

Fundamentals:

US stocks advanced as risk appetite continued to recover from turmoil in the banking sector, led by gains in technology and financial shares.

The tech-heavy Nasdaq 100 entered a bull market, rising 20% from a December low. The S&P 500 powered back above 4,000, with 92% of components ending higher — the first time that has happened in 2023, according to Susquehanna. Meanwhile, the Cboe Volatility Index closed at the lowest in three weeks.

US Treasuries were little changed and the dollar strengthened as investors digested the latest remarks by Fed officials and looked ahead to core PCE data for the clues on how the Fed's path for interest rates might change after turbulence in the financial sector upended market expectations.

Financial stocks were hit hard by the collapse of three US banks this month but were able to stage a rally Wednesday, even after a report the Federal Deposit Insurance Corp. was mulling a squeeze on big banks to help cover the almost \$23 billion in costs from the bank failures.

Wall Street strategists are struggling to predict how US stocks might react in the months ahead, given the uncertainty of the Fed's path forward. Their average year-end target for the S&P 500 has stayed at 4,050 for a third straight month in a streak of inaction not seen since 2005.

Fed Chair Jerome Powell pointed to Fed officials' forecast for another quarter percentage-point hike this year when asked by lawmakers Wednesday when the central bank will stop raising interest rates, Bloomberg News reported. However, traders are pricing in roughly 50-50 odds that move will occur at the Fed's next meeting in May.

With easing concerns about the safety of bank deposits, Peter Tchir of Academy Securities said analysts are turning their attention back to examining the economy and prepping for upcoming earnings.

In the latest batch of corporate results, Lululemon Athletica Inc. jumped after its earnings and outlook topped estimates. A profit drop at Jefferies Financial Group Inc. could spell trouble for other bank earnings. Meanwhile, weaker homebuying demand from a March survey of real estate agents could be a potential early sign buyers are unnerved by the turmoil in the banking sector.

Gold fell, Bitcoin extended its climb to \$28,500, and oil erased an earlier gain from a decline in US crude stockpiles.

Most U.S. Treasury yields were higher on Wednesday as investors continued to evaluate whether recent banking stresses will be contained and what tighter lending standards emanating from recent bank failures will mean for Federal Reserve policy.

Yields have risen from six-month lows reached on Friday as stress in the banking sector appeared to subside, following the collapse of Silicon Valley Bank and Signature Bank earlier this month.

Greater confidence in the banking system has also increased the likelihood that the Fed will in turn be able to implement another interest rate increase as it focuses on bringing down inflation, but a lot can happen before the U.S. central bank's May 2-3 meeting.

Personal Consumption Expenditures (PCE) data on Friday is the next major U.S. economic focus while investors will also be watching for any headlines relating to stress in the banking sector.

Data on Wednesday showed that contracts to buy U.S. previously owned homes increased for a third straight month in February, raising cautious optimism that the housing market slump could be bottoming out.

Fed funds futures traders are now pricing in a 47% chance of a 25 basis points increase in May, after seeing it as a long shot late last week.

The Fed will make its interest rate decisions from here on a meeting-to-meeting basis and will take financial conditions into account in that judgment alongside other factors, Fed Vice Chair for Supervision Michael Barr said on Wednesday.

Benchmark 10-year yields were little changed on the day at 3.570%. They are up from a six-month low of 3.285% reached on Friday, but remain below a 15-year high of 4.338% on Oct. 21. Two-year yields rose 3 basis points to 4.089%, 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 52 basis points.

The Treasury Department saw soft demand for a \$35 billion auction of seven-year notes on Wednesday, the final sale of \$120 billion in short- and intermediate-dated debt supply this week.

The notes sold at a high yield of 3.626%, around a basis point above where they had traded before the sale. The bid-to-cover ratio was 2.39 times, the lowest since November.

The Treasury saw solid demand for a \$43 billion sale of five-year notes on Tuesday, but weak interest in a \$42 billion auction of two-year notes on Monday.

(Source: Bloomberg, Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
03/29/2023 19:00	MBA Mortgage Applications	Mar-24	--	2.90%	3.00%	--
03/29/2023 22:00	Pending Home Sales MoM	Feb	-3.00%	0.80%	8.10%	--
03/29/2023 22:00	Pending Home Sales NSA YoY	Feb	--	-21.10%	-22.40%	--
03/30/2023 20:30	Initial Jobless Claims	Mar-25	195k	--	191k	--
03/30/2023 20:30	Continuing Claims	Mar-18	1700k	--	1694k	--
03/30/2023 20:30	GDP Annualized QoQ	4Q T	2.70%	--	2.70%	--
03/30/2023 20:30	Personal Consumption	4Q T	1.40%	--	1.40%	--
03/30/2023 20:30	GDP Price Index	4Q T	3.90%	--	3.90%	--
03/30/2023 20:30	Core PCE QoQ	4Q T	4.30%	--	4.30%	--
03/31/2023 20:30	Personal Income	Feb	0.20%	--	0.60%	--
03/31/2023 20:30	Personal Spending	Feb	0.30%	--	1.80%	--
03/31/2023 20:30	Real Personal Spending	Feb	-0.10%	--	1.10%	--
03/31/2023 20:30	PCE Deflator MoM	Feb	0.30%	--	0.60%	--
03/31/2023 20:30	PCE Deflator YoY	Feb	5.10%	--	5.40%	--
03/31/2023 20:30	PCE Core Deflator MoM	Feb	0.40%	--	0.60%	--
03/31/2023 20:30	PCE Core Deflator YoY	Feb	4.70%	--	4.70%	--
03/31/2023 21:45	MNI Chicago PMI	Mar	43	--	43.6	--
03/31/2023 22:00	U. of Mich. Sentiment	Mar F	63.3	--	63.4	--
03/31/2023 22:00	U. of Mich. Current Conditions	Mar F	66.4	--	65.4	--
03/31/2023 22:00	U. of Mich. Expectations	Mar F	61.4	--	61.5	--
03/31/2023 22:00	U. of Mich. 1 Yr Inflation	Mar F	3.80%	--	3.80%	--
03/31/2023 22:00	U. of Mich. 5-10 Yr Inflation	Mar F	2.80%	--	2.80%	--

