

Fundamentals:

Wall Street ended sharply higher on Wednesday after Federal Reserve Chair Jerome Powell said the central bank might scale back the pace of its interest rate hikes as soon as December.

The S&P 500 rallied from an earlier loss and the Nasdaq jumped after the release of Powell's remarks prepared for delivery at the Brookings Institution think tank in Washington.

Powell also cautioned that the fight against inflation was far from over and that key questions remain unanswered, including how high rates will ultimately need to rise and for how long.

Bets that the Fed will reduce the size of its rate hikes, as well as recent data pointing to a mild cooling in inflation, led the benchmark S&P 500 index to its second straight month of gains.

The CME FedWatch Tool showed futures traders seeing a 75% chance that the Fed will raise interest rates by 50 basis points at its December meeting, up from a 65% chance before Powell's comments were released. The FedWatch tool now shows a 25% chance of a 75-basis point increase.

Nvidia rallied more than 8%, Microsoft jumped 6.2% and Apple climbed 4.9%.

Tesla Inc's shares surged 7.7% after China Merchants Bank International said Tesla's sales in China in November were boosted by price cuts and incentives offered on its Model 3 and Model Y.

The S&P 500 climbed 3.09% to end the session at 4,079.97 points.

The Nasdaq gained 4.41% to 11,468.00 points, while Dow Jones Industrial Average rose 2.18% to 34,589.24 points.

The Philadelphia Semiconductor index surged 5.85%, trimming its loss in 2022 to about 28%.

For November, the S&P 500 climbed 5.4%, the Dow added 5.7% and the Nasdaq increased 4.4%.

An ADP National Employment report showed private employment increased by 127,000 in November, below expectations of 200,000 jobs, suggesting demand for labor was cooling amid high interest rates.

The Labor Department's closely watched nonfarm payrolls data is due on Friday. A report showed U.S. job openings falling to 10.334 million in October, against 10.687 million in the prior month.

Another reading showed the U.S. economy rebounded more strongly than initially thought in the third quarter.

The S&P 500 remains down about 14% so far in 2022, while the Nasdaq index has lost about 27%.

Biogen Inc jumped 4.7% after its experimental Alzheimer's drug slowed cognitive decline in a closely watched trial.

U.S. Treasury yields retreated on Wednesday after trading higher for most of the session after Federal Reserve Chair Jerome Powell struck a more dovish tone than the market expected, saying the U.S. central bank could slow the pace of rate hikes as soon as next month.

Fed funds futures on Wednesday raised the chances of a 50 basis-point hike at a policy meeting next month to 89% from 83% just before Powell's comments. For the February meeting, the rates market has factored in a 58% likelihood of another such rate hike.

The peak Fed funds rate slid after Powell's comments to 4.95%, seen hitting in May next year. Before his remarks, that peak rate was at 5.05%, expected at the June meeting.

Powell said on Wednesday the U.S. central bank could ease the pace of interest rate hikes "as soon as December" but warned that the fight against inflation is far from over.

In afternoon trading, the yield on 10-year Treasury notes fell 6.1 basis points to 3.647%. For the month of November, 10-year yields dropped 11.5 bps, the largest monthly decline since July.

The yield on the 30-year Treasury bond slipped to 3.795%.

On the front end of the curve, the two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was down nearly 10 bps at 4.372%. On the month, the two-year yield rose 17 bps, the smallest increase since September 2021.

U.S. five-year yields sank 10 bps to 3.821%, posting a monthly fall of 21.6 bps, the biggest decline since April 2020.

A widely tracked part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes remained inverted at -72.7 bps, narrower following the slew of data released earlier in the session. The inversion of this curve typically precedes recession.

