



# DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Tuesday April 30, 2024

## BONDS COMMENTARY

4/30/2024

**Temporary short covering but the bigger trend remains down**

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

While treasury bonds managed a higher high and a five-day high in the early trade today, we suspect recent gains have primarily been short covering ahead of the FOMC meeting which kicks off today and concludes tomorrow afternoon. Surprisingly, ongoing optimism flowing from equities, several slightly positive European GDP readings (low expectations) and signs of residual European inflation from CPI readings, US treasuries have remained positive. In fact, reports from Poland indicate that inflation is still "very high" suggesting the Polish central bank will not be able to ease monetary policy yet. In conclusion, European economic activity was slightly better than expected and inflation remains an issue both of which should have had a negative knock on impact on US treasuries. Therefore, traders may take significant guidance from this morning's US employment cost index and two separate house price reports. However, sentiment in the trade expects yields to fall into the Fed policy statement tomorrow afternoon despite widespread expectations the Takeaway from the Fed will be hawkish. The North American session will start out with a weekly private survey of same store sales followed by the first quarter US employment cost index which is forecast to have a minimal uptick from the previous 0.9% reading. February Canadian GDP is expected to have a moderate downtick from January's 0.6% monthly reading. The February Case-Shiller home price is forecast to have a mild uptick from January's 6.7% year-over-year rate. The February FHFA house price index is expected to have a moderate uptick from January's -0.1% reading. The April Chicago PMI is forecast to have a moderate uptick from March's 41.4 reading. The Conference Board's April reading on US consumer confidence is expected to have a modest downtick from March's 104.7 reading. A



### TODAY'S MARKET IDEAS:

Downtrend channel resistance regained yesterday and sits just under the market early today at 114-00 in June Bonds leaving that price looks to be a pivot point in the wake of the FOMC statement tomorrow. Technical indicators like stochastics shifted into buy mode at last week's low while fundamental indicators remain in favor of the bear camp. While we are not sure the opportunity will present itself, we suggest traders sell a rally above 116-00 in June bonds over the next 36 hours.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### BONDS TECHNICAL OUTLOOK:

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BONDS (JUN) 04/30/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising from

oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. 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 objective is at 115-110. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 115-040 and 115-110, while 1st support hits today at 114-110 and below there at 113-240.

10 YR TREASURY NOTES (JUN) 04/30/2024: 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. The market's close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 108-085. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 108-050 and 108-085, while 1st support hits today at 107-245 and below there at 107-150.

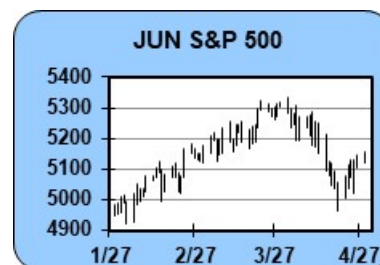
## STOCKS COMMENTARY

4/30/2024

**AI/big tech profits buzz give investors ongoing confidence**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
S&P 500 -7**

Global equity markets overnight were mixed with markets trading lower outnumbering the markets trading higher. However, the US markets are generally positive this morning with the six prior session's posting higher highs and corporate headline news generally favoring the bull early camp. Today will be a very busy day of earnings announcements which will include Eli Lilly, Coca-Cola, McDonald's, Illinois Tool Works, Marathon Petroleum, and 3M before the Wall Street opening while Amazon.com, AMD, Starbucks and Mondelez report after the close.



**S&P 500:** While the S&P has not forged a higher high in the early trade, the charts remain supportive, but the market may face volatility today from month end. The big question for today's trade is the prospect of profit-taking by those who bought last week's washout. In fact, with the Fed meeting tomorrow and largely expected to offer slightly hawkish news, we expect volatility to expand. Unfortunately for the bull camp, uptrend channel support in the S&P is far below the market today at 5066.30, with closer in pivot point support seen at 5104.50. On the other hand, a trade above 5154.25 will probably spark upside momentum.

