

**Fundamentals:**

U.S. stocks treaded water Monday, with investors awaiting Fed Chair Jerome Powell's congressional testimony on Tuesday and important labor market data at the end of the week.

The S&P 500 inched up 2.78 points, or less than 0.1%, to 4048.42, and the Dow Jones Industrial Average added 40.47 points, or 0.1%, to 33431.44. The Nasdaq Composite slipped 13.27 points, or 0.1%, to 11675.74. Stocks opened the session modestly higher before paring their advance in afternoon trading.

All three major indexes climbed last week, with the Dow breaking a four-week losing streak. The indexes, however, are still down from their recent highs in February, when a string of economic reports suggested that the economy is stronger, and inflation is hotter, than many investors had previously believed.

As a result of those reports, many investors are less confident now that the U.S. will enter a recession this year. But they also have become more concerned that the Fed will leave interest rates higher for longer. That has hurt stocks by in part increasing the relative attractiveness of ultrasafe assets such as U.S. Treasury bills.

It has also raised anxieties that a ramped-up effort by the Fed to bring down inflation might ultimately cause a more painful recession down the road, crimping corporate earnings when a downturn finally does arrive.

Investors are eagerly anticipating Mr. Powell's testimony before Congress on Tuesday and Wednesday because they will be his first public remarks since government agencies reported higher-than-expected inflation data last month. In recent appearances, Mr. Powell has struck relatively optimistic notes that inflation – while still too high and coming down only slowly – is finally in the process of easing toward the Fed's 2% annual target.

Investors will be watching to see whether last month's data has significantly altered Mr. Powell's view. Then on Friday, employment data will provide the most important look yet at how the economy developed in February, with investors counting on a slowdown from the torrid pace of job gains that were reported for January.

Shares of some technology giants, such as Apple and Microsoft, were a bright spot Monday. Apple's stock climbed \$2.80, or 1.9%, to \$153.83. On Sunday, Goldman Sachs analysts started coverage of the shares with a buy rating and a \$199 price target over the next 12 months.

Mining stocks were among the worst performers after China set an economic growth target for this year at 5%, the lowest in more than a quarter-century. Shares in copper and gold mining company Freeport-McMoRan fell \$1, or 2.3%, to \$42.73, while oil services giant Halliburton slipped 3 cents, or 0.1%, to \$38.86.

Yields have steadily climbed in recent weeks after the jobs report for January and other data pointed to a labor market that remains tight, which increased expectations the Fed will have to continue to hike rates.

Fed officials have mostly echoed comments that the central bank may be nearing the end of its rate hike cycle, but will keep rates at elevated levels for an extended period, and could continue to hike if the data supports it.

The yield on 10-year Treasury notes was up 2 basis points to 3.983%.

The 10-year yield reached 4.091% last week, the highest since Nov. 10, while the two-year yield touched 4.944%, its peak in over 15 years, before pulling back on Friday.

This week the Treasury will auction \$40 billion in three-year notes on Tuesday, \$32 billion in 10-year notes on Wednesday and \$18 billion in 30-year bonds on Thursday.

The Federal Reserve Bank of New York said global supply chains have "returned to normal" as pressures have dropped to the lowest since prior to the COVID-19 pandemic, which could indicate inflation continues to ebb.

The February jobs report is expected to show nonfarm payrolls increased by 200,000, after the much stronger-than-expected 517,000 jobs reported in January.

Expectations for a 50-basis point rate hike by the Fed have been slowly inching higher, with traders pricing in a 30.6% chance at the March meeting, per CME's FedWatch Tool, up from 24% one week ago.

The yield on the 30-year Treasury bond US30YT=RR was up 2.6 basis points at 3.913%.

A closely watched part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes, seen as an indicator of economic expectations, was at a negative 91.1 basis points.

The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was up 3.1 basis points at 4.892%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.792%, after closing at 2.796% on Friday, its highest since late August.

The 10-year TIPS breakeven rate was last at 2.508%, indicating the market sees inflation averaging 2.5% a year for the next decade.

