



DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

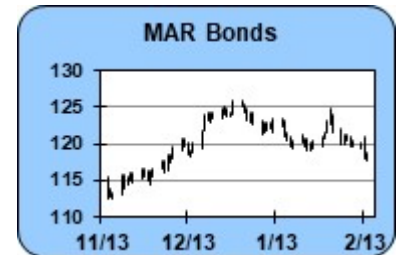
Thursday February 15, 2024

BONDS COMMENTARY

2/15/2024

The bias is up but a rally will be against the trend

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
BONDS +1**



With the UK and Japan technically entering recessions with second straight monthly contractions in GDP, the upside extension from yesterday's rejection of sub 118-00 March bond pricing is justified. In fact, with the Feds Vice Chairman overnight indicating achieving a 2% inflation target will likely result in "a bumpy path" for the US economy that should provide a measure of bargain hunting buying especially with March Bond prices at this week's lows almost 7 full points below this month's high! However, trading today could be difficult with expectations for the first wave of US scheduled data today calling for minimal changes from last month. Obviously, retail sales will be the most important reading for the treasury trade as initial claims are likely to remain within the recent range defined as 215,000 and 227,000. Therefore, the second wave of US scheduled data which includes industrial production, capacity utilization, business inventories, and the NAHB housing market index for February will likely set the tone for the rest of today. With a slight uptick in open interest on the rejection of the downside breakout in Bonds yesterday resulting in a jump in trading volumes, the 118-00 level becomes value and therefore the charts favor the bull camp. In conclusion, it will probably take a better-than-expected US retail sales reading followed by as expected improvement in industrial production, capacity utilization, and the NAHB housing index to reverse what appears to be a positive fundamental and technical bias early today. Today will be a busy North American session will start out with January Canadian housing starts which are expected to have a sizable downtick from December's annualized rate. January US retail sales are forecast to have a moderate downtick from December's 0.6% reading. The February Philly Fed manufacturing survey is expected to have a modest uptick from January's -10.6 reading. The New York Fed's February Empire State manufacturing survey is forecast to have a sizable uptick from January's -43.7 reading. A weekly reading on initial jobless claims is expected to have a modest uptick from the previous 218,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.871 million reading. January readings for the US import price index and US export price index are expected to have minimal upticks from their December readings. January US industrial production is forecast to have a modest uptick from December's 1.0% reading while January US capacity utilization is expected to have a mild increase from December's 78.6% reading. December US business inventories are forecast to have a moderate uptick from November's -0.1% reading. The February NAHB housing market index is expected to have a modest uptick from January's 44 reading. The December Treasury International Capital (TIC) report will come out during afternoon US trading hours and will show net changes to Chinese and Japanese Treasury holdings. Fed Governor Waller and Atlanta Fed President Bostic will speak during afternoon US trading hours.

TODAY'S MARKET IDEAS:

While it appears the March treasury bond contract found a low around 118-00 (with respect of that level in each of the prior two trading sessions), the short covering track will be put to the test through a significant wave of US scheduled data this morning. Using the premise that a significantly weak retail sales reading from the prior month can result in a rebound or leveling, a minimal upside surprise in retail sales could be discounted if the second wave of US scheduled data disappoints. As indicated already, the technical bias has shifted up with initial resistance at 120-14 in March bonds likely to restrain the rally unless disappointing reports outnumber positive reports through 9 AM central time.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

BONDS TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

BONDS (MAR) 02/15/2024: The downside crossover of the 9 and 18 bar moving average is a negative signal. 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. The daily closing price reversal up is a positive indicator that could support higher prices. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 117-140. The next area of resistance is around 119-000 and 119-130, while 1st support hits today at 118-010 and below there at 117-140.

10 YR TREASURY NOTES (MAR) 02/15/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 109-095. The next area of resistance is around 110-105 and 110-180, while 1st support hits today at 109-225 and below there at 109-095.

STOCKS COMMENTARY

2/15/2024

Today is a critical junction the trend is your friend

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
S&P 500 +7**

Global equity markets overnight were higher except for the Russian market which traded three quarters of 1% lower. While equity markets may have lost support from the rate cut theme this week, the markets have displayed significant resiliency and could become less focused on the Fed which could allow for a resumption in the uptrend from a lack of alternative investments. So far today the market has discounted news that Berkshire Hathaway reduced its holdings of Apple and discounted news that Cisco will cut 4,000 jobs. However, it is not without historical precedent for the equity markets to rally in the face of layoffs and from efforts by companies to become lean and mean. Earning announcements will include Deere & Company and Southern Company before the Wall Street opening while Applied Materials, DoorDash, The Trade Desk, Ingersoll Rand, and Coinbase Global report after the close.



