

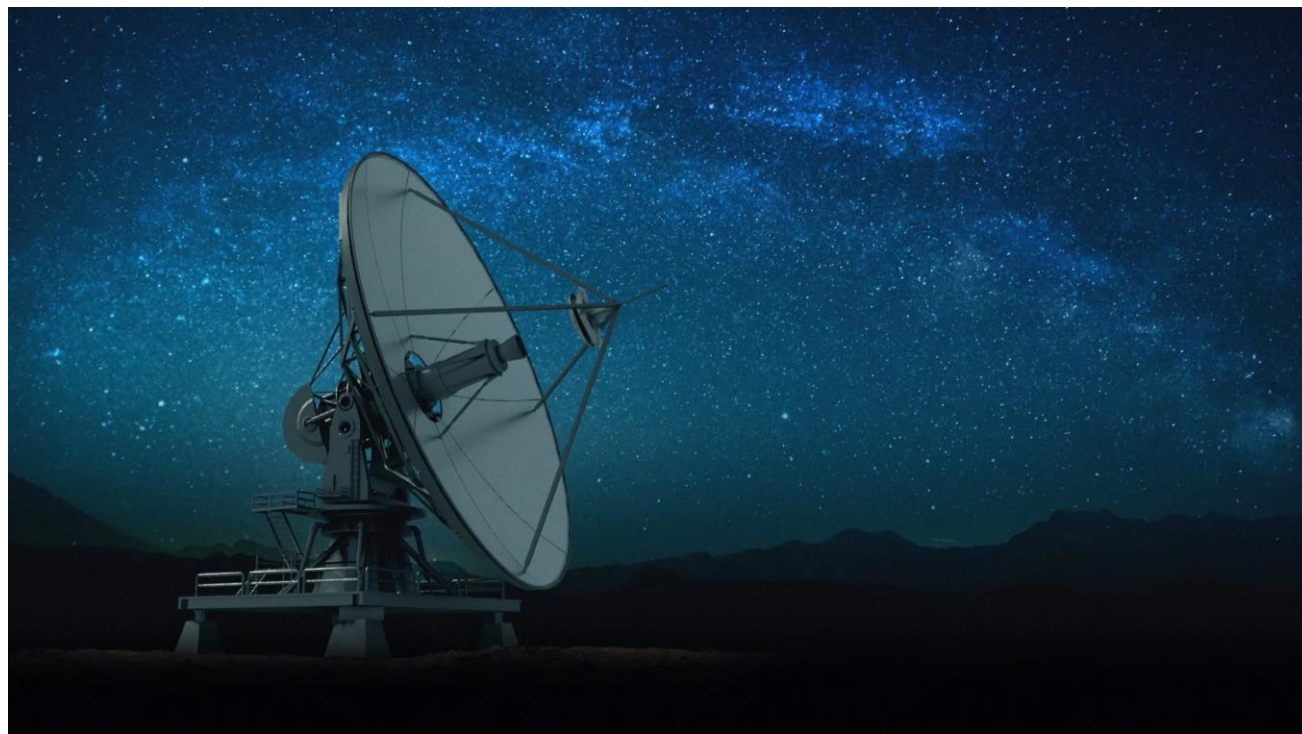


# Trade Radar

Trades & Fades

James & Will, Astor Ridge

31st August



# Prepping for the New Gilt 2029 next Wednesday

- Gilt supply Calendar: <https://dmo.gov.uk/data/pdfdatareport?reportCode=D5D>
- Wednesday 1-Sep-2021 0½% Treasury Gilt 2029 2,500.0000

