



# DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Wednesday April 24, 2024

## BONDS COMMENTARY

4/24/2024

**More sideways chop unless durables are far off estimates**

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

Not surprisingly, US treasury prices this week have extended last week's consolidation pattern perhaps because the market was not presented with important US scheduled data earlier. However, today will bring US durable goods for March with that reading likely to come in soft to balance the previous month's outsized gain. In retrospect, yesterday's two year note auction saw prices fall after the auction despite the auction presenting strong demand. While auction demand can be different among various maturities, traders should brace for weakness after today's five year note auction at midsession. Even though US durable goods readings are typically important to the treasury trade, the markets continue to look ahead to Thursday's PCE release which is expected to remain at levels likely to keep inflation fears in place. In a reaction that might be described as the tail wagging the dog, it is possible that the strong rally in equities yesterday contributed to the selling of treasuries, with ongoing overnight gains in equities potentially adding to the early half-point drop in bonds. Looking ahead, we suggest traders favor the downside but suggest fresh sales be restricted to levels above 114-29 in the June bond contract. The North American session will start out with a weekly private survey of mortgage applications followed by March US durable goods which are expected to have a moderate uptick from February's 1.3% reading. February Canadian retail sales are forecast to have a modest uptick from January's 0.9% reading. At midsession today the markets will see a five year note auction!



### TODAY'S MARKET IDEAS:

Without a much weaker than expected US Durable goods reading we see thickening overhead resistance and a residual bearish fundamental environment. As indicated already, we see the PCE report as the report of the week and therefore today's durables may not draw in traders until after Thursday's PCE release. We prefer to sell a rally at or above 114-29 in June bonds and at or above 108-10 in June notes.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### BONDS TECHNICAL OUTLOOK:

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BONDS (JUN) 04/24/2024: 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 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 near-term upside target is at 115-230. The next area of resistance is around 115-060 and 115-230, while 1st support hits today at 114-040 and below there at 113-180.

10 YR TREASURY NOTES (JUN) 04/24/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 108-190. The next area of resistance is around 108-110 and 108-190, while 1st support hits today at 107-240 and below there at 107-125.

## STOCKS COMMENTARY

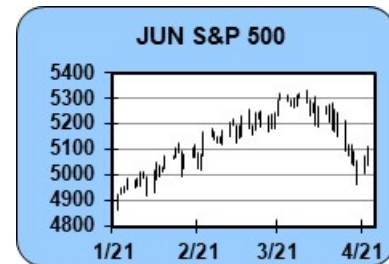
4/24/2024

### Favorable earnings and bullish charts favor the long side

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

S&P 500 +13

Global equity markets were higher overnight following through on the strongest US equity market gains in months yesterday. With strong US gains on Tuesday followed by gains in international markets and a higher US Wednesday trade, the bears should be discouraged, and the bulls encouraged. Certainly, the trade will react to today's US durable goods report, but we think major positioning from the report will be delayed until after the Thursday US PCE report. With recent earnings reports positive, the markets should benefit from an avalanche of reports today. As indicated today will bring another busy day of earnings announcements will include Thermo-Fisher Scientific, AT&T, Boeing, and CME Group before the Wall Street opening while Meta Platforms (Facebook), IBM, ServiceNow, Lam Research, Waste Management and Chipotle Mexican Grill report after the close.



**S&P 500:** Obviously, technical action in the S&P has shifted back in favor of the bull camp despite a lingering measure of fundamental anxiety. However, as indicated already corporate earnings news has been supportive distracting the market's attention from what was a pattern of troublesome developments at key bellwether stocks like Boeing and Tesla. Fortunately for the bull camp, Tesla shares rebounded despite an earnings report that provided some concerning revenue information. Key support in the June S&P today is close at 5095.25 with a more critical pivot point/failure price at 5006.00.

