

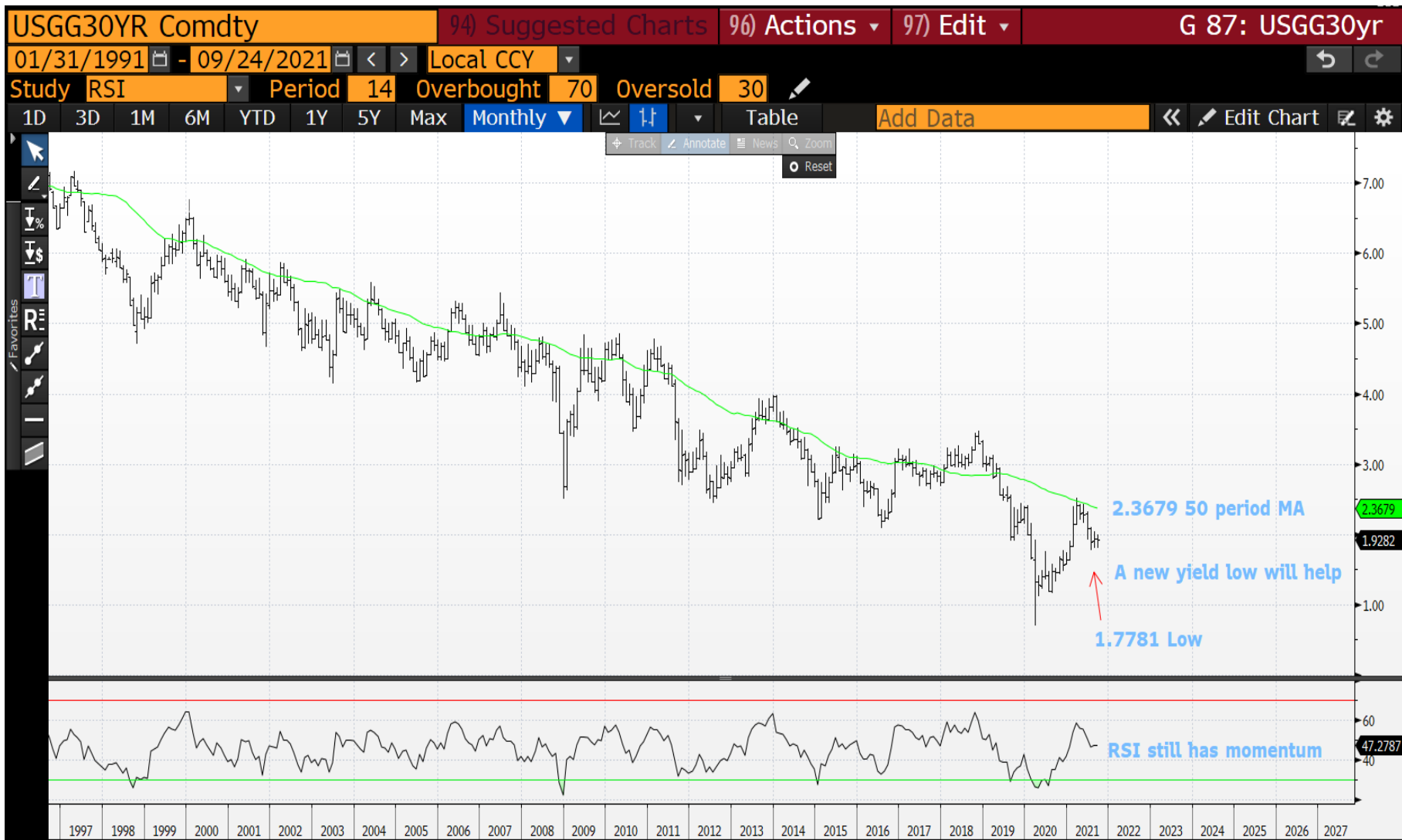
BOND UPDATE : “HOLD THE LINE”, YESTERDAYS MOVE COULD BE A MASSIVE AID-ACCELERANT TO THE “BIG YIELD DROP”, IT WILL HAVE WRONG FOOTED MANY. TODAY WE ARE LEFT WITH SOME OVER STRETCHED DAILY AND 60 MINUTE RSI’S ESPECIALLY IN EUROPE. YIELDS NOW NEED TO FALL TODAY AND CERTAINLY INTO MONTH END.

****I HAVE INCLUDED THE UK AS THAT BECAME ONE OF THE MOST DISLOCATED MARKETS LAST NIGHT.*****

PREVIOUSLY

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!

