

Fundamentals:

Stocks fell slightly Wednesday in choppy trading as markets struggled to sustain a rebound from earlier in the day.

Traders also weighed comments from Federal Reserve Chair Jerome Powell, who reiterated the central bank's stance to fight inflation.

The Dow Jones Industrial Average dropped 47.12 points, or 0.15%, to 30,483.13, slipping in the final hour of trading. The S&P 500 dipped 0.13% to 3,759.89. The Nasdaq Composite fell 0.15% to 11,053.08.

Growing concerns of a recession on Wall Street have recently weighed on stocks. Fed Chair Powell on Wednesday told Congress the central bank has the "resolve" to tame inflation that has surged to 40-year highs.

"At the Fed, we understand the hardship high inflation is causing," the Fed chief said to the Senate Banking Committee. "We are strongly committed to bringing inflation back down, and we are moving expeditiously to do so."

Powell added that the Fed will stay the course until it sees "compelling evidence that inflation is moving down." He also said achieving a soft landing for the economy without a recession has become "significantly more challenging."

The Federal Reserve raised rates by 0.75 percentage point last week and hinted another increase of that magnitude was possible next month. The central bank's shift last week to a more aggressive inflation-fighting stance unnerved investors who worried the central bank would rather risk a recession than endure persistent high inflation.

Expectations of a pending recession continued to grow on Wall Street this week. Citigroup raised chances of a global recession to 50%, pointing to data that consumers are starting to pull back on spending.

"The experience of history indicates that disinflation often carries meaningful costs for growth, and we see the aggregate probability of recession as now approaching 50%," read a note from Citigroup.

Goldman Sachs believes a recession is becoming increasingly likely for the U.S. economy, saying that the risks are "higher and more front-loaded."

"The main reasons are that our baseline growth path is now lower and that we are increasingly concerned that the Fed will feel compelled to respond forcefully to high headline inflation and consumer inflation expectations if energy prices rise further, even if activity slows sharply," the firm said in a note to clients.

Meanwhile, UBS said Tuesday in a note to clients that it does not expect a U.S. or global recession in 2022 or 2023 in its base case, "but it's clear that the risks of a hard landing are rising."

"Even if the economy does slip into a recession, however, it should be a shallow one given the strength of consumer and bank balance sheets," UBS added.

Energy stocks took a hit as oil prices dropped on concern a slower economy will hurt fuel demand. The sector was the worst performing on the broad-market index, down nearly 4.2%.

Shares of Marathon Oil and ConocoPhillips dropped 7.2% and about 6.3%, respectively. Occidental Petroleum and Exxon Mobil dipped 3.6% and nearly 4%.

On Wednesday, President Joe Biden called for Congress to suspend the federal gas tax for three months. The effort is meant to ease pressures at the pump for consumers during an election year.

Treasury yields plunged across all maturities as fears of an economic recession sent investors into the relative safety of US government debt.

Bond rates maturing in three to seven years saw the biggest declines on Wednesday after Federal Reserve Chair Jerome Powell spoke about his intent to keep lifting rates until inflation is tamed, adding to fears already underfoot that higher borrowing costs will crimp the economy.

The policy sensitive two-year yield was down 12 basis points to about 3.08% at 12:06 p.m. in New York, while 10-year rates sank 11 basis points to 3.16% -- after hovering near 3.5% last week.

Powell repeated Wednesday during his semiannual testimony to the Senate Banking Committee that achieving a soft landing will depend on factors outside of the Fed's control. That helped drive eurodollar futures traders to price in a full 75-basis point Fed hike for the upcoming July meeting.

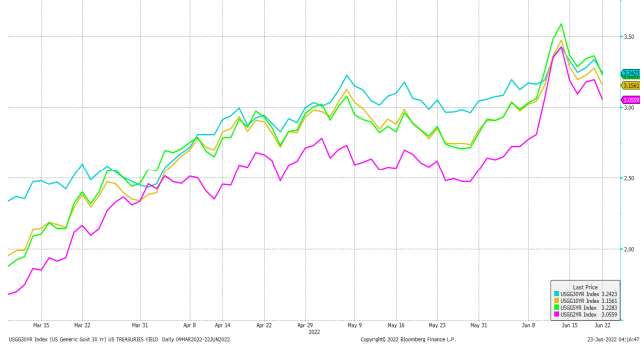
The fall in Treasury rates had begun in European trading, with German bund yield spiraling. In the UK, traders are already betting recession fears will limit the amount that the Bank of England can lift borrowing costs.

