



# DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Tuesday April 23, 2024

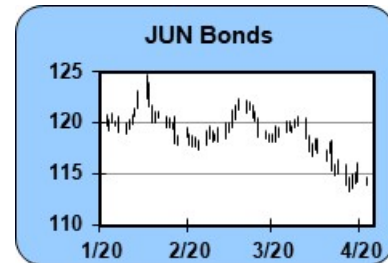
## BONDS COMMENTARY

4/23/2024

### A temporary bottom without major headline surprises

#### OVERNIGHT CHANGES THROUGH 3:16 AM (CT): BONDS -0

We suspect the US treasury markets are garnering some support from talk that a June euro zone rate cut is becoming more likely in market chatter. However, overnight UK and euro zone services and composite PMI readings were better than expected and only slightly countervailed by weaker services PMI readings. This morning the US will also post its April composite, manufacturing, and services PMI data, and existing home sales for March with expectations for those readings calling for minimal improvement. In general, overnight global economic data and today's US data are likely to apply minimal pressure to treasury prices. However, Treasuries have close-in chart support given recent consolidation building action. On the other hand, it is possible a two year US treasury note auction at midsession will see slightly better demand given higher yields and a general pattern of more interest in shorter-term auction supply than in longer-term auction supply. The North American session will start out with a weekly private survey of same-store sales followed by an April "flash" US manufacturing PMI reading that is forecast to have a minimal uptick from the previous 51.9 reading. March new home sales are expected to have a modest uptick from February's 662,000 annualized rate. The Richmond Fed's April manufacturing index is forecast to have a mild uptick from March's -11 reading.



#### TODAY'S MARKET IDEAS:

We generally expect to see more sideways chop in treasuries with a very minimal early bearish bias because of expectations for mostly positive US scheduled data. However, the two year note auction at midsession takes on added importance given a recent dismal auction of longer-term treasury supply. In other words, another very poor auction result could spark a failure of consolidation low support at 113-29 to 113-10 in June Bonds as that could signal a major pivot in interest away from US debt! On the other hand, strong demand for the auction supply today could signal the treasury market has found value!

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### BONDS TECHNICAL OUTLOOK:

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BONDS (JUN) 04/23/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. 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 pivot swing number is a mildly negative setup. The near-term upside target is at 115-050. The next area of resistance is around 114-290 and 115-050, while 1st support hits today at 114-070 and below there at 113-240.

10 YR TREASURY NOTES (JUN) 04/23/2024: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. 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 pivot swing number is a mildly negative setup. The next upside objective is 108-080. The next area of resistance is around 108-035 and 108-080, while 1st support hits today at 107-225 and below there at 107-135.

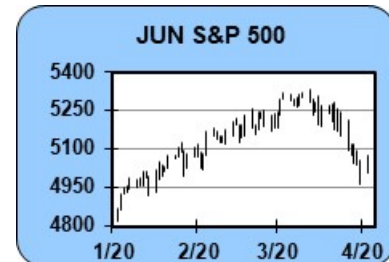
## STOCKS COMMENTARY

4/23/2024

### Consolidation lows provide hope for the bull camp

#### OVERNIGHT CHANGES THROUGH 3:16 AM (CT): S&P 500 +10

Global equity markets overnight were higher except for the markets in Shanghai, both of which closed -0.7% lower. With higher action yesterday held in the early trade today it is possible the market has found a bottom around 5006 in the S&P and around 38,000 in the Dow. However, a wave of much better than expected US data could renew the washout which could be accentuated or heavily countervailed by mostly favorable corporate earnings from consumer cyclical companies like PepsiCo, and UPS before the opening, and from Visa after the close today. A busy day of earnings announcements will include Pepsico, GE Aerospace, Danaher, NextEra Energy, UPS, and Freeport McMoRan before the Wall Street opening while Visa, Tesla, Texas Instruments and Chubb report after the close.



**S&P 500:** While the bull camp will need help from Goldilocks US data, positive earnings from bellwether cyclical consumer stocks, and perhaps from a favorable midday treasury auction, the S&P appears to have found value at the 5006. Surprisingly, oil prices have rejected a portion of the perceived softening of Middle East tensions, but an extension of downside action in oil prices would certainly spark selling in a key component of the S&P index, the energy stocks. To turn the S&P into an up trending market probably requires a trade today above 5076.75.

