

US AND CAD CURVES : US CURVES STILL LACK “IMPETUS” WHILST SOME CANADIAN CURVES MAYBE APPROCHING LEVELS OF NOTE.

US CURVES CONTINUE TO “TREAD WATER” WITH VERY SIDEWAYS PERFORMANCE AT THESE DISLOCATED LOWS.

CANADA ON THE OTHER HAND HAS A FEW DISCIPLINED LEVELS OF SUPPORT.

PREVIOUSLY :

THE US 10-30 HAS HELD THE RECENT LOW, BUT 5-30 CONTINUES TO CONFOUND.

CANADA HAS BEEN A “LITTLE” MORE ORDERLY BUT TRADE CAD 2Y30Y MAYBE TOO CROWDED AS WE APPROACH THE 2000 LOW -56.00. THE RSI IS ALSO FORMING A “DISLOCATION”.

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.

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

US102030 Swap monthly : A VERY NEUTRAL situation here given the RSI so little to say or do with the 20yr part of the curve.



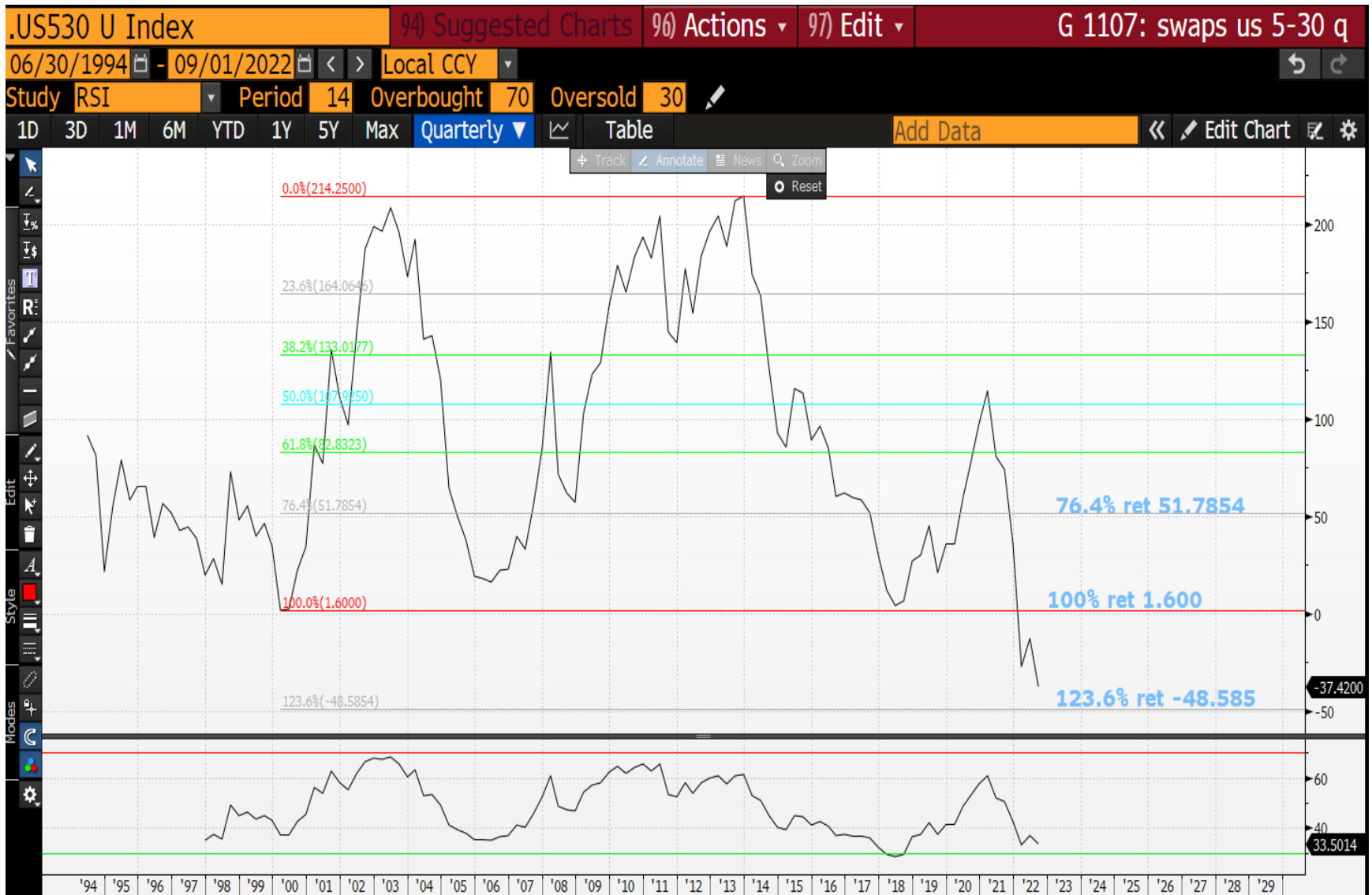
US 5-10 quarterly USYC5-10 : Have used the quarterly chart to see if it offers any extra help in terms of the recent sideways performance. Although the RSI is low it isn't historically dislocated.



