

US AND UK CURVES : WE NOW HAVE SIGNALS TO CONFIRM A BASE IN FOR THE RECENT FLATTENING! I SENT A PIECE OUT ON THE 16TH OF FEBRUARY TALKING OF A TENTATIVE BASE IN THE CURVES, THIS HAS NOW BEEN CONFIRMED. INITIALLY MY MAJOR “WORRY” WAS THAT SINCE 2021 THE “FLATTENING” HAD BEEN ASSISTED BY FALLING YIELDS, THIS TIME THE CURVE IS CALLING FOR A “STEEPENING” WITH YIELDS LOWER!
ON PAPER AND GIVEN THE MONTHLY AND WEEKLY RSI DISLOCATIONS THESE CURVES HAVE A LONG WAY TO STEEPEN AND THE 20YR TECHNICALLY IS NOW EXPENSIVE VERSUS 10 AND 30YR.

PREVIOUSLY :

A “TENTATIVE” IS BEING FORMED IN THE US AND ONLY FRIDAY BEFORE THE WEEKLY CLOSE CONFIRMS A LONGTERM “BASE”. THERE HAS BEEN SUCH A HUGE FLATTENING AND SO AS YET THE TREND IS IN PLACE BUT THIS WEEK-MONTHS CLOSES COULD “HALT” AND REVERSE THAT TREND.

ALSO THE US 20YR LOOKS LIKE FINALLY BECOMING DISLOCATED VERSUS 10 AND 30YR.

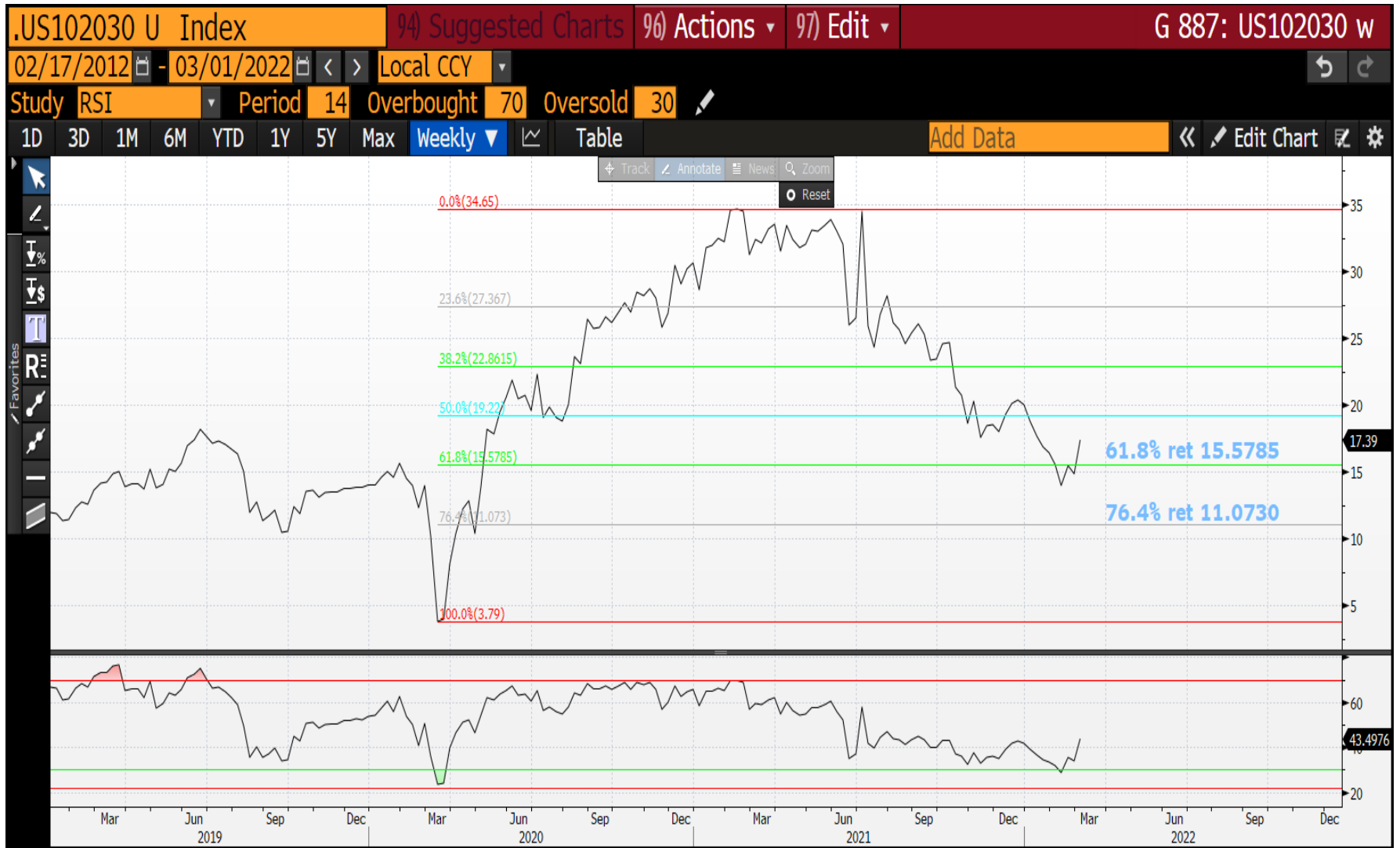
THE US CURVES HAVE A GREATER DISLOCATION OVER THE SIMILAR UK.

