



DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Monday April 15, 2024

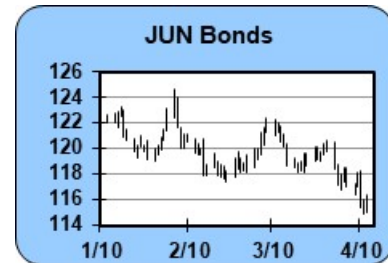
BONDS COMMENTARY

4/15/2024

Ultimately the trend remains down targeting in bonds 114-01

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

While treasury bonds have initially managed to respect last week's, quasi double low starting at 114-31, the charts suggest lower lows are ahead. The April 9th Commitments of Traders report showed Bonds Non-Commercial & Non-Reportable traders were net short 39,885 contracts after increasing their already short position by 25,752 contracts. Even though the US saw some softening data last week, the markets have embraced the view that the US economy continues to improve, and inflation has remains sticky. In fact, Reuters overnight suggests the US economic engine is helping pull the world forward but suggests inflation is still a threat to derail global growth. In a minimally supportive US Treasury development, the European Central Bank is thought to be poised to cut interest rates three times before the end of this year with some analysts suggesting the ECB wants to display independence from the US Fed suggesting they will cut before the US. However, today's treasury market focus is likely to shift inward to US retail sales which are expected to come in softer than last month. Furthermore, expectations for the New York Empire State Manufacturing Index for April call for improvement but the index is likely to remain deep in negative territory. Even though the net spec and fund long in treasuries has shifted from a net spec long into a net spec and fund short of 39,000 contracts that short positioning is understated given the market's three point slide after the COT report was measured. For T-Notes Non-Commercial & Non-Reportable traders were net short 547,034 contracts after decreasing their short position by 29,331 contracts. The North American session will start out with March US retail sales which are expected to have a mild downtick from February's 0.6% reading. The New York Fed's April Empire State manufacturing survey is forecast to have a moderate uptick from March's -20.9 reading. February Canadian manufacturing sales are expected to have a moderate uptick from the previous 0.2% reading. February US business inventories are forecast to have a mild uptick from January's unchanged reading. The April NAHB housing market index is expected to hold steady with March's 51 reading. Dallas Fed President Logan will speak during morning US trading hours while San Francisco Fed President Daly will speak during the afternoon.



TODAY'S MARKET IDEAS:

While the trend is obviously pointing down in treasuries and prices are poised just above a downside breakout early today, we get the sense the bear camp needs consistent headline assistance to keep prices headed lower. So far, the flaring tensions in the Middle East have not sparked flight to quality buying of treasuries but direct exchanges between Israel and Iranian national military sources is clearly an expansion of the conflict. Those short bonds should bank profits early today looking to reset short bond positions on a return to 116-14.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| | | |
|---|------------|----------------|
| Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024 | | |
| Non-Commercial | Commercial | Non-Reportable |

| | Net Position | Weekly Net Change | Net Position | Weekly Net Change | Net Position | Weekly Net Change |
|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|
| Financials | | | | | | |
| Bonds | -69,613 | -12,488 | 39,884 | +25,751 | 29,728 | -13,264 |
| T-Notes | -555,037 | +56,308 | 547,034 | -29,331 | 8,003 | -26,977 |

BONDS TECHNICAL OUTLOOK:

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BONDS (JUN) 04/15/2024: 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. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is now at 114-110. The next area of resistance is around 116-190 and 117-080, while 1st support hits today at 115-050 and below there at 114-110.

10 YR TREASURY NOTES (JUN) 04/15/2024: 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. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is 107-230. The next area of resistance is around 108-305 and 109-085, while 1st support hits today at 108-060 and below there at 107-230.