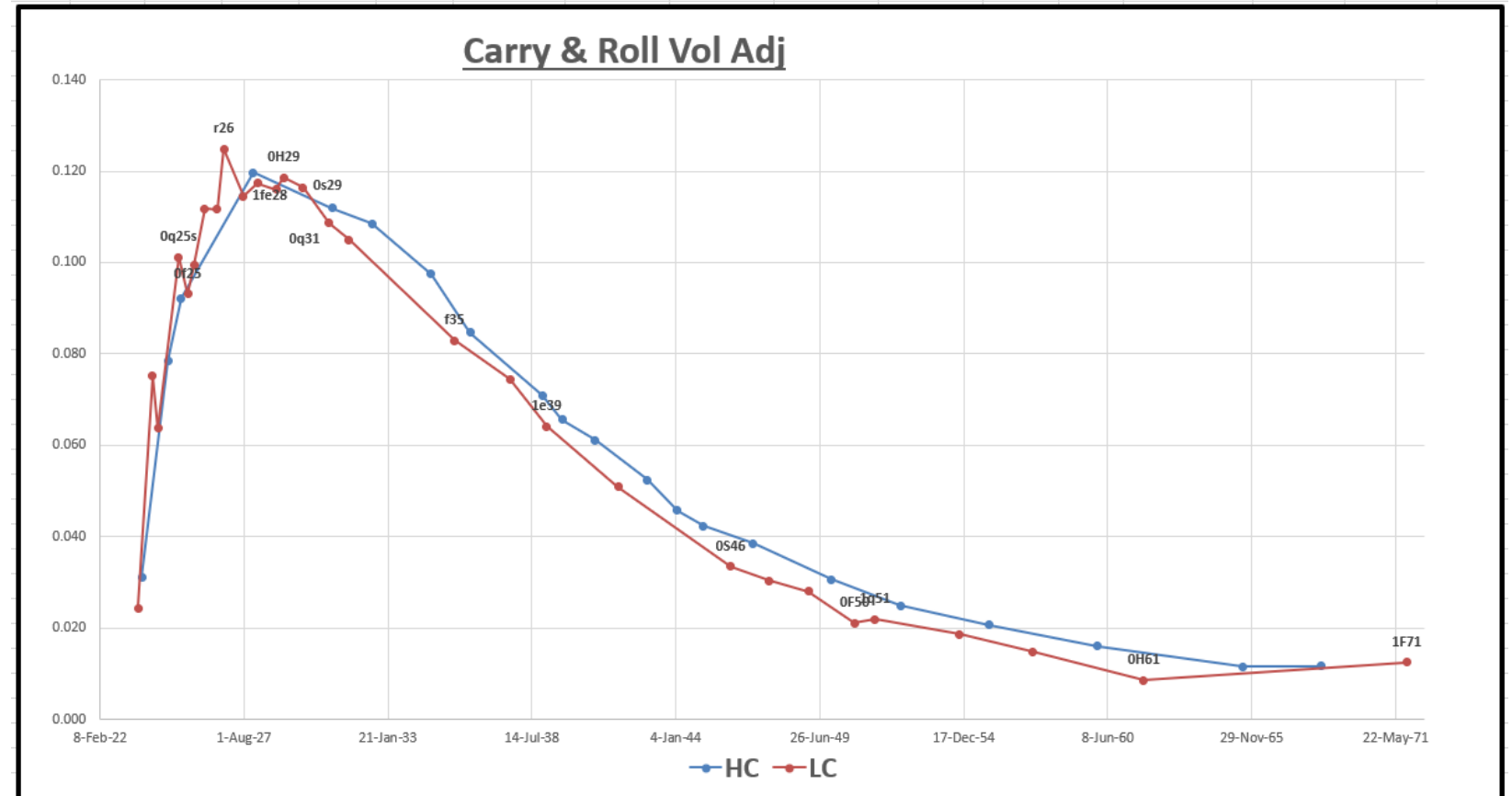
UKT 0.375% Oct-26 look the best bet and generally we like regression steepeners with them as the front leg – given we have supply we'll go with delta neutral steepeners too