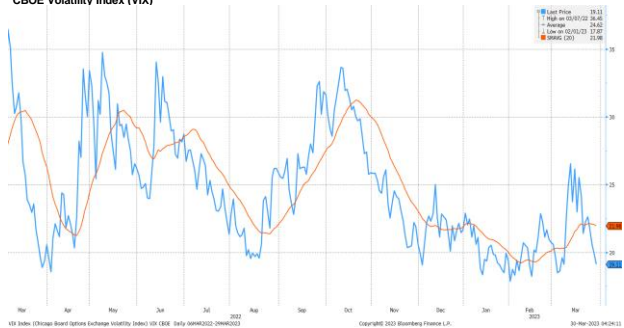
Contract	Close	Change	High	Low
E-Mini Dow JUN 23	32,903.00	315.00	32,924.00	32,616.00
E-Mini S&P JUN 23	4,057.50	57.000	4,061.25	4,006.00
E-Mini NASDAQ JUN 23	12,965.00	230.50	12,994.00	12,742.00
Micro Russell 2K JUN 22	1783.7	18.9	1788.5	1766.9
USD Nikkei JUN 23	27,860.0	575.0	27,885.00	27,310.00
Euro Dollar SEP 23	95.18	-0.065	95.26	95.11
US Dollar Index	102.66	0.232	102.79	102.37
DJIA	32,717.60	323.350	32,728.04	32,539.94
S&P 500	4,027.81	56.540	4,030.59	3,999.53
NASDAQ	11,926.24	210.160	11,941.60	11,823.35
Nikkei 225	27,883.78	365.530	27,897.72	27,505.48
Hang Seng	20,192.40	407.750	20,437.69	20,107.73
Straits Times	3,262.54	7.000	3,270.38	3,242.49
DAX	15,328.78	186.760	15,342.27	15,186.75
CAC	7,186.99	98.650	7,201.25	7,125.12
FTSE100	7,564.27	80.020	7,566.80	7,484.21

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	15.94	16.28	14.76	15.05
E-Mini S&P Futures	16.89	17.93	17.24	17.89
E-Mini Nasdaq Futures	15.23	18.04	15.76	15.67

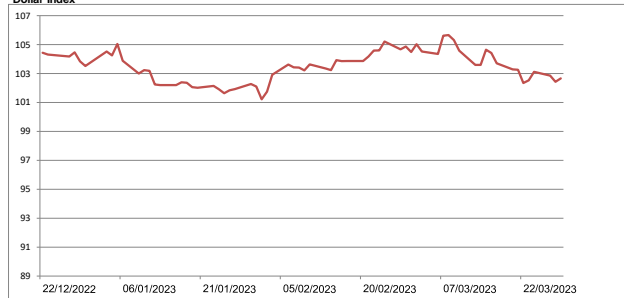
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



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:	33397	2nd Resistance:	33890	1st Resistance:	4118.36	2nd Resistance:	4179.23	1st Resistance:	13159.48	2nd Resistance:	13353.95	1st Resistance:	1810.46	2nd Resistance:	1837.21
1st Support:	32409	2nd Resistance:	31916	1st Support:	3996.64	2nd Resistance:	3935.78	1st Support:	12770.53	2nd Resistance:	12576.05	1st Support:	1756.94	2nd Resistance:	1730.19
MACD:	-237.061			MACD:	-9.342545			MACD:	155.540			MACD:	-38.822		
MACD DIFF:	88.737			MACD DIFF:	11.175715			MACD DIFF:	38.094			MACD DIFF:	1.667		
RSI:	50.838			RSI:	55.089733			RSI:	61.711			RSI:	44.129		

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow	32409	32734	32247		31916	32235	31756	33397	33063	33564		33890	33551	34060
S&P	3996.64	4036.60	3976.65		3935.78	3975.13	3916.10	4118.36	4077.18	4138.95		4179.23	4137.43	4200.12
Nasdaq	12770.53	12898.23	12706.67		12576.05	12701.81	12513.17	13159.48	13027.88	13225.27		13353.95	13220.41	13420.72
Micro Russell	1756.94	1774.51	1748.16		1730.19	1747.49	1721.54	1810.4555	1792.35	1819.51		1837.211	1818.84	1846.40

Source: Bloomberg

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