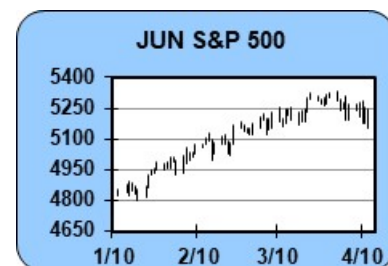
STOCKS COMMENTARY

4/15/2024

Risk continues to rise, while returns look to falter

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
S&P 500 +28

Over the weekend, Iran launched an attack on Israel using drones and missiles, virtually all of which were shot down by Israeli, US, and UK defense weapons. Global equity markets overnight were generally higher with markets tracking positive barely outnumbering those trading lower. Unfortunately for the bull camp, the charts remain bearish with the hard range down and poor closes from Friday leaving the markets injured and vulnerable to more losses. Earnings announcements will include Goldman Sachs and Charles Schwab before the Wall Street opening.



S&P 500: With geopolitical negatives arising from several angles, charts maintaining bearish patterns, the US Fed thought to be on hold for now and the potential for an upside breakout in US treasury yields, the bear camp should remain confident. In fact, it is difficult to think Israel will not retaliate even with the international community urging Israel to turn the other cheek (which is unlikely). With the S&P transitioning into a net long in the latest positioning report it appears bargain hunting buying surfaced with the S&P last week thereby showing some respect of the 5200 level. The Commitments of Traders report for the week ending April 9th showed E-Mini S&P Non-Commercial & Non-Reportable traders net bought 22,430 contracts which moved them from a net short to a net long position of 10,643 contracts. Uptrend channel buying support in the June S&P today is 5158.15.

Other US Indexes: Clearly, the Dow has shown the most vulnerability to the disappointment over the slide in US central bank rate cut hope. The charts also remain bearish with this morning's early low nearly taking out the Friday spike low. Unfortunately for the bull camp the Dow futures remain net spec and fund long as of last Tuesday which explains some of the hard losses at the end of last week (stop loss selling). The Commitments of Traders report for the week ending April 9th showed Dow Jones \$5 Non-Commercial & Non-Reportable traders net sold 1,391 contracts and are now net long 18,496 contracts. There is little in the way of support in the June Dow until 37,990 with a key pivot point today in the early trade seen at 38,132. As opposed to the Dow, the

NASDAQ has held up the best of the actively traded stock index futures markets. While the US award to stimulate domestic chip production from last week is supportive, US officials are disappointed Huawei decided to use Intel AI chips in its computers as many lawmakers want to revoke licensing that allows Intel to provide chips to Chinese companies. Uptrend channel buying support in the NASDAQ today is the early low at 18,146.75. The April 9th Commitments of Traders report showed Nasdaq Mini Non-Commercial & Non-Reportable traders are net long 15,171 contracts after net buying 12,392 contracts.

TODAY'S MARKET IDEAS:

While volatility might moderate as the markets become more comfortable with the idea of no early US rate cuts, the escalation of the war in the Middle East has heard some investment interest.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

| Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024 | | | | | | |
|---|----------------|-------------------|--------------|-------------------|--------------|-------------------|
| | Non-Commercial | | | Commercial | | Non-Reportable |
| | Net Position | Weekly Net Change | Net Position | Weekly Net Change | Net Position | Weekly Net Change |
| Financials | | | | | | |
| E-Mini S&P | -82,549 | +18,410 | -10,643 | -22,430 | 93,192 | +4,020 |

STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (JUN) 04/15/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. 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 market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 5085.57. The next area of resistance is around 5218.62 and 5283.06, while 1st support hits today at 5119.88 and below there at 5085.57.

MINI-DOW (JUN) 04/15/2024: 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. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 37661. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 38597 and 39068, while 1st support hits today at 37893 and below there at 37661.

E-MINI NASDAQ (JUN) 04/15/2024: The major trend has turned down with the cross over back below the 40-day moving average. A bearish signal was triggered on a crossover down in the daily stochastics. 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 close below the 1st swing support could weigh on the market. The next downside objective is now at 17864.25. The next area of resistance is around 18383.25 and 18639.25, while 1st support hits today at 17995.75 and below there at 17864.25.

