



# DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Monday March 25, 2024

## BONDS COMMENTARY

3/25/2024

**Unless US data is stronger than expected the bulls hold a thin edge**

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

While June bonds forged a higher high overnight, the markets are facing headwinds from comments from the Fed's Bostic at the end of last week suggesting he now sees only one US rate cut this year which is down from the two rate cuts he previously expected. Bostic indicated residual inflation pressures combined with resilient US economic data altered his previous more dovish views. However, recent US economic data has softened, and the markets will be presented with a veritable avalanche of data early this week before the third most important inflation report of the monthly inflation report cycle is released (PCE) on Thursday. On the other hand, trade expectations call for both core and regular PCE readings to be unchanged from the previous month's readings of 2.1% and 1.8% respectively. Fortunately for the bull camp, the charts remain slightly bullish, a terrorist attack in Russia and a potential clash between the international community and Israel over their next military objective adds a measure of flight to quality interest for treasuries today. A minimal headwind is likely to flow from the release of the Chicago Fed national activity index for February which is expected to rebound from a small contraction last month. Furthermore, new home sales for February are also expected to be slightly stronger than last month, as mortgage rates fell in early March! From a technical perspective, the treasury bond market is surprisingly holding a large net spec and fund long, despite the early March to late March washout of 4 1/2 points. The March 19th Commitments of Traders report showed Bonds Non-Commercial & Non-Reportable traders added 16,278 contracts to their already long position and are now net long 20,846. However, the net spec and fund short in treasury Notes remains very large indicating hedging against rising rates in the middle of the curve remains aggressive. The T-Note market COT report showed Non-Commercial & Non-Reportable traders added 4,185 contracts to their already short position and are now net short 504,618 contracts. Yet another potential bearish headwind is this week's treasury auctions which kick off with three and six month bills and two-year notes today followed by a five year auction on Tuesday and seven-year notes auctioned on Wednesday. The North American session will start out with the Chicago Fed's February national activity index which is expected to have a moderate downtick from January's -0.3 reading. February new home sales are forecast to have a minimal uptick from January's 661,000 annualized rate. The Dallas Fed's March manufacturing business index is expected to have a modest uptick from February's -11.3 reading. Atlanta Fed President Bostic and Fed Vice Chair Cook will speak during morning US trading hours.



### TODAY'S MARKET IDEAS:

While we give a very slim edge to the bull camp this morning, today's US scheduled data is likely to be a very minimal headwind into midsession when the trade will be presented with a two year note auction. In our opinion, the auctions at the shorter end of the yield curve have been positive, or not as bad as auction demand at the long end. Overall, the bias toward the US economy remains in the bull camp and trading ranges today are likely to be narrow.

### NEW RECOMMENDATIONS:

None.

## PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Financials</b>						
<b>Bonds</b>	-24,287	+28,547	-20,846	-16,279	45,133	-12,269
<b>T-Notes</b>	-551,727	-15,050	504,617	+4,184	47,109	+10,865

## BONDS TECHNICAL OUTLOOK:

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**BONDS (JUN) 03/25/2024:** The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. Market positioning is positive with the close over the 1st swing resistance. The next downside target is 118-230. The next area of resistance is around 120-160 and 120-280, while 1st support hits today at 119-140 and below there at 118-230.

**10 YR TREASURY NOTES (JUN) 03/25/2024:** The daily stochastics have crossed over up which is a bullish indication. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 111-050. The next area of resistance is around 111-015 and 111-050, while 1st support hits today at 110-200 and below there at 110-095.

## STOCKS COMMENTARY

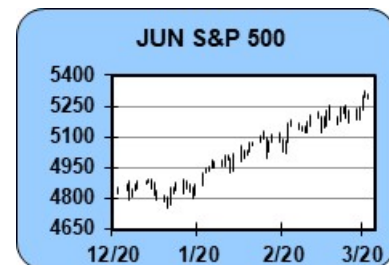
3/25/2024

**While the Bears have an edge the trend remains up**

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

Global equity markets overnight were generally lower with down markets slightly outnumbering markets trading higher. Despite the Chinese Premier making an unusual appearance by top Chinese leadership at the Annual Chinese Development Forum and promising China will begin to treat foreign companies on a par with domestic companies, global equities are showing signs of initial weakness. Given the heavy-handed regulatory treatment of global companies operating in China and with the government providing domestic companies with quicker paths to product launches and permitting, it will take more than "talk" for global companies to regain confidence while operating in China. With the markets mixed to start today it is likely that the trade was widely expecting the US to pass a funding bill the bulls have seen little benefit from the weekend passage of a budget and therefore seeing the hawkish statements from the Fed's Bostic leaves the bear camp with an edge. Yet another bearish influence is the looming breakup of the Trump business empire as a deadline for a bond payment today could result in forced liquidation of large holdings in New York and Florida. While an appellate court could delay the enforcement of an unheard of half billion dollar penalty for a victimless crime, financial markets could shudder, and Trump supporters could protest aggressively thereby concerning investors.

