



# DAILY BONDS, STOCKS, & CURRENCY COMMENTARY

Thursday May 09, 2024

## BONDS COMMENTARY

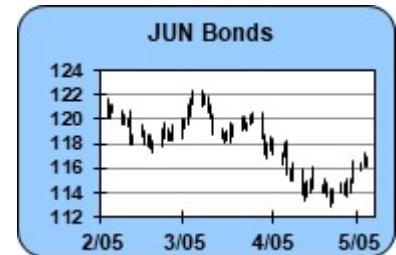
5/9/2024

**Bear camp has a thin edge unless claims fall more than expected**

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

**BONDS -0**

From a technical perspective, the treasury markets look to be on the back foot today as the late April and early May rallies appear to have run their course. The markets might have been tripped up by comments from the Fed's Cook earlier this week who offered positive views on households, banks, and companies in "solid financial shape". From a classic chart perspective, June bonds failed to reach downtrend channel resistance on Tuesday at 117-14 and drifted further below the downtrend channel resistance line of 117-07 over the past two days. While the first treasury auction this week resulted in a post results announcement slide in prices, yesterday's intermediate term auction showed almost no response, which could mean today's 30 year bond auction is unlikely to have a noted impact. However, if treasury prices fall into the auction today, the results could provide a measure of support. The North American session will start out with a weekly reading on initial jobless claims which are expected to have a minimal uptick from the previous 208,000 reading. Ongoing jobless claims are forecast to have a mild weekly increase from the previous 1.774 million reading. Later in the session the Fed's Daly will speak with her recent views indicating there was "no urgency" to cut interest rates.



### TODAY'S MARKET IDEAS:

We see a slight downward tilt partly from technical balancing of the last three weeks' bounce and partly because of expectations of a slightly hawkish Fed speech later today. As indicated already, downtrend channel selling resistance in June bonds today is 117-07 with that downtrend channel selling resistance at 117-03 tomorrow.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### BONDS TECHNICAL OUTLOOK:

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**BONDS (JUN) 05/09/2024:** 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 117-020. The next area of resistance is around 116-180 and 117-020, while 1st support hits today at 115-290 and below there at 115-230.

**10 YR TREASURY NOTES (JUN) 05/09/2024:** Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The close below the 1st swing support could weigh on the market. The near-term upside objective is at 109-055. The next area of resistance is around 108-300 and 109-055, while 1st support hits today

at 108-200 and below there at 108-170.

## STOCKS COMMENTARY

5/9/2024

**A slight corrective mode could offer a buy later today**

**OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
S&P 500 -10**

Global equity markets overnight were mixed with gains located in Asia and initial weakness seen throughout Europe. Optimism from big tech earnings has waned and upside momentum has been lost. Today's key earnings include mostly small Companies with the pace of earnings reports slowing ahead. Overnight corporate headlines favor the bear camp with reports of the ongoing probe of Tesla's autopilot technology and a weaker second quarter revenue forecast from Airbnb.



**S&P 500:** As indicated already, the S&P has lost the aggressive upside momentum from late last week and from earlier this week. The S&P is overbought technically and potentially temporarily overdone from a fundamental perspective after another bout of very upbeat views toward AI. While it is possible the market will shift its focus back to the prospects of a US rate cut following today's US jobs data, without an out of the range result that impact is likely to be limited. Since anxiety in the marketplace is relatively benign, key support at 5188.75 might hold with a secondary support level seen down at 5166.50.

**Other US Indexes:** We suspect the Dow has benefited from the recent slide in US treasury yields and from another revival of surging investment interest in AI. However, reports from CNBC that 80% of corporate earnings released so far have "beat" expectations should underpin the Dow in what could be a temporary consolidation. Initial support in the June Dow today is 38,936 and then again down at 38,834. The NASDAQ is obviously in a modest corrective track with investors potentially temporarily worn out on the latest wave of surging optimism toward AI. Critical support in the NASDAQ today is close to the early trade at 18,072.50 and then down at 18,020.

### **TODAY'S MARKET IDEAS:**

While we detect a very slight downward tilt, anxiety in the market remains low, recent corporate earnings results in prices and upcoming US jobs data is not likely to upset the trade.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

## STOCKS TECHNICAL OUTLOOK:

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**S&P E-MINI (JUN) 05/09/2024:** Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 5235.43. The next area of resistance is around 5223.62 and 5235.43, while 1st support hits today at 5194.38 and below there at 5176.94.

**MINI-DOW (JUN) 05/09/2024:** The major trend could be turning up with the close back above the 60-day moving average. 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. A positive signal was given by the outside day up. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 39433. The next area of resistance is around 39331 and 39433, while 1st support hits today at 39031 and below there at 38834.

E-MINI NASDAQ (JUN) 05/09/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 18329.31. The next area of resistance is around 18246.62 and 18329.31, while 1st support hits today at 18076.88 and below there at 17989.82.

