



DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Monday February 12, 2024

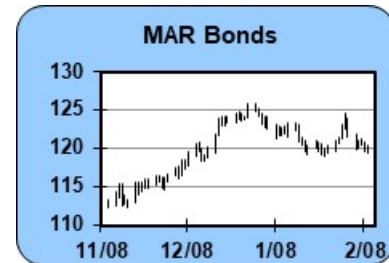
BONDS COMMENTARY

2/12/2024

Mild support in front of Tuesday CPI data.

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
BONDS +0

The Treasury markets traded in tight ranges overnight and were slightly higher this morning. Last week's US economic data was light and did little to shift expectations back towards a March Fed rate cut. The CME FedWatch Tool is giving a 17.5% chance for a rate at the March FOMC meeting, but they give a 62.4% chance for one in May. Last week's quarterly Treasury refunding saw strong demand at the 10-year and 30-year auctions, which reflected expectations of lower rates later this year. One area of consensus among recent Fed speakers has been the long-term decline in US inflation. However, on Friday Atlanta Fed President Bostic said that inflation has been too high for too long, and Dallas Fed President Logan said that the US labor market is very tight but loosening. There are no major US or Canadian economic numbers on today's schedule, and that may keep the market's focus on Tuesday's set of January CPI and core CPI readings. Fed Governor Bowman and Minneapolis Fed President Kashkari will speak during morning US trading hours. Friday's Commitments of Traders report showed non-commercial & non-reportable traders were net sellers of 1,466 contracts of Bonds for the week ending February 6, increasing their net short to 64,294. In 10-Year Notes, these traders were net buyers of 16,069 contracts, reducing their net short to 703,302.



TODAY'S MARKET IDEAS:

The bulls could start out with the upper hand this morning on short covering in front of Tuesday's CPI data, and they could build on those gains if today's Fed speakers avoid hawkish comments. Look for support at 119-16 in March Bonds and 110-19 in March Notes.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/30/2024 - 2/6/2024

	Non-Commercial		Net Position	Commercial		Net Position	Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Weekly Net Change			
Financials								
Bonds	-119,270	+3,962	64,293	+1,465	54,976	-5,428		
T-Notes	-755,737	+9,238	703,303	-16,067	52,435	+6,831		

BONDS TECHNICAL OUTLOOK:

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BONDS (MAR) 02/12/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 118-290. The next area of resistance is around 120-080 and 120-260, while 1st support hits today at 119-100 and below there at 118-290.

10 YR TREASURY NOTES (MAR) 02/12/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 110-065. The next area of resistance is around 110-300 and 111-080, while 1st support hits today at 110-135 and below there at 110-065.

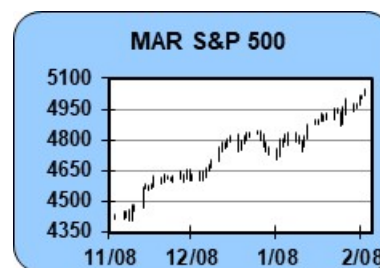
STOCKS COMMENTARY

2/12/2024

All-time high in NVIDIA lends NASDAQ early support.

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
S&P 500 +0

Global markets have had a subdued start to the week, with trading impacted by the Lunar New Year holidays in Asia. The UK FTSE-100 was lower overnight, but the German DAX and French CAC-40 had moderate gains. US equity index futures had mixed results, with NASDAQ outperforming the S&P and Dow and Bonds and the Dollar both seeing slight gains. There are no major US or Canadian economic numbers on today's schedule. Fed Governor Bowman and Minneapolis Fed President Kashkari will speak during morning US trading hours. Earnings announcements today include Cadence Design Systems, Arista Networks, and Waste Management, all after the Wall Street close.



S&P 500: The S&P reached an all-time high for a third session in a row on Friday, but it has been in a tight range overnight. The likelihood of the Fed cutting rates later this year continues to provide support, although further gains in the S&P may be held in check in front of Tuesday's CPI data. Uptrend channel support in the March S&P comes in at 4955, with close-in support at 5020. Friday's Commitments of Traders report showed non-commercial & non-reportable traders were net sellers of 13,321 contracts of E-Mini S&P for the week ending February 6, increasing their net short to 160,984.