**S&P 500:** While the S&P has corrected from last week's latest all-time high, the correction so far has been shallow, and the index has generally discounted bearish international geopolitical and economic developments.



However, all indices this week should see residual pressure from big tech issues as an emerging tide of regulatory pressure to reduce suspected monopoly power hangs over the market particularly in Europe. On the other hand, US regulatory bodies are fighting almost every buyout and merger announcement, and the FAA continues to move aggressively against Boeing and its planes already in service at major airlines. Fortunately for the bull camp the S&P a net spec and fund short remains near the highest levels since August of last year and that should diffuse corrective action in place from last Thursday reversal. E-Mini S&P positioning in the Commitments of Traders for the week ending March 19th showed Non-Commercial & Non-Reportable traders reduced their net short position by 35,049 contracts to a net short 114,474 contracts. Uptrend channel support in the June S&P today is 5225.90 with a very minimal reversal seen with a trade back above 5311.75.

**Other US Indexes:** As indicated already, Boeing continues to experience harsh regulatory scrutiny, with the FAA even threatening safety checks at airlines using Boeing planes, and possibly grounding planes in operation to err on the safe side. Unlike the S&P, the Dow futures hold a net spec and fund long leaving the index vulnerable to corrective action if support levels are violated at 39,682 and 39,556. Dow Jones \$5 positioning in the Commitments of Traders for the week ending March 19th showed Non-Commercial & Non-Reportable traders net bought 6,824 contracts and are now net long 24,633 contracts. As indicated already, regulators around the world are threatening mega tech companies with action to reduce their monopolistic control, with some regulators threatening to break up certain companies and or heavily scrutinizing mergers and buyouts. Like the Dow, the NASDAQ futures hold a net spec and fund long after adding aggressively to long positions last week and that could expand the corrective early bias today. Uptrend channel support in the June NASDAQ today is 39,364 with closer in pivot point support seen at 39,682. The Commitments of Traders report for the week ending March 19th showed Nasdaq Mini Non-Commercial & Non-Reportable traders added 7,612 contracts to their already long position and are now net long 17,450.

**TODAY'S MARKET IDEAS:**

While the overall trend remains up, the markets feel a little heavy to start the week with a Fed member toning down his dovishness, increased scrutiny of Boeing and Boeing customers and aggressive insurgent activities of illegals at the heavily fortified Texas border. In our opinion, there is something sinister about illegal immigrants knowingly attacking and or attempting to enter the country at the most difficult section of the entire US Mexican border!

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024							
	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
<b>Financials</b>							
<b>E-Mini S&amp;P</b>	-189,075	+47,272	114,474	-35,048	74,601	-12,223	

**STOCKS TECHNICAL OUTLOOK:**

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S&P E-MINI (JUN) 03/25/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside target is 5318.25. The next area of resistance is around 5301.25 and 5318.25, while 1st support hits today at 5277.75 and below there at 5271.25.

MINI-DOW (JUN) 03/25/2024: Momentum studies are trending higher but have entered overbought levels. The

market's close above the 9-day moving average suggests the short-term trend remains positive. The close below the 1st swing support could weigh on the market. The near-term upside objective is at 40382. The next area of resistance is around 40052 and 40382, while 1st support hits today at 39608 and below there at 39493.

E-MINI NASDAQ (JUN) 03/25/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. 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 market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 18694.37. The next area of resistance is around 18628.75 and 18694.37, while 1st support hits today at 18494.75 and below there at 18426.38.

### 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	119-310	53.21	50.82	28.33	26.99	119.08	119.22	119.87	119.81	120.59
TYAAM24	110-265	53.51	50.27	29.03	30.92	110.45	110.44	110.80	111.11	111.55
EPM24	5289.50	66.59	65.77	82.49	85.73	5283.19	5247.22	5213.82	5109.72	5043.53
ENQM24	18561.75	60.73	59.06	57.40	67.30	18489.19	18371.19	18354.54	18112.47	17851.02
YMM24	39830	58.57	58.60	70.52	76.18	39898.75	39591.00	39443.33	39167.07	38908.67

Calculations based on previous session. Data collected 03/22/2024

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	118-220	119-130	119-250	120-160	120-280
TYAAM24	10 Yr Treasury Notes	110-090	110-195	110-230	111-015	111-050
EPM24	S&P E-Mini	5271.25	5277.75	5294.75	5301.25	5318.25
ENQM24	E-Mini NASDAQ	18426.37	18494.75	18560.37	18628.75	18694.37
YMM24	Mini-Dow	39492	39607	39937	40052	40382

Calculations based on previous session. Data collected 03/22/2024

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## CURRENCIES COMMENTARY

3/25/2024

**Currencies remain a rudderless boat**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
US DOLLAR -167, YEN +8, SWISS +13, CA DOLLAR +110**

### Upcoming International Reports (all times CT)

- 03/25 UK GDP 2:00 AM
- 03/25 New Home Sales 9:00 AM
- 03/25 Japan BOJ Minutes 6:50 PM
- 03/26 German GfK Consumer Confiden 2:00 AM
- 03/26 Adv Durable Goods 7:30 AM
- 03/26 Consumer Confidence 9:00 AM
- 03/26 API Energy Stocks 3:30 PM