### 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	116-070	57.39	51.97	63.02	75.35	116.27	115.27	114.77	117.26	117.65
TYAAM24	108-250	56.35	51.27	61.43	73.73	108.89	108.33	108.07	109.37	109.64
EPM24	5209.00	61.82	56.75	70.06	84.06	5196.94	5142.94	5109.32	5190.11	5173.57
ENQM24	18161.75	59.68	55.12	67.07	81.52	18142.63	17893.94	17750.65	18118.56	18131.39
YMM24	39181	64.22	57.75	76.76	88.78	39013.00	38643.33	38458.22	39029.47	39087.52

Calculations based on previous session. Data collected 05/08/2024  
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	115-220	115-280	116-120	116-180	117-020
TYAAM24	10 Yr Treasury Notes	108-165	108-195	108-270	108-300	109-055
EPM24	S&P E-Mini	5176.93	5194.37	5206.18	5223.62	5235.43
ENQM24	E-Mini NASDAQ	17989.81	18076.87	18159.56	18246.62	18329.31
YMM24	Mini-Dow	38833	39031	39133	39331	39433

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## CURRENCIES COMMENTARY

5/9/2024

The dollar bias is up off a less bearish Fed set up

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):  
US DOLLAR +159, YEN -13, SWISS -11, CA DOLLAR -15

### Upcoming International Reports (all times CT)

- 05/09 Japan Index of Business Cond
- 05/09 Japan Leading Indicators 12:00 AM
- 05/09 UK Monetary Policy 6:00 AM
- 05/09 UK Monetary Policy Minutes 6:00 AM
- 05/09 Jobless Claims 7:30 AM
- 05/09 EIA Gas Storage 9:30 AM
- 05/09 Japan Household Spending 6:30 PM
- 05/10 UK Foreign Trade 1:00 AM



05/10 UK Industrial Production 2:00 AM  
05/10 Canadian Labor Force Survey 7:30 AM  
05/10 Canadian New Housing Price I 7:30 AM

**DOLLAR:** While the US dollar has posted another higher high for the move overnight, upside momentum does not look to be significant, and the dollar could falter temporarily through today's US initial and ongoing claims release. The dollar should draft support from the lack of a rate change from the Bank of England but potentially held back by ongoing threats of Bank of Japan intervention, especially with the central bank overnight indicating there should not be a limit on the magnitude of intervention to support the yen. While we do not expect today's US jobs data to post notable change, seeing claims outside of the range of 200,000 to 218,000 could surprise the markets. The bias is up with next resistance 105.66 and support today at 105.35.

**Other Currencies:** With disappointing European economic data yesterday and an extension of the lower high and lower low pattern, the bear camp has extended control into the early Thursday US trade. Furthermore, the dollar looks firmly entrenched in an upward motion and the inability to hold above 1.0740 could result in a slide to 1.070. Unfortunately, the Bank of England rate decision will be released after our publication this morning, but the trade does not expect the bank to change rates. Therefore, the Pound will be parsing comments from central bank members with sentiment expecting dovish dialogue. Therefore, we expect the pound to continue to slide on the charts with a close today below 1.2471, potentially targeting 1.240 before the close tomorrow. While the technical picture in the Canadian improved with yesterday's somewhat sharp rejection of a new low for the move, traders should be hesitant to sell the Canadian without a rally above 73.30. The biggest impact on the Canadian today is likely to emanate from US claims but with US claims likely to remain within a tight range, the Canadian might be left to its own downward bias.

#### **TODAY'S MARKET IDEAS:**

The path of least resistance remains up in the dollar with rallies in the euro and pound an opportunity to implement short trades.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CURRENCIES TECHNICAL OUTLOOK:**

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**US DOLLAR (JUN) 05/09/2024:** Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. 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 downside target is 105.17. The next area of resistance is around 105.55 and 105.67, while 1st support hits today at 105.31 and below there at 105.17.

**EURO (JUN) 05/09/2024:** 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 market's close below the pivot swing number is a mildly negative setup. The next upside objective is 107.8675. The next area of resistance is around 107.7450 and 107.8675, while 1st support hits today at 107.5150 and below there at 107.4075.

**JAPANESE YEN (JUN) 05/09/2024:** Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside target is at 65.20. The next area of resistance is around 64.87 and 65.20,

while 1st support hits today at 64.43 and below there at 64.30.

SWISS (JUN) 05/09/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal up is a positive indicator that could support higher prices. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 110.83. The next area of resistance is around 110.72 and 110.83, while 1st support hits today at 110.45 and below there at 110.30.

CANADIAN DOLLAR (JUN) 05/09/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. 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 lower than the pivot swing number. The next downside objective is 72.61. The next area of resistance is around 72.98 and 73.08, while 1st support hits today at 72.75 and below there at 72.61.

BRITISH POUND (JUN) 05/09/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 124.53. The next area of resistance is around 125.17 and 125.36, while 1st support hits today at 124.76 and below there at 124.53.

## 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	105.43	52.28	54.05	46.26	43.75	105.14	105.41	105.62	104.47	104.26
JYAM24	64.64	42.28	40.94	57.62	61.30	65.22	64.79	64.99	66.38	66.70
EU6M24	107.6300	52.77	49.76	61.45	66.87	107.77	107.48	107.20	108.17	108.28
BPAM24	124.97	45.52	45.63	67.45	66.49	125.34	125.34	124.86	126.02	126.13
CAAM24	72.86	42.53	43.14	56.89	51.35	73.03	73.07	72.97	73.49	73.62
SFAM24	110.58	50.37	46.39	48.68	56.82	110.75	110.35	110.36	111.78	112.52
DAAM24	65.85	55.63	54.33	74.14	76.27	0.66	0.66	0.65	0.66	0.66

Calculations based on previous session. Data collected 05/08/2024

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## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>CURRENCY COMPLEX</b>						
DXAM24	US Dollar	105.16	105.30	105.41	105.55	105.67
JYAM24	Japanese Yen	64.29	64.42	64.75	64.87	65.20
EU6M24	Euro	107.4075	107.5150	107.6375	107.7450	107.8675
BPAM24	British Pound	124.52	124.75	124.94	125.17	125.36
CAAM24	Canadian Dollar	72.60	72.74	72.84	72.98	73.08
SFAM24	Swiss	110.29	110.45	110.56	110.72	110.83
DAAM24	Australian Dollar	65.45	65.64	65.85	66.05	66.26

Calculations based on previous session. Data collected 05/08/2024

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