

# Weekly 10-year Bond Yields Charts

## Newsletter

March 26, 2018

The Weekly Bond Yields Charts Newsletter provides Cornelius Luca's trade ideas, model signals, and absolute charts

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# Trade Idea

- Long US bond yield *IF above* the 21-day exponential moving average
- Short German bund yield *while below* the 5-day exponential moving average

# 10-year Treasury Yields Models

## Daily & Weekly

| <i>10-Year Yield</i> | <i>Daily Model</i> | since  | Daily Bias<br>(> or <<br>21-day<br>EMA) | Daily Risk       | <i>Weekly Model</i> | since  | Weekly Bias<br>(> or <<br>21-week<br>EMA) | Weekly Risk      |
|----------------------|--------------------|--------|---|------------------|---------------------|--------|---|------------------|
| US                   | L                  | 26-Mar | sideways                                | neutral          | L                   | 26-Mar | slightly bullish                          | slightly bullish |
| Germany              | L                  | 26-Mar | bearish                                 | slightly bullish | S                   | 9-Feb  | slightly bearish                          | slightly bearish |
| UK                   | L                  | 26-Mar | slightly bearish                        | slightly bullish | L                   | 26-Mar | slightly bullish                          | slightly bullish |
| Canada               | L                  | 26-Mar | sideways                                | neutral          | L                   | 23-Mar | slightly bullish                          | slightly bullish |
| Italy                | L                  | 26-Mar | slightly bearish                        | slightly bullish | L                   | 3-Jan  | slightly bearish                          | slightly bullish |
| Spain                | S                  | 12-Mar | bearish                                 | slightly bearish | S                   | 23-Feb | slightly bearish                          | slightly bearish |

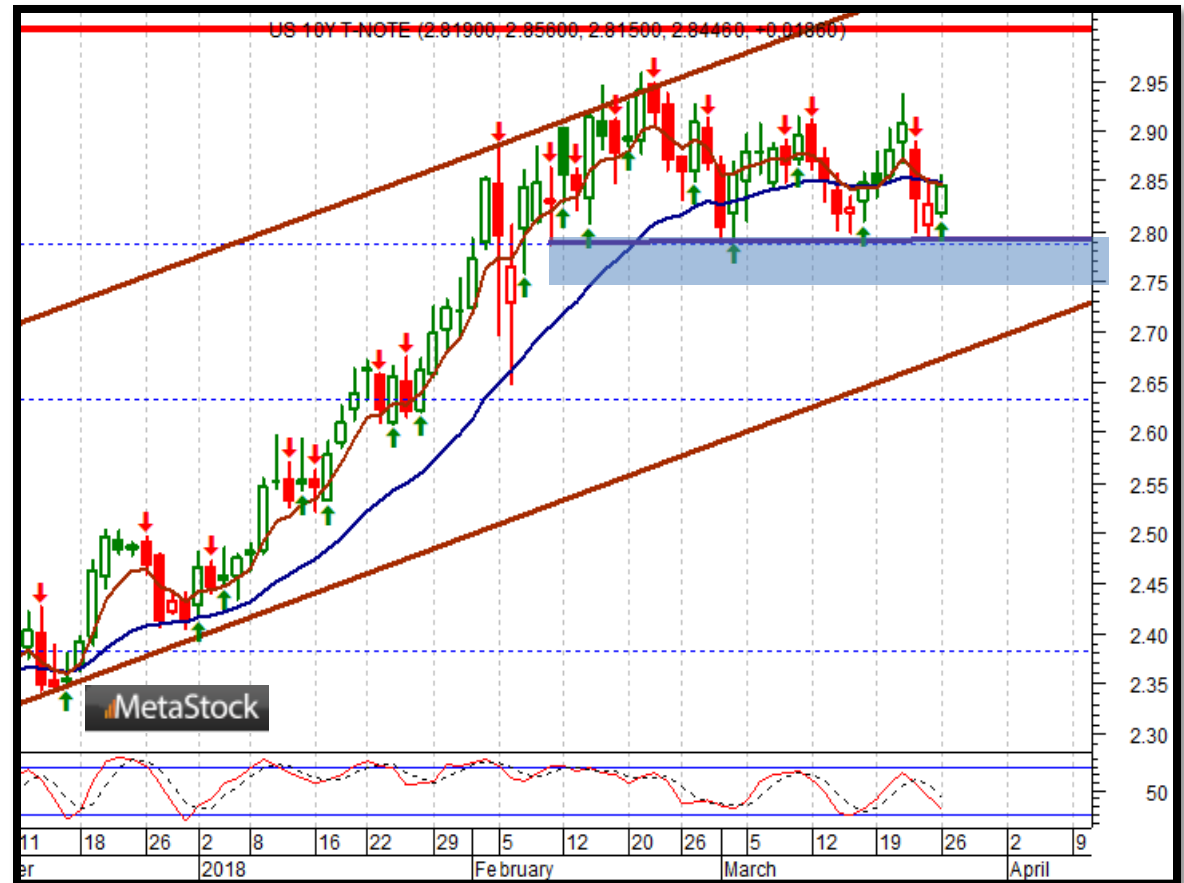
Source: Proprietary Luca Global Markets, LLC Model

