



# DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Friday March 22, 2024

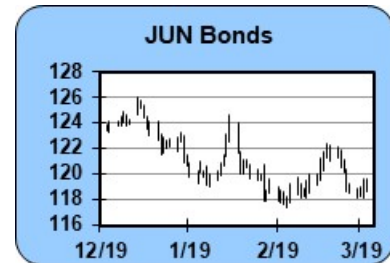
## BONDS COMMENTARY

3/22/2024

**Holding mild strength going into the weekend**

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

The Treasury markets have kept within tight early ranges as they maintain upside momentum and remain on track for positive weekly reversals. Bond and Note prices were able to overcome Thursday's US data results which normally would have given a stronger boost to US longer-term yields. The Philly Fed survey came in higher than forecast, initial jobless claims had a surprise weekly decline, ongoing jobless claims were lower than expected while February existing home sales were much higher than trade forecasts as they reached an 11-month high. This week's FOMC meeting results continue to underpin Treasury prices. The CME Fed Watch tool currently has an 11% chance of a May rate cut and a 70% chance of a June rate cut, and that continues to underpin Bond and Note prices. With no major US economic numbers to digest today, the market should take more direction from a series of Fed speakers, although the likelihood of a market-moving statement is limited at best. There will only be one top-tier data point this morning, January Canadian retail sales which are expected to have a mild downtick from December's 2.9% year-over-year rate. Fed Chair Powell, Fed Vice Chair Barr and Fed Governor Jefferson will speak during morning US trading hours while Atlanta Fed President Bostic will speak during the afternoon.



### **TODAY'S MARKET IDEAS:**

The bulls will start out with the upper hand in Treasury markets, but further upside will be limited without a major US economic number that impacts market sentiment. In addition, today's Fed speakers are likely to "stick to their script" and to not have any market-shaking comments so soon after a FOMC meeting. Near-term support for June Bonds is at 118-30 while near-term support for June notes is at 110-11.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **BONDS TECHNICAL OUTLOOK:**

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**BONDS (JUN) 03/22/2024:** Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 118-020. The next area of resistance is around 119-170 and 120-030, while 1st support hits today at 118-170 and below there at 118-020.

**10 YR TREASURY NOTES (JUN) 03/22/2024:** Daily stochastics declining into oversold territory suggest the

selling may be drying up soon. The close below the 9-day moving average is a negative 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 downside target is 109-290. The next area of resistance is around 110-210 and 111-005, while 1st support hits today at 110-035 and below there at 109-290.

## STOCKS COMMENTARY

3/22/2024

### Vulnerable to week-ending pullback after lukewarm Nike guidance

#### OVERNIGHT CHANGES THROUGH 6:06 AM (CT): S&P 500 +7

Global markets came through choppy action to have a mildly positive tone coming into this morning's action. Asian shares had mixed results as the Shanghai Composite and the Hong Kong Hang Seng sold off while there was a mild gain in the Japanese Nikkei. Major European stock indices and US stock index futures were mostly in positive territory early today, although the French CAC-40 was posting a mild loss. Japanese national CPI was slightly below trade forecasts while UK retail sales and the German IFO survey were slightly higher than expected.



**S&P 500:** The June S&P held within a tight trading range for a second day in a row as it stayed close to Thursday's all-time highs. FedEx's earnings were better than expected, which has provided early support as it signals strength in many market sectors. Nike also beat Wall Street estimates, but their lukewarm guidance has dampened sentiment going into month and quarter-end. While the Fed remains cautious on inflation, an overall positive reception to the FOMC meeting results continues to underpin equity markets.

**Other US Indexes:** The Dow Jones has held its ground in positive territory, but it will face headwinds from Nike's guidance, Walt Disney's contentious proxy fight and from Boeing's commercial jet issues. With several major US financial firms in the index, the Fed sticking with 75 basis points in rate cuts this year should underpin the Dow. The Nasdaq has lost steam late this week as the DOJ's antitrust lawsuit against Apple could diminish the recent strength of the "Magnificent 7" tech stocks going into month-end and quarter-end.

#### TODAY'S MARKET IDEAS:

US equity markets will start out with a mildly positive tone, but there are no US economic numbers or major earnings reports to provide additional strength going into the weekend. With record highs this week, sizable profits for the first quarter and a holiday-shortened week to finish the month, the major US stock indices are vulnerable to a week-ending pullback. Near-term resistance for the June S&P is at 5,325 while support is down at 5,260. Near-term resistance in the June Dow Jones is at 40,310. Near-term resistance in the June Nasdaq is at 18,625.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (JUN) 03/22/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving

average. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 5337.31. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 5322.62 and 5337.31, while 1st support hits today at 5293.38 and below there at 5278.82.

MINI-DOW (JUN) 03/22/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 40566. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 40448 and 40566, while 1st support hits today at 40080 and below there at 39830.

E-MINI NASDAQ (JUN) 03/22/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 18779.68. The next area of resistance is around 18668.12 and 18779.68, while 1st support hits today at 18485.88 and below there at 18415.19.