CERTAINLY THE US CURVES ARE WORTH WATCHING DOWN HERE ALONG WITH THE WEEKLY AND MONTHLY CLOSES!

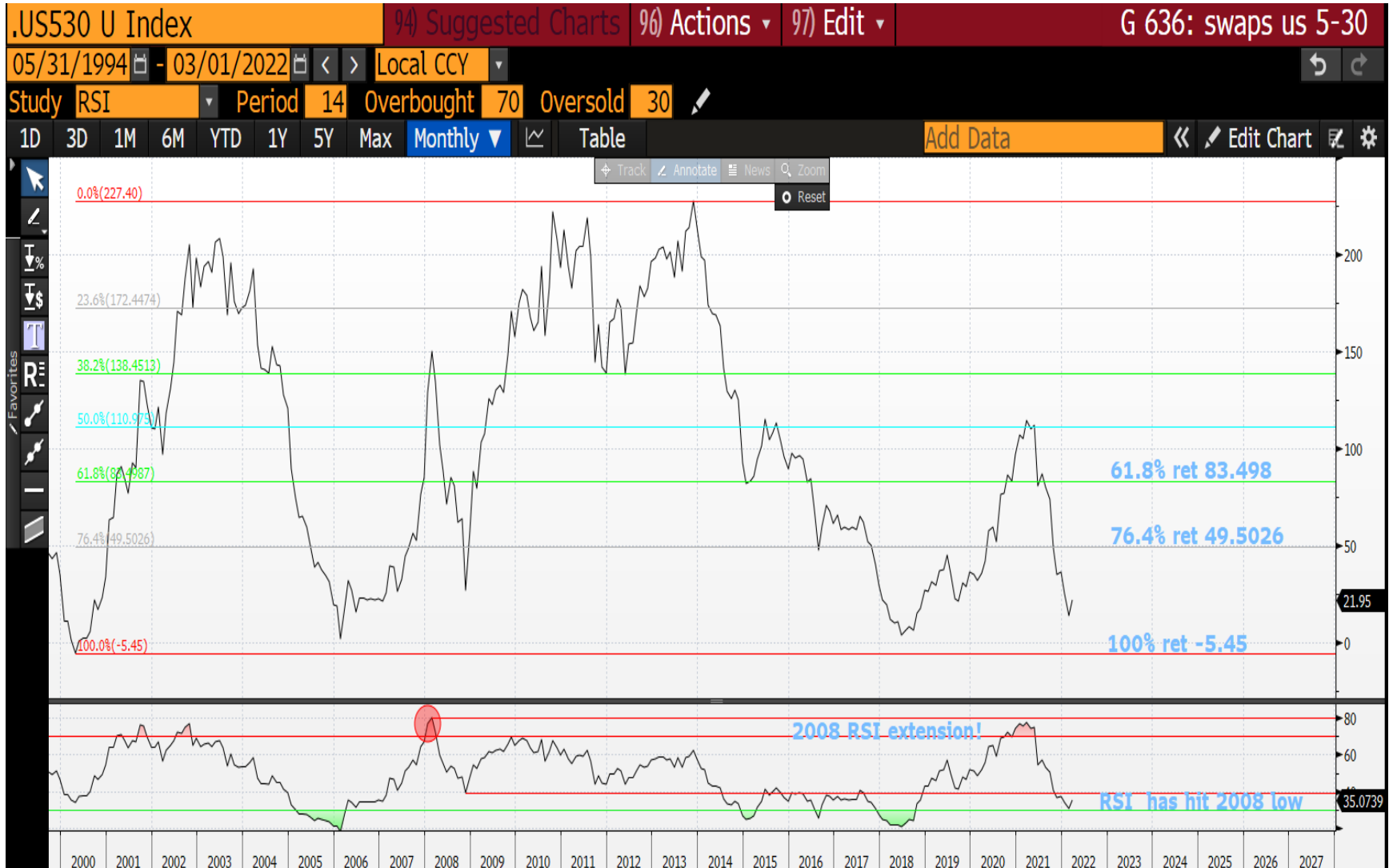
US102030 Swap monthly : This 20yr sector has had a MASSIVE run from March 2021 peak, the RSI SEEMS to have BASED. The market has also held against the 76.4% ret 12.695 implying the 29yr sector has become exoensive.