US 5-10 monthly USYC5-10 : If the low last month is real then it could be a good BASE-LOW to assist a steepening. The RSI will help.



US 5-30 Swap quarterly 100 * (USSW30 Curncy - USSW5 Curncy) : Again the quarterly has little to ADD as the RSI is not dislocated.



US 5-30 Swap monthly 100 * (USSW30 Curncy - USSW5 Curncy) : Another MIXED RSI and the current price is not "AT" any retracement of note.

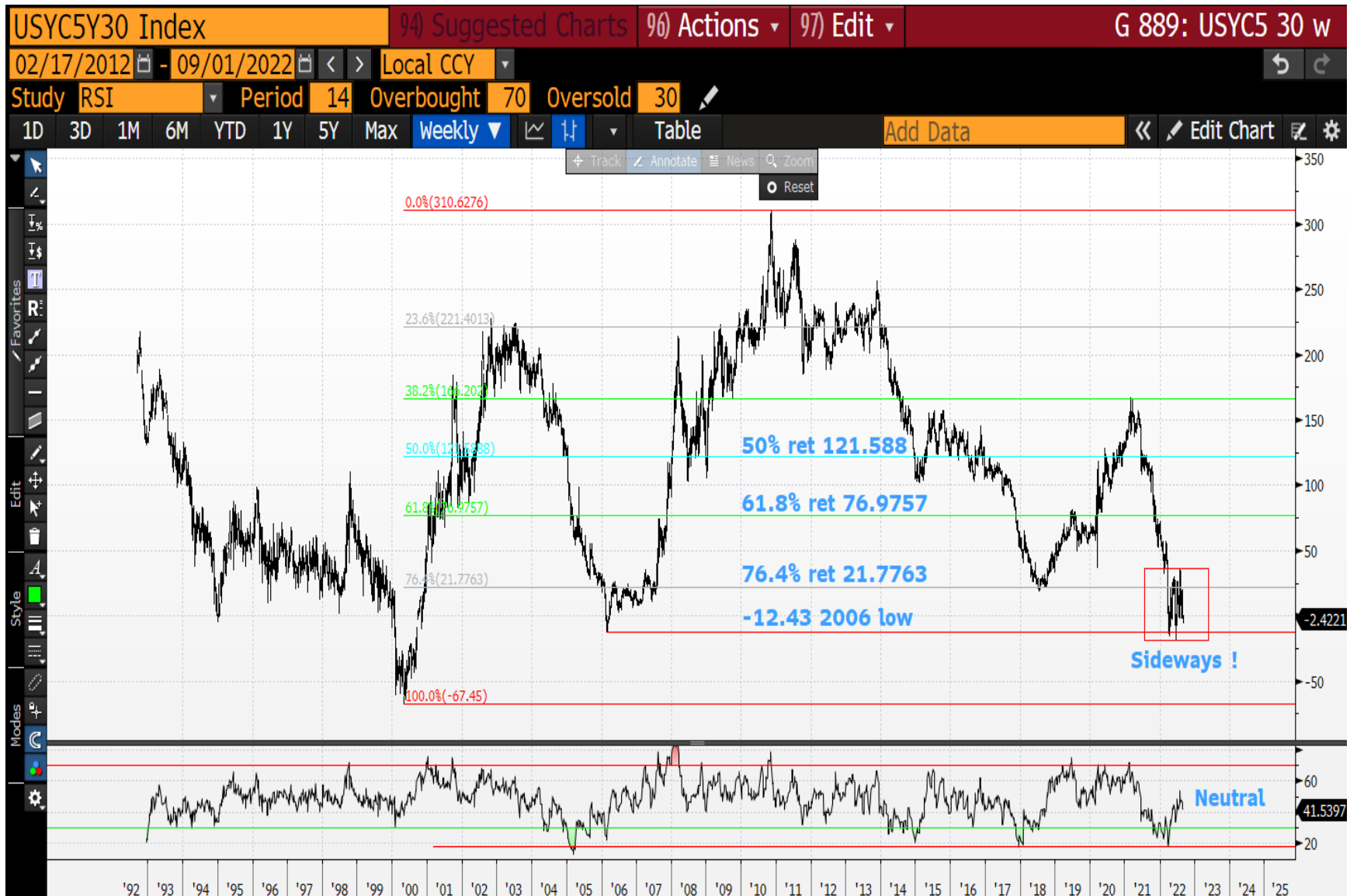


US 5-30 monthly USYC5-30 : A POSSIBLE BASE but the recent SIDE WAYS price action has diffused the VENOM of the RSI.