### 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
<b>FINANCIAL COMPLEX</b>										
USAAM24	119-010	43.60	45.29	29.00	20.96	118.68	119.40	119.79	119.81	120.66
TYAAM24	110-120	44.40	44.72	28.09	23.91	110.20	110.53	110.75	111.13	111.59
EPM24	5308.00	72.05	69.10	80.90	87.28	5264.56	5236.33	5206.13	5100.29	5036.65
ENQM24	18577.00	61.60	59.58	52.42	61.30	18405.06	18335.64	18337.44	18085.10	17829.83
YMM24	40264	74.16	68.92	67.71	83.38	39747.50	39526.78	39421.28	39127.16	38882.88

Calculations based on previous session. Data collected 03/21/2024

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

### DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>FINANCIAL COMPLEX</b>						
USAAM24	Bonds	118-010	118-160	119-020	119-170	120-030
TYAAM24	10 Yr Treasury Notes	109-285	110-030	110-145	110-210	111-005
EPM24	S&P E-Mini	5278.81	5293.37	5308.06	5322.62	5337.31
ENQM24	E-Mini NASDAQ	18415.18	18485.87	18597.43	18668.12	18779.68
YMM24	Mini-Dow	39830	40080	40198	40448	40566

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### CURRENCIES COMMENTARY

3/22/2024

## Dollar maintaining upside momentum after Thursday's positive US data

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**US DOLLAR +404, YEN +3, SWISS -32, CA DOLLAR -250**

### Upcoming International Reports (all times CT)

03/22 UK Retail Sales 2:00 AM  
03/22 German IFO Business Climate 4:00 AM  
03/22 Canadian Retail Trade 7:30 AM



**DOLLAR:** The Dollar has been able to follow-through on Thursday's rebound and has climbed to a 5-week high early in today's action. There has been fresh support from this week's positive US data results, particularly from the US housing sector, but a large portion of the Dollar's strength has come from the weakness of several major currencies. The FOMC meeting results showed the Fed is still concerned with this year's uptick in inflation, but they also reaffirmed their forecast for 75 basis points in rate cuts this year. There are several Fed speakers on today's calendar, but they will be cautious with saying any market-moving statements so soon after Wednesday's meeting. With the Fed avoiding an overly hawkish tone on Wednesday and with sizable gains over the past two weeks going into quarter-end, the Dollar may be vulnerable to a near-term pullback.

**Other Currencies:** While the Yen made a new low for the move early today, it appears to have found its footing following February Japanese CPI and core CPI readings that had sharp year-over-year increase from January. The Bank of Japan is likely to hike rates again in July and/or October, and that may help the Yen to maintain upside momentum late this week. The Pound has lost 2 cents in value against the Dollar since Wednesday's close following the Bank of England's signal of a June UK rate cut. With this morning's UK retail sales data providing little support, the Pound is likely to slide further to the downside. The Canadian dollar has had a volatile week, but it may regain upside momentum if this morning's Canadian retail sales reading comes in higher than market forecasts.

### TODAY'S MARKET IDEAS:

The Dollar remains on-track for a second positive weekly result in a row but will not have US data to provide additional strength and could see a sharp turnaround going into the weekend. June Dollar near-term support is at 103.70. Near-term resistance in the June Pound is at 1.2640 as it should continue to lose ground.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

Long a May Japanese Yen 68.50/70.50 bull call spread from 28. Use an objective of 176 and risk the entire spread premium on the trade.

### CURRENCIES TECHNICAL OUTLOOK:

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**US DOLLAR (JUN) 03/22/2024:** The market now above the 40-day moving average suggests the longer-term trend has turned up. Momentum studies are trending higher but have entered overbought levels. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The daily closing price reversal up is a positive indicator that could support higher prices. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 104.40. The next area of resistance is around 104.16 and 104.40, while 1st support hits today at 103.25 and below there at 102.59.

**EURO (JUN) 03/22/2024:** The market back below the 60-day moving average suggests the longer-term trend

could be turning down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The daily closing price reversal down puts the market on the defensive. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 108.2875. The next area of resistance is around 109.4000 and 110.0475, while 1st support hits today at 108.5200 and below there at 108.2875.

JAPANESE YEN (JUN) 03/22/2024: 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 downside closing price reversal on the daily chart is somewhat negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 66.29. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 67.14 and 67.62, while 1st support hits today at 66.48 and below there at 66.29.

SWISS (JUN) 03/22/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. A negative signal was given by the outside day down. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 110.90. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 113.40 and 114.76, while 1st support hits today at 111.48 and below there at 110.90.

CANADIAN DOLLAR (JUN) 03/22/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 73.62. The next area of resistance is around 74.25 and 74.57, while 1st support hits today at 73.77 and below there at 73.62.

BRITISH POUND (JUN) 03/22/2024: The major trend has turned down with the cross over back below the 60-day moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The outside day down is a negative signal. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 125.42. The next area of resistance is around 127.36 and 128.50, while 1st support hits today at 125.82 and below there at 125.42.

## 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
<b>CURRENCY COMPLEX</b>										
DXAM24	103.70	62.47	58.34	58.04	71.38	103.37	102.99	103.09	103.28	102.92
JYAM24	66.81	25.76	31.59	31.76	16.12	67.31	68.02	67.99	68.33	69.03
EU6M24	108.9600	43.98	46.92	51.36	41.29	109.19	109.40	109.28	108.94	109.31
BPAM24	126.59	38.11	43.47	50.72	37.98	127.28	127.58	127.39	126.91	126.98
CAAM24	74.01	47.78	47.68	45.04	44.30	74.01	74.09	74.02	74.20	74.42
SFAM24	112.44	18.53	24.49	25.88	15.47	113.43	114.15	114.45	115.49	116.49
DAAM24	65.86	50.45	50.33	49.87	46.22	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
<b>CURRENCY COMPLEX</b>						
DXAM24	US Dollar	102.58	103.25	103.49	104.16	104.40
JYAM24	Japanese Yen	66.28	66.47	66.95	67.14	67.62

EU6M24	Euro	108.2874	108.5199	109.1675	109.4000	110.0475
BPAM24	British Pound	125.42	125.82	126.96	127.36	128.50
CAAM24	Canadian Dollar	73.61	73.77	74.09	74.25	74.57
SFAM24	Swiss	110.90	111.47	112.83	113.40	114.76
DAAM24	Australian Dollar	65.26	65.49	66.00	66.23	66.73

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