US102030 Swap weekly : The RSI has been lower but we are back above the 61.8% ret 15.5785.



US 5-30 Swap monthly : We have BASED against the very extended RSI and this could JUST be the start of a MAJOR steepening.



US 5-30 Swap weekly : The RSI is certainly low enough and looks to be the DRIVER of this BASE.



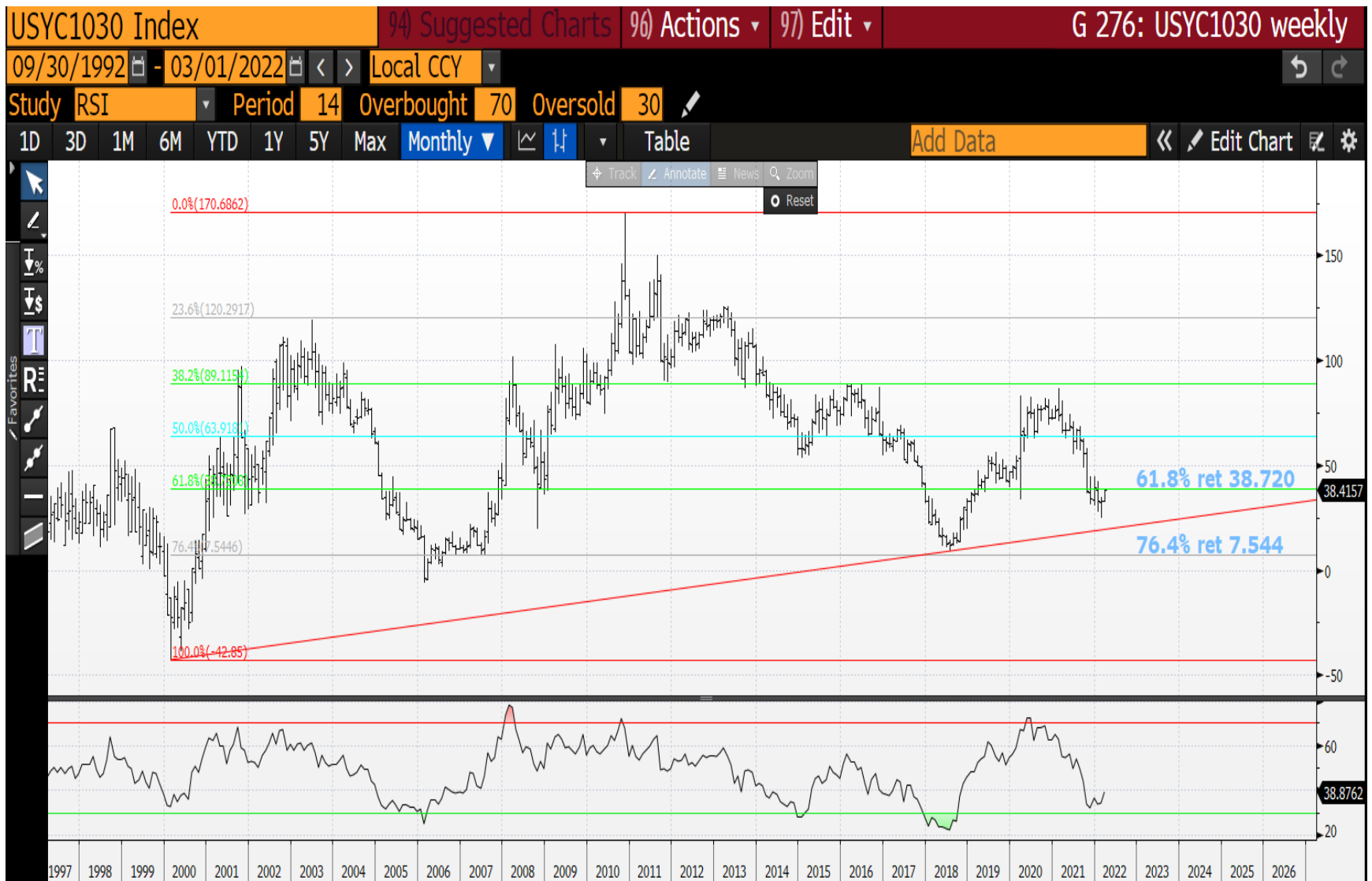
US 5-30 monthly : This chart might now be PERFECT given we have the DOWNSIDE rejection last month! This has plenty of steepening potential.