USGG30yr monthly : We saw a nasty reverse yesterday BUT there is still time to see yields close back at this months lows. Any reversal to lower yields in the same month will be a huge accelerant to the BIG YIELD DROP.



USGG30yr daily : The 200-100 day moving averages are ABOUT to cross as they did in 2019 where we witnessed a SIMILAR yield POP before yields FELL dramatically. We do need LOWER yields from now to month end!



USGG30yr 60 MIN : Obviously yesterdays move prompted the RSI to dislocate, as mentioned we need to be seeing yields head lower now into month end WITHOUT interruption.



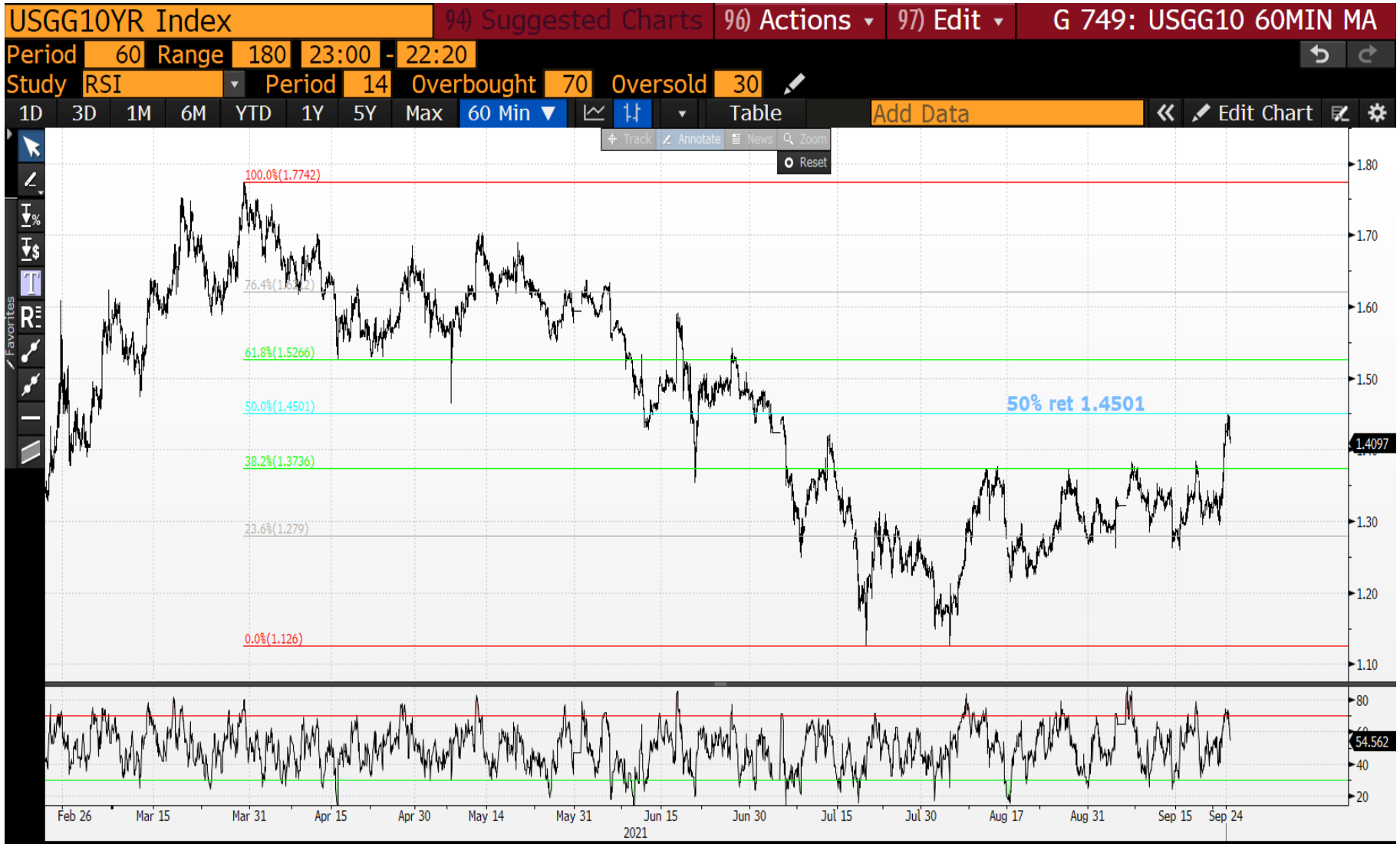
US 10yr yield monthly : The RSI is neutral whilst we have popped back above the previous low 1.3180. Lets see what the long end does.



