

****SPECIAL UPDATE** : THIS IS A TECHNICAL TAKE ON THE “DRAMA” ABOUT TO UNFOLD, BASED ON A FURTHER “DROP IN” YIELDS. I SAY THIS PROVIDING THE MONTHLY CLOSES ENDORSE THIS MONTHS PERFORMANCE THUS FAR.**

THE CHARTS HAVE PREDICTED LOWER BOND YIELDS SINCE FEB THIS YEAR AND DESPITE LAST MONTH “FALSE” BREAK HIGHER, THE NEXT “MAJOR” LEG LOWER IS LOOMING. ADDITIONALLY THE IMPLICATION IS THE YIELD DROP WILL BE COUPLED WITH A STEEPENING BIAS, THIS BEING THE REVERSE OF THE MOVE FLATTER FROM FEB THIS YEAR. THE OVER RIDING POINT TO MAKE IS THE “YIELD REVERSAL” AS THIS WILL BE “VIOLENT”.

OTHER FACTORS WHICH I WILL UPDATE SHORTLY ARE BREAKEVENS LOOK LIKE FORMING “MULTI YEAR” TOP, BASED ON HISTORICALLY DIISLOCATED RSI’S. ALSO NEARLY ALL CPI CHARTS ALSO HAVE RSI DISLOCATIONS TO 2008 LEVELS! SO MANY CHART SITUATIONS CURRENTLY “HARP BACK” TO 2008. THE WORLD LOOKS “TECHNICALLY” OVER COOKED SO IT MAY BE A MAJOR YIELD DROP THAT FINALLY CONVINCES STOCKS TO HAVE A RE THINK OF THEIR VALUATIONS. THE WORLD SEEMS TO BE LONG, ENJOYING LOW RATES, GENERATIONS OF 0% FINANCE AND REALITY MAY SOON BE ROUND THE CORNER. SO FEW PEOPLE I TALK TO HAVE ANY IDEA OF WHAT HAPPENED IN 2008 AND ITS IMPLICATIONS ON DAILY LIFE, BUT THIS SITUATION COULD BE CLOSE ACCORDING TO THE CHARTS!

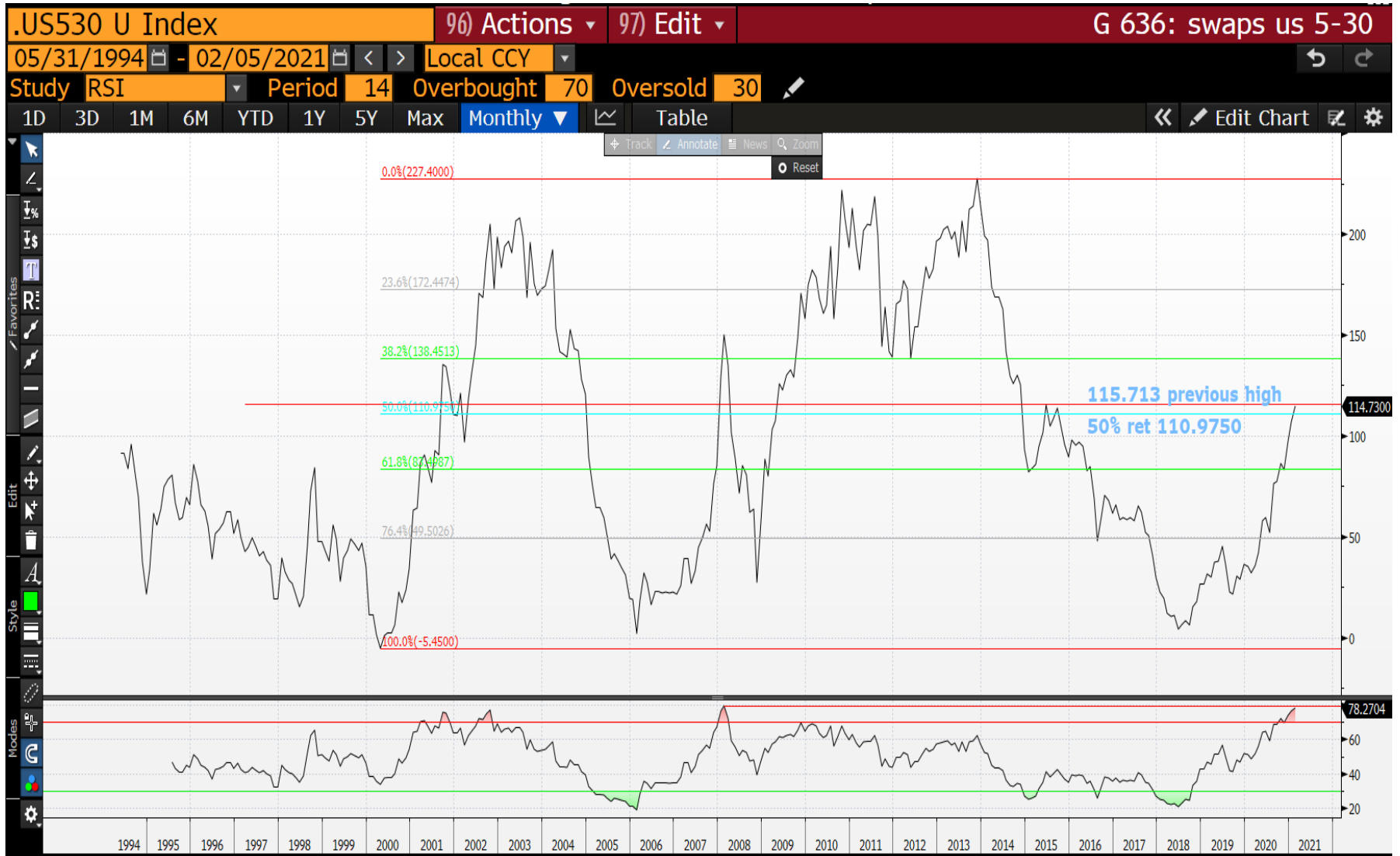
****PREVIOUSLY**** US102030 Swap monthly : I have included these charts to highlight what a TECHNICAL chart this is and help conviction with the following chart predictions.