(Source: Bloomberg, Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
03/06/2023 23:00	Factory Orders	Jan	-1.80%	-1.60%	1.80%	1.70%
03/06/2023 23:00	Factory Orders Ex Trans	Jan	1.00%	1.20%	-1.20%	--
03/06/2023 23:00	Durable Goods Orders	Jan F	-4.50%	-4.50%	-4.50%	--
03/06/2023 23:00	Durables Ex Transportation	Jan F	0.70%	0.80%	0.70%	--
03/06/2023 23:00	Cap Goods Orders Nondur Ex Air	Jan F	--	0.80%	0.80%	--
03/06/2023 23:00	Cap Goods Ship Nondur Ex Air	Jan F	--	1.10%	1.10%	--
03/07/2023 23:00	Wholesale Inventories MoM	Jan F	-0.40%	--	-0.40%	--
03/07/2023 23:00	Wholesale Trade Sales MoM	Jan	-0.50%	--	0.00%	--
03/08/2023 04:00	Consumer Credit	Jan	\$25.350b	--	\$11.565b	--
03/08/2023 20:00	MBA Mortgage Applications	Mar-03	--	--	-5.70%	--
03/08/2023 21:15	ADP Employment Change	Feb	200k	--	106k	--
03/08/2023 21:30	Trade Balance	Jan	-\$68.7b	--	-\$67.4b	--
03/08/2023 23:00	Revisions: JOLTS					
03/08/2023 23:00	JOLTS Job Openings	Jan	10584k	--	11012k	--
03/09/2023 20:30	Challenger Job Cuts YoY	Feb	--	--	440.00%	--
03/09/2023 21:30	Initial Jobless Claims	Mar-04	195k	--	190k	--
03/09/2023 21:30	Continuing Claims	Feb-25	1660k	--	1655k	--

Contract	Close	Change	High	Low
E-Mini Dow MAR 23	33,451.00	46.00	33,590.00	33,354.00
E-Mini S&P MAR 23	4,052.50	4.500	4,082.50	4,041.75
E-Mini NASDAQ MAR 23	12,323.50	11.75	12,486.25	12,276.25
Micro Russell 2K JUN 22	1902.4	-28.4	1936.9	1893.7
USD Nikkei JUN 23	28,020.0	25.0	28,125.00	27,975.00
Euro Dollar MAR 23	94.92	-0.010	94.94	94.92
US Dollar Index	104.27	-0.248	104.69	104.16
DJIA	33,431.44	40.470	33,572.22	33,383.47
S&P 500	4,048.42	2.780	4,078.49	4,044.61
NASDAQ	11,675.74	-13.270	11,827.92	11,667.48
Nikkei 225	28,237.78	310.310	28,288.62	28,153.82
Hang Seng	20,603.19	35.650	20,702.75	20,410.00
Straits Times	3,239.31	7.290	3,246.44	3,224.95
DAX	15,653.58	75.190	15,677.93	15,587.78
CAC	7,373.21	25.090	7,401.15	7,349.98
FTSE 100	7,929.79	-17.320	7,948.67	7,897.45

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	11.68	12.23	14.50	16.26
E-Mini S&P Futures	12.52	15.43	17.09	20.23
E-Mini Nasdaq Futures	12.02	9.38	14.79	14.05

