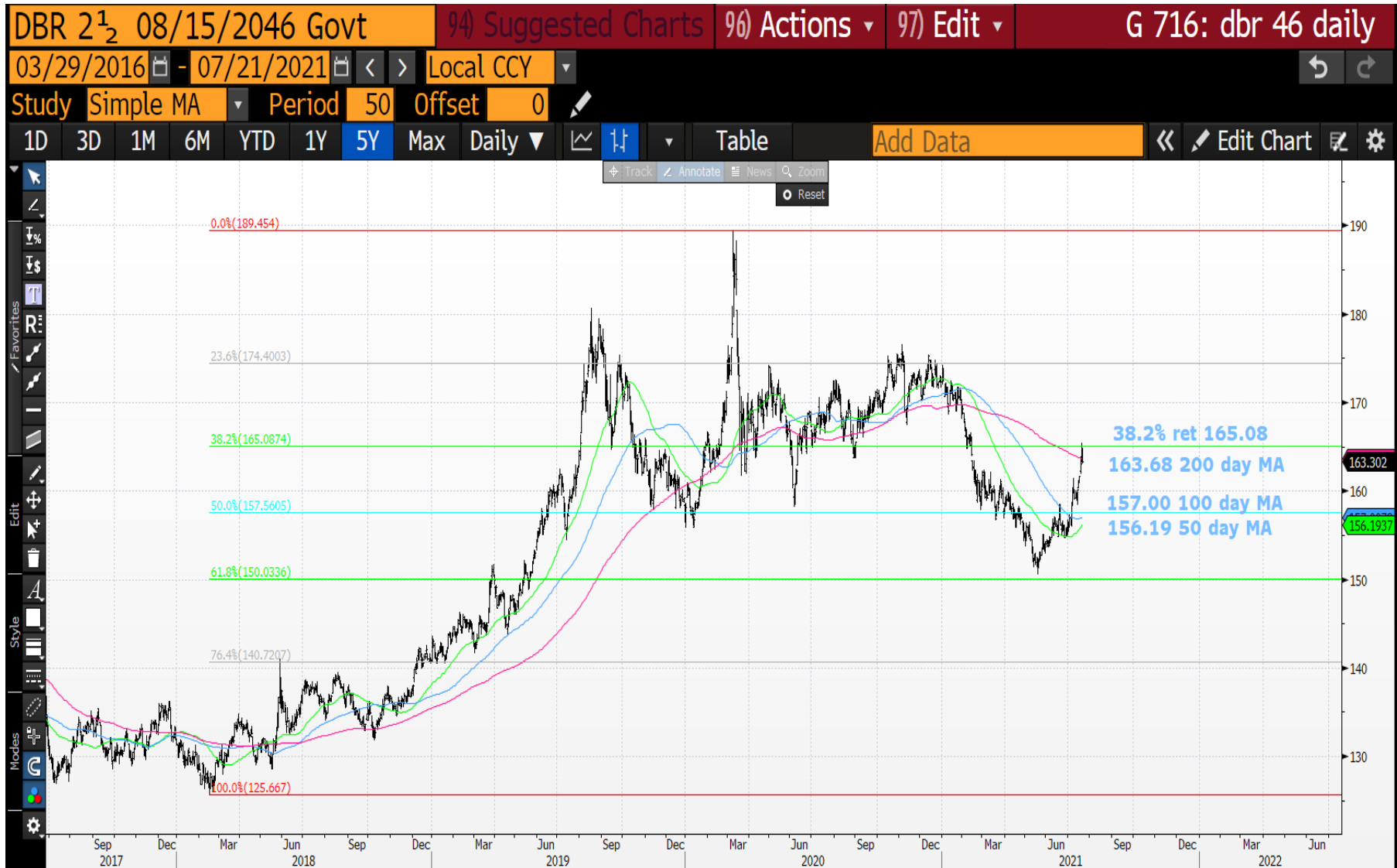
US 5yr yield monthly : Much less of an RSI dislocation so lets see what venom it has.



US 5yr yield daily : This was the main reason for yesterday's yield "bounce" given we held the 200 day moving average 0.6163. Obviously there is sizeable resistance above from the 50-100 day moving averages.



DBR 46 daily : The last time the averages crossed clearly was early 2018. We struggled to breach the multi year 38.2% ret 165.08 and are now TEASING the 163.68 200 day moving average.



US 5-30 curve daily : Curve flattening has run ALONGSIDE the yield drop and as can be seen this is SUB ALL moving averages.



US 10-30 curve daily : This has been less responsive to the yield drop but still has SIZEABLE resistance from the various moving averages.



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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