US102030 Swap monthly : The RSI is low, not massively dislocated BUT similar to other previous LOW SPOTS. We should steepen from here.



****PREVIOUSLY**** US 5-30 Swap monthly : Again I have included this to show the TECHNICAL aspect of some markets.



US 5-30 Swap monthly : The RSI is now back at 2008 levels as we TEASE the MULTI YEAR 76.4% ret 49.5026. Lets see how the month closes and thus does it form a low, the RSI suggests so.



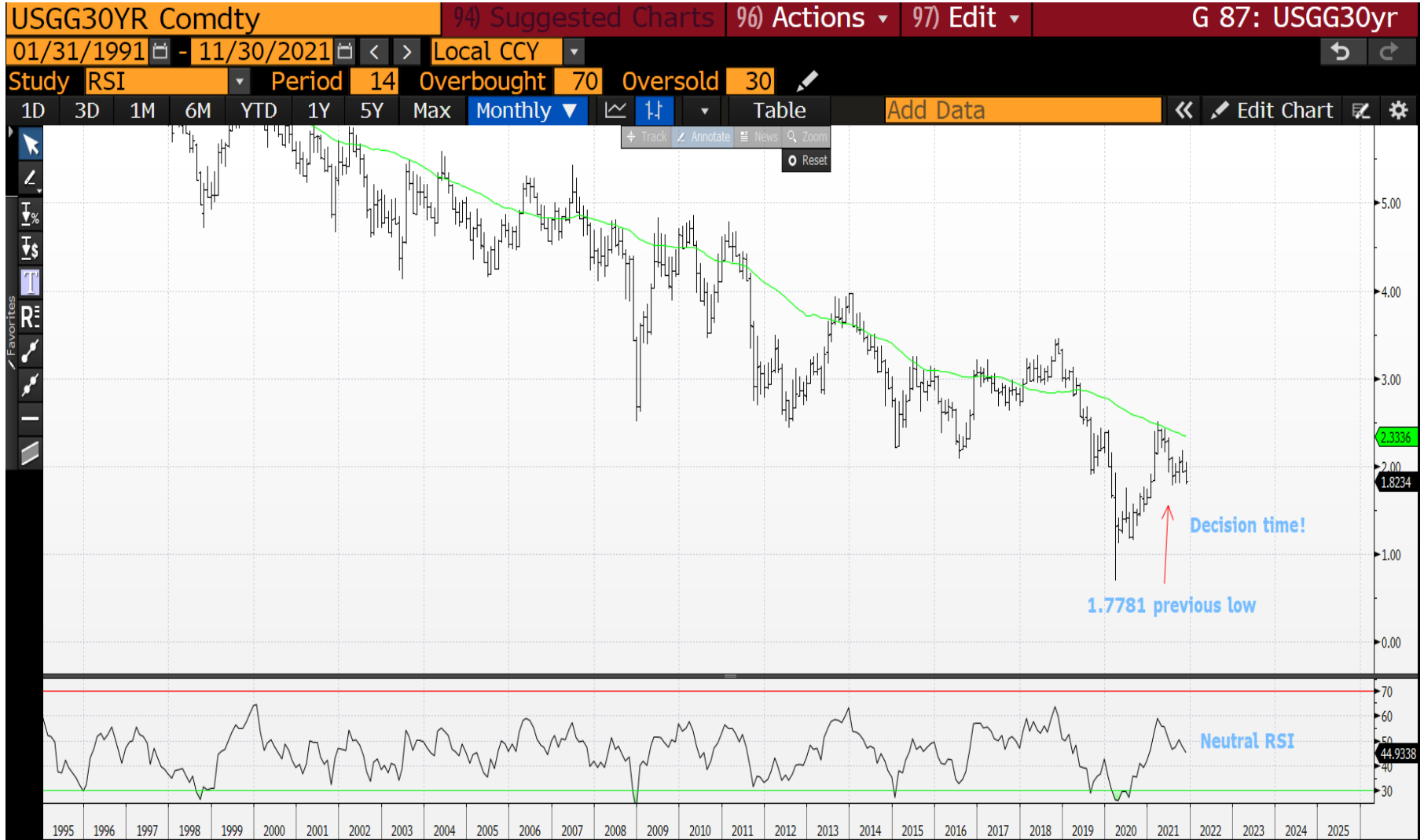
BOND UPDATE : BOND YIELDS LOOK TO BE CLOSING AT THE MONTHS LOWS AND MORE IMPORTANTLY “NEGATING” THE YIELD POP OF OCTOBER WHICH GAVE MANY A REASON TO SUSPECT YIELDS GO HIGHER. SHOULD BOND YIELDS CLOSE AT THE MONTHS LOWS THEN THIS WILL BE A PAINFUL YEAR END WITH FAR REACHING CONSEQUENCES.