**Other US Indexes:** Apparently, the Dow stocks have rebounded despite lingering concerns of higher rates and the potential for renewed Middle East turmoil. However, favorable results from corporate earnings provides a significant boost to bull sentiment, especially with the charts presenting a classic bottoming signal at the end of last week. Close in support in the Dow is 38,590 with a failure seen with a trade below 38,208. As goes Tesla, goes the NASDAQ! In fact, despite a sharp drop in revenue Tesla shares have soared. The tech sector should be given added lift from the possible launch of new iPads from Apple in the next two weeks. Key support in the NASDAQ today is 17,448 with initial resistance at 17,770.

#### TODAY'S MARKET IDEAS:

The bias remains up with US stocks following through on overnight international gains and a very large run up in yesterday's US trade. Unless the PCE report tomorrow rekindles inflationary concerns the bull camp appears to have regained control.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

## STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (JUN) 04/24/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 5168.50. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 5149.25 and 5168.50, while 1st support hits today at 5074.25 and below there at 5018.50.

MINI-DOW (JUN) 04/24/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 39044. The next area of resistance is around 38941 and 39044, while 1st support hits today at 38583 and below there at 38328.

E-MINI NASDAQ (JUN) 04/24/2024: The crossover up in the daily stochastics is a bullish signal. 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 short-term trend is negative as the close remains below the 9-day moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 17934.56. The next area of resistance is around 17833.37 and 17934.56, while 1st support hits today at 17458.63 and below there at 17185.07.

## 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
<b>FINANCIAL COMPLEX</b>										
USAAM24	114-210	38.67	38.41	17.97	21.10	114.50	114.73	116.31	118.23	118.75
TYAAM24	108-015	39.45	38.52	15.27	17.09	107.88	108.00	108.84	109.93	110.34
EPM24	5111.75	45.21	44.78	17.94	25.09	5053.06	5097.67	5177.06	5191.66	5154.48
ENQM24	17646.00	41.89	42.04	16.36	20.43	17424.94	17754.44	18042.06	18207.38	18146.68
YMM24	38762	52.46	48.33	22.85	35.44	38367.50	38277.67	38821.50	39212.02	39164.27

Calculations based on previous session. Data collected 04/23/2024

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	113-170	114-030	114-200	115-060	115-230
TYAAM24	10 Yr Treasury Notes	107-120	107-235	107-315	108-110	108-190
EPM24	S&P E-Mini	5018.50	5074.25	5093.50	5149.25	5168.50
ENQM24	E-Mini NASDAQ	17185.06	17458.62	17559.81	17833.37	17934.56
YMM24	Mini-Dow	38328	38583	38686	38941	39044

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## CURRENCIES COMMENTARY

4/24/2024

**Without a stronger than expected US durables the \$ falls**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
US DOLLAR +160, YEN -6, SWISS -32, CA DOLLAR -85**

**Upcoming International Reports (all times CT)**

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  
04/25 Japan BOJ Meeting  
04/25 Japan BOJ Rate 12:00 AM  
04/25 German GfK Consumer Confiden 1:00 AM  
04/25 France Business Climate Surv 1:45 AM  
04/25 GDP (Q1 '24) 7:30 AM  
04/25 Jobless Claims 7:30 AM  
04/25 EIA Gas Storage 9:30 AM  
04/25 UK Consumer Confidence 6:01 PM



**DOLLAR:** With the dollar index breaking out of a recent consolidation to the downside yesterday, the path of least resistance remains down, mostly because of the disappointing US PMI readings yesterday. While the dollar could see a surprise lift from Bank of Japan intervention efforts (if they surface) to support the yen, the dollar looks to be approaching a key fork in the road in the form of tomorrow's PCE report. In today's action we leave the edge with the bear camp especially if US durable goods are perceived to be slightly disappointing. Initial support in the dollar index this morning is 105.57 with little in the way of support after that seen until 105.31.

