

Fundamentals:

The S&P 500 extended its losing streak to four sessions as Wall Street ended broadly lower on Wednesday, with investors cautious despite the latest guidance on rate policy from the U.S. central bank showing few surprises.

Minutes from the Federal Reserve's Jan. 31-Feb. 1 meeting said that "almost all" Fed officials agreed to slow the pace of increases in interest rates to a quarter of a percentage point.

There was also solid backing though for the belief that the risks of high inflation remained a "key factor" that would shape monetary policy and further rate hikes would be necessary until it was controlled.

Such messaging carried few surprises versus what the Fed and its governors have been communicating in recent weeks, and stocks were broadly steady in the wake of the minutes' release, after choppy trading prior to their publication.

However, a general weakening in the final hour of trading pushed both the S&P 500 and the Dow Jones Industrial back into the red. The Nasdaq Composite managed to scrape back into positive territory though in the final moments, ensuring its own losing streak was snapped at three.

For the S&P, it is now on its longest negative run since mid-December, and finished below 4,000 points for the second straight day: a level not recorded since Jan. 20.

The Dow fell 84.5 points, or 0.26%, to 33,045.09, the S&P lost 6.29 points, or 0.16%, to 3,991.05 and the Nasdaq added 14.77 points, or 0.13%, to 11,507.07.

Despite the declines experienced by the S&P and the Dow, the falls were not as sharp as Tuesday's, which was the worst daily performance posted by markets in 2023.

Following a market rout in 2022, the three major indexes logged monthly gains in January as investors hoped the Fed would pause its rate hikes and perhaps pivot around year-end.

However, stocks have had a volatile run in February, as traders priced in higher interest rates for longer, assuming that inflation remains higher in a sturdy economy.

Money market participants expect rates to peak at 5.35% by July and stay around those levels till the end of 2023.

Most of the 11 major S&P 500 sectors fell, with energy and real estate the poorest performers. The duo declined 0.8% and 1%, respectively.

The energy index has finished lower for seven straight sessions, as commodity prices have come under pressure from investor concerns over future economic growth and fuel demand.

Meanwhile, CoStar Group Inc fell 5.1% after the online real estate marketplaces provider said it was no longer in talks to buy Realtor.com owner Move Inc from News Corp - which, itself, closed 3.2% lower.

The yield on the 6-month T-bill rose to an almost 16-year high on Wednesday after minutes from the Federal Reserve's last meeting indicated that all policy makers wanted to keep hiking interest rates.

Minutes of the Federal Reserve's Jan. 31-Feb. 1 meeting showed that only a few policy makers wanted to raise rates by a bigger, half-of-a-percentage-point increment than the quarter-point hike that had been delivered. Still, all participants on the rate-setting Federal Open Market Committee continued to expect that ongoing rate increases would be appropriate to achieve the FOMC's objectives.

Yields have surged over the past few weeks -- with the policy-sensitive 2-year yield reaching its highest level since 2007 on Tuesday -- in response to stronger-than-expected economic data that may cause the Fed to keep borrowing costs higher for longer. The Fed's minutes, released on Wednesday, reflect the period before that stream of strong U.S. data came in.

Markets are pricing in a 73% probability that the Fed will raise interest rates by another 25 basis points to a range of 4.75% to 5% on March 22, according to the CME FedWatch tool. The chance of a 50-basis-point hike, which would lift the range to between 5% and 5.25%, is now 27% versus 12% just a week ago.

The central bank is also mostly expected to take its fed-funds rate target to at least 5.25% and 5.5% by July, though there's a slim chance seen that the target could approach 6%, according to 30-day fed-funds futures.

(Source: Reuters, Dow Jones Newswires)

Economic Releases	Period	Survey	Actual	Prior	Revised	
02/22/2023 20:00	MBA Mortgage Applications	Feb-17	--	-13.30%	-7.70%	--
02/22/2023 22:00	Bloomberg Feb. United States Economic Survey	Feb-17	--	--	--	--
02/23/2023 03:00	FOMC Meeting Minutes	Feb-01	--	--	--	--
02/23/2023 21:30	Chicago Fed Nat Activity Index	Jan	-0.25	--	-0.49	--
02/23/2023 21:30	GDP Annualized QoQ	4Q S	2.90%	--	2.90%	--
02/23/2023 21:30	Personal Consumption	4Q S	2.00%	--	2.10%	--
02/23/2023 21:30	GDP Price Index	4Q S	3.50%	--	3.50%	--
02/23/2023 21:30	Core PCE QoQ	4Q S	3.90%	--	3.90%	--
02/23/2023 21:30	Initial Jobless Claims	Feb-18	200k	--	194k	--
02/23/2023 21:30	Continuing Claims	Feb-11	1700k	--	1696k	--
02/24/2023 00:00	Kansas City Fed Manf. Activity	Feb	-3	--	-1	--
02/24/2023 21:30	Personal Income	Jan	1.00%	--	0.20%	--
02/24/2023 21:30	Personal Spending	Jan	1.40%	--	-0.20%	--
02/24/2023 21:30	Real Personal Spending	Jan	1.10%	--	-0.30%	--
02/24/2023 21:30	PCE Deflator MoM	Jan	0.50%	--	0.10%	--
02/24/2023 21:30	PCE Deflator YoY	Jan	5.00%	--	5.00%	--
02/24/2023 21:30	PCE Core Deflator MoM	Jan	0.40%	--	0.30%	--
02/24/2023 21:30	PCE Core Deflator YoY	Jan	4.30%	--	4.40%	--
02/24/2023 23:00	New Home Sales	Jan	620k	--	616k	--
02/24/2023 23:00	New Home Sales MoM	Jan	0.70%	--	2.30%	--
02/24/2023 23:00	U. of Mich. Sentiment	Feb F	66.4	--	66.4	--
02/24/2023 23:00	U. of Mich. Current Conditions	Feb F	72.7	--	72.6	--
02/24/2023 23:00	U. of Mich. Expectations	Feb F	62.5	--	62.3	--
02/24/2023 23:00	U. of Mich. 1 Yr Inflation	Feb F	4.20%	--	4.20%	--
02/24/2023 23:00	U. of Mich. 5-10 Yr Inflation	Feb F	2.90%	--	2.90%	--
02/25/2023 00:00	Kansas City Fed Services Activity	Feb	--	--	-11	--