YIELDS CONTINUE TO “GRIND” LOWER AND THE 30YR HAS “REMAINED” SUB ALL MOVING AVERAGES.

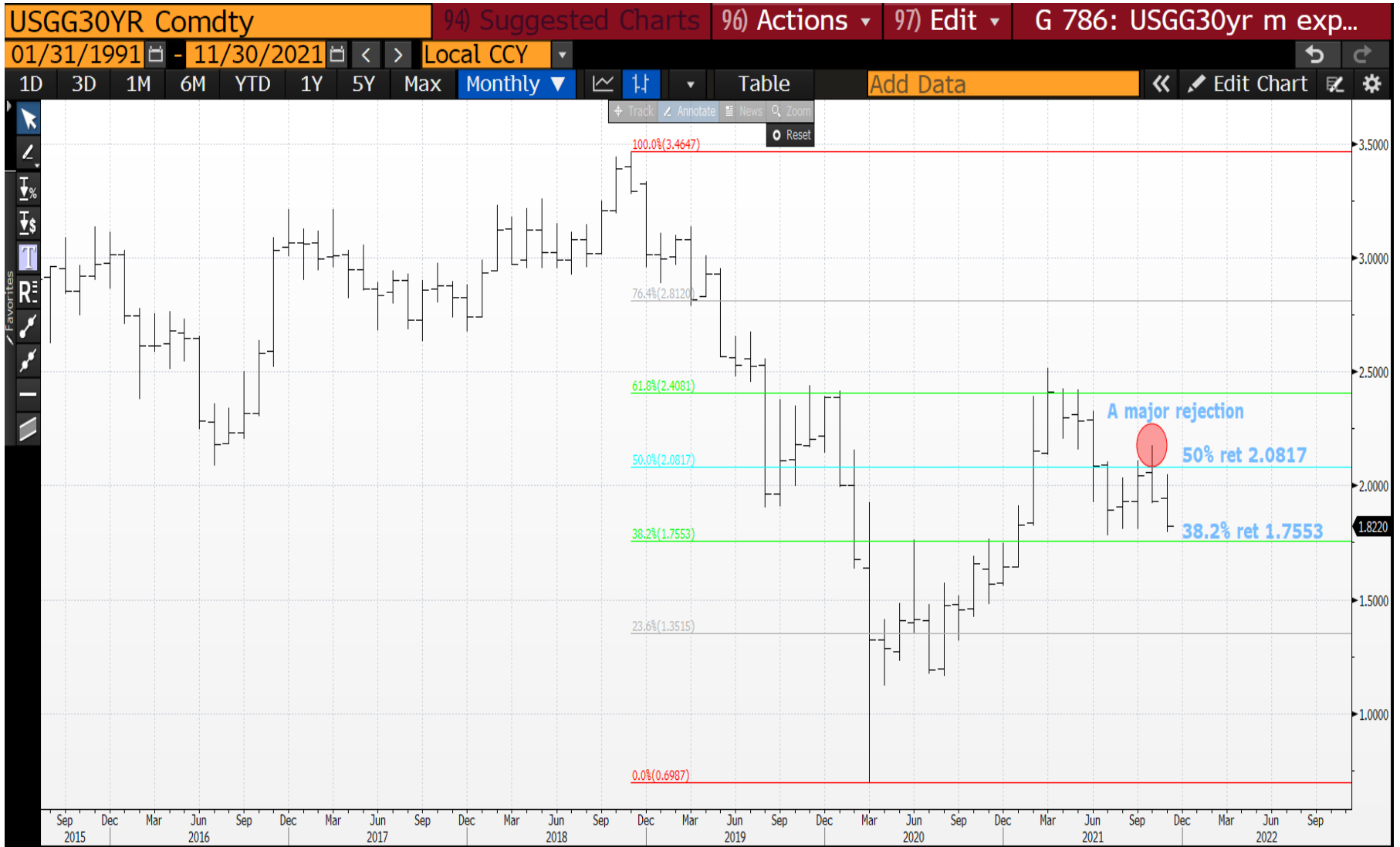
*****THIS ALSO SEEMS TO BE A MAJOR POINT OF INFLECTION FOR POSITIONING GIVEN THE US 30YR YIELD CHART IS SUB ALL MOVING AVERAGES YET THE 5 & 10YR REMAIN ABOVE GIVING “HOPE” TO BOTH PARTIES. IF ALL FALL BELOW THEIR RESPECTIVE MOVING AVERAGES THEN YIELDS WILL FREE FALL!*****