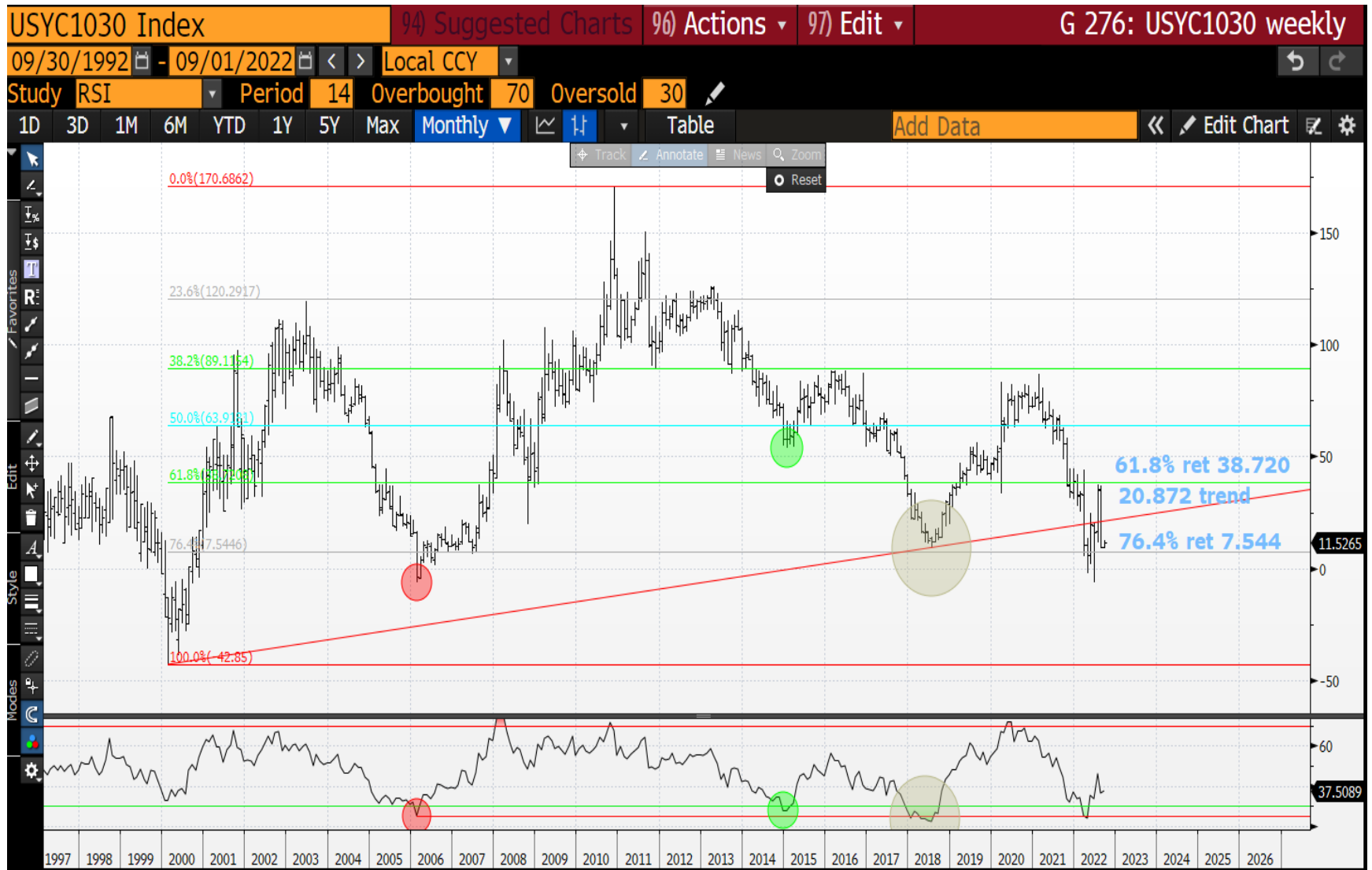
01/09/2022

US 5-30 weekly : This RSI is very much neutral BUT we are holding above the -12.43 2006 low. Ideally we need to breach the 76.4% ret 21.7763 before the market can really follow through.



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US 10-30 monthly : Again a very sideways and EMOTIONAL period. The only positive is we are holding the 76.4% ret 7.544.



US 10-30 weekly : The RSI is now neutral but holding the 0.0% ret 9.1156.



CAD 5-10 monthly : The RSI is LOWISH as we hit the 2000 low -15.1747. Will this be enough for it to HOLD?



CAD 5-30 monthly : The RSI is BUMPING along the lows but no levels of note.



CAD 2-30 monthly : Heard this to be MANY PEOPLES favoured trade in Canada BUT how much flatter can we go? We are now at the 2000 low -56.00 and the RSI has a REASONABLE dislocation.



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 AGAIN.



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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