Other US Indexes: The Dow Jones has been a notable laggard, as it saw a negative daily reversal on Friday with mild follow through overnight. Until there is more clarity on the Fed rate outlook, the Dow may have trouble sustaining upside momentum. Look for support in the March Dow at 38,630. The NASDAQ continues to outperform the other major indices, with the new all-time high for NVIDIA overnight providing support. Look for support in the March NASDAQ at 17,950. Friday's Commitments of Traders report showed non-commercial & non-reportable traders were net sellers of 2,639 contracts of Dow Jones \$5, reducing their net long to 23,705. In the NASDAQ, they were net sellers of 8,980, reducing their net long to 38,432.

TODAY'S MARKET IDEAS:

With no major US data this morning, the major stock indices may take direction from Fed speakers. NVIDIA's all-time high could spark buying in tech stocks that would lead to NASDAQ outperforming the Dow and S&P.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

	Non-Commercial			Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change	
Financials							
E-Mini S&P	-224,155	-1,279	160,984	+13,230	63,171	-11,952	

STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (MAR) 02/12/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside objective is 5072.12. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 5060.25 and 5072.12, while 1st support hits today at 5024.75 and below there at 5001.13.

MINI-DOW (MAR) 02/12/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down puts the market on the defensive. The market tilt is slightly negative with the close under the pivot. The next downside objective is 38436. The next area of resistance is around 38895 and 39104, while 1st support hits today at 38561 and below there at 38436.

E-MINI NASDAQ (MAR) 02/12/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 18215.31. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 18140.87 and 18215.31, while 1st support hits today at 17922.13 and below there at 17777.82.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
FINANCIAL COMPLEX										
USAAH24	119-250	40.72	43.76	32.49	22.87	120.29	121.20	120.62	121.87	120.48
TYAAH24	110-215	38.40	42.05	23.16	12.66	110.95	111.45	111.35	111.78	111.24
EPH24	5042.50	75.20	72.23	90.99	93.62	5011.19	4971.33	4925.39	4829.67	4773.58
ENQH24	18031.50	72.86	69.92	88.03	91.62	17849.56	17683.47	17556.35	17079.07	16851.25
YMH24	38728	62.86	63.62	84.21	83.39	38724.75	38623.22	38329.56	37876.60	37359.35

Calculations based on previous session. Data collected 02/09/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
FINANCIAL COMPLEX						
USAAH24	Bonds	118-280	119-090	119-270	120-080	120-260
TYAAH24	10 Yr Treasury Notes	110-060	110-130	110-230	110-300	111-080
EPH24	S&P E-Mini	5001.12	5024.75	5036.62	5060.25	5072.12
ENQH24	E-Mini NASDAQ	17777.81	17922.12	17996.56	18140.87	18215.31
YMH24	Mini-Dow	38436	38561	38770	38895	39104

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CURRENCIES COMMENTARY

2/12/2024

Dollar finding mild in front of Tuesday's CPI.

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

US DOLLAR +62, YEN +15, SWISS -2, CA DOLLAR -30

Upcoming International Reports (all times CT)

02/12 Japan Wholesale Prices (CGPI) 5:50 PM
02/13 France Unemployment Situation 12:30 AM
02/13 UK Employment Situation - Cl 1:00 AM
02/13 Swiss Consumer Price Index 1:30 AM
02/13 German ZEW Indicator of Econ 4:00 AM
02/13 CPI 7:30 AM
02/13 Real Earnings 7:30 AM
02/13 API Energy Stocks 3:30 PM



DOLLAR: A Fed rate cut next month appears to be off the table, and that realization underpinned the dollar last week. Forecasts for tomorrow's January CPI and core CPI call for further declines in year-over-year readings, which would increase prospects for a rate cut in May. This could also hold further gains in the dollar in check and possibly to lead some profit-taking. Friday's Commitments of Traders report showed non-commercial & non-reportable traders were net buyers of 1,912 contracts of the Dollar Index for the week ending February 6, increasing their net long to 2,643.