US 10yr yield daily : We have POPPED all moving averages but are neatly SUB the 38.2% ret 1.439, ideally we head lower from here.



US 10yr yield 60 min : The RSI is dislocated once again so we need to firmly reject the 50% ret 1.4501 and head lower.



US 5yr yield weekly : We have POPPED the 23.6% ret 0.8737, we need to close the month sub this level.



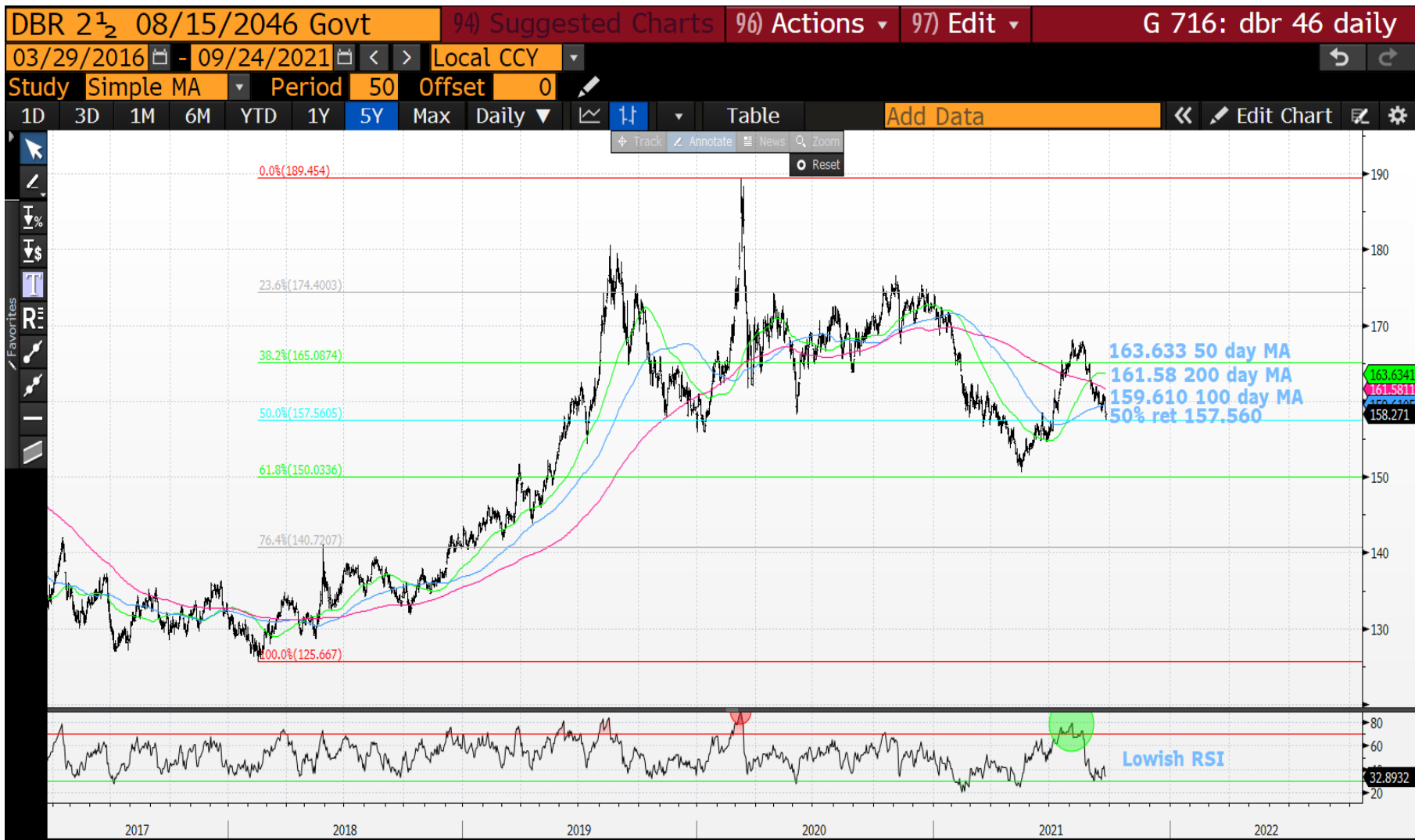
US 5yr yield daily : This is the ONLY daily RSI that is dislocated thus that should aid a move lower in YIELDS AGAIN.



