



DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Wednesday March 27, 2024

BONDS COMMENTARY

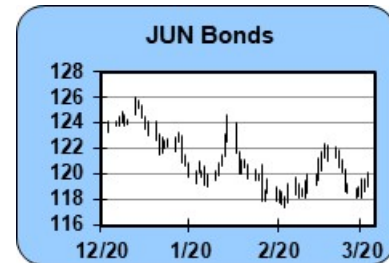
3/27/2024

Little US data & major inflation news tomorrow = narrow ranges

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

BONDS +0

While the solidity of the fundamental bull case is suspicious, the charts favor the upward tilt. Even though this week's US scheduled data has not provided definitive signs of slowing and or signs of softening inflation, the bull camp has managed to maintain control of the markets narrative of eventual declines in US interest rates. However, most financial markets are likely to remain range bound today with a thin US economic report slate today and Thursdays very critical US PCE report expected to provide major input to future Fed policy decisions. So far, this week two US auction offerings have been met with very little market reaction. In fact, yesterday's auction was labeled as "strong", but yields showed only minimal declines, perhaps because US durable goods earlier in the day were stronger than expected. While we could see a temporary expansion of volatility through the midday auction window, unless the seven year note auction provides a noted surprise, we expect narrow ranges with traders preferring to react to US PCE rather than predict its outcome. Critical economic news released overnight included a slightly softer than expected Australian monthly consumer price index reading but that was offset by a hotter than expected Spanish consumer price index reading for March. The North American session will start out with a weekly private survey of mortgage applications and have no major US or Canadian economic numbers on the schedule.



TODAY'S MARKET IDEAS:

We leave the bull camp with a very minimal edge from a general dovish bias toward the Fed in place. However, the most recent CME Fed watch tool projects the chances of a May rate cut at only 8.9% with the chance of a June rate cut at only 64.2%. Nonetheless, the trade seems poised to embrace soft data and discount bearish price/inflation data. Uptrend channel support in June bonds today is 119-03, with resistance today at 120-07.

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 (JUN) 03/27/2024: A bullish signal was given with an upside crossover of the daily stochastics. 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 daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 120-080. The next area of resistance is around 120-000 and 120-080, while 1st support hits today at 119-100 and below there at 118-270.

10 YR TREASURY NOTES (JUN) 03/27/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The next upside objective is 110-315. The next area of resistance is around 110-280 and 110-315, while 1st support hits today at 110-165 and below there at 110-080.

STOCKS COMMENTARY

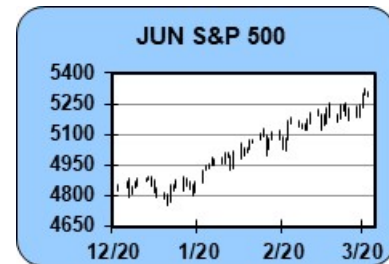
3/27/2024

Choppy action early with a slight edge to the bear camp

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

S&P 500 +14

Global equity markets overnight were mostly higher except for the markets in Shanghai, Hong Kong, and Paris with the losses in China particularly significant. While the overall trend in equities remains up, this week's loss of upside momentum is concerning especially with sentiment undermined by S&P global downgrades of several regional US banks from stable to negative. News from the tech/social media sector is mixed with Trump's Social media company posting a strong debut at the same time GameStop is thought to be facing "unsustainable sales declines". Earnings announcements will include Cintas and Carnival before the Wall Street opening.



S&P 500: The "trend remains up", but today's action looks to present more sideways coiling action with uptrend channel support this morning pegged at 5239.05 and a trade back above 5302.50 needed to shift the market into a forward gear. However, with the looming PCE report tomorrow expected to be a very key input to the feds near-term view on inflation, investors may require much cheaper prices today to enter the long side ahead of tomorrow's report.