Contract	Close	Change	High	Low
E-Mini Dow MAR 23	33,079.00	-65.00	33,273.00	32,976.00
E-Mini S&P MAR 23	3,999.00	-5.250	4,025.00	3,983.75
E-Mini NASDAQ MAR 23	12,097.50	8.25	12,190.50	12,034.00
Micro Russell 2K JUN 22	1898.6	5.9	1909.8	1885.4
USD Nikkei MAR 23	27,040.0	-235.0	27,280.00	26,950.00
Euro Dollar MAR 23	94.88	-0.013	94.92	94.88
US Dollar Index	104.55	0.377	104.60	104.01
DJIA	33,045.09	-84.500	33,245.97	32,948.27
S&P 500	3,991.05	-6.290	4,017.37	3,976.90
NASDAQ	11,507.07	14.770	11,582.52	11,445.17
Nikkei 225	27,104.32	-368.780	27,300.53	27,046.08
Hang Seng	20,423.84	-105.650	20,620.98	20,344.86
Straits Times	3,300.04	-6.820	3,309.50	3,291.04
DAX	15,399.89	2.270	15,408.58	15,247.50
CAC	7,299.26	-9.390	7,307.82	7,231.63
FTSE100	7,930.63	-47.120	7,977.75	7,879.03

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	15.78	13.55	15.31	17.20
E-Mini S&P Futures	15.52	16.81	18.58	21.54
E-Mini Nasdaq Futures	8.41	13.48	15.00	14.28

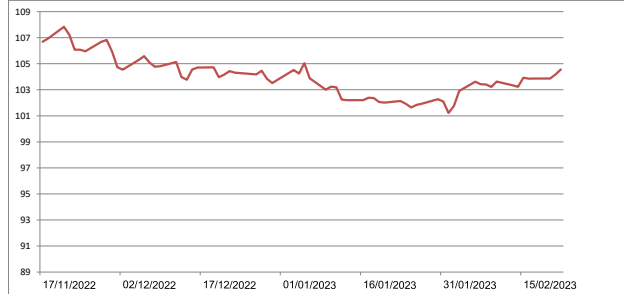
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



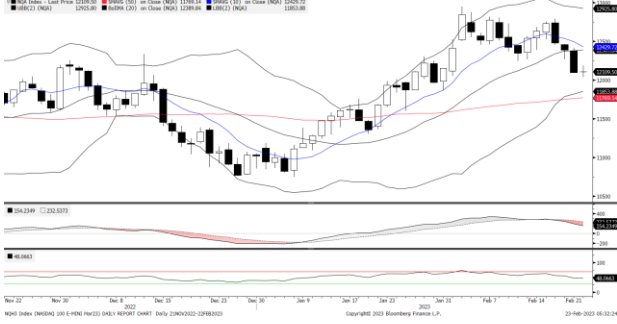
E-Mini Dow Index Futures Daily Chart



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:	33575	2nd Resistance:	34071	1st Resistance:	4058.99	2nd Resistance:	4118.97	1st Resistance:	12278.96	2nd Resistance:	12460.43	1st Resistance:	1927.08	2nd Resistance:	1955.56
1st Support:	32583	2nd Support:	32087	1st Support:	3939.02	2nd Support:	3879.03	1st Support:	11916.04	2nd Support:	11734.58	1st Support:	1870.12	2nd Support:	1841.64
MACD:	-67.315			MACD:	15.388130			MACD:	153.874			MACD:	13.669		
MACD DIFF:	-108.721			MACD DIFF:	-19.947095			MACD DIFF:	-78.614			MACD DIFF:	-10.349		
RSI:	38.410			RSI:	42.860466			RSI:	47.969			RSI:	46.693		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32583	32909	32420	32087	32407	31926	33575	33239	33743	34071	33731	34242
S&P	3939.02	3978.41	3919.32	3879.03	3917.82	3859.63	4058.99	4018.40	4078.28	4118.97	4077.78	4139.56
Nasdaq	11916.04	12035.20	11856.46	11734.58	11851.92	11675.90	12278.96	12156.17	12340.36	12460.43	12335.82	12522.73
Micro Russell	1870.12	1888.82	1860.77	1841.64	1860.06	1832.43	1927.079	1907.81	1936.71	1955.558	1936.00	1965.34

Source: Bloomberg

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