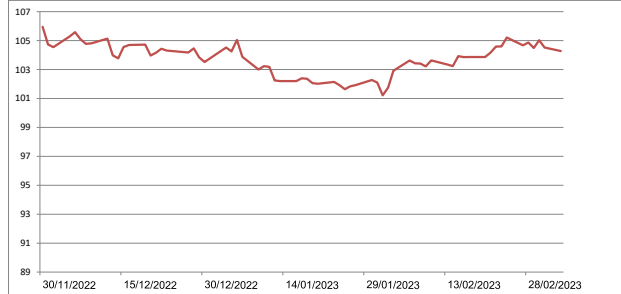
**U.S. Government Treasuries Yield**



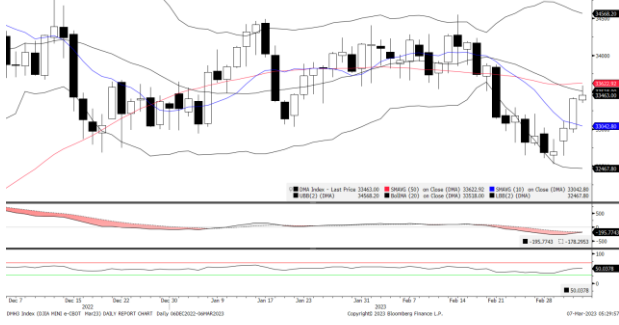
**CBOE Volatility Index (VIX)**



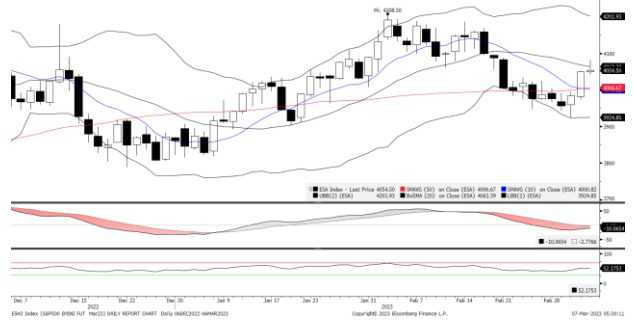
**Dollar Index**



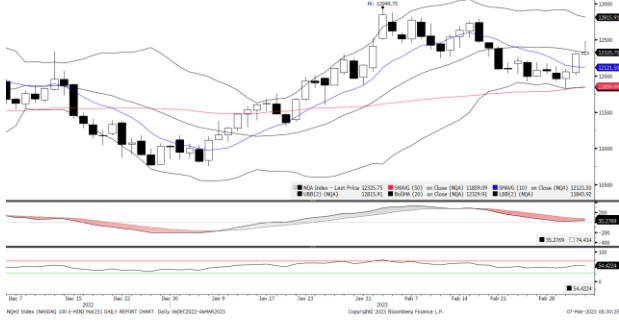
E-Mini Dow Index Futures Daily Chart



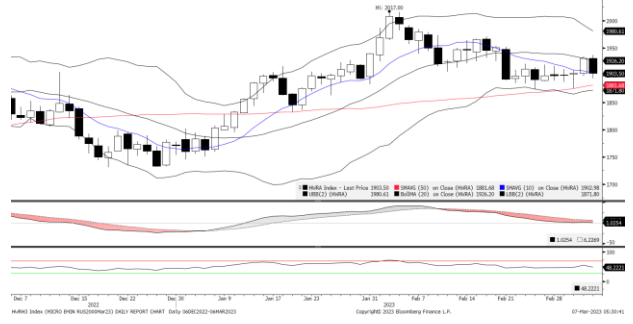
E-Mini S&P 500 Index Futures Daily Chart



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:	33953	2nd Resistance:	34455	1st Resistance:	4113.29	2nd Resistance:	4174.08	1st Resistance:	12508.35	2nd Resistance:	12693.21	1st Resistance:	1930.94	2nd Resistance:	1959.47
1st Support:	32949	2nd Resistance:	32447	1st Support:	3991.71	2nd Resistance:	3930.93	1st Support:	12138.65	2nd Resistance:	11953.80	1st Support:	1873.86	2nd Resistance:	1845.33
MACD:	-196.349			MACD:	-10.143011			MACD:	34.850			MACD:	0.905		
MACD DIFF:	-17.412			MACD DIFF:	-7.277526			MACD DIFF:	-39.240			MACD DIFF:	-5.256		
RSI:	49.992			RSI:	52.137350			RSI:	54.346			RSI:	47.987		

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32949	33279	32784	32447	32772	32285	33953	33613	34123	34455	34110	34627
S&P	3991.71	4031.63	3971.75	3930.93	3970.23	3911.27	4113.29	4072.15	4133.85	4174.08	4132.33	4194.95
Nasdaq	12138.65	12260.03	12077.95	11953.80	12073.33	11894.03	12508.35	12393.27	12570.89	12693.21	12566.27	12756.67
Micro Russell	1873.86	1892.60	1864.49	1845.33	1863.78	1836.10	1930.936	1911.63	1940.59	1959.472	1939.88	1969.27

Source: Bloomberg

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