US 5-30 weekly : The RSI has kinked higher as we HELD against the 76.4% ret 21.7763.



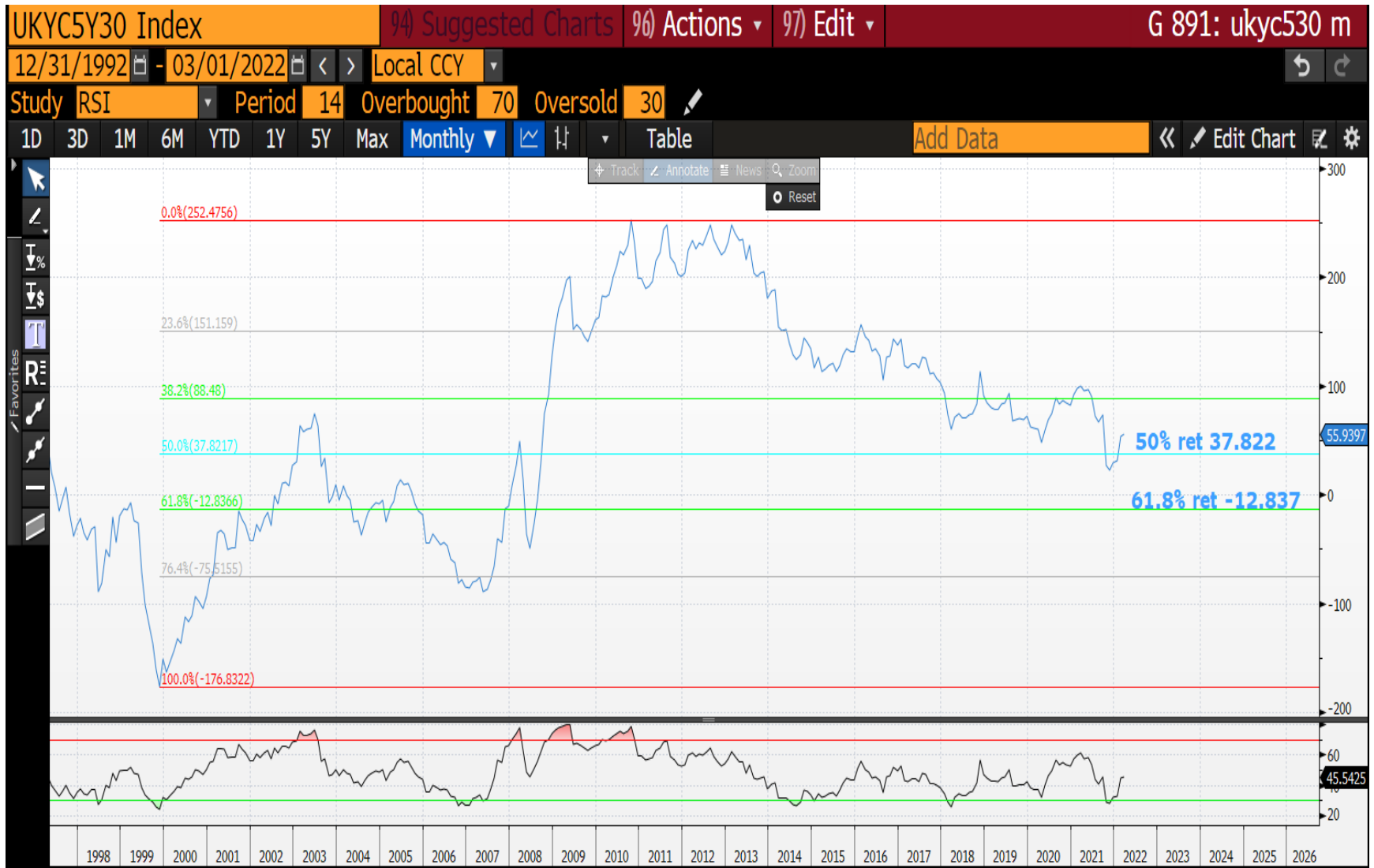
US 10-30 monthly : The RSI dislocation is less BUT we are poised to breach the 61.8% ret 38.720.



US 10-30 weekly : Again the RSI has less of a dislocation BUT we have a similar pattern to the 5-30.



UK 5-30 monthly : This RSI is historically low but we need to get back above the 50% ret 37.822 before confirming a BASE OR hit the 61.8% ret -12.837. This is and doesn't have the same dislocation as the US. This really has only been a reaction to the US.



UK 5-30 weekly : The weekly RSI is tricky so only formulate the idea of a base if we breach the 37.822 50% ret. No contest if compared to the US.



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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