



DAILY BONDS, STOCKS, & CURRENCY COMMENTARY Wednesday March 13, 2024

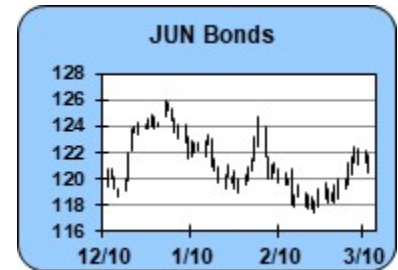
BONDS COMMENTARY

3/13/2024

A temporary bounce today should be very limited

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
BONDS +0**

Obviously, the range down action in treasury prices yesterday combined with a hotter than expected US CPI report leaves the bias pointing down again today. Unfortunately, regularly scheduled data today will be thin with a US mortgage application report due out early and estimates predicting a strong 9.7% increase from last week. With little economic news scheduled for the North American session today the midday 30 year US treasury bond supply auction could have a more pronounced impact than shorter dated supply earlier this week. On the other hand, the prospect of a rate cut by the ECB in June were pushed up overnight following comments from an ECB official that a "spring" interest rate cut remains "probable". It is unclear if the Fed will allow foreign policy decisions notably impact their decisions, but international rate cuts could give the Fed protection against criticism in the future. It should be noted that treasury prices rebounded minimally following the 10 year note auction yesterday and therefore the market could get a lift from the 30 year auction at midsession today. On the other hand, longer maturity auctions supply has received softer interest than shorter maturities in the last several auctions. The north American session starts out with a weekly private survey of mortgage applications, and there are no major US or Canadian economic numbers scheduled. Earnings announcements will include Dollar Tree before the opening of Wall Street, while Lennar reports after the close.



TODAY'S MARKET IDEAS:

While we see the pre-existing "trend" remaining in favor of the bull camp (the trend in US numbers have been softer for the last two weeks), the short-term has shifted down with a risk on day in equities capable of prompting selling while some residual short covering buying is expected later today ahead of tomorrow's US PPI report. We suggest conservative traders look for a long entry at 119-30 in the June bond contract.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

BONDS TECHNICAL OUTLOOK:

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BONDS (JUN) 03/13/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The close below the 1st swing support could weigh on the market. The near-term upside target is at 122-100. The next area of resistance is around 121-140 and 122-100, while 1st support hits today at 120-040 and below there at 119-210.

10 YR TREASURY NOTES (JUN) 03/13/2024: The major trend has turned down with the cross over back below

the 40-day moving average. Daily stochastics have risen into overbought territory which 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 is in a bearish position with the close below the 2nd swing support number. The near-term upside target is at 111-310. The next area of resistance is around 111-170 and 111-310, while 1st support hits today at 110-280 and below there at 110-205.

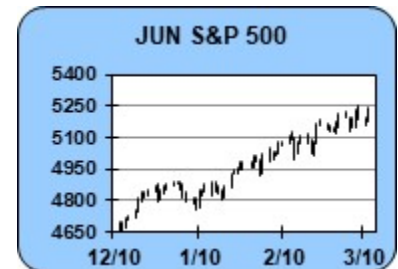
STOCKS COMMENTARY

3/13/2024

Action today irrelevant to tomorrow's possible trend signal

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
S&P 500 +2

Global equity markets were mixed overnight with up markets outnumbering down markets. Fortunately for the bull camp positive leadership from the NASDAQ has returned which should partially underpin the S&P and Dow. With the Boeing troubles with deliveries forcing some airlines to reduce capacity, the potential US vote to ban on Tick-Tok today and the Street debating the presence of a bubble of bullish sentiment toward equities the early upward bias is diffused and suspect. Earnings announcements will include Dollar Tree before the Wall Street open, while Lennar reports after the close.



S&P 500: While the S&P has started today's session with a setback below the previous day's close, the charts clearly remain in an uptrend channel with support today in the March S&P well off the market down at 5111.15 with closer in pivot/failure pricing seen down at 5135.50. On the other hand, a measure of bullish technical resiliency remains in place, and the market is hopeful tomorrow's PPI will be a benign event.