**Other US Indexes:** Clearly, the Dow futures were massively oversold into the low yesterday with the April decline of 2447 points, but a large portion of that oversold technical condition has been balanced by the index bounce from last Friday's low of 1200 points. Like the S&P, the Dow futures will see a reaction to US scheduled data which could disappoint the trade on the rate cut front again especially if data matches expectations for improvement. On the other hand, there will be Dow company earnings today which could increase the prospects of the 38,000 level becoming a strong value zone. The NASDAQ remains the most vulnerable component of the markets with Tesla, GE Aerospace, and Texas instruments reporting earnings capable of reigniting selling if the Takeaway points to a lingering negative tech sector environment. Key consolidation support starts at 17,148 and culminates at 17,113.

#### TODAY'S MARKET IDEAS:

The markets remain at a key junction with a moderate portion of the significant oversold condition balanced with recent recovery action and investors on a back foot because of a general and somewhat broad deterioration in economic sentiment.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

## STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (JUN) 04/23/2024: The daily stochastics have crossed over up which is a bullish indication. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 5113.56. The next area of resistance is around 5079.62 and 5113.56, while 1st support hits today at 5008.88 and below there at 4972.07.

MINI-DOW (JUN) 04/23/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 38925. The next area of resistance is around 38695 and 38925, while 1st support hits today at 38221 and below there at 37978.

E-MINI NASDAQ (JUN) 04/23/2024: 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 has a slightly positive tilt with the close over the swing pivot. The next downside target is 17013.75. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 17478.00 and 17612.75, while 1st support hits today at 17178.50 and below there at 17013.75.

## 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	114-180	36.67	37.16	16.41	18.54	114.53	114.82	116.61	118.31	118.83
TYAAM24	107-290	36.18	36.47	14.53	15.09	107.92	108.03	109.00	109.98	110.40
EPM24	5044.25	31.90	36.03	14.20	14.47	5039.31	5107.36	5187.71	5190.71	5152.05
ENQM24	17328.25	29.04	33.47	14.17	10.26	17425.19	17813.33	18088.90	18213.94	18147.85
YMM24	38458	43.51	42.37	16.38	24.56	38162.75	38269.56	38896.22	39218.78	39161.42

Calculations based on previous session. Data collected 04/22/2024

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	113-230	114-060	114-140	114-290	115-050
TYAAM24	10 Yr Treasury Notes	107-130	107-220	107-265	108-035	108-080
EPM24	S&P E-Mini	4972.06	5008.87	5042.81	5079.62	5113.56
ENQM24	E-Mini NASDAQ	17013.75	17178.50	17313.25	17478.00	17612.75
YMM24	Mini-Dow	37977	38221	38451	38695	38925

Calculations based on previous session. Data collected 04/22/2024

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## CURRENCIES COMMENTARY

4/23/2024

## Range trading in the \$ and euro, more upside in the C\$

### OVERNIGHT CHANGES THROUGH 3:16 AM (CT):

US DOLLAR -108, YEN -2, SWISS +3, CA DOLLAR -25

### Upcoming International Reports (all times CT)

04/23 New Home Sales 9:00 AM  
04/23 API Energy Stocks 3:30 PM  
04/24 France Manufacturing PMI Fla 2:15 AM  
04/24 France Services PMI Flash 2:15 AM  
04/24 Swiss ZEW Investor Sentiment 3:00 AM  
04/24 German IFO Business Climate 4:00 AM  
04/24 Adv Durable Goods 7:30 AM  
04/24 Canadian Retail Trade 7:30 AM  
04/24 EIA Energy Stocks 9:30 AM



**DOLLAR:** As indicated yesterday, we see the currency markets caught in consolidation action with global economic data mixed to slightly better. However, US data this morning is also projected to be better than previous readings and that could solidify consolidation support in the dollar index at 105.67. While not usually a major impact on currencies, a wave of critical company earnings today could offer signals on the direction of the US economy. In the background, traders should realize that the rally in the dollar is creating problems in many foreign markets, especially in emerging markets. Therefore, significant gains in the dollar ahead could spark concerns of a currency crisis. In today's action we see the dollar respecting support, with resistance this morning at 106.21.

