

Fundamentals:

U.S. stocks ended down on Wednesday, paring most of the previous session's strong gains, with tech-focused shares leading the way lower.

Alphabet Inc was the biggest drag on the S&P 500 and Nasdaq. Its shares sank 7.7% after its new AI chatbot Bard delivered an incorrect answer in an online advertisement.

Adding to the cautious mood, Federal Reserve officials on Wednesday said more interest rate rises are in the cards as the U.S. central bank moves ahead with efforts to control inflation. None hinted though that January's strong jobs report could drive more aggressive policy actions.

Fed Governor Christopher Waller said inflation seems poised to continue slowing this year but the U.S. central bank's battle to reach its 2% target "might be a long fight" with monetary policy kept tighter for longer than anticipated.

Stocks rallied on Tuesday following Fed Chair Jerome Powell's session before the Economic Club of Washington, where he said interest rates might need to move higher than expected if the U.S. economy remained strong, but said he felt a process of "disinflation" is under way.

The Nasdaq remains up about 14% for the year to date.

The Dow Jones Industrial Average fell 207.68 points, or 0.61%, to 33,949.01, the S&P 500 lost 46.14 points, or 1.11%, to 4,117.86 and the Nasdaq Composite dropped 203.27 points, or 1.68%, to 11,910.52.

All of the major S&P 500 sectors ended lower on the day, with communication services falling 4.1% and technology down 1.3%. The utilities lost 1.7%.

Investors have been concerned about how aggressive the Fed's actions may be this year following the surprisingly strong U.S. jobs report Friday.

They have also been concerned about mixed reports from U.S. companies this earnings season. With results in from more than half of the S&P 500 companies, earnings still are expected to have declined year-over-year in the fourth quarter of 2022, according to IBES data from Refinitiv.

After the closing bell, shares of entertainment company Walt Disney were up 1.6% following the release of its quarterly results. The stock ended the regular session up 0.1%.

Investors also were digesting comments from President Joe Biden's State of the Union address late Tuesday, when he supported calls to tax corporate share buybacks.

CVS Health Corp ended the session up 3.5% after its \$9.5 billion cash buyout offer for Oak Street Health Inc. Oak Street Health shares rose 4.6%.

U.S. Treasury yields held near one-month highs on Wednesday as investors digested comments by Federal Reserve officials following a surprisingly strong January jobs report last week.

Addressing the jobs data on Tuesday, Fed Chair Jerome Powell left the door open for raising the Fed's benchmark interest rate higher than the 5.00% to 5.25% peak range that the central bank anticipated before the strong employment showing.

New York Federal Reserve President John Williams on Wednesday noted that the Fed has more work to do on rates, but that he still sees a peak rate of 5.25% as "reasonable" with 25-basis-point hike increments currently seen as the best path forward.

U.S. employers added 517,000 jobs in January, while the unemployment rate dropped to a 53-year low at 3.4%, the Labor Department reported on Friday. Meanwhile, average hourly earnings increased 0.3% last month after a rise of 0.4% in December.

Benchmark 10-year yields were last at 3.657%, after earlier reaching 3.692%, the highest since Jan. 6. They are up from a low of 3.333% on Thursday.

Two-year yields, meanwhile, were last at 4.454%, after reaching 4.493% on Monday, also the highest since Jan. 6.

The release of the consumer price index report for January on Feb. 14 will be the next major piece of U.S. economic data. It is expected to show that headline prices rose 0.5% in the month, while core prices increased 0.4%.

The Treasury Department sold \$35 billion in 10-year notes on Wednesday to strong demand, following a weak sale of \$40 billion in three-year notes on Tuesday.

The 10-year notes sold at a high yield of 3.613%, around 3 basis points below where they had traded before the auction. The bid-to-cover ratio was 2.66 times, the highest since February 2022.

Demand for the three-year notes on Tuesday was likely dented by concerns that Powell would take a more hawkish tone on future rate increases, with his comments coming at the same time as the auction.

The Treasury will also sell \$21 billion in 30-year bonds on Thursday.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
02/08/2023 04:00	Consumer Credit	Dec	\$25,000b	\$11,565b	\$27,962b	\$33,107b
02/08/2023 20:00	MBA Mortgage Applications	Feb-03	--	7.40%	-9.00%	--
02/08/2023 23:00	Wholesale Inventories MoM	Dec F	0.10%	0.10%	0.10%	--
02/08/2023 23:00	Wholesale Trade Sales MoM	Dec	-0.20%	0.00%	-0.60%	-1.40%
02/09/2023 21:30	Initial Jobless Claims	Feb-04	190k	--	183k	--
02/09/2023 21:30	Continuing Claims	Jan-28	1660k	--	1655k	--
02/10/2023 23:00	U. of Mich. Sentiment	Feb P	65	--	64.9	--
02/10/2023 23:00	U. of Mich. Current Conditions	Feb P	68	--	68.4	--
02/10/2023 23:00	U. of Mich. Expectations	Feb P	63	--	62.7	--
02/10/2023 23:00	U. of Mich. 1 Yr Inflation	Feb P	4.00%	--	3.90%	--
02/10/2023 23:00	U. of Mich. 5-10 Yr Inflation	Feb P	2.90%	--	2.90%	--
02/10/2023 02:11	Revisions: CPI					
02/11/2023 03:00	Monthly Budget Statement	Jan	-\$55.0b	--	-\$85.0b	--

