

US AND CAD CURVES : CURVES SEEM TO BE THE ONLY TECHNICAL SCENARIO THAT HAS WORKED, WE HAVE STEEPENED WHILST BOND “YIELDS” FIGURE THEIR NEXT STEP. CURVES ARE CLOSE TO SOME BIG BREAK LEVELS FORCING THAT LONGTERM STEEPENING, THERE ARE “RARE” HISTORICAL EXAMPLES BEING REPLICATED.

PREVIOUSLY :

WILL CURVE STEEPENING EVOKE A CHANGE IN OVERALL MARKET DIRECTION, CERTAINLY IF THERE IS ANY JAPANESE BUYING IT SHOULD FOCUS ON THE FRONT OF THE CURVE.

THE FOLLOWING CHARTS IMPLY TECHNICALLY A MAJOR STEEPENING BIAS FOR SOME TIME TO COME, THE IMPLICATION IS THAT IT WILL TAKE PLACE OVE THE NEXT FEW MONTHS.

THE CURVES HAVE CERTAINLY MADE USE OF THEIR RSI EXTENSIONS AND A SIZEABLE BASE SHOULD GO IN OVER THE NEXT COUPLE OF MONTHS.

THIS SHOULD ALSO ASSIST THE 20YR RSI WHICH HIGHLIGHTS THAT BECOMING EXPENSIVE VERSUS THE 10 AND 30YR.

CANADA, THERE IS A LESSER RSI DISLOCATION TO THE US BUT WE ARE HITTING KEY LEVELS.

US102030 Swap monthly : This 20yr sector has had a MASSIVE run from March 2021 peak, SO at some point has to HOLD. The RSI is lacking MAJOR dislocation but we HAVE found support “around” the previous lows of 2018-19. A close above the 76.4% ret 12.695 this month will be a massive HELP-SIGNAL!

