KENANGA FUTURES SDN BHD Company No. 353603-X

Fundamentals:

U.S. stock indexes clawed back from steep losses to a mixed close on Monday as investors digested Friday's employment report and prepared for an eventful week of inflation data and bank earnings.

Megacap momentum stocks dragged the tech-heavy Nasdaq slightly lower, while industrials helped boost the blue-chip Dow into green territory.

The bellwether S&P 500 ended the session nominally higher.

Economically sensitive transports, semiconductors, small-caps and industrials outperformed the broader market, hinting that the economy is sturdy enough to withstand further rate increases from the Federal Reserve.

The Dow Jones Industrial Average rose 101.23 points, or 0.3%, to 33,586.52 , the S&P 500 gained 4.09 points, or 0.10%, to 4,109.11 and the Nasdaq Composite dropped 3.60 points, or 0.03%, to 12,084.36 .

Of the 11 major sectors of the S&P 500, six ended the session higher, led by industrials. Communication services and utilities suffered the largest percentage losses.

On Friday, a market holiday, the Labor Department released its March jobs report, which showed robust payrolls growth and a welcome but modest wage inflation cool-down.

While the report signaled the Fed's restrictive policy is beginning to have its intended economic dampening effect, it raised the odds that the central bank will move forward with another 25-basis point increase to the Fed funds target rate at the conclusion of its May policy meeting.

At last glance, financial markets have priced in a 72%likelihood of that happening, according to CME's FedWatch tool.

Recent indicators suggest a softening but sturdy economy, one that can withstand hawkish Fed policy as the central bank works to bring inflation closer to its 2% annual target.

Market participants will pay close attention to the consumer (CPI) and producer (PPI) price indexes, expected on Thursday and Friday, respectively, for a more complete picture on the extent to which inflation cooled in March.

On Friday, a trio of big banks - Citigroup Inc, JPMorgan Chase & Co and Wells Fargo & Co - unofficially kick off first-quarter earnings season, and investors will be scrutinizing the reports for clues on the sector's overall health after two U.S. regional banks collapsed in March.

As of Friday, analysts expected aggregate S&P 500 earnings down 5.2% year-on-year, a stark reversal from the 1.4% annual growth expected at the beginning of the quarter, according to Refinitiv.

Shale oil producer Pioneer Natural Resources Co jumped 5.8% following a report that Exxon Mobil Corp held preliminary talks with the company about a potential acquisition.

Charles Schwab Corp gained 4.8% in the wake of the broker's reported second-highest ever influx of client assets in March.

Chip stocks Micron Technology Inc and Western Digital Corp gained 8.0% and 8.2%, respectively, on Samsung Electronics Co Ltd's plans to cut chip production.

U.S. Treasury yields rose on Monday in holiday-thinned trading, as investors continued to price in a 25 basis-point hike by the Federal Reserve at next month's policy meeting following a still-strong U.S. jobs report that offset other weak economic data released earlier last week.

Volume was light with European and UK markets closed for Easter Monday. Market participants said overnight volume in Treasuries was roughly about 30% of the average.

Friday's U.S. nonfarm payrolls report showed an increase of 236,000 jobs last month, while the February data was revised higher to show 326,000 jobs were added instead of the 311,000 reported previously.

Prior to the jobs data, the rate futures market had been betting that the Fed would pause at the May meeting. On Monday, the market priced in a 74% chance the Fed will raise rates by 25 bps.

In afternoon trading, the yield on 10-year Treasury notes was up 3.4 basis points (bps) at 3.417%.

U.S. 30-year Treasury bond yields rose 2.5 bps to 3.628%.

A closely monitored part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes deepened its inversion to -61.4 bps and was last at -59.1 bps.

An inverted yield curve, a scenario in which yields on short-dated debt are higher than those on longer-dated ones, has predicted eight of the last nine recessions.

U.S. two-year yields, which tend to reflect interest rate expectations, climbed to 4.006%.

Bond investors continue to monitor the state of the banking system, with signs that financial stress was easing. Fed data on assets and liabilities of U.S. commercial banks showed that deposits at all commercial banks rose to $17.35 trillion in the week ended March 29, on a nonseasonally-adjustedsted basis, from a downwardly revised $17.31 trillion a week earlier.