# US 10-year Treasury Yield

## Comment:

### Long US bond yield *IF* above the 21-day EMA

- The US 10-year Treasury yield is still consolidating between 2.7860 at the bottom and its +4-year peak (2/21)
  - Overall, it remains uncomfortably close to 3%
  - It flips around its 21-day EMA
  - Only a **clear** break below 2.7860 would encourage liquidation of the speculative longs
  - Initial resistance: 2.8890
  - Further resistance: 2.9360, 2.9570, **3.0000** & 3.0410
  - Immediate support: 2.7860
  - Further support: 2.6480 & 2.4050
- Fast stochastics: slightly bearish

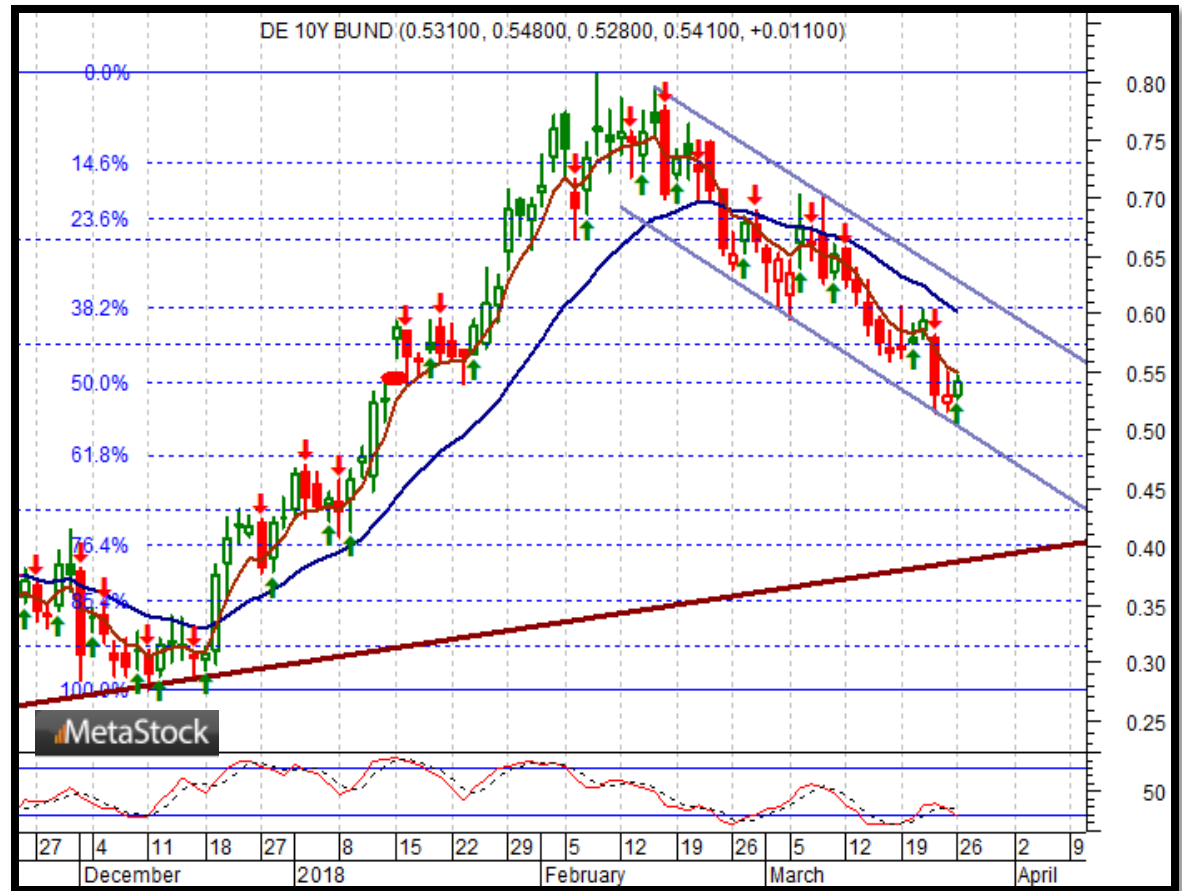


# G7 10-Year Bond Yield Trade Idea

## Comment:

### Short German bund yield while below the 5-day EMA

- The 10-year German bund yield is attempting a recovery from a 2 ½ - month low
- It had peaked at a 3 1/3-year high
- It trades below both its 5- & 21-day EMAs
- Only a break above the 5-day EMA would encourage the upside
- Immediate support: .5160
- Further support: .4860
- Initial resistance: .5515
- Further resistance: .6030, .7030, .7640 & .8080
- Fast stochastics: slightly bearish



# How to Use the Heat Map

Bias: If the Candle > 21-period EMA = bullish  
 If the Candle < 21-period EMA = bearish  
 If the Candle around 21-period EMA = sideways

Long or Short

Since when

Risk: Bullish or Bearish  
 Candle as of Monday am EST

|        | Commodities        | Daily Model | since  | Daily Bias (> or < 21-day EMA) | Daily Risk       | Weekly Model | since  | Weekly Bias (> or < 21-day EMA) | Weekly Risk      |
|--------|--------------------|-------------|--------|--------------------------------|------------------|--------------|--------|---------------------------------|------------------|
| Energy | Crude (CLc1)       | S           | 27-Apr | bullish                        | slightly bullish | L            | 23-Mar | slightly bearish                | slightly bullish |
|        | Brent (LCOc1)      | L           | 21-Apr | slightly bullish               | slightly bullish | L            | 6-Apr  | slightly bearish                | slightly bullish |