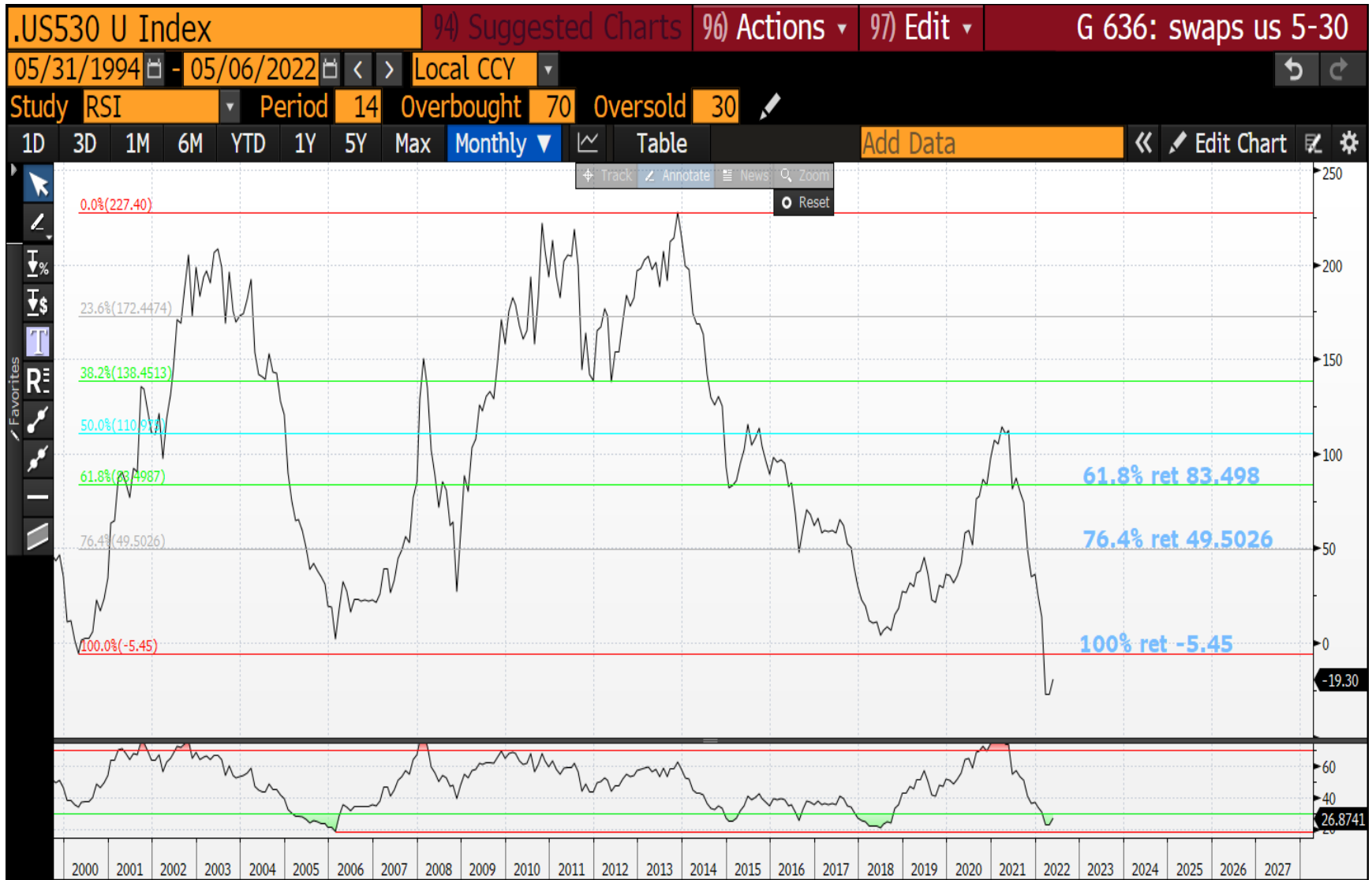


US102030 Swap weekly : Decent progress as we target the 50% ret 19.22.