**Other Currencies:** As in the dollar, we see the euro attempting to add to a building consolidation, which in turn has prompted talk of a bottom. In fact, European scheduled PMI data overnight was 2/3rds positive with the primary disappointment seen in manufacturing PMI results. Some economists will suggest weakness in the manufacturing sector denotes a faltering core economy! On the other hand, we see global economies transitioning into service and tech based and therefore the result might be the capacity to build support on the charts. In our opinion, to shift the bias in the euro higher requires a trade above 1.07196 today, with the failure to hold consolidation low support at 1.06625 exposing the euro to another leg down. While the Pound has not built consolidation low support like the euro, the bull camp might attempt to spin GBP composite and services PMI gains into better economic sentiment, with the idea that the new UK economy is based on nonmanufacturing activity. In the end, we leave the edge with the bear camp, with the failure to hold 1.2335 projecting a slide down to 1.230. Of all the nondollar currency's the Canadian has shown the most impressive chart reversal action, especially with recent gains forged in the face of an increase in the Canadian capital gains tax. Key support in the Canadian today is 72.795 and upside extension is likely with a trade above 73.13.

### TODAY'S MARKET IDEAS:

With US durable goods and PCE scheduled for later this week we suspect the dollar and euro will continue to fill out recently constructed consolidation patterns, while the Canadian looks to be the strongest followed by the Pound.

### 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) 04/23/2024: 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. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 106.40. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 106.16 and 106.40, while 1st support hits today at 105.76 and below there at 105.59.

EURO (JUN) 04/23/2024: 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 market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 106.2813. The next area of resistance is around 107.0075 and 107.2112, while 1st support hits today at 106.5425 and below there at 106.2813.

JAPANESE YEN (JUN) 04/23/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside target is 65.05. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 65.20 and 65.30, while 1st support hits today at 65.08 and below there at 65.05.

SWISS (JUN) 04/23/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 110.70. The next area of resistance is around 110.50 and 110.70, while 1st support hits today at 110.21 and below there at 110.10.

CANADIAN DOLLAR (JUN) 04/23/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 73.34. Short-term indicators suggest buying pullbacks today. The next area of resistance is around 73.22 and 73.34, while 1st support hits today at 72.89 and below there at 72.68.

BRITISH POUND (JUN) 04/23/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 122.60. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 124.02 and 124.45, while 1st support hits today at 123.10 and below there at 122.60.

## 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	105.96	70.52	68.44	85.79	85.97	105.91	105.74	104.95	103.96	103.86
JYAM24	65.14	15.28	20.39	4.70	2.98	65.27	65.52	66.13	67.13	67.52
EU6M24	106.7750	34.34	35.73	16.92	16.63	106.82	106.91	107.71	108.53	108.51
BPAM24	123.56	23.24	29.05	12.08	10.54	124.08	124.51	125.41	126.41	126.41
CAAM24	73.05	46.62	43.29	18.70	25.17	72.79	72.79	73.29	73.73	73.89
SFAM24	110.35	36.68	34.30	18.60	21.01	110.51	110.45	110.98	112.97	113.82
DAAM24	64.59	42.48	42.67	20.01	21.68	0.64	0.65	0.65	0.66	0.66

Calculations based on previous session. Data collected 04/22/2024

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## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>CURRENCY COMPLEX</b>						
DXAM24	US Dollar	105.58	105.75	105.99	106.16	106.40

JYAM24	Japanese Yen	65.04	65.08	65.17	65.20	65.30
EU6M24	Euro	106.2812	106.5425	106.7462	107.0075	107.2112
BPAM24	British Pound	122.59	123.09	123.52	124.02	124.45
CAAM24	Canadian Dollar	72.67	72.88	73.00	73.22	73.34
SFAM24	Swiss	110.09	110.20	110.40	110.50	110.70
DAAM24	Australian Dollar	64.17	64.41	64.53	64.77	64.90

**Calculations based on previous session. Data collected 04/22/2024**

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