U.S. yields earlier rose after data showed the economy grew more than expected in the third quarter, reinforcing expectations the Fed will continue to raise rates well into next year, though at a slightly slower pace.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
11/30/2022 20:00	MBA Mortgage Applications	Nov-25	--	-0.80%	2.20%	--
11/30/2022 21:15	ADP Employment Change	Nov	200k	127k	239k	--
11/30/2022 21:30	GDP Annualized QoQ	3Q S	2.80%	2.90%	2.60%	--
11/30/2022 21:30	Personal Consumption	3Q S	1.60%	1.70%	1.40%	--
11/30/2022 21:30	GDP Price Index	3Q S	4.10%	4.30%	4.10%	--
11/30/2022 21:30	Core PCE QoQ	3Q S	4.50%	4.60%	4.50%	--
11/30/2022 21:30	Advance Goods Trade Balance	Oct	\$90.6b	\$99.0b	\$92.2b	-\$91.9b
11/30/2022 21:30	Wholesale Inventories MoM	Oct P	0.50%	0.80%	0.60%	--
11/30/2022 21:30	Retail Inventories MoM	Oct	0.50%	-0.20%	0.40%	-0.10%
11/30/2022 22:45	MNI Chicago PMI	Nov	47	37.2	45.2	--
11/30/2022 23:00	Pending Home Sales MoM	Oct	-5.30%	-4.60%	-10.20%	-8.70%
11/30/2022 23:00	Pending Home Sales NSA YoY	Oct	-35.20%	-36.70%	-30.40%	-29.30%
11/30/2022 23:00	JOLTS Job Openings	Oct	10250k	10334k	10717k	10687k
12/01/2022 20:30	Challenger Job Cuts YoY	Nov	--	--	48.30%	--
12/01/2022 21:30	Personal Income	Oct	0.40%	--	0.40%	--
12/01/2022 21:30	Personal Spending	Oct	0.80%	--	0.60%	--
12/01/2022 21:30	Real Personal Spending	Oct	0.50%	--	0.30%	--
12/01/2022 21:30	PCE Deflator MoM	Oct	0.40%	--	0.30%	--
12/01/2022 21:30	PCE Deflator YoY	Oct	6.00%	--	6.20%	--
12/01/2022 21:30	PCE Core Deflator MoM	Oct	0.30%	--	0.50%	--
12/01/2022 21:30	PCE Core Deflator YoY	Oct	5.00%	--	5.10%	--
12/01/2022 21:30	Initial Jobless Claims	Nov-26	235k	--	240k	--
12/01/2022 21:30	Continuing Claims	Nov-19	1570k	--	1551k	--

INDEX FUTURES DAILY PREVIEW

December 1, 2022

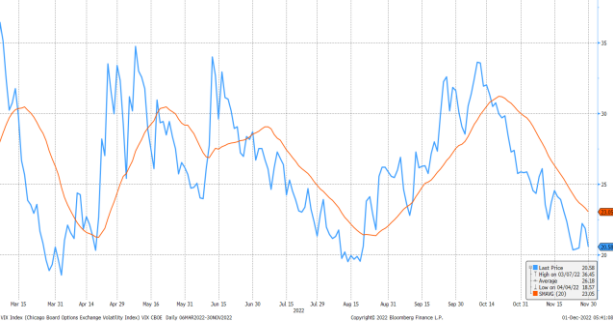
Contract	Close	Change	High	Low
E-Mini Dow DEC 22	34,599.00	764.00	34,647.00	33,623.00
E-Mini S&P DEC 22	4,081.25	130.500	4,093.00	3,942.75
E-Mini NASDAQ DEC 22	12,042.25	549.00	12,076.25	11,497.75
Micro Russell 2K JUN 22	1896	58.2	1897	1821.1
USD Nikkei DEC 22	28,375.0	430.0	28,430.00	27,810.00
Euro Dollar DEC 22	95.10	0.028	95.12	95.06
US Dollar Index	106.03	-0.797	107.20	105.78
DJIA	34,589.77	737.240	34,589.77	33,583.77
S&P 500	4,080.11	122.480	4,080.11	3,938.58
NASDAQ	11,468.00	484.220	11,468.47	10,966.53
Nikkei 225	27,968.99	-58.850	27,972.89	27,802.71
Hang Seng	18,597.23	392.550	18,645.35	18,052.32
Straits Times	3,290.49	14.130	3,290.56	3,270.03
DAX	14,397.04	41.590	14,487.70	14,363.32
CAC	6,738.55	69.580	6,743.60	6,678.75
FTSE100	7,573.05	61.050	7,599.27	7,512.00

