

### Fundamentals:

Gains in financial shares lifted US stocks, while Treasuries retreated as fears of broader contagion from the banking turmoil eased. Tech shares slumped after last week's rally.

The S&P 500 rose on Monday, with financial firms in the index up more than 1%. Energy producers also advanced. The tech-heavy Nasdaq 100 ended the session 0.7% lower capping a two-week advance. The two-year Treasury yield topped 4%.

A gauge of regional lenders climbed roughly 2.5% as First Citizens BancShares Inc. rallied more than 50% after agreeing to buy SVB Financial Group's Silicon Valley Bank. First Republic Bank jumped on a Bloomberg report that US authorities are considering expanding an emergency lending facility that would give the lender more time to bolster its balance sheet.

The weekend may have brought some relief to the banking sector, but it will continue to be closely watched. A gauge of regional US banks has lost roughly 30% since early February.

Market jitters were still on display on Monday as banking stocks pulled back from an early rally and the S&P 500 retreated from a key technical level.

The yield on the 10-year Treasury rose to around 3.54% while the interest rate-sensitive two-year jumped to 4.02%. Such an inverted yield curve — where the short-term rate is higher than the long-term — continues to signal a downturn ahead.

Fed Minneapolis President Neel Kashkari warned over the weekend that the strain on the financial sector had the US on the brink of a recession. The usually hawkish Kashkari avoided making a prediction about the central bank's May meeting.

US stocks have largely been shrugging off recession fears with the S&P 500 and Nasdaq both advancing over the past two weeks.

Investors will be closely watching data on the personal consumption expenditures price index, which is the Fed's preferred measure of underlying price pressure, that will come out later this week for direction on the US central bank's rate path. On Monday, traders were once again leaning toward a quarter-point rate hike at the Fed's next meeting.

Elsewhere, European Central Bank Executive Board member Isabel Schnabel pushed for this month's decision statement to signal possible interest-rate increases in future, according to people with knowledge of the matter.

U.S. Treasury yields rose on Monday on greater optimism that stress in the banking sector will be contained and as the Treasury Department saw soft demand for a sale of two-year notes.

First Citizens BancShares Inc cheered investors when it said on Monday it would acquire the deposits and loans of failed Silicon Valley Bank, closing one chapter in the crisis of confidence that has ripped through global financial markets.

Treasuries have been volatile as investors try to gauge the impact bank failures will have on lending and growth and what that will ultimately mean for the path of interest rates.

Benchmark 10-year yields rose 15 basis points to 3.526% on Monday. They are up from a six-month low of 3.285% reached on Friday, but remain below a 15-year high of 4.338% from Oct. 21. Two-year yields rose 23 basis points to 4.008%, up from a six-month low of 3.555% on Friday but below the almost 16-year high of 5.084% hit on March 8.

The closely watched yield curve between two-year and 10-year notes was last at minus 49 basis points.

The two-year yields hit a session high after the Treasury Department saw weak demand for a \$42 billion sale of two-year notes, the first auction of \$120 billion in short- and intermediate-dated supply this week.

The notes sold at a high yield of 3.954%, more than two basis points above where they had traded before the auction. Demand for the notes was 2.44 times the amount on offer, the lowest ratio since November 2021.

The Treasury will also sell \$43 billion in five-year notes on Tuesday and \$35 billion in seven-year notes on Wednesday.

Analysts expect bank headlines to continue to dominate market moves in the short-term as markets wait on key jobs and inflation data.

Top U.S. banking regulators plan to tell Congress that the overall financial system remains on solid footing after the recent bank failures, but will comprehensively review their policies in a bid to prevent future collapses.

Minneapolis Fed president Neel Kashkari said on Sunday that stress in the banking sector and the possibility of a follow-on credit crunch brought the U.S. closer to recession.

It comes after St. Louis Fed President James Bullard said on Friday that the U.S. central bank would likely need to raise interest rates higher than expected, while Atlanta Fed President Raphael Bostic said that the Fed's main job was to remain focused on getting inflation lower.

Fed funds futures traders are now pricing in a 51% chance of a 25-basis-point rate increase in May, and a 49% probability that rates stay unchanged, though they still see the benchmark rate dropping to 4.20% by December, from 4.83% now.

(Source: Bloomberg, Reuters)

Contract	Close	Change	High	Low
E-Mini Dow JUN 23	32,631.00	250.00	32,770.00	32,418.00
E-Mini S&P JUN 23	4,007.25	13.500	4,034.25	3,997.50
E-Mini NASDAQ JUN 23	12,788.50	-76.50	12,984.50	12,765.50
Micro Russell 2K JUN 22	1771.7	24	1777.4	1745.4
USD Nikkei JUN 23	27,390.0	230.0	27,420.00	27,160.00
Euro Dollar SEP 23	95.29	-0.260	95.54	95.24
US Dollar Index	102.84	-0.280	103.23	102.83
DJIA	32,432.08	194.550	32,564.00	32,276.72
S&P 500	3,977.53	6.540	4,003.83	3,970.49
NASDAQ	11,768.84	-55.120	11,903.21	11,739.05
Nikkei 225	27,476.87	91.620	27,543.48	27,359.72
Hang Seng	19,567.69	-347.990	19,938.77	19,509.49
Straits Times	3,239.03	26.390	3,247.50	3,223.45
DAX	15,127.68	170.450	15,185.35	15,020.07
CAC	7,078.27	63.170	7,119.59	7,039.09
FTSE100	7,471.77	66.320	7,491.74	7,405.45

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	17.62	16.04	14.65	14.97
E-Mini S&P Futures	18.48	17.39	17.05	17.79
E-Mini Nasdaq Futures	21.82	16.96	15.79	15.27