06/05/2022

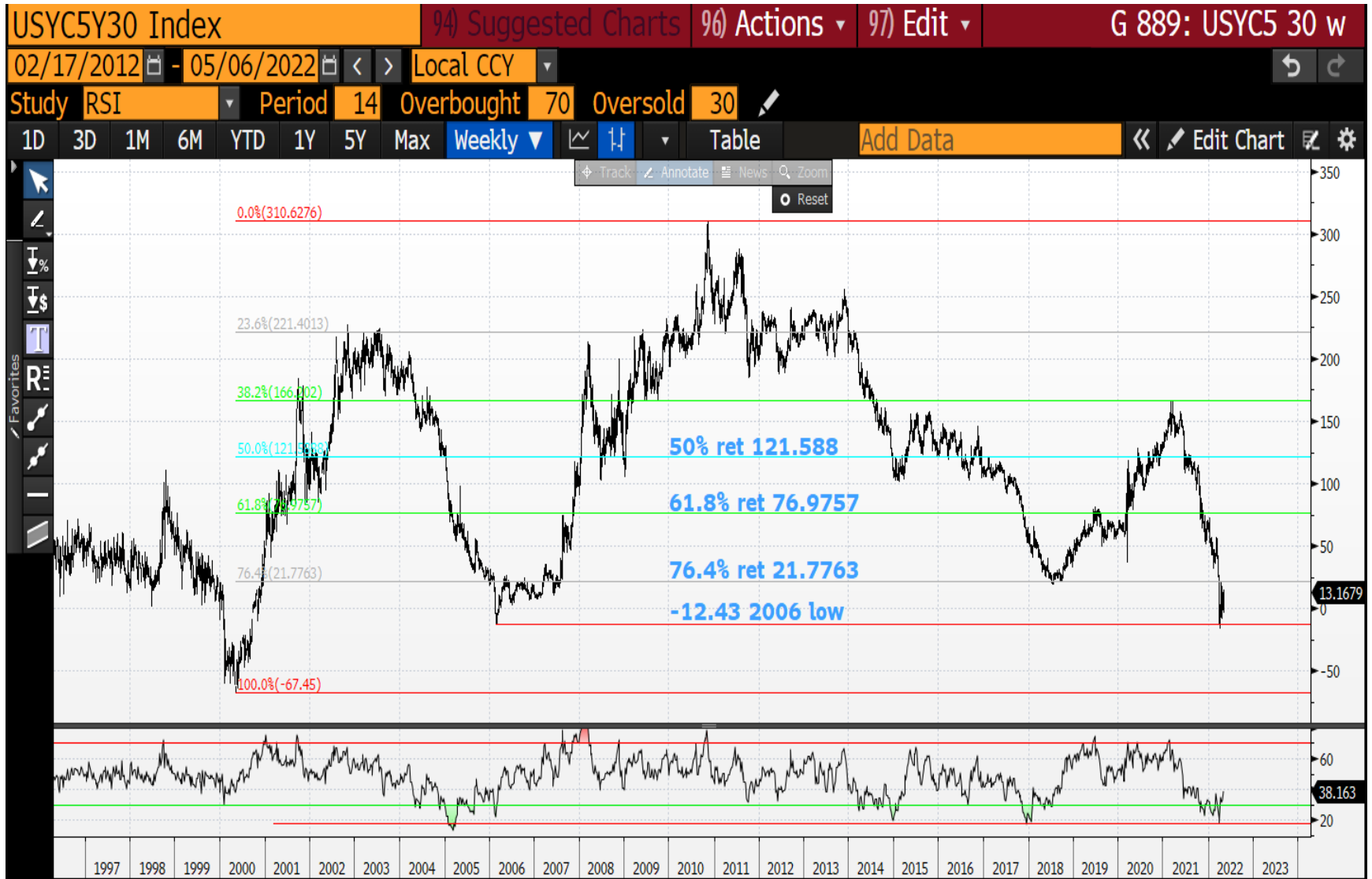
US 5-30 Swap monthly 100 * (USSW30 Curncy - USSW5 Curncy) : One of the many examples of RARE RSI dislocations. We are CLOSE to some MAJOR lows looking back at previous moves in 2006 and 2018. A NICE base so far but once above the 100% ret -5.45 we should accelerate. If we do BASE then this chart highlights the potential steepening possibilities!



US 5-30 monthly USYC5-30 : Another superb EXAMPLE given the RSI is HOLDING the 2006 , 2015, 2018 LOWS. Ideally we can close up NEARER the 76.4% ret 21.7763 and CREATE that LOW, but so far so good.



US 5-30 weekly : The WEEKLY RSI is off its lows so ideally we need to close above the 76.4% ret 21.7763 by next week.