A VERY TRICKY PERIOD AHEAD.

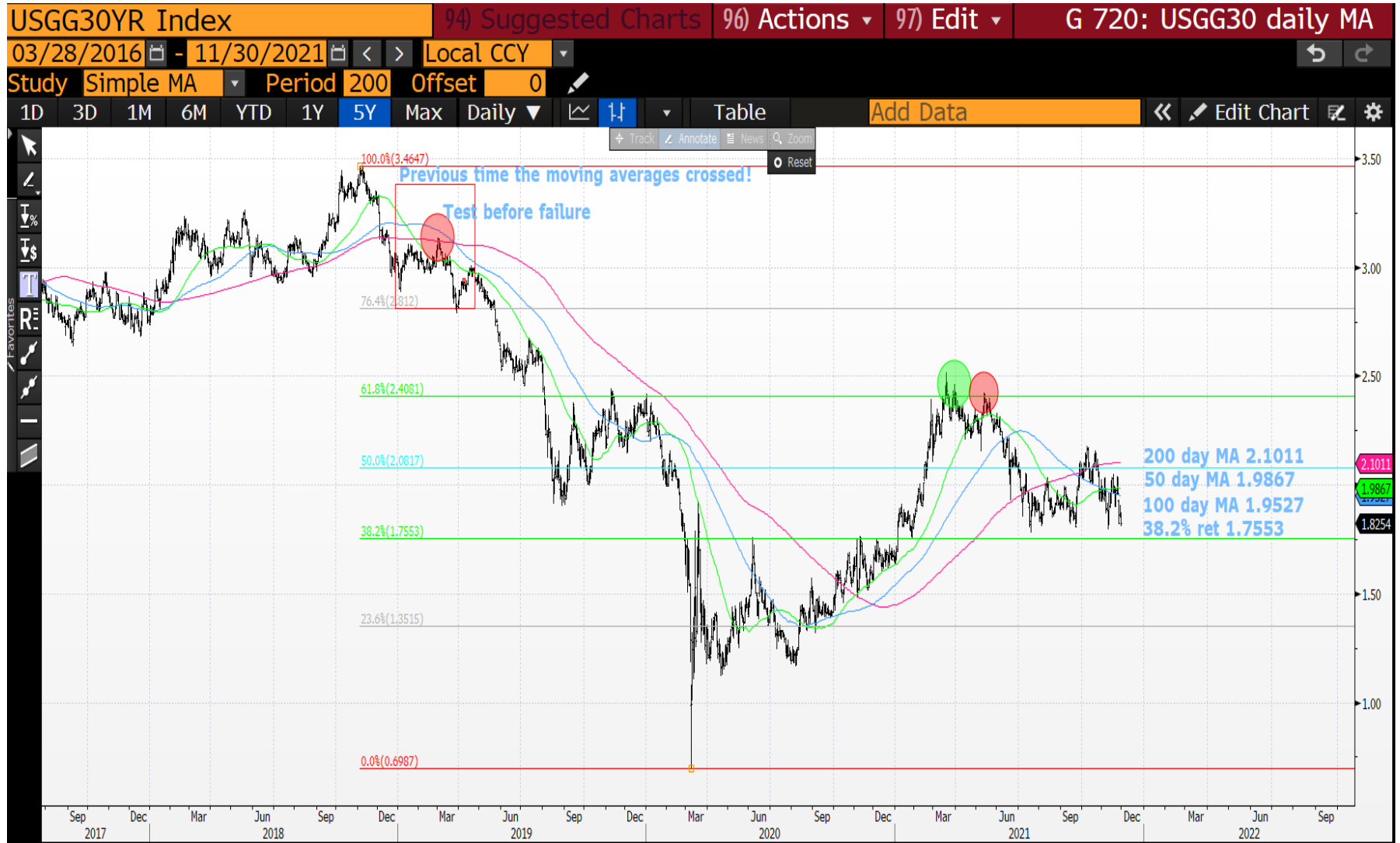
USGG30yr monthly : We are now close to disaster given the MAJOR rejection of last months high. Sub the 1.7781 low will clinch it and open the flood gates.