It was the first increase since the start of March and a temporary reversal, at least for now, from a record flight of deposits triggered by the collapses of Silicon Valley Bank and Signature Bank toward the middle of last month.

Deposit rates, with the current average savings rate at roughly 0.2% per annum, have not kept up with the surge in the fed funds rate that came with multiple Fed hikes. That low deposit rate has led to deposit outflows.

Data also showed bank borrowings from the Fed eased last week. Total lending at the three main programs aimed at bolstering bank liquidity stood at $323.3 billion as of Wednesday last week, down from $332.7 billion on March 29.

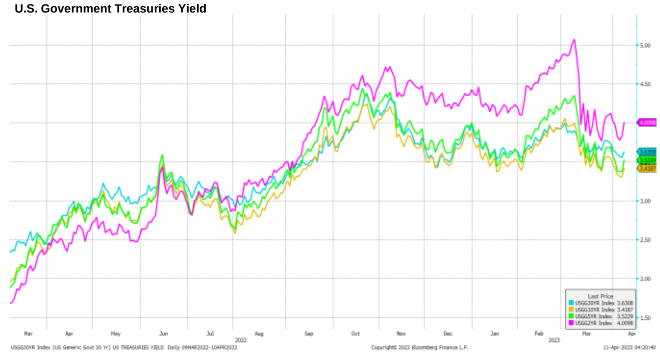
(Source: Reuters)

Economic Releases		Period	Survey	Actual	Prior	Revised
04/10/2023 22:00	Wholesale Inventories MoM	Feb F	0.20%	0.10%	0.20%	--
04/10/2023 22:00	Wholesale Trade Sales MoM	Feb	0.60%	0.40%	1.00%	0.40%
04/11/2023 18:00	NFIB Small Business Optimism	Mar	89.8	--	90.9	--

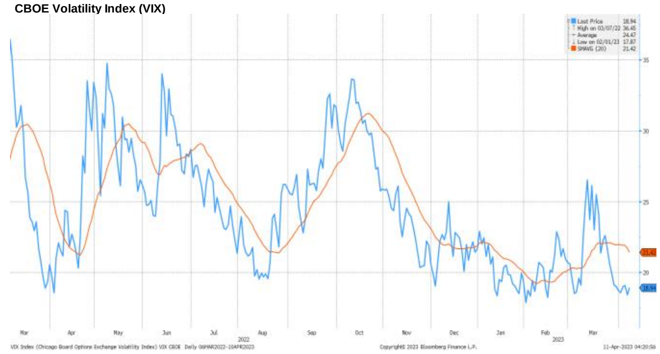
Contract	Close	Change	High	Low
E-Mini Dow JUN 23	33,751.00	121.00	33,784.00	33,508.00
E-Mini S&P JUN 23	4,136.25	8.500	4,143.00	4,098.75
E-Mini NASDAQ JUN 23	13,158.00	-2.50	13,203.25	12,967.50
Micro Russell 2K JUN 22	1788.7	21.9	1788.8	1754.3
USD Nikkei JUN 23	27,920.0	230.0	27,930.00	27,650.00
Euro Dollar SEP 23	95.05	-0.050	95.13	95.02
US Dollar Index	102.55	0.456	102.81	101.99
DJIA	33,586.52	101.230	33,590.24	33,343.43
S&P 500	4,109.11	4.090	4,109.50	4,072.55
NASDAQ	12,084.36	-3.600	12,084.95	11,924.20
Nikkei 225	27,633.66	115.350	27,737.49	27,597.18
Hang Seng	0.00	0.000	0.00	0.00
Straits Times	3,294.43	-6.050	3,311.05	3,288.72
DAX	0.00	0.000	0.00	0.00
CAC	0.00	0.000	0.00	0.00
FTSE100	0.00	0.000	0.00	0.00

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	9.45	15.03	14.19	14.51
E-Mini S&P Futures	10.93	16.64	16.46	16.97
E-Mini Nasdaq Futures	15.81	18.21	15.05	15.54

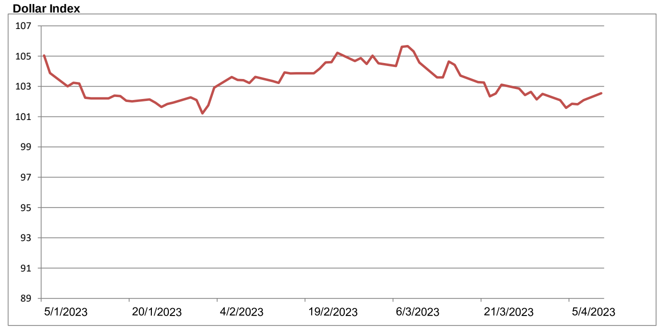
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)