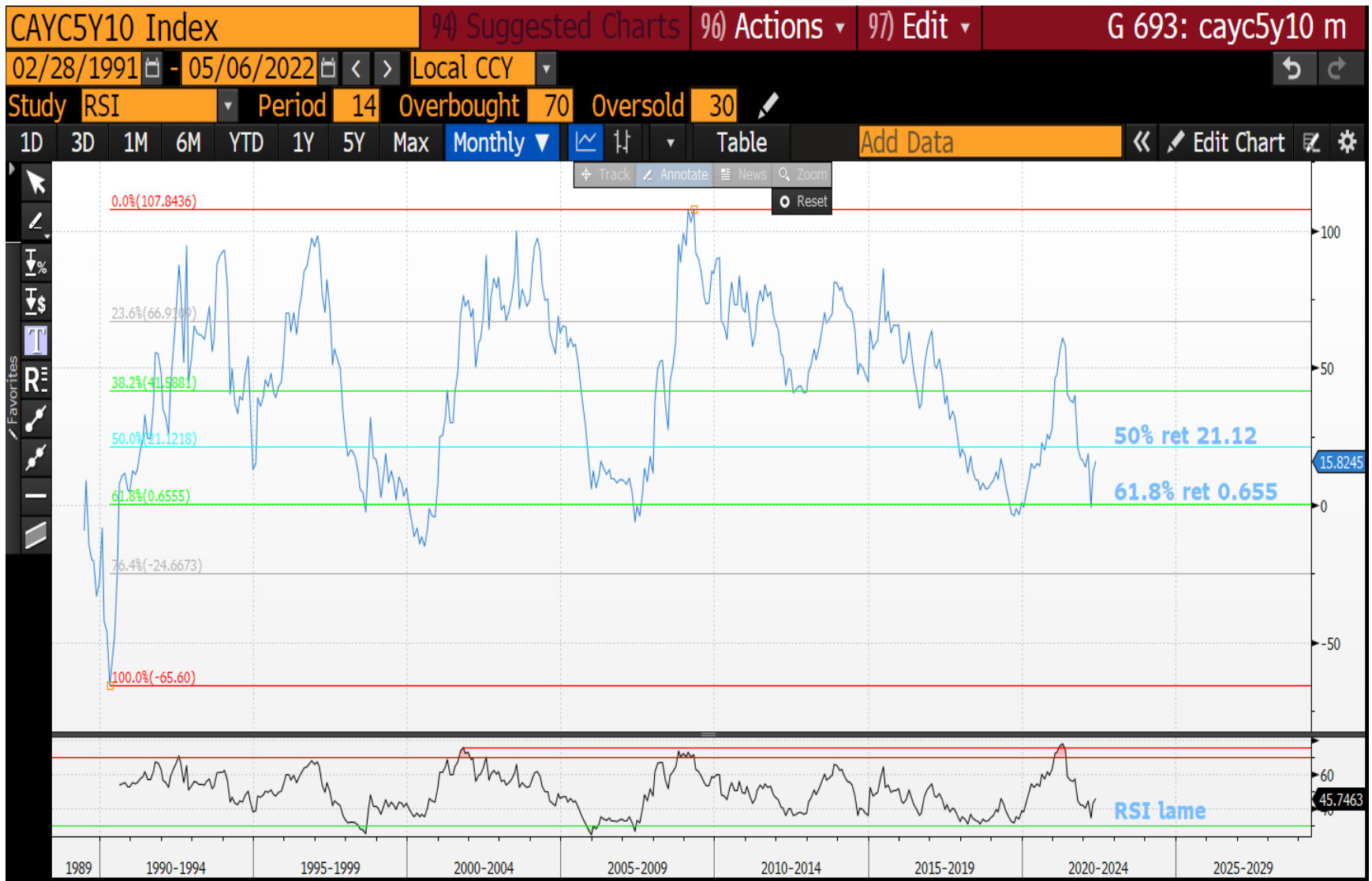
US 10-30 monthly : HISTORICALLY a good chart given we have hit the RSI low matching 2006, 2015 and 2018. A close above the MULTI_YEAR 76.4% ret 7.544 will be a MAJOR steepening signal.