USGG30yr monthly expanded view : I have expanded this to show that if the 38.2% ret 1.7553 is breached then the next LEG much lower will happen. The close is not in yet BUT it looks like a suitable rejection of last months high!



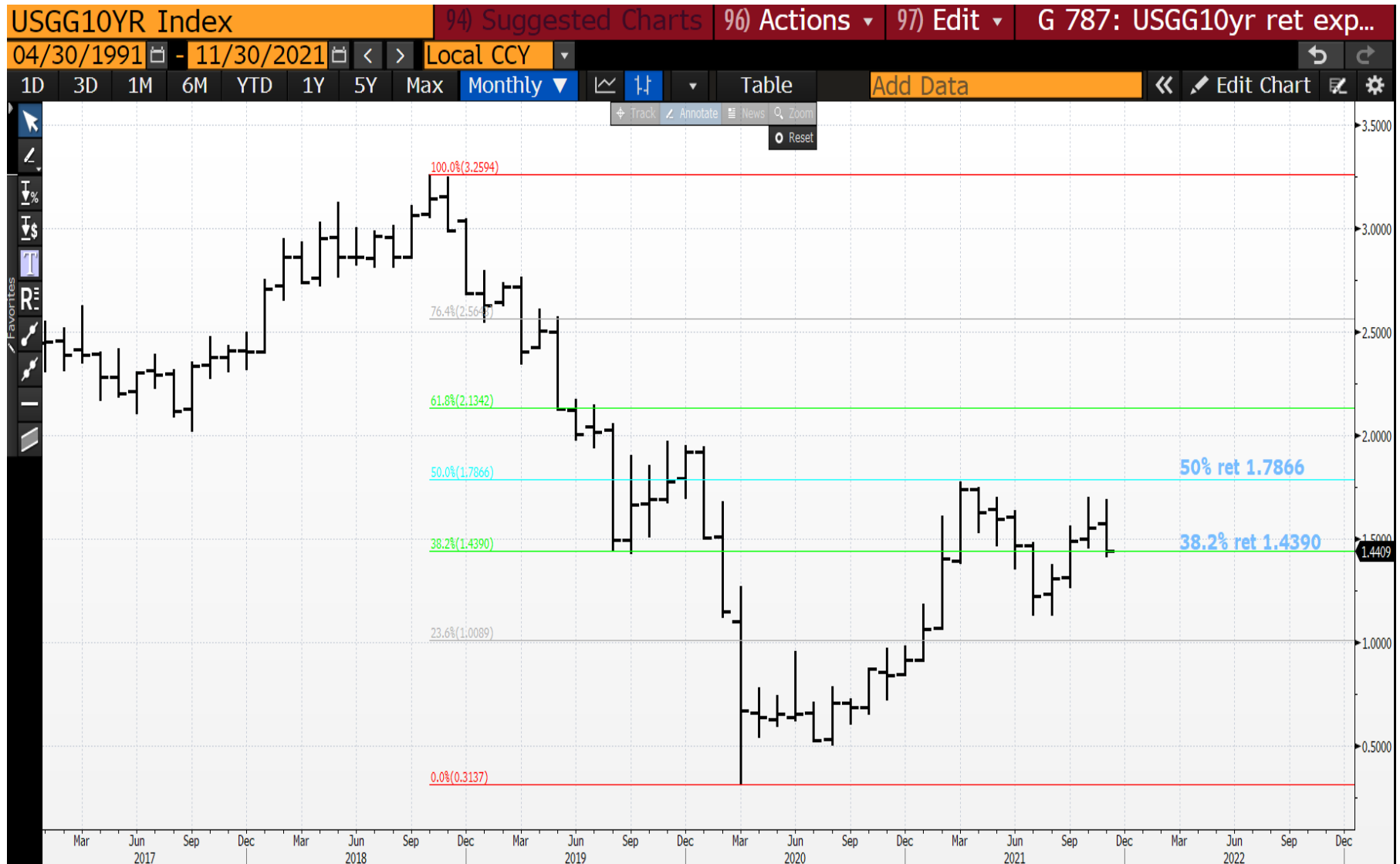
USGG30yr daily : This yield chart has been the best to continue the “yield lower call” given of late we have “consistently remained” sub ALL major moving averages. We just need to breach the 38.2% ret 1.7553.