**Other Currencies:** In addition to fresh chart damage in the dollar this morning, the euro is in favor from a sweep of better than expected German Ifo business climate, current assessment, and expectations readings for April. However, the bulls remain skittish because of the overhang of expectations of a June ECB rate cut. Another slight limiting force this morning for the Euro is disappointing Italian business and consumer confidence readings which were released earlier today. Key support and a pivot point in the June euro today is 1.0683 with next resistance pegged at 1.0758. According to Reuters, the Pound is caught between two extremes with Europe largely expected to cut rates next month and the US Fed thought to be on hold for several months. In fact, polls on the prospects of a June Bank of England rate cut are split, with the Bank of England economist suggesting a rate cut is "some way off". We leave the edge with the bull camp in the pound but realize the main bullish force is ongoing dollar weakness. Therefore, if today's US durable goods are soft that could propel the pound above 1.250. In addition to the windfall from dollar weakness, the Canadian is supported by higher Canadian government debt rates and positive speculative interest in the TSE. Unfortunately for the bull camp expectations for today's Canadian retail sales report call for a very anemic gain of 0.1%. Nonetheless, we leave the edge with the bull camp but see a bull/bear pivot price of 73.07.

**TODAY'S MARKET IDEAS:**

The path of least resistance in the Canadian, pound and to a lesser degree in the euro is up unless US durable goods are perceived as "good". 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) 04/24/2024:** A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. 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 objective is 105.02. The next area of resistance is around 105.85 and 106.28, while 1st support hits today at 105.23 and below there at 105.02.

**EURO (JUN) 04/24/2024:** The daily stochastics have crossed over up which is a bullish indication. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside objective is 107.8587. The next area of resistance is around 107.6225 and 107.8587, while 1st support hits today at 106.8875 and below there at 106.3888.

**JAPANESE YEN (JUN) 04/24/2024:** Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 65.01. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 65.21 and 65.33, while 1st support hits today at 65.06 and below there at 65.01.

**SWISS (JUN) 04/24/2024:** The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 upside target is 110.94. The next area of resistance is around 110.61 and 110.94, while 1st support hits today at 110.08 and below there at 109.87.

**CANADIAN DOLLAR (JUN) 04/24/2024:** Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 73.51. The next area of resistance is around 73.41 and 73.51, while 1st support hits today at 73.11 and below there at 72.89.

**BRITISH POUND (JUN) 04/24/2024:** A bullish signal was given with an upside crossover of the daily stochastics. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside objective is at 125.51. The next area of resistance is around 125.14 and 125.51, while 1st support hits today at 123.88 and below there at 122.98.

## 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	105.54	58.90	61.35	84.13	80.80	105.85	105.79	105.03	104.00	103.90
JYAM24	65.13	15.15	20.29	3.98	2.42	65.20	65.42	66.04	67.07	67.46
EU6M24	107.2550	45.46	42.82	18.78	22.45	106.89	106.86	107.63	108.51	108.48
BPAM24	124.51	41.91	40.55	14.79	20.22	124.07	124.42	125.31	126.37	126.37
CAAM24	73.26	53.30	47.90	23.80	33.60	72.95	72.81	73.27	73.71	73.87

SFAM24	110.34	35.51	33.66	19.08	20.05	110.46	110.46	110.92	112.87	113.71
DAAM24	64.96	49.40	47.18	23.09	29.26	0.65	0.65	0.65	0.66	0.66

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## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>CURRENCY COMPLEX</b>						
DXAM24	US Dollar	105.02	105.22	105.65	105.85	106.28
JYAM24	Japanese Yen	65.00	65.05	65.16	65.21	65.33
EU6M24	Euro	106.3887	106.8875	107.1237	107.6225	107.8587
BPAM24	British Pound	122.97	123.87	124.24	125.14	125.51
CAAM24	Canadian Dollar	72.88	73.10	73.19	73.41	73.51
SFAM24	Swiss	109.87	110.07	110.41	110.61	110.94
DAAM24	Australian Dollar	64.37	64.71	64.86	65.20	65.35

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