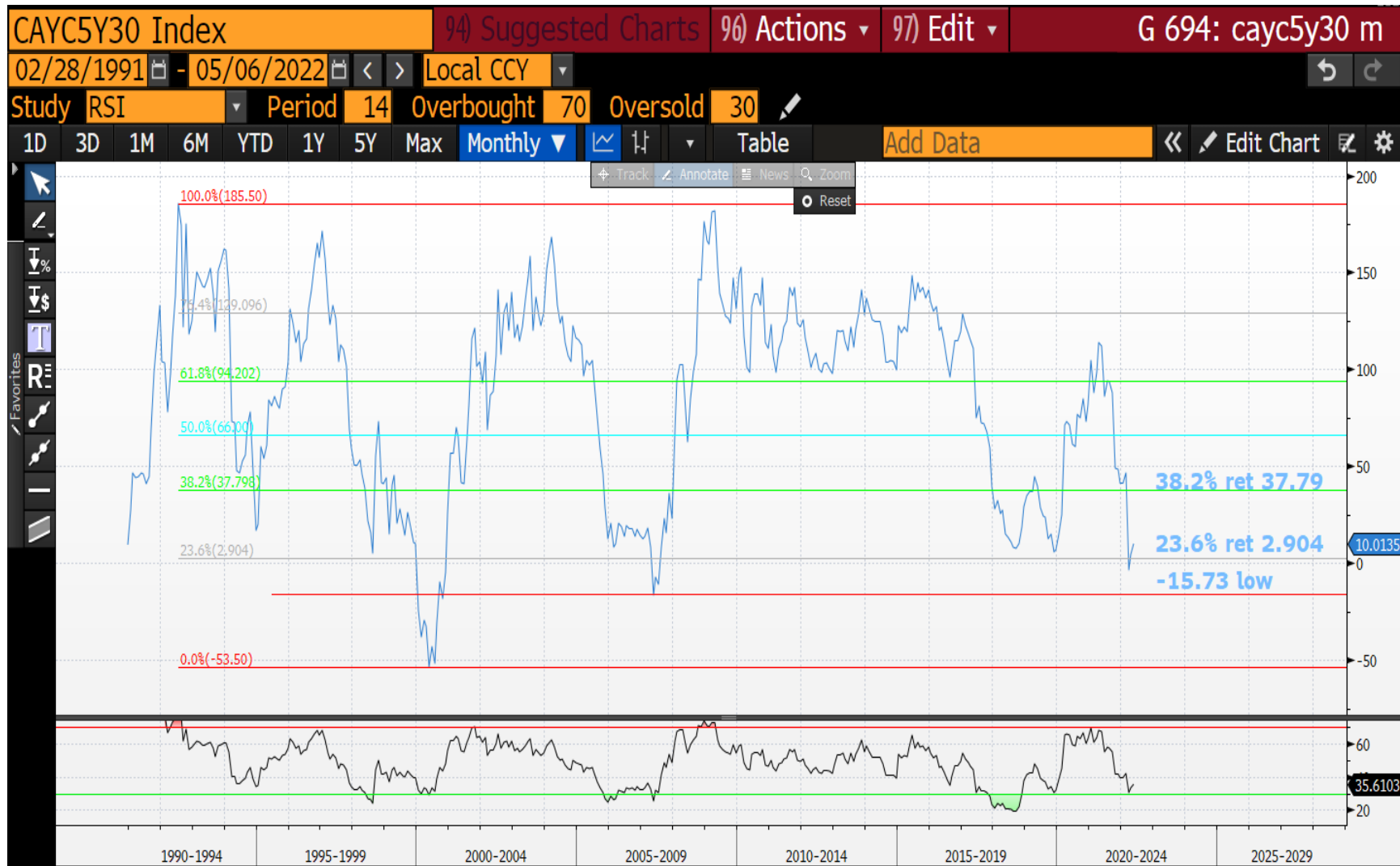
US 10-30 weekly : The RSI has less of a dislocation BUT we have a similar pattern to the 5-30. A close above the previous low 9.1156 will help a lot.