(Source: Reuters, Bloomberg)

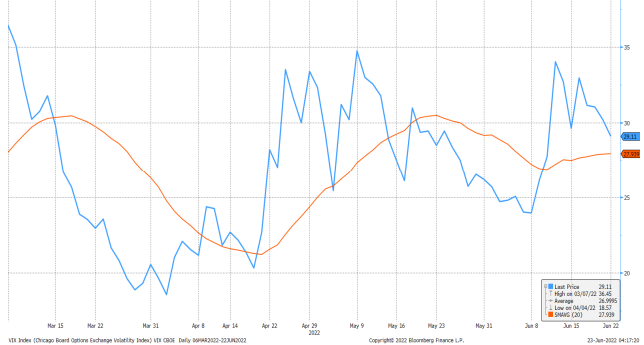
Contract	Close	Change	High	Low
E-Mini Dow SEP 22	30,471.00	-43.00	30,770.00	30,003.00
E-Mini S&P SEP 22	3,762.75	-6.000	3,805.50	3,693.25
E-Mini NASDAQ SEP 22	11,565.75	11,565.75	11,745.75	11,320.50
Micro Russell 2K JUN 22	1690.5	-2.9	1705.5	1658.8
USD Nikkei SEP 22	26,260.0	-250.0	26,555.00	26,005.00
Euro Dollar DEC 22	96.18	0.110	96.19	96.02
US Dollar Index	104.21	-0.223	104.95	103.86
DJIA	30,483.13	-47.120	30,777.92	30,166.01
S&P 500	3,759.89	-4.900	3,801.79	3,717.69
NASDAQ	11,053.08	-16.220	11,216.77	10,938.06
Nikkei 225	26,149.55	-96.760	26,462.83	26,149.17
Hang Seng	21,008.34	-551.250	21,519.58	21,008.34
Straits Times	3,093.31	-24.170	3,132.17	3,092.84
DAX	13,144.28	-148.120	13,206.11	12,965.69
CAC	5,916.63	-48.030	5,938.46	5,834.46
FTSE100	7,089.22	-62.830	7,152.05	7,030.03

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	28.23	24.15	23.10	22.08
E-Mini S&P Futures	35.77	30.52	28.67	27.16
E-Mini Nasdaq Futures	31.20	25.16	25.24	25.54

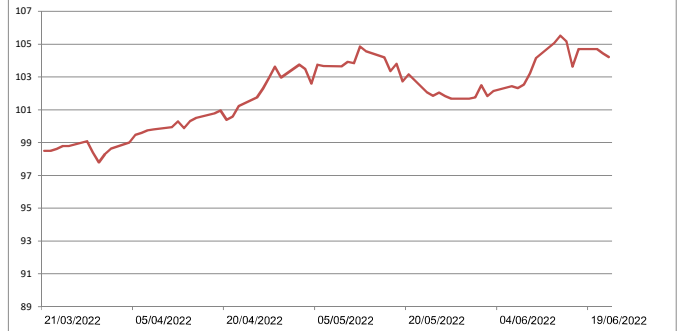
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)