Other US Indexes: Even though the Dow has been the weakest component of the markets recently it has forged an impressive bounce from initial weakness on Monday and appears to have shifted the charts back in favor of the bull camp. However, travails at Boeing, a slight increase in US interest rates and talk of an increase in US corporate tax rates is likely to negatively impact the Dow more than other measures. Uptrend channel support in the March Dow futures is far off the market at 38,625 with closer in pivot point pricing at 38,822. In retrospect, Intel has seemingly managed to withstand the potential significant loss in AI chip sales to China because of regulation but the looming vote to crackdown on TikTok is an important development for the upcoming trend in the NASDAQ. Uptrend channel support, which has been definitively respected over the prior two sessions sits at 17,951.60 this morning with a closer in pivot point support level at 18,109.

TODAY'S MARKET IDEAS:

With today likely to be a calm day, a vote on the potential ban of TikTok could prompt a brief round of selling with additional selling at the close likely as some traders migrate to the sidelines ahead of another key US data inflection point tomorrow.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (JUN) 03/13/2024: The daily stochastics have crossed over up which is a bullish indication. Rising

stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 5296.62. The next area of resistance is around 5276.00 and 5296.62, while 1st support hits today at 5205.50 and below there at 5155.63.

MINI-DOW (JUN) 03/13/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The intermediate trend could be turning up with the close back above the 18-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 38951. The next area of resistance is around 39714 and 39856, while 1st support hits today at 39262 and below there at 38951.

E-MINI NASDAQ (JUN) 03/13/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next downside target is 18081.25. The next area of resistance is around 18622.50 and 18715.25, while 1st support hits today at 18305.50 and below there at 18081.25.

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										
USAAM24	120-250	55.44	53.70	74.99	76.23	121.34	120.74	119.59	120.31	121.24
TYAAM24	111-065	51.92	50.45	68.13	70.87	111.55	111.24	110.76	111.51	111.93
EPM24	5240.75	67.77	66.50	80.99	81.63	5212.13	5192.67	5154.21	5039.63	4989.38
ENQM24	18464.00	58.22	58.37	72.07	69.04	18379.00	18378.44	18240.08	17896.12	17686.01
YMM24	39488	59.68	58.72	53.31	53.11	39303.25	39316.67	39315.89	38894.51	38701.47

Calculations based on previous session. Data collected 03/12/2024
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
FINANCIAL COMPLEX						
USAAM24	Bonds	119-200	120-030	120-310	121-140	122-100
TYAAM24	10 Yr Treasury Notes	110-200	110-275	111-095	111-170	111-310
EPM24	S&P E-Mini	5155.62	5205.50	5226.12	5276.00	5296.62
ENQM24	E-Mini NASDAQ	18081.25	18305.50	18398.25	18622.50	18715.25
YMM24	Mini-Dow	38950	39261	39403	39714	39856

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CURRENCIES COMMENTARY

3/13/2024

We leave the trend pointing down in the dollar

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
US DOLLAR -19, YEN -3, SWISS -1, CA DOLLAR +45**

Upcoming International Reports (all times CT)

03/13 UK Foreign Trade 2:00 AM

03/13 UK Industrial Production 2:00 AM



03/13 Euro-zone Industrial Product 5:00 AM
03/13 EIA Energy Stocks 9:30 AM
03/14 Swiss Producer Price Index 2:30 AM
03/14 Business Inventories 7:30 AM
03/14 Canadian Monthly Survey of M 7:30 AM
03/14 Jobless Claims 7:30 AM
03/14 PPI 7:30 AM
03/14 Retail Sales 7:30 AM
03/14 EIA Gas Storage 9:30 AM

DOLLAR: The failure to hold the post CPI report rally should be very discouraging to dollar bulls, as the slight decrease in US June rate cut prospects should have been mitigated selling by further evidence the ECB may cut rates sooner than the US. However, with the PPI report tomorrow a likely bookend for the hot CPI report on Tuesday, the Dollar bull camp may pre-position buy ahead of the inflation report tomorrow. Overnight inflation related news from New Zealand and Germany provides the dollar bulls with minimal assistance this morning, but we suggest traders sell a rally given the dollar's inability to sustain gains off a higher-than-expected CPI report. Downtrend channel selling resistance in the dollar today is 103.10.