US 10yr yield monthly : A NASTY reversal on last month already but a breach of the 1.377 trend line will secure the next move lower.



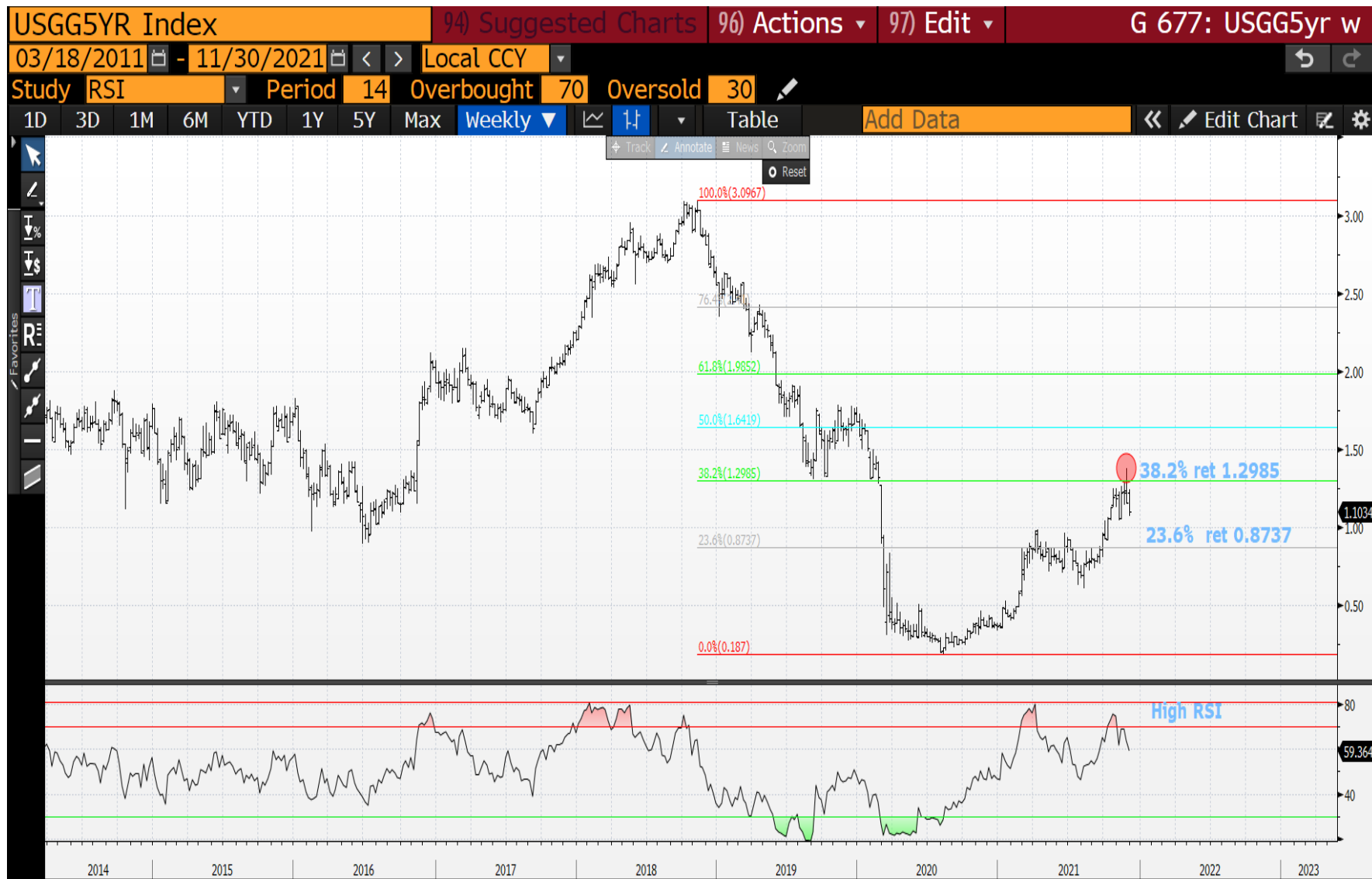
US 10yr yield monthly expanded : Last months POP has been negated by the move below last months low, closing sub the 38.2% ret 1.4390 will help a lot.



