

# The BONDbeat

January 5, 2019

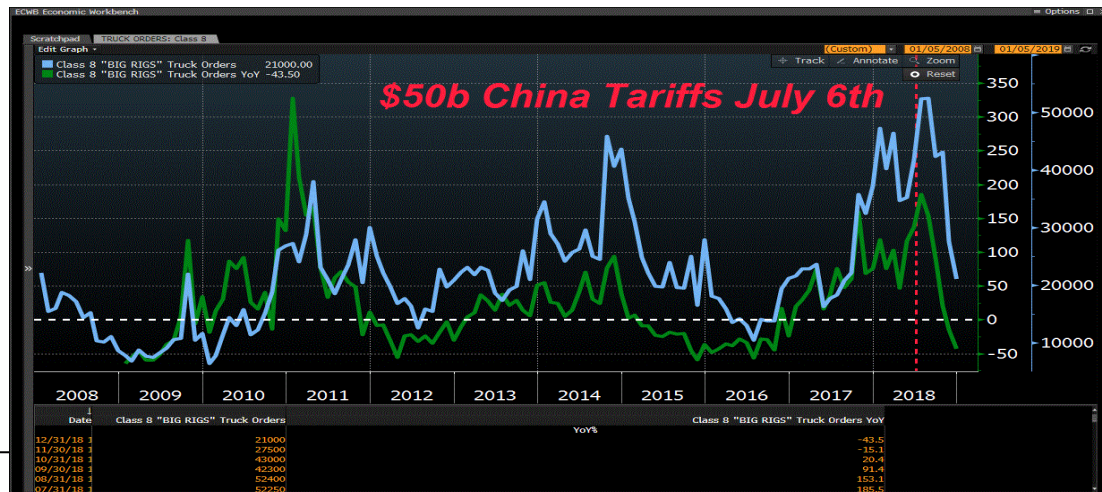


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See [Etico Disclosures HERE](#)



## Gonna TRADE? I'm WATCHING:

➤ 5s: 2.35 (100wMA), 2.33 (fibbo) RESISTANCE HELD

DAILY PIVOTS ARE RESISTANCE  
5s vs 2.40 10s vs 2.58 & 30s vs 2.92

### ALSO NOTE:

- AllStarCharts: how LOW can rates go? (12/30th update) talking of 10s, "...I think we need to be aggressively long of bonds. 2.50% is the next downside target and where we want to be taking profits on all tactical bond trades..."
- AllStarCharts on how LOW can STOCKS go? THINK SPX test of 2015 highs (under 2100) which would be 30% decline from peak
- BBG on 10s vs 2.52%
- BBG on RTY BUY SIGNAL
- BMO in DSIs vs DEATH CROSS (7s) .. 6 death crosses since crisis and 5 resulted in 'strong bullish follow-through' w/avg rally of 24bps
- CSFB watching 10y REAL vs 200dMA @ 88/87bps, remains BULLISH 5s, 10s and NEUTRAL 30s
- KIMBLE on 5s, stocks repeating 2000 and 2007 patterns
- NatWEST: no longer short 30s

## POSITIONS: 12/18

- REAL\$ BOT 5s, SPECS got shorter
- Fed CUSTODY HOLDINGS DOWN (\$3trl)
- ICI shows 9th consecutive taxable OUTFI
- Japan BOUGHT foreign bonds, WoW
- DEALERS ANOTHER RECORD LONG COUPS (2yr and IN most since 2013, 6-7yr most since 2013)
- TICS ... YEA China, Japan SOLD BUT foreign PRIVATE (ie ECONOMIC) BOUGHT

## \*NEWS\* YOU CAN USE

- [Trump Threatens YEARS-LONG Shutdown, Emerg Powers for WALL](#)
- [China's Xi calls on army to be battle-ready](#)
- [PG&E Explores Bankruptcy Filing](#)
- [BAML Says It's 'Time to Buy' Stocks and Junk Bonds](#)
- [Yields Pull Off Lows as Fed Embarks on Listening Tour](#)
- [Ocasio-Cortez Says 70% Ultra-Rich Tax Could Pay for Climate Plan](#)
- [North American Class 8 Orders Fell Again in December to 21,000 Units](#)
- [3 Reasons Stk Mkt Selloff CANT Be Blamed on QT](#)
- [PBoC CUTS, NFP, Markit BEAT, March HIKE ODDS 0% as JPOW Speaks...](#)

## MY THOUGHTS 01/05

Yea even I can be bearish – see 5yy WEEKLY from yest, TECHS and then note all the POSITIVES out there. NFP hardly a blemish. I offer several links (BBG, CNBC, RTRS, ZH, etc...). ROSY does find SOME reason for concern.

Whatever. I firmly believe yesterday (see stocks/bonds/Z9Z0 visuals and more) all JPOW CAVING. Cramer says so, it must be true. I will be watching dip the next few days (10s to 2.77%?) as buy opportunity as 10s on verge of 'death cross' despite OUTSIDE UP day (normally bearish but recently has been BULLISH).

Watching for something GOOD to happen out of DC or CHINA but we know how that goes SO ... gloom, doom or BOOM .. you choose and ...

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## SELL SIDE THOUGHTS >> 01/05

- There are many NFP recaps and EARNED victory lapse. Example is BARCLAYS, "What's not to like?" (continues to think 3 hikes, March next)...
- BMOs weekly TITLE also says a lot, "Longest Short Week Ever" – a good read 'bout LOT of things and NOTE 'outside higher in 10yy – important technically, last 3 have been BULLISH' despite what you'd think. ALSO nearly death crossin'. Further IN curve, they've entered SHORT 2s looking for 2.60%
- MSs 'holiday trading strat' is LONG 10y futs and I'd imagine 'payroll trading strat' is too (buy on BEAT of consensus by 20k)
- MS on HOUSING not so AFFORDABLE (goes along with WSJ story – linked in MY THOUGHTS YEST)
- NatWEST Global MACRO – STAY LONG FI (look at orders/inventories) and as far as US goes, look to 5s30s steepeners

[...and MORE. MUCH more...](#)