Other Currencies: The Canadian dollar was unable to sustain an initial rally on Friday following their jobs report that saw the first decline in their unemployment rate since December 2022. The Canadian may continue to see volatile action over the next few weeks, but it is showing signs of a low. Look for support in the March Canadian Dollar at 74.15. The euro has been pressured by comments over the weekend from ECB Executive Board Member Panetta, who said that time for a rate cut is fast approaching, as well as from recent data that has shown euro zone inflation continuing to decline. Look for resistance in the March euro at 1.0815. The pound has fallen back from a 1-week high, pressured by profit-taking in front of tomorrow's UK jobs data and Wednesday's inflation data. Look for resistance in the March pound at 1.2655.

TODAY'S MARKET IDEAS:

The bulls continue to hold the upper hand in the dollar, but strong gains may be difficult to attain in front of Tuesday's US CPI data. With recent strong Canadian jobs data and hawkish comments by Bank of Canada (BOC) members, the Canadian dollar is in a good position for a retest of its late December highs.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CURRENCIES TECHNICAL OUTLOOK:

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US DOLLAR (MAR) 02/12/2024: Momentum studies trending lower from overbought levels is a bearish indicator

and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 103.66. The next area of resistance is around 104.08 and 104.26, while 1st support hits today at 103.79 and below there at 103.66.

EURO (MAR) 02/12/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 108.3275. The next area of resistance is around 108.2000 and 108.3275, while 1st support hits today at 107.8600 and below there at 107.6475.

JAPANESE YEN (MAR) 02/12/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 67.10. The next area of resistance is around 67.49 and 67.61, while 1st support hits today at 67.24 and below there at 67.10.

SWISS (MAR) 02/12/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 114.36. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 114.97 and 115.17, while 1st support hits today at 114.57 and below there at 114.36.

CANADIAN DOLLAR (MAR) 02/12/2024: The daily stochastics have crossed over up which is a bullish indication. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The daily closing price reversal down is a negative indicator for prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 74.74. The next area of resistance is around 74.51 and 74.74, while 1st support hits today at 74.13 and below there at 73.98.

BRITISH POUND (MAR) 02/12/2024: The daily stochastics have crossed over up which is a bullish indication. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 126.77. The next area of resistance is around 126.61 and 126.77, while 1st support hits today at 126.15 and below there at 125.85.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
CURRENCY COMPLEX										
DXAH24	103.93	62.62	60.74	77.95	76.85	104.00	103.70	103.47	102.65	102.77
JYAH24	67.36	32.07	35.16	17.41	12.85	67.66	68.02	68.08	69.51	69.26
EU6H24	108.0300	39.93	40.83	19.96	23.09	107.89	108.13	108.53	109.23	109.31
BPAH24	126.38	45.22	46.69	38.21	38.46	126.20	126.47	126.74	126.80	126.55
CAAH24	74.32	47.18	47.63	41.02	41.50	74.29	74.39	74.33	74.60	74.31
SFAH24	114.77	28.46	34.72	18.77	11.28	114.92	115.73	115.88	116.82	116.36
DAAH24	65.33	39.31	39.54	23.05	24.21	0.65	0.65	0.66	0.67	0.66

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DAILY SWING STATISTICS

Contract	Support 2	Support 1	Pivot	Resist 1	Resist 2
CURRENCY COMPLEX					

DXAH24	US Dollar	103.65	103.78	103.95	104.08	104.26
JYAH24	Japanese Yen	67.09	67.23	67.35	67.49	67.61
EU6H24	Euro	107.6474	107.8599	107.9875	108.2000	108.3275
BPAH24	British Pound	125.85	126.15	126.31	126.61	126.77
CAAH24	Canadian Dollar	73.97	74.12	74.35	74.51	74.74
SFAH24	Swiss	114.35	114.56	114.76	114.97	115.17
DAAH24	Australian Dollar	64.77	65.09	65.25	65.56	65.72

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