**Other US Indexes:** With the Dow futures managing minimal gains in the face of noted strength in the S&P and NASDAQ recently, large interest rate impacted companies remain out-of-favor. However, there will be several Dow companies reporting earnings today, with the markets potentially focused on Amazon and McDonald's earnings for signs of consumer activity. Uptrend channel support in the Dow today is 38,304 with a trade above 38,637 potentially signaling an upside pulse. Even though the NASDAQ has not posted a higher high overnight, generally bullish tech sector/AI sentiment remains a significant underpin. Providing support to the NASDAQ today is news that Microsoft will invest \$1.7 billion in cloud and AI in Indonesia, Apple shares were upgraded by an analyst overnight and a bullish bias toward Tesla shares remains in place. Key support in the NASDAQ this morning is 17,791.25 with a failure seen with a trade below 17,668.25.

### TODAY'S MARKET IDEAS:

The bull's maintain thin control from residual AI optimism, signs of a temporary drift lower in interest rates and from hopes of a Middle East cease-fire.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

## STOCKS TECHNICAL OUTLOOK:

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S&P E-MINI (JUN) 04/30/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 5177.75. The next area of resistance is around 5165.75 and 5177.75, while 1st support hits today at 5130.25 and below there at 5106.75.

MINI-DOW (JUN) 04/30/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 38731. The next area of resistance is around 38668 and 38731, while 1st support hits today at 38468 and below there at 38330.

E-MINI NASDAQ (JUN) 04/30/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The intermediate trend could be turning up with the close back above the 18-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 18053.56. The next area of resistance is around 18000.37 and 18053.56, while 1st support hits today at 17842.63 and below there at 17738.07.

## 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	114-230	45.62	42.55	18.50	22.12	113.95	114.29	115.27	117.85	118.22
TYAAM24	107-305	44.08	41.34	16.33	19.74	107.66	107.81	108.31	109.70	110.00
EPM24	5148.00	52.43	49.70	36.85	47.09	5122.81	5085.06	5141.65	5192.86	5163.71
ENQM24	17921.50	52.35	49.31	34.12	45.27	17770.50	17606.17	17897.47	18182.18	18148.68
YMM24	38568	48.64	46.20	42.33	50.41	38492.25	38379.33	38545.72	39139.49	39139.63

Calculations based on previous session. Data collected 04/29/2024

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	114-100	114-170	115-040	115-110
TYAAM24	10 Yr Treasury Notes	107-145	107-240	107-275	108-050	108-085
EPM24	S&P E-Mini	5106.75	5130.25	5142.25	5165.75	5177.75
ENQM24	E-Mini NASDAQ	17738.06	17842.62	17895.81	18000.37	18053.56
YMM24	Mini-Dow	38329	38467	38530	38668	38731

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## CURRENCIES COMMENTARY

4/30/2024

## In today's action the pound has the best prospects

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

US DOLLAR +357, YEN -44, SWISS -43, CA DOLLAR -195

### Upcoming International Reports (all times CT)

04/30 FOMC Meeting  
04/30 Japan Construction Orders 12:00 AM  
04/30 Japan Housing Starts 12:00 AM  
04/30 German Retail Sales 1:00 AM  
04/30 France Consumer Spending 1:45 AM  
04/30 France Producer Price Index 1:45 AM  
04/30 Swiss KOF Leading Indicator 2:00 AM  
04/30 German Employment Situation 2:55 AM  
04/30 German GDP - Flash 3:00 AM  
04/30 Canadian GDP (By Industry) 7:30 AM  
04/30 Employment Cost Index 7:30 AM  
04/30 Chicago PMI 8:45 AM  
04/30 Consumer Confidence 9:00 AM  
04/30 API Energy Stocks 3:30 PM  
04/30 Japan Manufacturing PMI 7:30 PM  
05/01 FOMC Meeting  
05/01 UK CIPS/NTC Research Manufac 3:30 AM  
05/01 Construction Spending 9:00 AM  
05/01 ISM Manufacturing PMI 9:00 AM  
05/01 EIA Energy Stocks 9:30 AM



**DOLLAR:** We are surprised the dollar has not seen pressure from generally but minimally favorable European GDP readings and from a sprinkling of ongoing European inflation readings. However, we have also been surprised the dollar has not recently surged higher following bullish US data. Perhaps the trade is biding its time until the FOMC meeting result is known tomorrow afternoon. It should be noted that today's US economic report slate will provide several US inflation measures from two house price readings and an Employment Cost Index which is expected to tick higher. Furthermore, expectations call for a significant jump in Chicago purchasing managers index readings for April. Fundamentals should favor the bull camp, but the charts argue in favor of the bear camp.