S&P 500: With the aggressive washout to start the week, the overbought condition of the S&P into the February high has been corrected, and the bull camp has been emboldened. With open interest contracting on the early washout and volume jumping on the dip, the trade not only showed a lack of interest in the short side, but there also appears to have been a moderate amount of bargain-hunting buying around the lows this week. However, traders should be wary of Deere and company earnings given extremely low grain prices, but we suspect an earnings inspired dip will be seen as a buying opportunity today. Uptrend channel buying support in the March S&P is far down on the charts and is unlikely to be tested at 4957.55, with closer in pivot point support seen at 5003.75.

Other US Indexes: In retrospect, the Dow has exhibited significant volatility relative to other segments of the market this week, with the washout on Tuesday pushing some traders to the sidelines. Therefore, it will be very important for the bull camp in Dow futures to see soft data revive hopes of a US rate cut in the first half of this year. Uptrend channel buying support in the March Dow futures today is 38,241. While the NASDAQ could be

undermined from news that Berkshire Hathaway trimmed its Apple holdings and from news of layoffs at Cisco, the shallow correction and quick rebound from the Tuesday low leaves the bull camp in control. Uptrend channel buying support in the NASDAQ is 17,628.90.

TODAY'S MARKET IDEAS:

With the equity markets accepting and then rejecting the sharp reduction in prospects of a US first half rate cut, the bull camp is emboldened and could become aggressive buyers if today's wave of US scheduled data tilts in favor of softening!

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

STOCKS TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

S&P E-MINI (MAR) 02/15/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 4955.00. The next area of resistance is around 5046.25 and 5060.00, while 1st support hits today at 4993.75 and below there at 4955.00.

MINI-DOW (MAR) 02/15/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 38190. The next area of resistance is around 38632 and 38697, while 1st support hits today at 38378 and below there at 38190.

E-MINI NASDAQ (MAR) 02/15/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 17608.32. The next area of resistance is around 17982.87 and 18043.81, while 1st support hits today at 17765.13 and below there at 17608.32.

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	118-160	37.37	40.75	19.35	11.73	118.98	119.94	120.38	121.79	120.66
TYAAH24	110-005	36.87	39.94	13.46	9.85	110.23	110.73	111.17	111.74	111.29
EPH24	5020.00	62.56	63.85	83.59	77.64	5017.75	5000.69	4957.54	4854.67	4795.63
ENQH24	17874.00	59.98	61.39	80.77	74.66	17885.44	17810.89	17671.35	17189.37	16939.10
YMH24	38505	51.63	55.30	73.79	62.87	38603.75	38641.67	38470.06	38011.53	37521.97

Calculations based on previous session. Data collected 02/14/2024

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	117-130	118-000	118-130	119-000	119-130
TYAAH24	10 Yr Treasury Notes	109-090	109-220	109-295	110-105	110-180
EPH24	S&P E-Mini	4955.00	4993.75	5007.50	5046.25	5060.00
ENQH24	E-Mini NASDAQ	17608.31	17765.12	17826.06	17982.87	18043.81
YMH24	Mini-Dow	38189	38378	38443	38632	38697

Calculations based on previous session. Data collected 02/14/2024

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

CURRENCIES COMMENTARY

2/15/2024

High odds of further sideways chop economic trends absent

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

US DOLLAR -42, YEN +18, SWISS +28, CA DOLLAR +20

Upcoming International Reports (all times CT)

02/15 UK Foreign Trade 1:00 AM
 02/15 Swiss Producer Price Index 1:30 AM
 02/15 Swiss Consumer Confidence 2:00 AM
 02/15 Euro-zone Foreign Trade 4:00 AM
 02/15 Canadian Housing Starts 7:15 AM
 02/15 Business Inventories 7:30 AM
 02/15 Canadian Monthly Survey of M 7:30 AM
 02/15 Canadian New Motor Vehicle S 7:30 AM
 02/15 Jobless Claims 7:30 AM
 02/15 Retail Sales 7:30 AM
 02/15 Capacity Utilization 8:15 AM
 02/15 Industrial Production 8:15 AM
 02/15 EIA Gas Storage 9:30 AM
 02/16 UK Retail Sales 1:00 AM
 02/16 Swiss Industrial Production 1:30 AM
 02/16 France Consumer Price Index 1:45 AM
 02/16 Canadian New Housing Price I 7:30 AM
 02/16 Canadian Wholesale Trade 7:30 AM
 02/16 Housing Starts 7:30 AM
 02/16 PPI 7:30 AM



DOLLAR: With the UK and Japan technically entering a recession with contracting GDP readings overnight, the dollar should have recovered. Therefore, the markets are expecting soft US data and or have embraced Fed comments from yesterday predicting the US economy will still face a very bumpy ride to a soft landing. On the other hand, if either retail sales or US initial claims best expectations and US industrial production, capacity utilization, and the NAHB match expectations, the dollar should find solid support today at 104.44. However, the dollar action on the charts early today signal vulnerability, even if the fundamentals favor the dollar bulls from a win by default perspective.