Other US Indexes: Relatively speaking the Dow has virtually gone dead in the water relative to the S&P and NASDAQ following initial declines this week suggesting value on the charts around 39,657. However, the emergence of S&P global downgrades of five US regional banks fosters fresh anxiety among investors which have also seen rate cut timing gradually slip into the future. Uptrend channel support in the Dow futures today is 39,489.60 with resistance very close to the early trade this morning at 39,853. As indicated already, news from the tech sector is mixed with a strong launch of Trump Social heavily offset by emerging sales problems at GameStop and Alibaba deciding not to list a spinoff on the Hong Kong exchange. Uptrend channel support in the NASDAQ is at 18,268.50 with a trade above 18,625 needed to shift the trend in favor of the bull camp.

TODAY'S MARKET IDEAS:

We see a directionless market today with a very minimal edge to the bear camp. In fact, conditions are likely to be very thin considering the potential for major market action following the release of tomorrow's PCE report.

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 (JUN) 03/27/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The close above the 9-day moving average is a positive short-term indicator for trend. A negative signal was given by the outside day down. The market tilt is slightly negative with the close under the pivot. The next downside target is 5239.38. The next area of resistance is around 5290.75 and 5314.37, while 1st support hits today at 5253.25 and below there at 5239.38.

MINI-DOW (JUN) 03/27/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. The upside daily closing price reversal gives the market a bullish tilt. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 39573. The next area of resistance is around 39817 and 39902, while 1st support hits today at 39653 and below there at 39573.

E-MINI NASDAQ (JUN) 03/27/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 18681.56. The next area of resistance is around 18564.37 and 18681.56, while 1st support hits today at 18384.63 and below there at 18322.07.

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	119-210	51.82	50.12	28.80	30.35	119.44	118.99	119.92	119.77	120.39
TYAAM24	110-220	51.03	48.86	30.57	33.22	110.59	110.34	110.82	111.05	111.44
EPM24	5272.00	61.24	62.52	81.30	78.79	5287.50	5255.69	5228.31	5125.13	5056.57
ENQM24	18474.50	55.61	56.12	64.01	68.83	18537.88	18391.56	18387.65	18149.28	17890.57
YMM24	39735	55.70	56.58	68.34	65.08	39884.00	39639.33	39482.28	39221.31	38955.10

Calculations based on previous session. Data collected 03/26/2024

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						
USAAM24	Bonds	118-260	119-090	119-170	120-000	120-080
TYAAM24	10 Yr Treasury Notes	110-075	110-160	110-195	110-280	110-315
EPM24	S&P E-Mini	5239.37	5253.25	5276.87	5290.75	5314.37
ENQM24	E-Mini NASDAQ	18322.06	18384.62	18501.81	18564.37	18681.56
YMM24	Mini-Dow	39572	39652	39737	39817	39902

Calculations based on previous session. Data collected 03/26/2024

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

CURRENCIES COMMENTARY

3/27/2024

Currencies to remain choppy until Thursday PCE

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
US DOLLAR +104, YEN -9, SWISS -38, CA DOLLAR -115

Upcoming International Reports (all times CT)

03/27 UK Nationwide Housing Price 2:00 AM
03/27 France Consumer Confidence 2:45 AM
03/27 Swiss ZEW Investor Sentiment 4:00 AM
03/27 Euro-zone Business and Consu 5:00 AM
03/27 EIA Energy Stocks 9:30 AM
03/28 German Retail Sales 2:00 AM
03/28 Swiss KOF Leading Indicator 3:00 AM
03/28 German Employment Situation 3:55 AM
03/28 Canadian GDP (By Industry) 7:30 AM
03/28 GDP (Q4 '23) 7:30 AM
03/28 Jobless Claims 7:30 AM
03/28 Chicago PMI^ 8:45 AM
03/28 EIA Gas Storage 9:30 AM
03/28 Japan Unemployment Rate 6:30 PM
03/28 Japan Retail Sales 6:50 PM



DOLLAR: While the dollar has posted modest gains this morning and the general March uptrend remains intact, the bull case is tenuous at best. In fact, recent US scheduled data has presented a mixed economic picture and some economists have revived fears of a soft landing which in turn clearly casts doubt on the March Dollar rally. Therefore, the trade seems to be content to view the dollar as the least objectionable currency perhaps because of the market's tendency to give the US economy the benefit of the doubt. In conclusion, the chart bias may be up in the dollar, but we see long entry at current dollar index price levels as unattractive.

