

Fundamentals:

U.S. stocks ended mixed, capping a turbulent session after regulators moved to limit the impact of Silicon Valley Bank's collapse.

Shares of First Republic Bank plunged Monday, and major U.S. regional bank stocks suffered their largest decline in three years, despite efforts by regulators to calm investors following a pair of bank failures.

First Republic shares were down 62% after earlier falling as much as 78%. The bank said Sunday that it had shored up its finances with additional funding from the Federal Reserve and JPMorgan Chase. On Monday, President Biden said the banking system is safe, stressing steps taken to limit the fallout from the failures of Silicon Valley Bank, a California lender that catered to venture capitalists, and Signature Bank, a New York firm with ties to cryptocurrencies.

Executives up and down Wall Street were scrambling to assess the possible damage done by the bank collapses and the likelihood of further fallout. Many said they didn't expect to take significant hits from the failures of the two banks, which rank as the second- and third-largest after the collapse of Washington Mutual in 2008. Others said they were still monitoring the developments in the industry.

President Biden on Monday said the banking system is safe, as he stressed steps taken to limit the fallout from the collapse of Silicon Valley Bank and shore up confidence in the financial system, while some lawmakers called for re-examining rules for midsize banks.

"Thanks to the quick action of my administration over the past few days, Americans can have confidence that the banking system is safe," Mr. Biden said in televised remarks.

Mr. Biden's comments came one day after federal regulators announced emergency measures to guarantee all depositors with money at Silicon Valley Bank following its failure, rather than the standard \$250,000 in insured deposits. Federal regulators said any losses to the government's fund would be recovered in a special assessment on banks and that U.S. taxpayers wouldn't bear any losses.

Fears that failures at US regional lenders including Silicon Valley Bank could portend a much bigger issue are sweeping across the globe, prompting Wall Street traders to seek shelter in the options market.

The Cboe Volatility Index, a gauge of options cost tied to the S&P 500 known as VIX, jumped Monday to briefly exceed 30 for the first time since last October, while the equity measure sank as much as 1.4% before paring.

Normally, VIX futures contracts are more expensive the further down the horizon. Now, traders are betting on more turbulence in the short term than they are three months ahead, making it more expensive to trade near-dated contracts. The VIX curve inverted Monday by the most in almost a year, with the spot price ahead of three-month futures.

While such a setup is sometimes viewed as a positive sign for those hoping that markets will soon calm down, it highlights the extreme angst facing investors who worry that lending standards will tighten and the economy may slip into a recession soon. Shares of regional banks kept bleeding even after authorities introduced a new backstop for lenders that Federal Reserve officials said was big enough to protect the entire nation's deposits.

Bond yields fell sharply on Monday as the failures of Silicon Valley Bank and Signature Bank had investors factoring in the chances of the Federal Reserve either pausing its rate-hike campaign or raising borrowing costs more slowly next week.

The monetary policy-sensitive 2-year Treasury yield plunged by more than a half-of-a-percentage point on Monday as investors fretted that spillover from the banking system -- after the collapse of California's Silicon Valley Bank and New York's Signature Bank -- would force the Federal Reserve to either halt or slow the pace of interest-rate increases on March 22.

The 2-year yield -- which had been above 5%, or an almost 16-year high, just last week -- dropped to as low as 3.976% before the U.S. stock market opened.

Markets are pricing in a 45% chance of no Fed rate hike on March 22 and a 55% probability that policy makers will raise rates by another 25 basis points to between 4.75% and 5%, according to the CME FedWatch tool. The chances of a 50 basis point hike are now seen at zero after rising to more than 70% early last week.

The central bank is mostly expected to lower its fed-funds rate target to 4.25% to 4.5% by July, which implies at least one rate cut will take place by then, according to 30-day Fed Funds futures.

As of Friday, the MOVE index, which measures expected volatility in the Treasury market, sat at 140, its highest level of the year.

(Source: Dow Jones, Bloomberg)

Contract	Close	Change	High	Low
E-Mini Dow JUN 23	32,055.00	-36.00	32,595.00	31,740.00
E-Mini S&P JUN 23	3,888.75	-1.000	3,971.50	3,839.25
E-Mini NASDAQ JUN 23	12,055.00	108.00	12,222.75	11,806.25
Micro Russell 2K JUN 22	1750.7	-.22	1810.8	1722.6
USD Nikkei JUN 23	27,235.0	-315.0	27,790.00	27,080.00
Euro Dollar JUN 23	94.94	0.690	95.17	94.44
US Dollar Index	103.62	-0.961	104.39	103.48
DJIA	31,819.14	-90.500	32,240.35	31,624.87
S&P 500	3,855.76	-5.830	3,905.05	3,808.86
NASDAQ	11,188.84	49.950	11,326.73	10,982.80
Nikkei 225	27,832.96	-311.010	27,906.97	27,631.53
Hang Seng	19,695.97	376.050	19,791.64	19,390.38
Straits Times	3,132.37	-45.060	3,175.87	3,132.37
DAX	14,959.47	-468.500	15,435.81	14,887.44
CAC	7,011.50	-209.170	7,211.44	6,979.55
FTSE100	7,548.63	-199.720	7,752.43	7,546.02

