

BOND UPDATE SPECIAL : IT SHOULD NOW BE TIME TO SEE YIELDS FALL GIVEN THEY ARE STRUGGLING TO BREAK THROUGH THE MOVING AVERAGE RESISTANCE. THE US 5YR IS ESPECIALLY KEY AS IT IS TESTING THE LAST OF ITS MAJOR MOVING AVERAGE RESISTANCE.

PREVIOUSLY:

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 : There still remains room for the RSI to head lower but it needs to HAPPEN NOW!



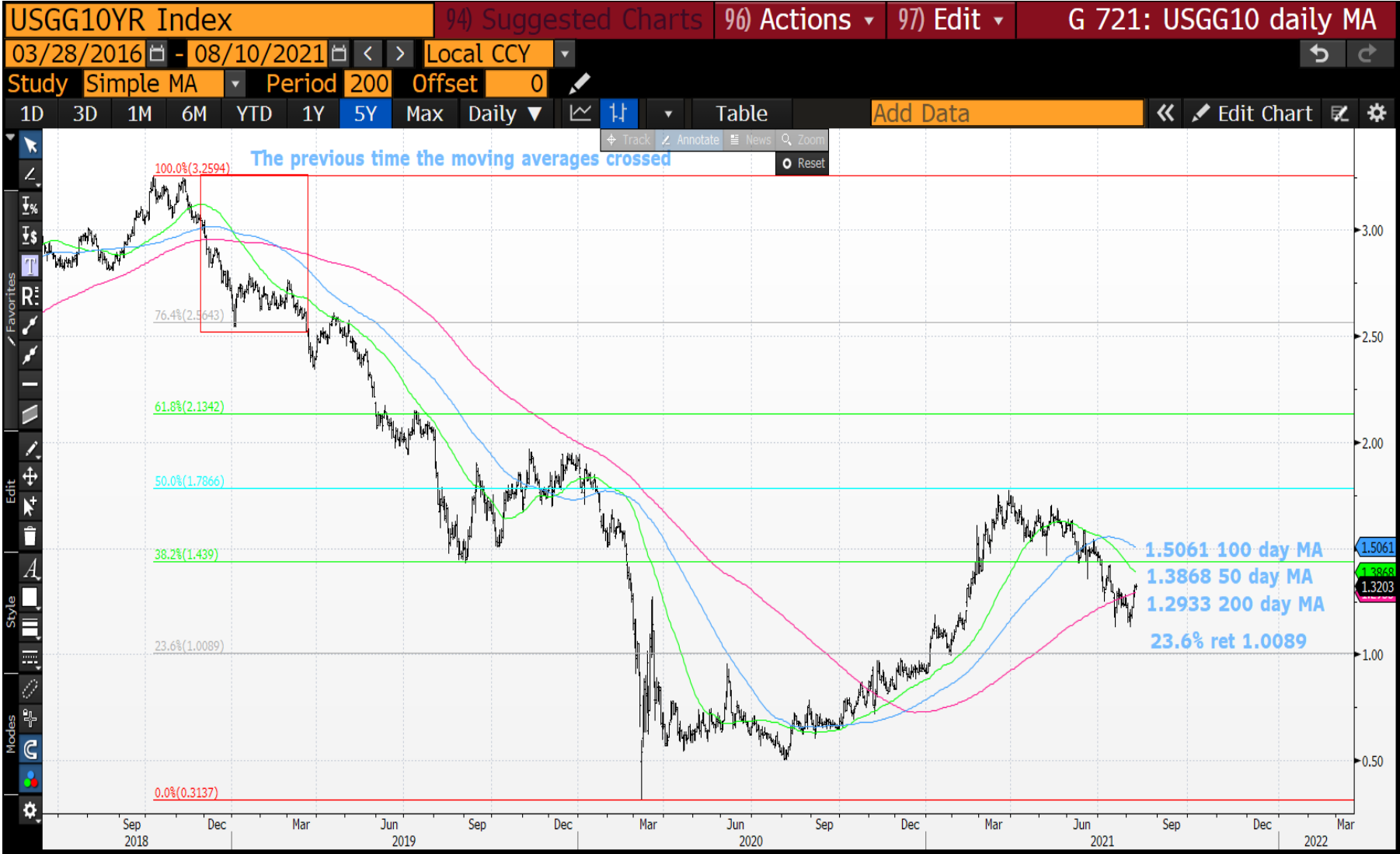
USGG30yr daily : The 200 day moving average 2.0065 should provide sizeable resistance JUST as it did in March 2019. We just need to head lower from here!



US 10yr yield monthly : Do remember this part of the yield curve HAS a NEW LOW thus CTA'S will be keen to fade any yield bounce! The previous low 1.3180 should be staunch resistance.



US 10yr yield daily : As mentioned we ALREADY have a new monthly low thus the clock is ticking. As can be seen we have plenty of moving average resistance-convergence. Ideally we head lower from this convergence.



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



US 5yr yield daily : A KEY chart given this is the LAST of the moving average resistance. Ideally we fail today's 100 day moving average 0.8112.



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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