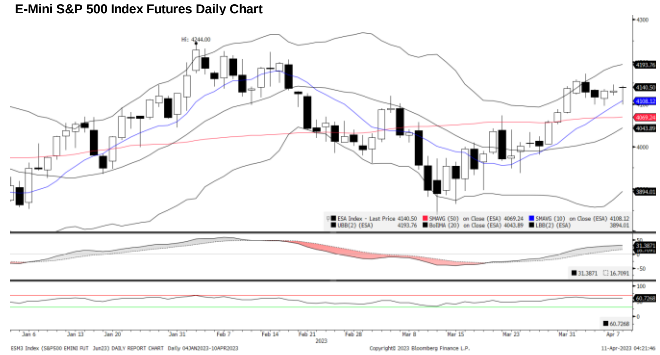


Dollar Index

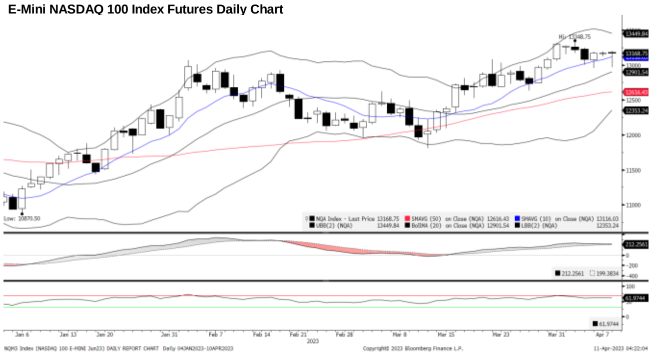


E-Mini Dow Index Futures Daily Chart

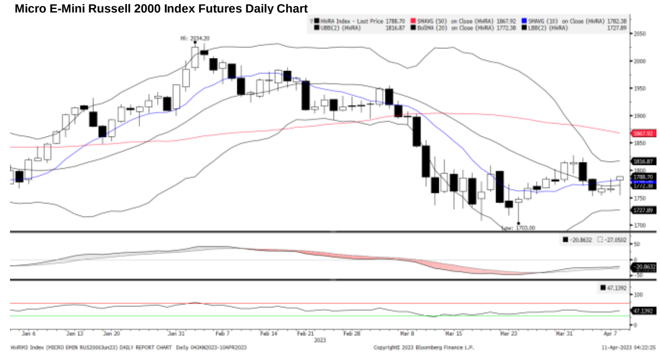
E-Mini S&P 500 Index Futures Daily Chart



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:	34257	2nd Resistance:	34764	1st Resistance:	4198.29	2nd Resistance:	4260.34	1st Resistance:	13355.37	2nd Resistance:	13552.74	1st Resistance:	1815.53	2nd Resistance:	1842.36
1st Support:	33245	2nd Resistance:	32738	1st Support:	4074.21	2nd Resistance:	4012.16	1st Support:	12960.63	2nd Resistance:	12763.26	1st Support:	1761.87	2nd Resistance:	1735.04
MACD:	172.964			MACD:	31.389954			MACD:	212.190			MACD:	-20.863		
MACD DIFF:	158.438			MACD DIFF:	14.676575			MACD DIFF:	12.828			MACD DIFF:	6.187		
RSI:	60.992			RSI:	60.724488			RSI:	61.957			RSI:	47.136		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33245	33577	33079	32738	33066	32575	34257	33915	34429	34764	34416	34937
S&P	4074.21	4114.95	4053.84	4012.16	4052.28	3992.10	4198.29	4156.31	4219.29	4260.34	4217.73	4281.64
Nasdaq	12960.63	13090.24	12895.83	12763.26	12890.89	12699.44	13355.37	13221.82	13422.15	13552.74	13417.21	13620.50
Micro Russell	1761.87	1779.49	1753.06	1735.04	1752.39	1726.36	1815.5305	1797.38	1824.61	1842.361	1823.94	1851.57

Source: Bloomberg

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