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	17.06	13.99	14.79	16.29
E-Mini S&P Futures	18.68	16.81	17.61	20.34
E-Mini Nasdaq Futures	20.19	12.85	15.96	14.53

U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised
03/14/2023 18:00	NFIB Small Business Optimism	Feb 90.3	--	90.3	--
03/14/2023 20:30	CPI MoM	Feb 0.40%	--	0.50%	--
03/14/2023 20:30	CPI Ex Food and Energy MoM	Feb 0.40%	--	0.40%	--
03/14/2023 20:30	CPI YoY	Feb 6.00%	--	6.40%	--
03/14/2023 20:30	CPI Ex Food and Energy YoY	Feb 5.50%	--	5.60%	--
03/14/2023 20:30	CPI Index NSA	Feb 300.881	--	299.17	--
03/14/2023 20:30	CPI Core Index SA	Feb 303.736	--	302.702	--
03/14/2023 20:30	Real Avg Hourly Earning YoY	Feb --	--	-1.80%	-1.90%
03/14/2023 20:30	Real Avg Weekly Earnings YoY	Feb --	--	-1.50%	-1.90%
03/15/2023 19:00	MBA Mortgage Applications	Mar-10 --	--	7.40%	--
03/15/2023 20:30	PPI Final Demand MoM	Feb 0.30%	--	0.70%	--
03/15/2023 20:30	PPI Ex Food and Energy MoM	Feb 0.40%	--	0.50%	--
03/15/2023 20:30	PPI Ex Food, Energy, Trade MoM	Feb 0.30%	--	0.60%	--
03/15/2023 20:30	PPI Final Demand YoY	Feb 5.40%	--	6.00%	--
03/15/2023 20:30	PPI Ex Food and Energy YoY	Feb 5.20%	--	5.40%	--
03/15/2023 20:30	PPI Ex Food, Energy, Trade YoY	Feb 4.80%	--	4.50%	--
03/15/2023 20:30	Empire Manufacturing	Mar -7.8	--	-5.8	--
03/15/2023 20:30	Retail Sales Advance MoM	Feb -0.40%	--	3.00%	--
03/15/2023 20:30	Retail Sales Ex Auto MoM	Feb 0.00%	--	2.30%	--
03/15/2023 20:30	Retail Sales Ex Auto and Gas	Feb -0.20%	--	2.60%	--
03/15/2023 20:30	Retail Sales Control Group	Feb -0.30%	--	1.70%	--
03/15/2023 22:00	Business Inventories	Jan 0.00%	--	0.30%	--
03/15/2023 22:00	NAHB Housing Market Index	Mar 40	--	42	--

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:	32536	2nd Resistance:	33017	1st Resistance:	3947.08	2nd Resistance:	4005.41	1st Resistance:	12235.83	2nd Resistance:	12416.65	1st Resistance:	1776.96	2nd Resistance:	1803.22
1st Support:	31574	2nd Resistance:	31093	1st Support:	3830.42	2nd Resistance:	3772.09	1st Support:	11874.18	2nd Resistance:	11693.35	1st Support:	1724.44	2nd Resistance:	1696.16
MACD:	-398.019			MACD:	-37.406272			MACD:	-28.269			MACD:	-26.898		
MACD DIFF:	-129.250			MACD DIFF:	-19.344634			MACD DIFF:	-52.726			MACD DIFF:	-18.795		
RSI:	30.487			RSI:	33.900903			RSI:	45.114			RSI:	26.604		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	31574	31890	31416	31093	31404	30938	32536	32210	32699	33017	32686	33182
S&P	3830.42	3868.72	3811.27	3772.09	3809.81	3753.23	3947.08	3907.61	3966.82	4005.41	3965.36	4025.44
Nasdaq	11874.18	11992.92	11814.80	11693.35	11810.28	11634.88	12235.83	12113.47	12297.00	12416.65	12292.48	12478.73
Micro Russell	1724.44	1741.68	1715.82	1698.18	1715.16	1689.69	1776.9605	1759.19	1785.85	1803.221	1785.19	1812.24

Source: Bloomberg

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