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 | 115-280 | 34.58 | 36.82 | 19.43 | 15.08 | 116.16 | 117.02 | 118.20 | 118.93 | 119.38 |
| TYAAM24 | 108-180 | 34.37 | 36.04 | 18.33 | 16.10 | 108.63 | 109.23 | 109.86 | 110.37 | 110.79 |
| EPM24 | 5169.25 | 37.72 | 43.48 | 41.36 | 29.60 | 5220.44 | 5235.83 | 5261.94 | 5193.68 | 5139.74 |
| ENQM24 | 18189.50 | 44.11 | 46.80 | 43.70 | 40.96 | 18313.00 | 18297.69 | 18395.53 | 18286.76 | 18159.28 |
| YMM24 | 38245 | 25.38 | 32.74 | 21.82 | 12.86 | 38737.75 | 39041.22 | 39471.33 | 39347.20 | 39190.62 |

Calculations based on previous session. Data collected 04/12/2024
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 | 114-100 | 115-040 | 115-250 | 116-190 | 117-080 |
| TYAAM24 | 10 Yr Treasury Notes | 107-225 | 108-055 | 108-155 | 108-305 | 109-085 |
| EPM24 | S&P E-Mini | 5085.56 | 5119.87 | 5184.31 | 5218.62 | 5283.06 |
| ENQM24 | E-Mini NASDAQ | 17864.25 | 17995.75 | 18251.75 | 18383.25 | 18639.25 |
| YMM24 | Mini-Dow | 37660 | 37893 | 38364 | 38597 | 39068 |

Calculations based on previous session. Data collected 04/12/2024
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CURRENCIES COMMENTARY

4/15/2024

We see last week's action as a trend signal for late April

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
US DOLLAR -157, YEN -28, SWISS +14, CA DOLLAR +250

Upcoming International Reports (all times CT)

04/15 Swiss Producer Price Index 1:30 AM
04/15 Euro-zone Industrial Product 4:00 AM
04/15 Business Inventories 7:30 AM
04/15 Canadian Monthly Survey of M 7:30 AM
04/15 Canadian New Motor Vehicle S 7:30 AM
04/15 Canadian Wholesale Trade 7:30 AM
04/15 Retail Sales 7:30 AM
04/16 UK Employment Situation - Cl 2:00 AM
04/16 Euro-zone Foreign Trade 4:00 AM
04/16 German ZEW Indicator of Econ 4:00 AM
04/16 Canadian Housing Starts 7:15 AM
04/16 Canadian Consumer Price Inde 7:30 AM
04/16 Housing Starts 7:30 AM
04/16 Capacity Utilization 8:15 AM
04/16 Industrial Production 8:15 AM
04/16 API Energy Stocks 3:30 PM
04/16 Japan Trade Balance 6:50 PM



DOLLAR: While the dollar did not make a new high for the move overnight, the index sits just under the spike highs from Friday indicating the bull bias has extended into the new trading week. Obviously, the Iranian drone attacks on Israel is a definitive support for the dollar which becomes a flight to quality hedge against all-out war in the Middle East. Unfortunately for the bull camp US economic data and price/inflation measures have been countervailing which in turn has escalated debate on US rate cut timing. As of this writing there is only a 21.6% chance of a June US rate cut and this morning's US retail sales report is expected to post positive but slower

readings than in the prior month and that could result in a 30 point dollar index setback from early trade levels. However, moderate retrenchment in the dollar should be viewed as buying opportunities in the near-term. For the bull camp the massive range up moves from last week leaves little in the way of close in support on the charts, with first support pegged at 105.31. Dollar positioning in the Commitments of Traders for the week ending April 9th showed Non-Commercial & Non-Reportable traders are net long 415 contracts after net buying 126 contracts.