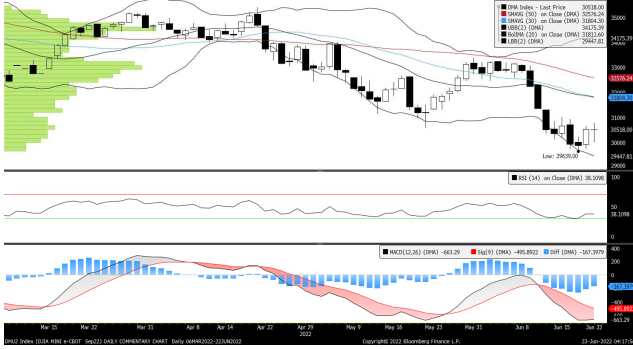


Dollar Index

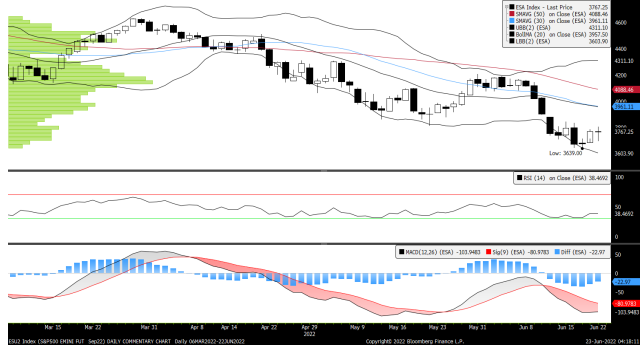


Economic Releases	Period	Survey	Actual	Prior	Revised	
06/22/2022 19:00	MBA Mortgage Applications	Jun-17	--	4.20%	6.60%	--
06/23/2022 20:30	Current Account Balance	1Q	-\$275.0b	--	-\$217.9b	--
06/23/2022 20:30	Initial Jobless Claims	Jun-18	226k	--	229k	--
06/23/2022 20:30	Continuing Claims	Jun-11	1320k	--	1312k	--
06/23/2022 21:45	S&P Global US Manufacturing PMI	Jun P	56	--	57	--
06/23/2022 21:45	S&P Global US Services PMI	Jun P	53.3	--	53.4	--
06/23/2022 21:45	S&P Global US Composite PMI	Jun P	52.9	--	53.6	--
06/23/2022 23:00	Kansas City Fed Manf. Activity	Jun	13	--	23	--
06/24/2022 22:00	U. of Mich. Sentiment	Jun F	50.2	--	50.2	--
06/24/2022 22:00	U. of Mich. Current Conditions	Jun F	55.4	--	55.4	--
06/24/2022 22:00	U. of Mich. Expectations	Jun F	--	--	46.8	--
06/24/2022 22:00	U. of Mich. 1 Yr Inflation	Jun F	--	--	5.40%	--
06/24/2022 22:00	U. of Mich. 5-10 Yr Inflation	Jun F	--	--	3.30%	--
06/24/2022 22:00	New Home Sales	May	590k	--	591k	--
06/24/2022 22:00	New Home Sales MoM	May	-0.20%	--	-16.60%	--
06/27/2022 20:30	Durable Goods Orders	May P	0.10%	--	0.50%	--
06/27/2022 20:30	Durables Ex Transportation	May P	0.40%	--	0.40%	--
06/27/2022 20:30	Cap Goods Orders Nondef Ex Air	May P	--	--	0.40%	--
06/27/2022 20:30	Cap Goods Ship Nondef Ex Air	May P	--	--	0.80%	--
06/27/2022 22:00	Pending Home Sales MoM	May	--	--	-3.90%	--
06/27/2022 22:00	Pending Home Sales NSA YoY	May	--	--	-11.50%	--
06/27/2022 22:30	Dallas Fed Manf. Activity	Jun	--	--	-7.3	--

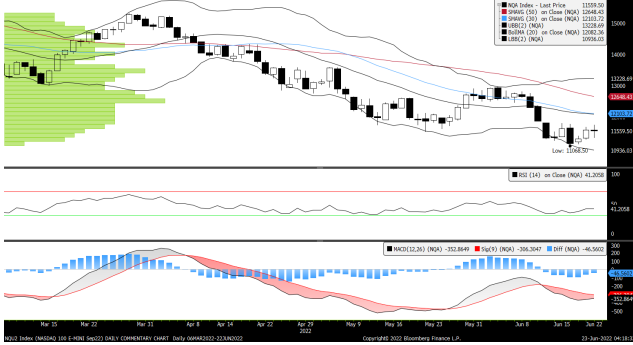
E-Mini Dow Index Futures Daily Chart



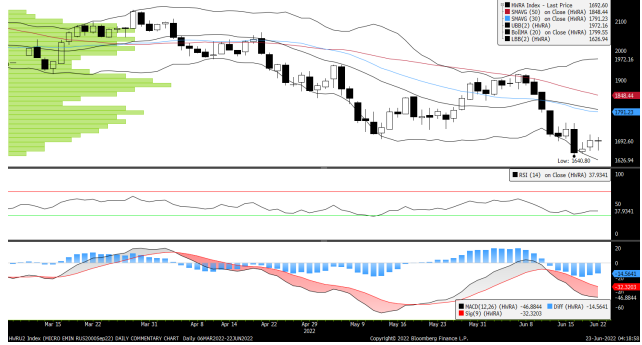
E-Mini S&P 500 Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Technical Analysis

Dow

1st Resistance: 30928 2nd Resistance: 31385
 1st Support: 30014 2nd Resistance: 29557
 MACD: -666.140
 MACD DIFF: -169.706
 RSI: 37.853

S&P

1st Resistance: 3819.19 2nd Resistance: 3875.63
 1st Support: 3706.31 2nd Resistance: 3649.87
 MACD: -104.363174
 MACD DIFF: -23.306939
 RSI: 38.231590

Nasdaq

1st Resistance: 11739.24 2nd Resistance: 11912.72
 1st Support: 11392.26 2nd Resistance: 11218.78
 MACD: -353.731
 MACD DIFF: -47.267
 RSI: 41.074

Micro Russell

1st Resistance: 1715.86 2nd Resistance: 1741.22
 1st Support: 1665.14 2nd Resistance: 1639.79
 MACD: -47.052
 MACD DIFF: -14.698
 RSI: 37.754

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow	30014	30314	29864		29557	29852	29409								
S&P	3706.31	3743.37	3687.78		3649.87	3686.37	3631.62		30928	30619	31083		31385	31071	31542
Nasdaq	11392.26	11506.19	11335.30		11218.78	11330.97	11162.68		3819.19	3781.00	3838.29		3875.63	3836.88	3895.01
Micro Russell	1665.14	1681.79	1656.82		1639.79	1656.18	1631.59		11739.24	11621.84	11797.93		11912.72	11793.60	11972.29
									1715.8575	1698.70	1724.44		1741.215	1723.80	1749.92

Source: Bloomberg

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