## Graph

Carry and Roll of UKT curve, Vol Adjusted

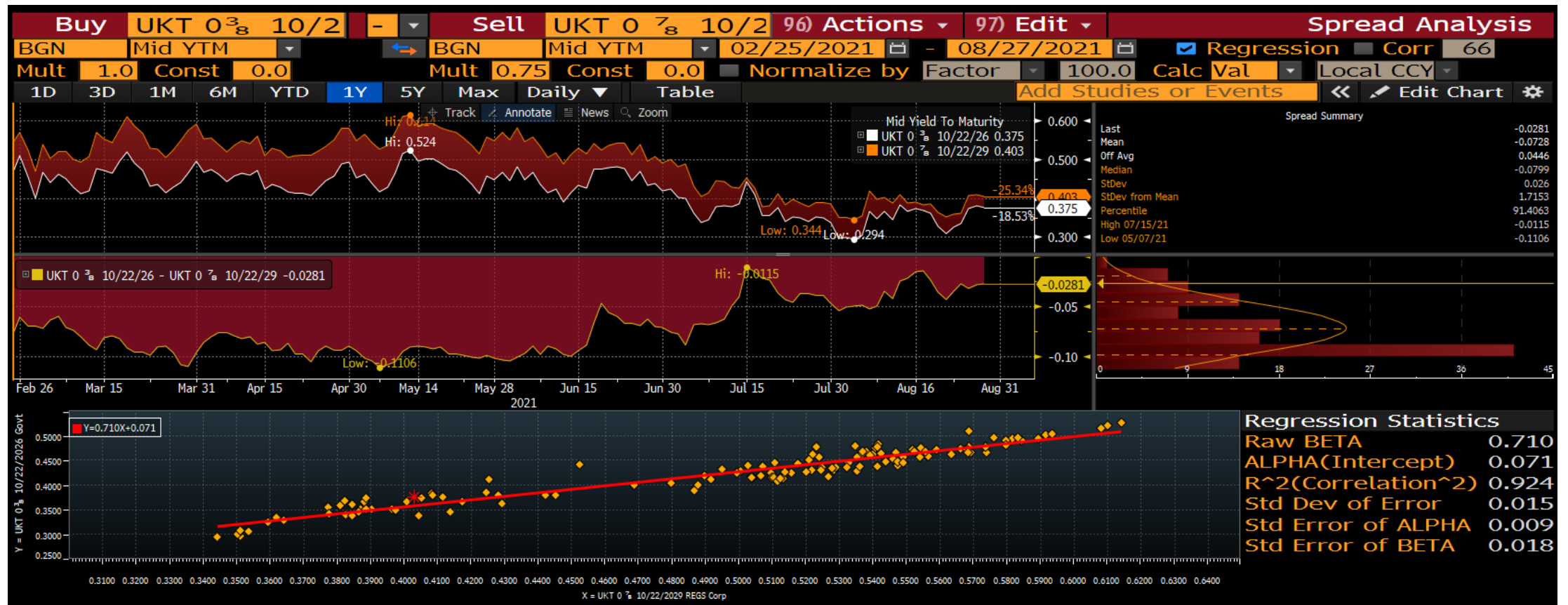
## Units

3month C&R, divided by 3month vol of yield changes



# Regression Steepener

– short old29s / long 0R26

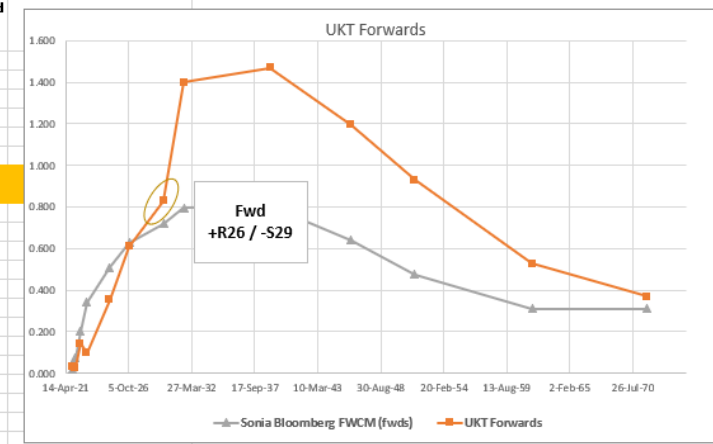




Trade:  
 +Ukt26 -Ukt  
 29 regression  
 weighted

$(YIELD[UKT\ 0.375\ 10/22/26\ Corp] - 0.75 * YIELD[UKT\ 0.875\ 10/22/29\ Corp]) * 100$

Bond benchmarks	Yield	shift (bp)	used yield	Fwd vs Prior Bond	Sonia Bloomberg FWCM (fwd)	spread fwd bond - Sonia
UKTB 0 09/20/21	-0.018	0	-0.018			
UKTB 0 11/22/21	0.020	0	0.020	0.031	0.018	0.014
UKTB 0 02/21/22	0.024	0	0.024	0.027	0.072	-0.045
UKT 0.5 07/22/22	0.079	0	0.079	0.142	0.201	-0.059
UKT 0.125 01/31/23	0.130	0	0.130	0.097	0.340	-0.243
UKT 0.25 01/31/25	0.260	0	0.260	0.352	0.508	-0.155
UKT 0.375 10/22/26	0.376	0	0.376	0.609	0.628	-0.018
UKT 0.875 10/22/29	0.539	0	0.539	0.829	0.719	0.110
UKT 0.25 07/31/31	0.691	0	0.691	1.399	0.794	0.605
UKT 1.125 01/31/39	1.007	0	1.007	1.469	0.803	0.665
UKT 0.875 01/31/46	1.057	0	1.057	1.196	0.638	0.557
UKT 1.25 07/31/51	1.037	0	1.037	0.930	0.474	0.456
UKT 0.5 10/22/61	0.917	0	0.917	0.527	0.312	0.215
UKT 1.625 10/22/71	0.836	0	0.836	0.369	0.312	0.058
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A



# Trade Stats



Enter: -2bp (25% risk, tactical)



Current: -2.7bp



Add: -1bp (Sharpe 1.3 vs rolling 3mo average)



Target: -5.75bp



Annualised vol: 1.8bp



Conviction: 8/10



Carry & Roll: +0.5bp /3m  
reg weighted (@neg 5bp  
repo spread)



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