Other Currencies: While the euro has not forged a lower low in the early trade today, the currency remains severely damaged on its charts and is undermined further by signs of softening economy. However, this morning euro zone industrial production rebounded back into positive territory, but that news was mostly offset by ECB comments suggesting the euro zone will see three rate cuts this year. Initial short entry resistance in the June euro is pegged at 1.0728. The 9th Commitments of Traders report showed Euro Non-Commercial & Non-Reportable traders added 19,100 contracts to their already long position and are now net long 50,924. While the Pound charts are injured seeing the country attempt to solidify laws on asylum could help underpin the UK currency. Fresh short entry pricing in the pound today is 1.2515. While a major jump in trading volume on last Friday's spike down move could suggest bargain hunting interest in the Canadian surfaced at last week's low. However, the Canadian is likely to remain undermined by Canadian budget wrangling and market views that the Canadian government is battling deteriorating finances. Fresh short entry pricing in the June Canadian is seen at 72.95 today.

TODAY'S MARKET IDEAS:

While volatility is set to expand the dollar, bulls look to prevail as flight to quality influences become greater than macroeconomic reports.

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) 04/15/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. 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 next upside target is 106.50. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 106.24 and 106.50, while 1st support hits today at 105.37 and below there at 104.76.

EURO (JUN) 04/15/2024: 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 market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 105.8050. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 107.2400 and 107.9450, while 1st support hits today at 106.1700 and below there at 105.8050.

JAPANESE YEN (JUN) 04/15/2024: 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 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 objective is 65.62. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 66.07 and 66.30, while 1st support hits today at 65.73 and below there at 65.62.

SWISS (JUN) 04/15/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 109.71. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 110.48 and 110.92, while 1st support hits today at 109.88 and below there at 109.71.

CANADIAN DOLLAR (JUN) 04/15/2024: 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 close below the 2nd swing support number puts the market on the defensive. The next downside target is 72.21. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 72.93 and 73.32, while 1st support hits today at 72.38 and below there at 72.21.

BRITISH POUND (JUN) 04/15/2024: 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 close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 123.44. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 125.16 and 126.05, while 1st support hits today at 123.86 and below there at 123.44.

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 | 105.80 | 77.38 | 71.89 | 76.88 | 84.04 | 104.96 | 104.47 | 104.20 | 103.69 | 103.55 |
| JYAM24 | 65.89 | 17.46 | 24.23 | 7.30 | 6.28 | 66.12 | 66.45 | 66.69 | 67.49 | 67.90 |
| EU6M24 | 106.7050 | 23.50 | 29.63 | 30.27 | 20.69 | 107.71 | 108.20 | 108.44 | 108.72 | 108.78 |
| BPAM24 | 124.51 | 29.22 | 33.86 | 25.42 | 18.69 | 125.54 | 126.01 | 126.26 | 126.66 | 126.70 |
| CAAM24 | 72.65 | 22.85 | 29.27 | 22.14 | 13.24 | 73.15 | 73.52 | 73.67 | 73.93 | 74.05 |
| SFAM24 | 110.18 | 27.14 | 27.89 | 13.62 | 11.63 | 110.68 | 111.12 | 111.72 | 113.59 | 114.47 |
| DAAM24 | 64.71 | 36.50 | 39.89 | 42.58 | 28.73 | 0.65 | 0.66 | 0.66 | 0.66 | 0.66 |

Calculations based on previous session. Data collected 04/12/2024
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 | 104.75 | 105.36 | 105.63 | 106.24 | 106.50 |
| JYAM24 | Japanese Yen | 65.61 | 65.72 | 65.95 | 66.07 | 66.30 |
| EU6M24 | Euro | 105.8050 | 106.1700 | 106.8750 | 107.2400 | 107.9450 |
| BPAM24 | British Pound | 123.43 | 123.85 | 124.74 | 125.16 | 126.05 |
| CAAM24 | Canadian Dollar | 72.20 | 72.37 | 72.76 | 72.93 | 73.32 |
| SFAM24 | Swiss | 109.70 | 109.87 | 110.31 | 110.48 | 110.92 |
| DAAM24 | Australian Dollar | 64.03 | 64.27 | 64.91 | 65.14 | 65.78 |

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