Other Currencies: Dovish chatter from the ECB continues to flow which has undermined the euro this week. However German wholesale prices declined by 3% (which was a larger decline than last month, and sentiment toward the dollar is likely to dominate the euro trade over the coming 36 hours. As in the dollar, we suggest traders fade a further slip in the euro looking to enter the long side after the US PPI is released tomorrow with fresh long pricing placed around uptrend channel support at 1.0870. While one might suggest the Pound bears retain a minimal edge under the surface from the breakdown on the charts, a bullish fundamental bias from headlines overnight indicating the UK has returned to "modest" growth (growth in GBP GDP was virtually insignificant at +0.2%) the fundamental bull tilt is suspect. In the end, the charts in the pound project lower prices today with a retest of yesterday's low down at 1.2743 likely. Even though the Canadian charts present a bearish signal this morning, a decisive resumption of the downward track in the US dollar should make 74.00 a firm support level in the Canadian into tomorrow's critical US inflation data. However, the Canadian should receive some support from ideas that the US Fed will hold off on cutting rates because of residual consumer price inflation. Unfortunately for traders we see the Canadian today sitting near the exact middle of the anticipated 74.52 and 73.50 trading range which means the currency could simply meander in either direction today. However, the Canadian could see residual pressure from predictions Canada will post a record 2024/2025 budget deficit.

TODAY'S MARKET IDEAS:

With no first or second tier US economic reports scheduled for release today and the dollar not sustaining a bullish reaction from a residual bullish inflation signal yesterday, the trade is likely waiting for US PPI tomorrow to factor in this week's net inflation views. In our opinion, the dollar has not shown significant bullish resiliency in the face of bullish developments and that suggests the overall Dollar trend remains down.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CURRENCIES TECHNICAL OUTLOOK:

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US DOLLAR (MAR) 03/13/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next downside objective is now at 102.35. The next area of resistance is around 103.22 and 103.57, while 1st support hits today at 102.62 and below there at 102.35.

EURO (MAR) 03/13/2024: A crossover down in the daily stochastics is a bearish signal. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 108.8475. The next area of resistance is around 109.4900 and 109.6875, while 1st support hits today at 109.0700 and below there at 108.8475.

JAPANESE YEN (MAR) 03/13/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside objective is at 68.57. The next area of resistance is around 68.15 and 68.57, while 1st support hits today at 67.43 and below there at 67.13.

SWISS (MAR) 03/13/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 114.68. The next area of resistance is around 114.36 and 114.68, while 1st support hits today at 113.74 and below there at 113.44.

CANADIAN DOLLAR (MAR) 03/13/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 74.43. The next area of resistance is around 74.28 and 74.43, while 1st support hits today at 73.96 and below there at 73.79.

BRITISH POUND (MAR) 03/13/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 127.08. The next area of resistance is around 128.34 and 128.69, while 1st support hits today at 127.54 and below there at 127.08.

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	102.92	32.95	38.92	28.00	27.07	102.81	103.33	103.63	103.49	103.04
JYAH24	67.78	61.56	55.40	62.81	74.36	67.92	67.32	67.03	67.77	68.58
EU6H24	109.2800	65.99	60.63	78.59	76.27	109.38	108.93	108.61	108.65	109.04
BPAH24	127.94	63.26	60.82	79.36	75.75	128.16	127.42	126.94	126.84	126.90
CAAH24	74.12	53.86	51.04	49.81	58.28	74.19	73.94	73.99	74.21	74.46
SFAH24	114.05	50.76	45.69	51.19	59.87	114.02	113.63	113.74	115.17	115.87
DAAH24	66.06	60.78	56.48	65.97	69.37	0.66	0.66	0.66	0.66	0.66

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
CURRENCY COMPLEX						
DXAH24	US Dollar	102.34	102.61	102.96	103.22	103.57
JYAH24	Japanese Yen	67.12	67.42	67.85	68.15	68.57
EU6H24	Euro	108.8475	109.0700	109.2675	109.4900	109.6875
BPAH24	British Pound	127.07	127.53	127.88	128.34	128.69
CAAH24	Canadian Dollar	73.78	73.95	74.11	74.28	74.43

SFAH24	Swiss	113.43	113.73	114.06	114.36	114.68
DAAH24	Australian Dollar	65.55	65.79	66.09	66.33	66.63

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