US 5yr yield 60 min : Another market that has POPPED into familiar resistance area.



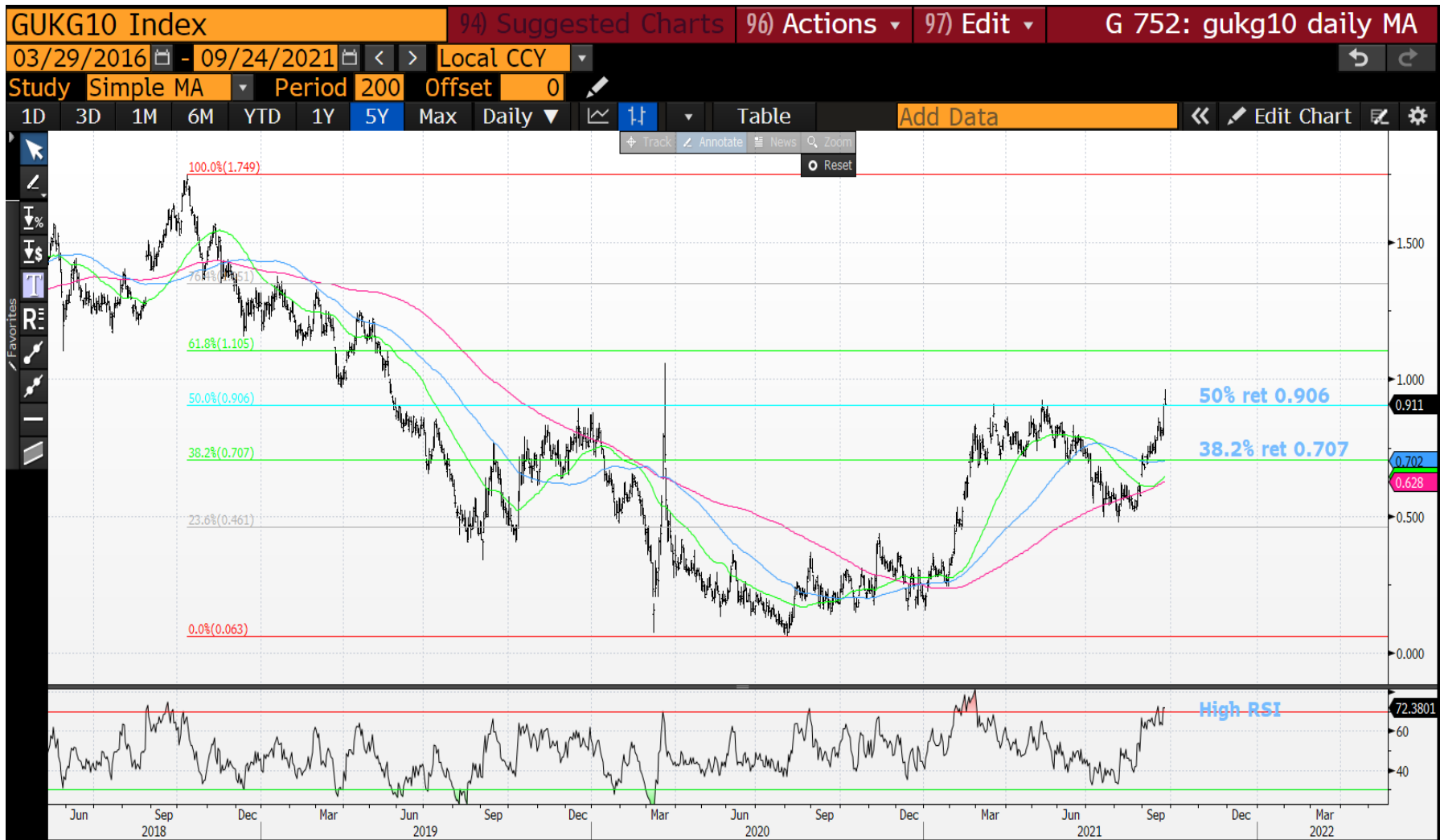
DBR 46 daily : We are EATING into ALL support levels so ideally we HOLD and bounce from the 50% ret 157.560.



DBR 46 60 min : Europe has far greater 60 min RSI dislocations! We have held the 61.8% ret 157.272 on the latest dip.



UK 10yr daily : Again Europe is where the pain was yesterday and this daily gilt yield chart reflects that in that. Ideally we fail the 50% ret 0.906.



UK 10yr 60 min : A MAJOR RSI dislocation and familiar resistance territory.



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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