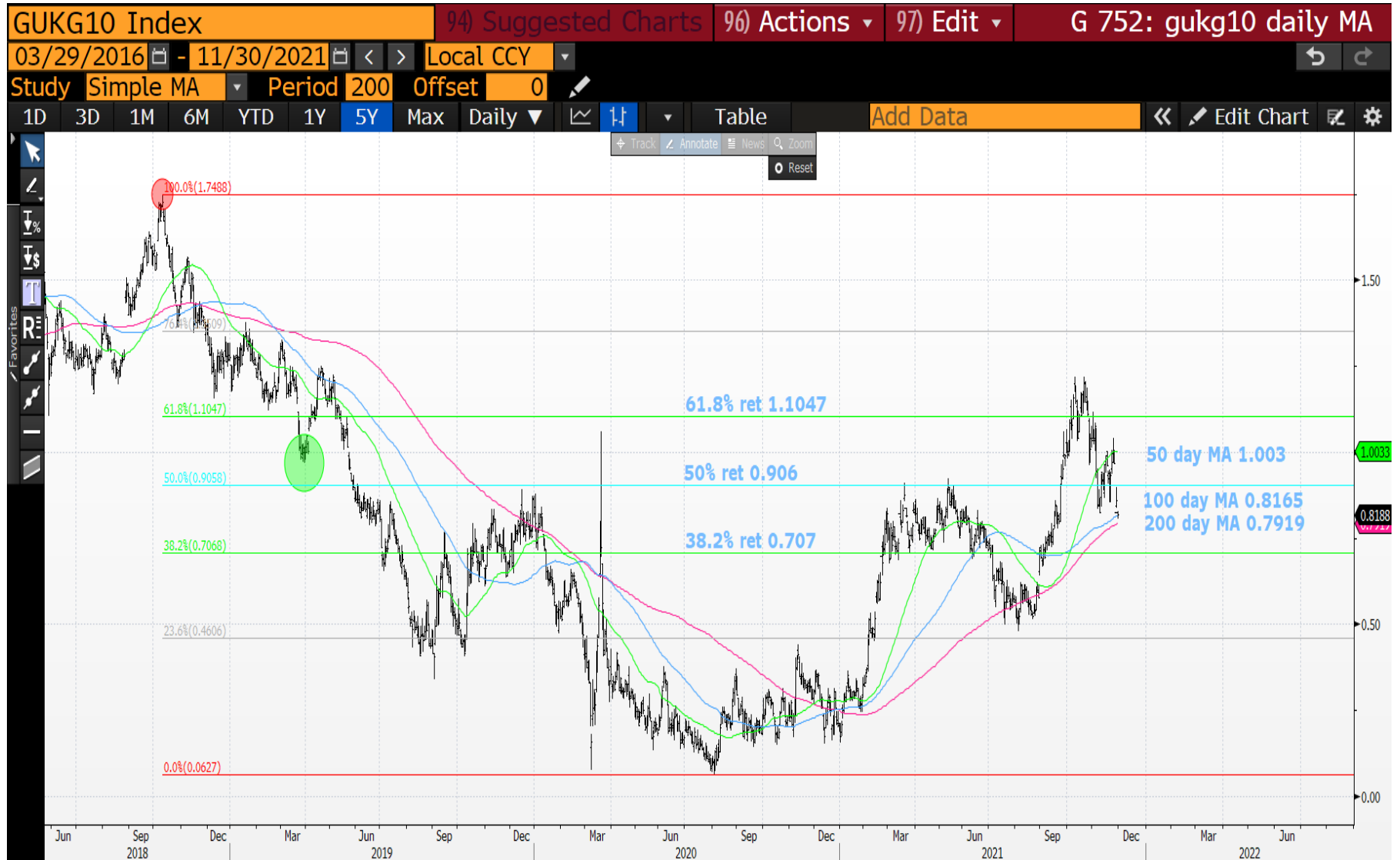
US 10yr yield daily : We are potentially closing the month sub MOST major moving averages thus tomorrow if the 1.4121 100 day moving average is breached then its free fall time.