|        | Natural gas (NGc1) | S           | 23-Apr | bearish                        | bearish          | S            | 20-Apr | bearish                         | slightly bearish |
|        | Palm oil (FCPOc1)  | L           | 24-Apr | sideways                       | neutral          | S            | 20-Apr | slightly bearish                | slightly bearish |
| Metals | Gold (GCc1)        | S           | 24-Apr | bearish                        | bearish          | S            | 20-Mar | slightly bearish                | slightly bearish |
|        | Silver (SIc1)      | S           | 22-Apr | bearish                        | bearish          | S            | 24-Apr | bearish                         | bearish          |
|        | Platinum (PLc1)    | S           | 20-Apr | bearish                        | bearish          | S            | 20-Mar | bearish                         | slightly bullish |
|        | Copper (HGc1)      | L           | 24-Apr | slightly bearish               | slightly bullish | S            | 24-Apr | slightly bearish                | slightly bearish |
| Softs  | Coffee (KCN5)      | L           | 24-Apr | sideways                       | neutral          | L            | 24-Apr | slightly bullish                | slightly bullish |
|        | Cocoa (LCCN5)      | L           | 23-Apr | bullish                        | bullish          | L            | 13-Apr | bullish                         | bullish          |
|        | Soy meal (SMN5)    | S           | 24-Apr | bearish                        | slightly bearish | S            | 24-Apr | bearish                         | slightly bearish |
|        | Wheat (WN5)        | S           | 24-Apr | bearish                        | slightly bearish | S            | 24-Apr | bearish                         | bearish          |
|        | Corn (CN5)         | S           | 20-Apr | bearish                        | bearish          | S            | 6-Apr  | bearish                         | bearish          |

Source: Proprietary Luca Global Markets, LLC Model

L = long  
 S = short