Other Currencies: Even though we are somewhat suspect of the upward track in the dollar, we are not confident enough in the European economic track to get long the euro in the face of bearish charts. Overnight news from Europe should have lifted the euro with French consumer confidence improving slightly and Spanish consumer price index readings for March coming in hotter than expected. However, euro zone business climate, consumer confidence, services sentiment and industrial confidence readings highlight a struggling economy. In conclusion, we leave the edge with the bear camp suggesting short sales of the euro on a rally to 1.089. Like the euro, the Pound retains bearish charts, but as opposed to the euro, the pound has seen fundamental views toward UK economy stabilize. Therefore, the 1.260 level should represent fundamental value especially after a Bank of England official suggested the markets are factoring in "too many" UK rate cuts. Perhaps the Pound can respect support at its 200 day moving average of 1.2589 today. With the Canadian pinned to a recent double low on the charts and market thinking the BOC will be more aggressive than the US Fed with rate cuts, the odds of a downside breakout in the Canadian Dollar remain high.

TODAY'S MARKET IDEAS:

The currency markets continue to be a rudderless boat with interest rate and macroeconomic differential signals to close to call. However, the charts clearly present bullish dollar and bearish nondollar signals with the trade today likely to see very tight ranges ahead of the US PCE report release tomorrow.

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:

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 (JUN) 03/27/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 104.26. The next area of resistance is around 104.16 and 104.26, while 1st support hits today at 103.85 and below there at 103.62.

EURO (JUN) 03/27/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. 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 downside objective is 108.3475. The next area of resistance is around 108.8799 and 109.1475, while 1st support hits today at 108.4800 and below there at 108.3475.

JAPANESE YEN (JUN) 03/27/2024: 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 lower than the pivot swing number. The next downside target is 66.68. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 66.91 and 67.03, while 1st support hits today at 66.74 and below there at 66.68.

SWISS (JUN) 03/27/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 111.14. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 111.99 and 112.45, while 1st support hits today at 111.33 and below there at 111.14.

CANADIAN DOLLAR (JUN) 03/27/2024: 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 daily closing price reversal down puts the market on the defensive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 73.54. The next area of resistance is around 73.79 and 73.94, while 1st support hits today at 73.60 and below there at 73.54.

BRITISH POUND (JUN) 03/27/2024: 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 puts the market on the defensive. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 125.96. The next area of resistance is around 126.52 and 126.85, while 1st support hits today at 126.08 and below there at 125.96.

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										
DXAM24	104.01	63.90	60.32	76.61	86.49	103.95	103.51	103.17	103.36	103.08
JYAM24	66.82	27.41	32.45	16.37	8.34	66.85	67.36	67.86	68.18	68.76
EU6M24	108.6800	41.73	44.55	32.15	21.70	108.71	109.02	109.26	108.88	109.16
BPAM24	126.30	38.62	42.56	31.14	20.81	126.33	126.98	127.33	126.86	126.92
CAAM24	73.69	41.29	42.96	30.26	21.42	73.74	73.88	73.99	74.15	74.31
SFAM24	111.66	14.06	20.47	14.91	7.89	112.17	113.16	113.99	115.18	116.08
DAAM24	65.46	43.33	45.32	36.41	27.16	0.66	0.66	0.66	0.66	0.66

Calculations based on previous session. Data collected 03/26/2024

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						
DXAM24	US Dollar	103.62	103.85	103.94	104.16	104.26
JYAM24	Japanese Yen	66.67	66.73	66.86	66.91	67.03
EU6M24	Euro	108.3475	108.4799	108.7475	108.8799	109.1475
BPAM24	British Pound	125.95	126.07	126.40	126.52	126.85
CAAM24	Canadian Dollar	73.53	73.59	73.73	73.79	73.94
SFAM24	Swiss	111.13	111.32	111.79	111.99	112.45
DAAM24	Australian Dollar	65.24	65.32	65.53	65.61	65.82

Calculations based on previous session. Data collected 03/26/2024

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.*