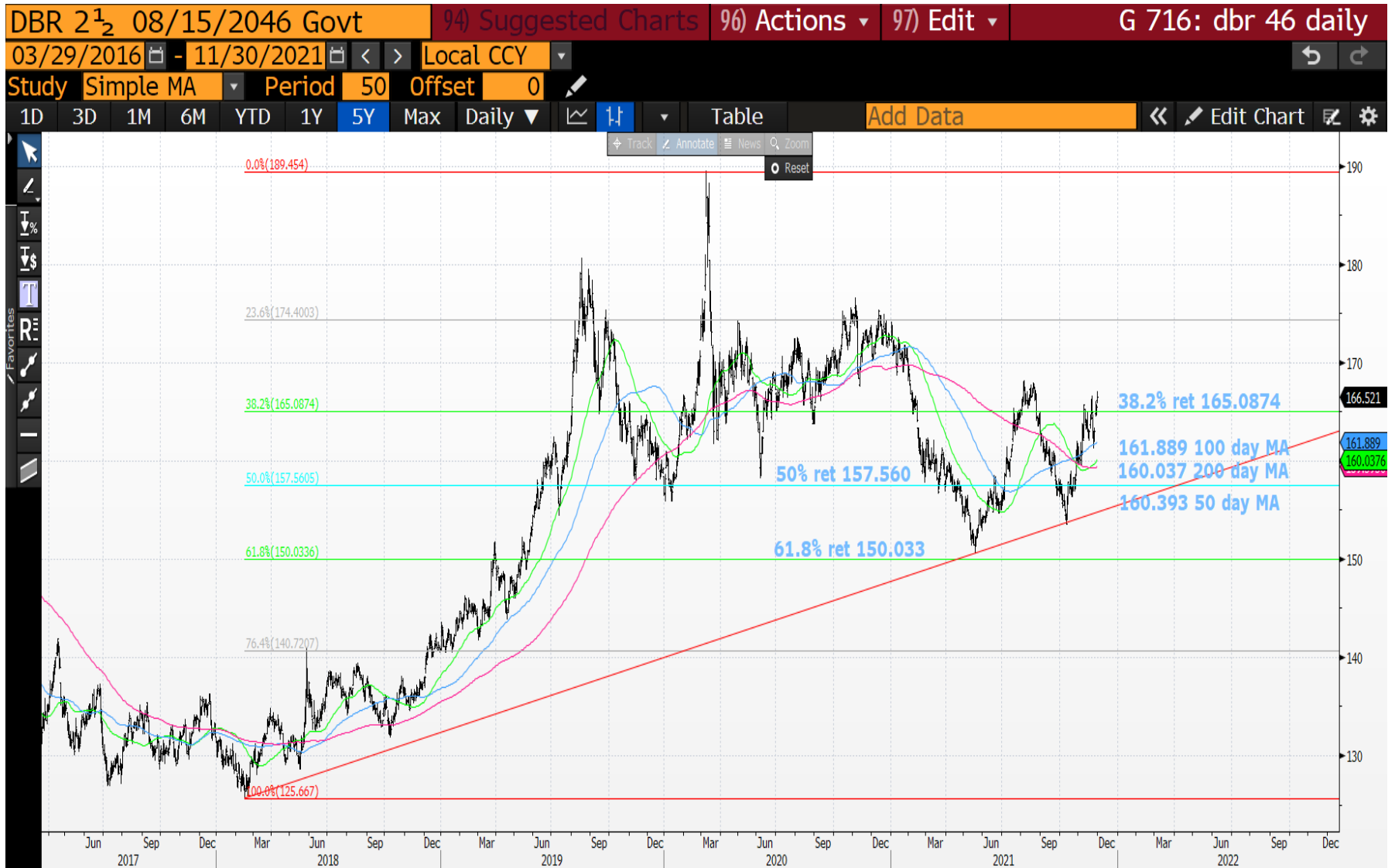
US 5yr yield weekly : The RSI has been a MAJOR assist in now seeing yields fall and possibly spur on the steepening BIAS.



UK 10yr daily : We are closing the month at a key juncture, so tomorrow if sub the 200 day moving average 0.7919 this will flag up a MORE SIGNIFICANT-ACCELERATED yield drop.



DBR 46 weekly : Ideally we close above the 38.2% ret 165.0874 to continue this bonds move higher.



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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