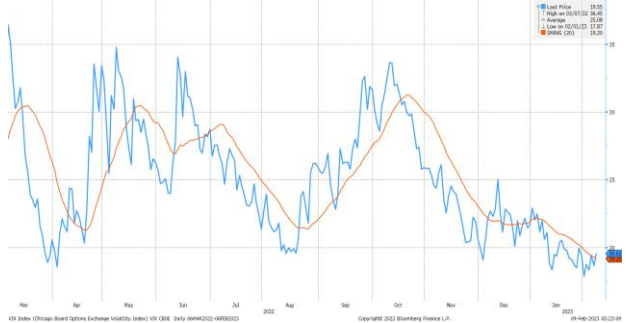
Contract	Close	Change	High	Low
E-Mini Dow MAR 23	33,995.00	-205.00	34,212.00	33,919.00
E-Mini S&P MAR 23	4,130.50	-44.500	4,179.25	4,121.25
E-Mini NASDAQ MAR 23	12,545.25	-226.25	12,808.50	12,512.75
Micro Russell 2K JUN 22	1949.6	-29.7	1978.9	1944.1
USD Nikkei MAR 23	27,420.0	-260.0	27,665.00	27,385.00
Euro Dollar MAR 23	94.94	0.005	94.96	94.93
US Dollar Index	103.48	0.050	103.52	103.00
DJIA	33,949.01	-207.680	34,161.65	33,899.79
S&P 500	4,117.86	-46.140	4,156.85	4,111.67
NASDAQ	11,910.52	-203.270	12,096.39	11,890.09
Nikkei 225	27,606.46	-79.010	27,719.45	27,458.53
Hang Seng	21,283.52	-15.180	21,443.48	21,178.87
Straits Times	3,388.52	7.680	3,393.33	3,372.62
DAX	15,412.05	91.170	15,486.13	15,371.93
CAC	7,119.83	-12.520	7,190.86	7,119.83
FTSE 100	7,885.17	20.460	7,934.30	7,864.66

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	9.83	13.52	14.44	18.63
E-Mini S&P Futures	18.68	17.31	18.08	23.00
E-Mini Nasdaq Futures	6.76	15.60	14.92	15.67

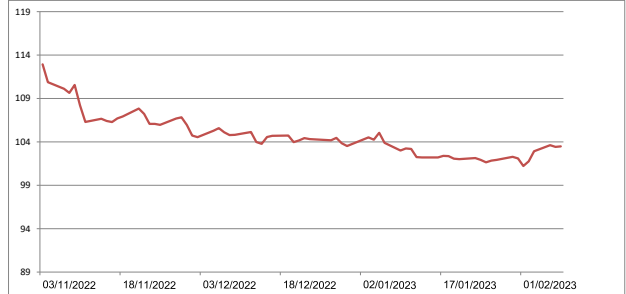
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



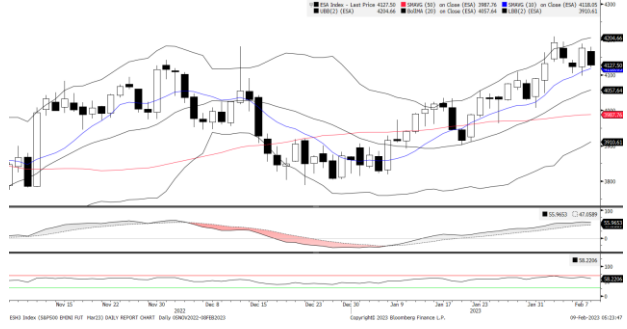
Dollar Index



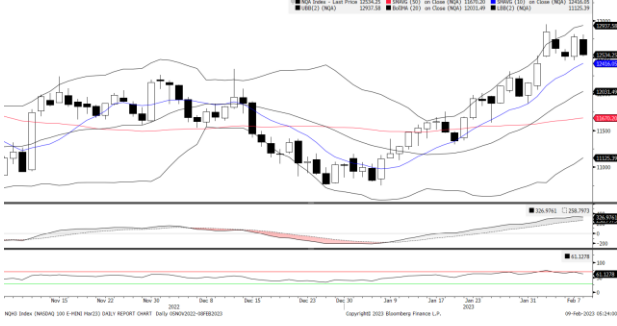
E-Mini Dow Index Futures Daily Chart



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:	34505	2nd Resistance:	35015	1st Resistance:	4192.46	2nd Resistance:	4254.42	1st Resistance:	12733.43	2nd Resistance:	12921.61	1st Resistance:	1978.84	2nd Resistance:	2008.09
1st Support:	33485	2nd Resistance:	32975	1st Support:	4068.54	2nd Resistance:	4006.59	1st Support:	12357.07	2nd Resistance:	12168.89	1st Support:	1920.36	2nd Resistance:	1891.11
MACD:	115.385			MACD:	56.232201			MACD:	328.213			MACD:	39.086		
MACD DIFF:	10.718			MACD DIFF:	9.135580			MACD DIFF:	69.244			MACD DIFF:	4.048		
RSI:	52.751			RSI:	58.625995			RSI:	61.512			RSI:	58.139		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33485	33620	33318	32975	33305	32810	34505	34160	34677	35015	34665	35190
S&P	4068.54	4109.23	4048.20	4006.59	4046.65	3986.55	4192.46	4150.53	4213.42	4254.42	4211.67	4275.69
Nasdaq	12357.07	12480.64	12295.29	12168.89	12290.58	12106.05	12733.43	12606.09	12797.10	12921.61	12792.39	12986.22
Micro Russell	1920.36	1939.56	1910.75	1891.11	1910.02	1881.66	1978.844	1959.06	1988.74	2008.088	1988.01	2018.13

Source: Bloomberg

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