**DOLLAR:** Not surprisingly, the Dollar is recoiling from the sharp range up rallies from the end of last week with less dovish comments from the Fed's Bostic undermining the dollar early this morning. Adding to the downward bias in the dollar is improving sentiment toward Asian currencies, with the Bank of Japan increasingly moving toward an exit of negative interest rates. The dollar is also undermined by increased chatter of intervention to support the yen and potentially because of the showdown between the leading presidential candidate and a New York court penalty enforcement. The March 19th Commitments of Traders report showed Dollar Non-Commercial & Non-Reportable Traders net sold 4,691 contracts and are now net long 1,683 contracts. Uptrend channel support in the June dollar index today is 103.81.

**Other Currencies:** Despite a softer dollar in the early trade today following a slight reduction in dovish Fed influence, the euro remains pinned down near last week's spike lows and more downside is ahead. Perhaps the euro is seeing indirect pressure from fears that regulators are poised to impose a full court press on large tech international companies which in turn could cause capital to flee Europe. Initial support is a quasi-double low from overnight at 1.0839. The March 19th Commitments of Traders report showed Euro Non-Commercial & Non-Reportable traders reduced their net long position by 34,949 contracts to a net long 74,479 contracts. Fortunately for the bull camp in the Pound the currency has recovered after two tests of the 200 day moving average in two trading sessions. The 200 day moving average support level today is 1.258. Surprisingly the pound has not benefited from an upgrade of the UK by the credit rating agency Fitch who moved the UK credit rating from "negative" to stable". Like the pound, the Canadian has also posted a double low in the early trade today most likely from residual weakness in the dollar as weakness in Canadian retail sales readings from last week continue to remain a weight on the back of the Canadian Dollar. Obvious Key support early today is 73.54, with an upside reversal seen with a trade above 73.81.

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

While the currency markets are not showing definitive direction it appears as if the dollar has shifted lower and nondollar currencies are winning by default.

#### **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) 03/25/2024:** The upside crossover of the 9 and 18 bar moving average is a positive signal. Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 104.60. The next area of resistance is around 104.42 and 104.60, while 1st support hits today at 103.83 and below there at 103.42.

**EURO (JUN) 03/25/2024:** The close under the 40-day moving average indicates the longer-term trend could be turning down. 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 market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 107.9300. The next area of resistance is around 108.7850 and 109.2500, while 1st support hits today at 108.1250 and below there at 107.9300.

**JAPANESE YEN (JUN) 03/25/2024:** The downside crossover of the 9 and 18 bar moving average is a negative signal. 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 daily closing price reversal gives the market a bullish tilt. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 66.54. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 67.11 and 67.29, while 1st support hits today at 66.74 and below there at 66.54.

SWISS (JUN) 03/25/2024: Momentum studies are declining, but have fallen to oversold levels. 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. The market tilt is slightly negative with the close under the pivot. The next downside objective is 111.74. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 112.87 and 113.04, while 1st support hits today at 112.23 and below there at 111.74.

CANADIAN DOLLAR (JUN) 03/25/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 73.18. The next area of resistance is around 73.84 and 74.20, while 1st support hits today at 73.34 and below there at 73.18.

BRITISH POUND (JUN) 03/25/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 125.18. The next area of resistance is around 126.54 and 127.17, while 1st support hits today at 125.54 and below there at 125.18.

## 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	104.12	68.44	63.06	65.34	80.41	103.58	103.17	103.13	103.31	102.98
JYAM24	66.92	29.39	33.77	25.53	13.16	67.03	67.78	67.95	68.28	68.95
EU6M24	108.4550	36.22	41.11	43.70	28.18	109.03	109.27	109.26	108.92	109.26
BPAM24	126.04	31.71	38.30	42.61	26.07	126.94	127.35	127.34	126.89	126.96
CAAM24	73.59	37.03	40.30	39.93	30.23	73.90	74.01	74.00	74.19	74.38
SFAM24	112.55	21.82	26.51	22.47	15.80	113.14	113.87	114.31	115.40	116.37
DAAM24	65.29	38.76	42.51	45.25	36.18	0.66	0.66	0.66	0.66	0.66

Calculations based on previous session. Data collected 03/22/2024

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## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>CURRENCY COMPLEX</b>						
DXAM24	US Dollar	103.41	103.82	104.01	104.42	104.60
JYAM24	Japanese Yen	66.53	66.73	66.91	67.11	67.29
EU6M24	Euro	107.9300	108.1250	108.5900	108.7850	109.2500
BPAM24	British Pound	125.17	125.54	126.17	126.54	127.17
CAAM24	Canadian Dollar	73.17	73.33	73.69	73.84	74.20
SFAM24	Swiss	111.73	112.22	112.39	112.87	113.04
DAAM24	Australian Dollar	64.77	64.96	65.44	65.63	66.11

Calculations based on previous session. Data collected 03/22/2024

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