**Other Currencies:** As indicated in dollar coverage this morning the euro zone produced generally (but minimal) positive GDP readings and a smattering of slightly hot inflation reports and yet the euro saw a retest of yesterday's low. In fact, Italian consumer prices rebounded from the previous month, euro zone harmonized consumer prices were hotter than expected and French consumer prices remained hot, all of which should help underpin the euro at double low support of 1.0711. With the dollar and euro seemingly locked within a range and somewhat insensitive to scheduled data and UK mortgage approvals up more than expected overnight, the Pound should retain its leadership role. Key support early today is 1.2527 and resistance is 1.2568. While the Canadian has retrenched aggressively from a double high, short-term technical indicators like stochastics remain in a buy mode. Even though expectations for Canadian GDP today call for softer readings than the prior month, the expected Canadian GDP gain of 0.3% is relatively larger than European GDP results. Critical support in the Canadian this morning is 73.04 with a upside reversal seen with a trade above 73.27.

### TODAY'S MARKET IDEAS:

We expect the dollar and euro to continue to track within recent consolidation action with the pound holding the upper hand.

### 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) 04/30/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. 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 now at 104.91. The next area of resistance is around 105.82 and 106.25, while 1st support hits today at 105.15 and below there at 104.91.

EURO (JUN) 04/30/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 107.8275. The next area of resistance is around 107.6600 and 107.8275, while 1st support hits today at 107.2200 and below there at 106.9475.

JAPANESE YEN (JUN) 04/30/2024: 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 upside daily closing price reversal gives the market a bullish tilt. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 66.63. The next area of resistance is around 65.71 and 66.63, while 1st support hits today at 63.38 and below there at 61.96.

SWISS (JUN) 04/30/2024: The crossover up in the daily stochastics is a bullish signal. 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 daily closing price reversal up on the daily chart is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 111.14. Short-term indicators suggest buying dips today. The next area of resistance is around 110.85 and 111.14, while 1st support hits today at 110.06 and below there at 109.54.

CANADIAN DOLLAR (JUN) 04/30/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 73.52. The next area of resistance is around 73.39 and 73.52, while 1st support hits today at 73.15 and below there at 73.05.

BRITISH POUND (JUN) 04/30/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 126.26. The next area of resistance is around 126.03 and 126.26, while 1st support hits today at 125.27 and below there at 124.73.

## 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	105.48	53.43	57.14	77.22	73.71	105.61	105.73	105.30	104.18	104.08
JYAM24	64.54	31.32	29.17	11.44	24.21	64.54	64.93	65.55	66.79	67.13
EU6M24	107.4400	50.23	46.54	29.65	35.07	107.34	107.10	107.44	108.39	108.37
BPAM24	125.65	59.06	52.45	35.55	47.96	125.10	124.58	125.10	126.24	126.23
CAAM24	73.27	53.35	48.80	43.76	53.72	73.21	73.03	73.13	73.62	73.77

SFAM24	110.45	44.77	39.64	18.17	21.63	110.20	110.36	110.64	112.45	113.20
DAAM24	65.78	64.28	57.36	43.96	57.16	0.65	0.65	0.65	0.65	0.65

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## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>CURRENCY COMPLEX</b>						
DXAM24	US Dollar	104.90	105.14	105.57	105.82	106.25
JYAM24	Japanese Yen	61.95	63.37	64.29	65.71	66.63
EU6M24	Euro	106.9475	107.2200	107.3875	107.6600	107.8275
BPAM24	British Pound	124.72	125.26	125.49	126.03	126.26
CAAM24	Canadian Dollar	73.04	73.15	73.28	73.39	73.52
SFAM24	Swiss	109.53	110.05	110.34	110.85	111.14
DAAM24	Australian Dollar	65.19	65.50	65.73	66.05	66.28

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