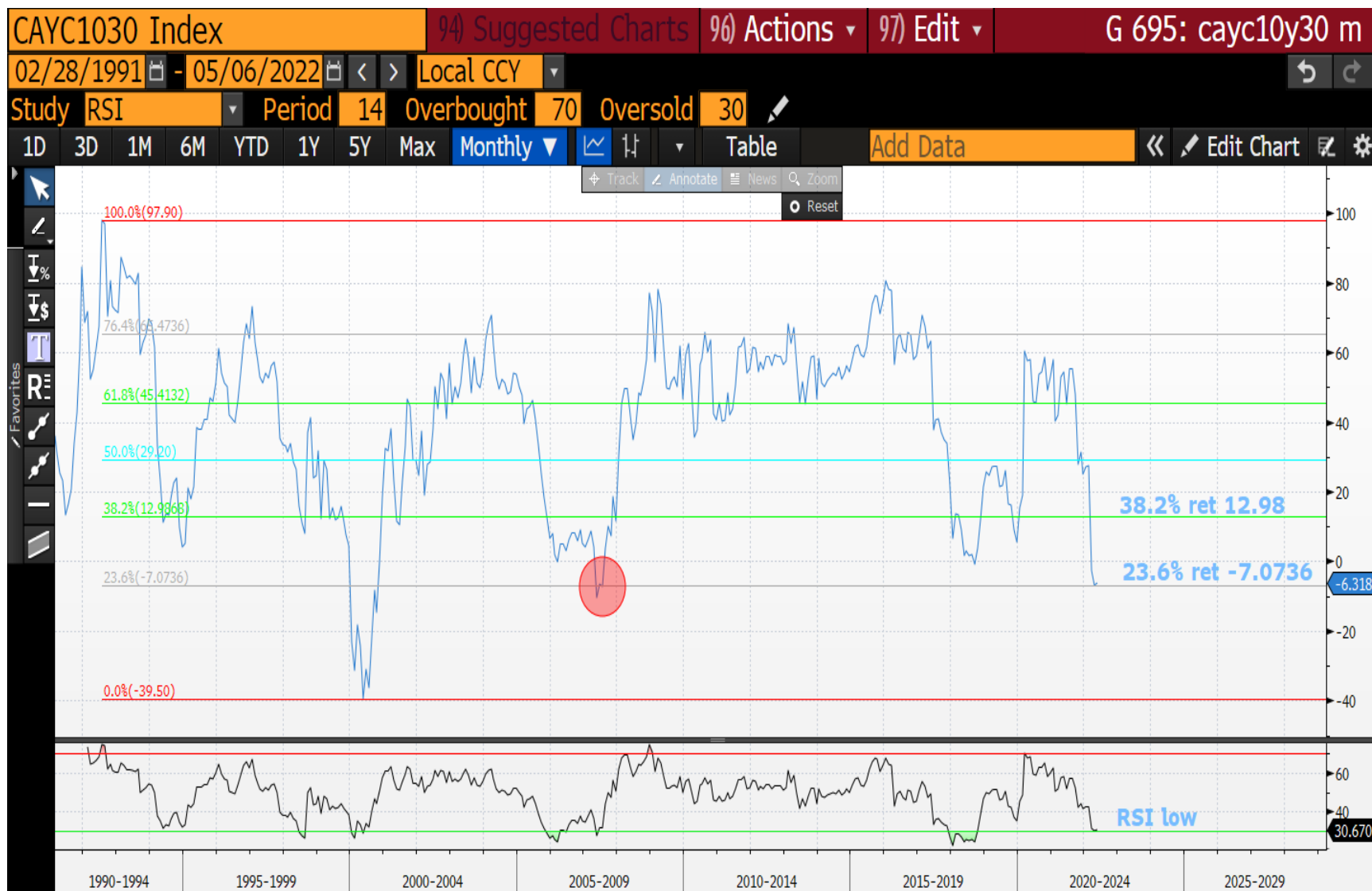
CAD 5-10 monthly : TECHNICALLY INTERESTING that we have HELD the 61.8% ret 0.655, the RSI is nothing like the US extension. A nice HOLD but all action should be in the MORE over extended US RSI'S. Next big breach level is the 50% ret 21.12.



CAD 5-30 monthly : Historically a nice PATTERN. It looks like we have a low in. This really has only been a reaction to the US.



CAD 10-30 monthly : The RSI is not as extended as the US but we seem to be trying to HOLD the 23.6% ret -7.0736.



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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