Other Currencies: While not a direct negative impact on the euro, Swiss producer and import prices for January contracted by than expected with Spanish consumer prices holding steady with a minimal gain of 0.1%. Fortunately for the bull camp, ECB policy signals overnight continue to tamp down the prospect of what they call "hasty rate cuts" and that could provide the euro with a small measure of support today at 1.0735. As indicated already, the UK economy has technically entered a recession with a second straight monthly contraction in growth, with Pound bulls also becoming anxious about the reelection prospects of the current pro-growth Prime Minister. In conclusion, both fundamental and technical signals favor the bear camp in the pound today, with the failure to hold 1.2537 projecting a slide down to 1.2535 and a possible breakout below 1.2521 if the net take away

from US data is positive this morning. With the pound, euro, and Yen off balance because of economic data, and the dollar failing to gain from Japanese and UK recession news, the Canadian should see a measure of win-by-default buying today. Unfortunately for the bull camp, expectations call for a smaller January Canadian housing starts reading than was posted in December and that could increase fundamental resistance at 74.00. In the end, we see an upward bias in the Canadian, but gains could be extremely hard-fought and very modest.

TODAY'S MARKET IDEAS:

Once again, the currency markets have a void of leadership which favors further sideways action in most currencies. However, UK and Japan enter recession should increase pressure on the pound and Yen which might provide lift to the euro and Swiss instead of US dollar. On the other hand, if the Takeaway from two waves of US scheduled data favors a positive economic vibe the dollar could regain its footing and return to this week's highs.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CURRENCIES TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

US DOLLAR (MAR) 02/15/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. The close over the pivot swing is a somewhat positive setup. The next upside objective is 104.99. The next area of resistance is around 104.78 and 104.99, while 1st support hits today at 104.46 and below there at 104.34.

EURO (MAR) 02/15/2024: 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. The upside closing price reversal on the daily chart is somewhat bullish. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 106.9513. The next area of resistance is around 107.6025 and 107.7412, while 1st support hits today at 107.2075 and below there at 106.9513.

JAPANESE YEN (MAR) 02/15/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 66.56. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 66.84 and 66.94, while 1st support hits today at 66.65 and below there at 66.56.

SWISS (MAR) 02/15/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up is a positive indicator that could support higher prices. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 112.74. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 113.52 and 113.70, while 1st support hits today at 113.04 and below there at 112.74.

CANADIAN DOLLAR (MAR) 02/15/2024: 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 target is 73.63. The next area of resistance is around 73.98 and 74.07, while 1st support hits today at 73.77 and below there at 73.63.

BRITISH POUND (MAR) 02/15/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 124.95. The next area of resistance is around 126.04 and 126.46, while 1st support hits today at 125.28 and below there at 124.95.

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	104.62	67.76	64.89	82.24	86.19	104.38	104.18	103.69	102.72	102.82
JYAH24	66.74	26.39	30.85	9.46	5.32	67.00	67.43	67.87	69.30	69.22
EU6H24	107.4050	32.99	35.98	18.18	15.97	107.63	107.75	108.26	109.18	109.23
BPAH24	125.66	35.96	40.76	33.81	27.72	125.99	126.03	126.57	126.81	126.61
CAAH24	73.87	39.03	41.53	32.62	24.20	74.05	74.14	74.28	74.62	74.36
SFAH24	113.28	22.98	28.92	10.24	6.32	113.88	114.65	115.49	116.70	116.34
DAAH24	64.98	40.51	40.05	22.01	21.06	0.65	0.65	0.66	0.67	0.66

Calculations based on previous session. Data collected 02/14/2024
Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
CURRENCY COMPLEX						
DXAH24	US Dollar	104.33	104.45	104.66	104.78	104.99
JYAH24	Japanese Yen	66.55	66.64	66.75	66.84	66.94
EU6H24	Euro	106.9512	107.2075	107.3462	107.6025	107.7412
BPAH24	British Pound	124.94	125.27	125.70	126.04	126.46
CAAH24	Canadian Dollar	73.62	73.76	73.84	73.98	74.07
SFAH24	Swiss	112.73	113.03	113.22	113.52	113.70
DAAH24	Australian Dollar	64.38	64.73	64.87	65.23	65.37

Calculations based on previous session. Data collected 02/14/2024
Data sources can & do produce bad ticks. Verify before use.

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.