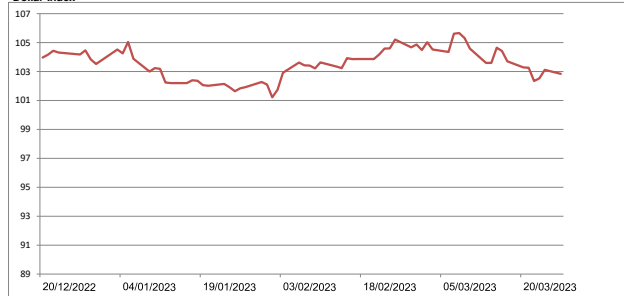
### U.S. Government Treasuries Yield



### CBOE Volatility Index (VIX)



### Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised	
03/27/2023 22:30	Dallas Fed Manf. Activity	Mar	-10	-15.7	-13.5	--
03/28/2023 20:30	Advance Goods Trade Balance	Feb	-\$90.0b	--	-\$91.5b	-\$91.1b
03/28/2023 20:30	Wholesale Inventories MoM	Feb P	-0.10%	--	-0.40%	-0.30%
03/28/2023 20:30	Retail Inventories MoM	Feb	0.20%	--	0.30%	--
03/28/2023 21:00	FHFA House Price Index MoM	Jan	-0.30%	--	-0.10%	--
03/28/2023 21:00	S&P CoreLogic CS 20-City MoM SA	Jan	-0.50%	--	-0.51%	--
03/28/2023 21:00	S&P CoreLogic CS 20-City YoY NSA	Jan	2.55%	--	4.65%	--
03/28/2023 21:00	S&P CoreLogic CS US HPI YoY NSA	Jan	--	--	5.76%	--
03/28/2023 21:00	Bloomberg March United States Economic Survey					
03/28/2023 22:00	Conf. Board Consumer Confidence	Mar	101	--	102.9	--
03/28/2023 22:00	Conf. Board Present Situation	Mar	--	--	152.8	--
03/28/2023 22:00	Conf. Board Expectations	Mar	--	--	69.7	--
03/28/2023 22:00	Richmond Fed Manuf. Index	Mar	-10	--	-16	--
03/28/2023 22:00	Richmond Fed Business Conditions	Mar	--	--	-6	--
03/28/2023 22:30	Dallas Fed Services Activity	Mar	--	--	-9.3	--

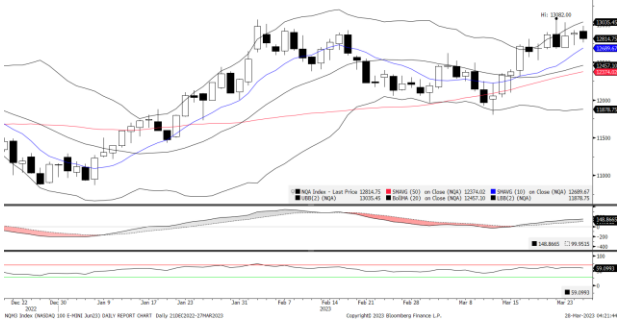
**E-Mini Dow Index Futures Daily Chart**



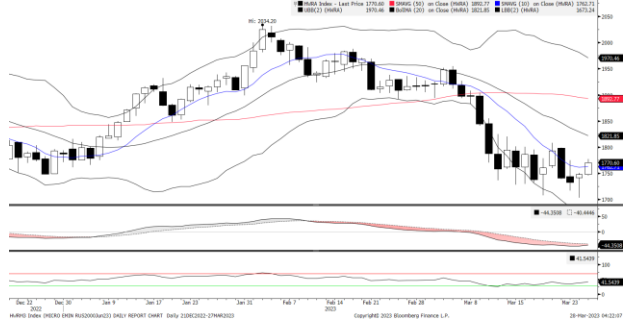
**E-Mini S&P 500 Index Futures Daily Chart**



**E-Mini NASDAQ 100 Index Futures Daily Chart**



**Micro E-Mini Russell 2000 Index Futures Daily Chart**



**Technical Analysis**

Dow				S&P				Nasdaq				Micro Russell			
1st Resistance:	33120	2nd Resistance:	33610	1st Resistance:	4067.36	2nd Resistance:	4127.47	1st Resistance:	12980.33	2nd Resistance:	13172.16	1st Resistance:	1798.28	2nd Resistance:	1824.85
1st Support:	32142	2nd Support:	31652	1st Support:	3947.14	2nd Support:	3887.03	1st Support:	12596.67	2nd Support:	12404.85	1st Support:	1745.12	2nd Support:	1716.55
MACD:	-311.905	MACD DIFF:	50.296	MACD:	-17.583909	MACD DIFF:	7.467482	MACD:	148.659	MACD DIFF:	48.911	MACD:	-44.272	MACD DIFF:	-3.832
RSI:	47.470	RSI:	50.575416	RSI:	50.575416	RSI:	50.575416	RSI:	59.058	RSI:	59.058	RSI:	41.718	RSI:	41.718

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32142	32463	31981	31652	31969	31494	33120	32789	33286	33610	33274	33778
S&P	3947.14	3986.61	3927.41	3887.03	3926.90	3867.60	4067.36	4026.69	4087.70	4127.47	4086.19	4148.10
Nasdaq	12596.67	12722.64	12533.69	12404.85	12528.89	12342.82	12980.33	12850.52	13045.23	13172.16	13040.43	13238.02
Micro Russell	1745.12	1762.58	1736.40	1716.55	1735.73	1709.96	1798.28	1780.29	1807.27	1824.85	1806.60	1833.98

Source: Bloomberg

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