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	16.03	20.13	23.03	21.13
E-Mini S&P Futures	21.67	26.63	27.65	25.41
E-Mini Nasdaq Futures	11.60	12.94	16.21	15.39

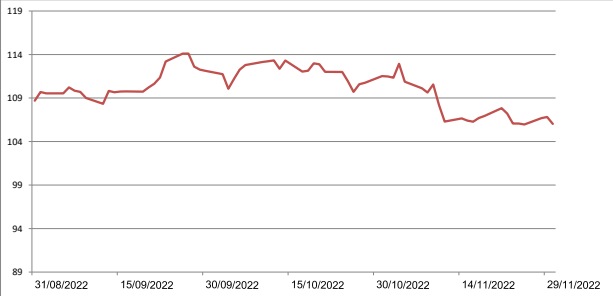
U.S. Government Treasuries Yield



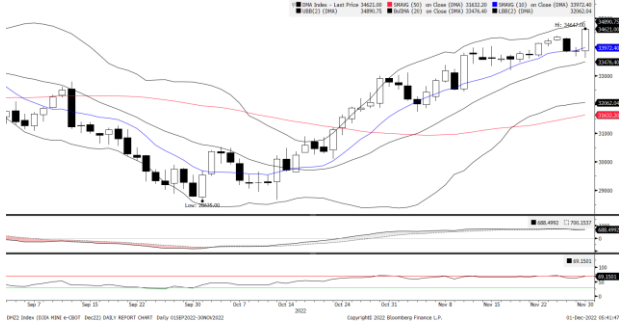
CBOE Volatility Index (VIX)



Dollar Index



E-Mini Dow Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Technical Analysis

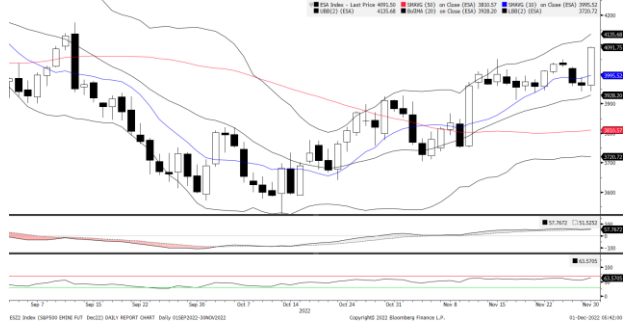
Dow

1st Resistance:	35118	2nd Resistance:	35637	1st Resistance:	4142.47	2nd Resistance:	4203.69
1st Support:	34080	2nd Resistance:	33561	1st Support:	4020.03	2nd Resistance:	3958.81
MACD:	688.267			MACD:	57.815065		
MACD DIFF:	-11.545			MACD DIFF:	6.320839		
RSI:	69.141			RSI:	63.617239		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
Dow	34080	34421	33910	33561	33897	33393
S&P	4020.03	4060.23	3999.93	3958.81	3998.40	3939.02
Nasdaq	11961.62	11980.23	11802.31	11680.98	11797.79	11622.58
Micro Russell	1867.56	1886.24	1858.22	1839.12	1857.51	1829.92

E-Mini S&P 500 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Nasdaq

1st Resistance:	12222.88	2nd Resistance:	12403.52
1st Support:	11861.62	2nd Resistance:	11680.98
MACD:	117.497		
MACD DIFF:	32.380		
RSI:	59.954		

Micro Russell

1st Resistance:	1924.44	2nd Resistance:	1952.88
1st Support:	1867.56	2nd Resistance:	1839.12
MACD:	19.494		
MACD DIFF:	-0.828		
RSI:	59.678		

Source: Bloomberg

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