

Fundamentals:

Wall Street ended lower on Friday as a barrage of mixed economic data appeared to affirm another Federal Reserve interest rate hike, dampening investor enthusiasm after a series of big U.S. bank earnings launched first-quarter reporting season.

All three major U.S. stock indexes ended in the red, but well off session lows. On the heels of Thursday's robust rally, all three major U.S. stock indexes notched weekly gains.

Citigroup Inc, JPMorgan Chase & Co and Wells Fargo & Co beat earnings expectations, benefiting from rising interest rates and easing fears of stress in the banking system.

The S&P 500 banking sector jumped 3.5% and JPMorgan Chase surged 7.6%, its biggest one-day percentage gain since Nov. 9, 2020.

Citigroup advanced 4.8% while Wells Fargo edged 0.1% lower.

But a slew of mixed economic data including retail sales, industrial production and consumer sentiment cemented expectations that the Fed will hike rates another 25 basis points at next month's policy meeting.

Those expectations were underscored by Atlanta Fed President Raphael Bostic, who said another 25-basis point hike could allow the Fed to end its tightening cycle, even as Chicago Fed President Austan Goolsbee called for the central bank to be prudent.

At last glance, financial markets have priced in a 74% likelihood of that happening, according to CME's FedWatch tool.

The Dow Jones Industrial Average fell 143.22 points, or 0.42%, to 33,886.47; the S&P 500 lost 8.58 points, or 0.21%, at 4,137.64; and the Nasdaq Composite dropped 42.81 points, or 0.35%, to 12,123.47.

Among the 11 major sectors of the S&P 500, seven ended the session lower, with real estate falling most. Financials enjoyed the biggest percentage jump, advancing 1.1%.

First-quarter earnings season hits full stride next week, with results expected from several high profile companies including Goldman Sachs Group Inc, Morgan Stanley, Bank of America Corp, Netflix Inc and a long list of regional banks and industrials.

Analysts have lowered expectations, forecasting aggregate S&P 500 earnings having fallen by 4.8% from a year ago, a reversal of the 1.4% year-on-year gain seen at the beginning of the quarter, according to Refinitiv.

BlackRock Inc rose 3.1% after the world's largest asset manager beat quarterly profit expectations.

Boeing Co slid 5.6% after the planemaker halted deliveries of some 737 MAXs due to a supplier quality problem attributed to Spirit AeroSystems, whose shares fell 20.7%.

Shares of Lucid Group Inc dropped 6.3% following the luxury electric automaker's disappointing first-quarter production and delivery numbers.

U.S. Treasury yields rose on Friday as a mixed batch of data suggested that the world's largest economy is not slowing quickly enough to deter the Federal Reserve from raising interest rates yet again at the next policy meeting.

Data showed U.S. retail sales dropped 1.0% last month. Economists polled by Reuters had forecast a 0.4% decline. But February numbers were revised to show sales falling 0.2% instead of the 0.4% slide.

Core retail sales also slipped in March, but they were up in January and February. Despite March's fall, the rise in January and February has placed consumer spending firmly on pace to expand in the first quarter.

At the same time, U.S. consumer sentiment edged higher this month to 63.5, according to the University of Michigan's preliminary survey for April. Households though expected inflation to rise over the next 12 months. The survey's reading of one-year inflation expectations rose to 4.6%, from 3.6% in March.

Comments by Fed Governor Christopher Waller on Friday, saying higher borrowing costs were needed to restore inflation to the Fed's 2% target, further raised the rate-increase outlook and reduced bets of easing this year.

Data also showed U.S. import prices fell more than expected in March, resulting in the biggest year-on-year decline since mid-2020, offering further evidence that inflation pressures are subsiding.

Following the data, U.S. rate futures have priced in a more than 80% chance of a 25-bps hike next month. That probability was about 70% late on Thursday.

In midday trading, U.S. 10-year yields climbed 6.4 bps to 3.513%. On the week, 10-year yields posted their best gain since mid-February.

U.S. 30-year yields rose 5.8 bps to 3.743%. For the week, the yields had their largest increase in two months.

On the short end of the curve, U.S. two-year yields also gained, rising 11.6 bps to 4.092%.

The U.S. yield curve, meanwhile, deepened its inversion on Friday, suggesting traders believe there could be another hike coming after the May meeting. The spread between the U.S. two-year and 10-year yields widened to -58.20 bps, from -52.80 bps late Thursday.

The inversion of this curve typically signals looming recession, predicting eight of the last nine slowdowns.

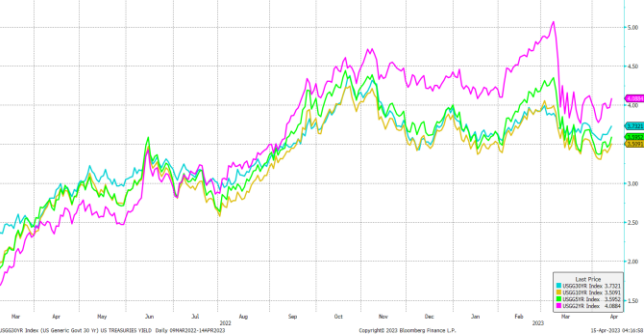
Chicago Fed President Austan Goolsbee said on Friday a recession in the United States this year was certainly feasible as the Fed's rate-hike moves fully filter through the economy.

Economic Releases	Period	Survey	Actual	Prior	Revised	
04/14/2023 20:30	Import Price Index MoM	Mar	-0.10%	-0.60%	-0.10%	-0.20%
04/14/2023 20:30	Import Price Index ex Petroleum MoM	Mar	0.00%	-0.60%	-0.40%	-0.30%
04/14/2023 20:30	Import Price Index YoY	Mar	-4.10%	-4.60%	-1.10%	--
04/14/2023 20:30	Export Price Index MoM	Mar	0.00%	-0.30%	0.20%	0.40%
04/14/2023 20:30	Export Price Index YoY	Mar	--	-4.80%	-0.80%	--
04/14/2023 20:30	Retail Sales Advance MoM	Mar	-0.50%	-1.00%	-0.40%	-0.20%
04/14/2023 20:30	Retail Sales Ex Auto MoM	Mar	-0.40%	-0.80%	-0.10%	0.00%
04/14/2023 20:30	Retail Sales Ex Auto and Gas	Mar	-0.60%	-0.30%	0.00%	--
04/14/2023 20:30	Retail Sales Control Group	Mar	-0.50%	-0.30%	0.50%	--
04/14/2023 21:15	Industrial Production MoM	Mar	0.20%	0.40%	0.00%	0.20%
04/14/2023 21:15	Capacity Utilization	Mar	79.10%	79.80%	78.00%	79.60%
04/14/2023 21:15	Manufacturing (SIC) Production	Mar	-0.10%	-0.50%	0.10%	0.60%

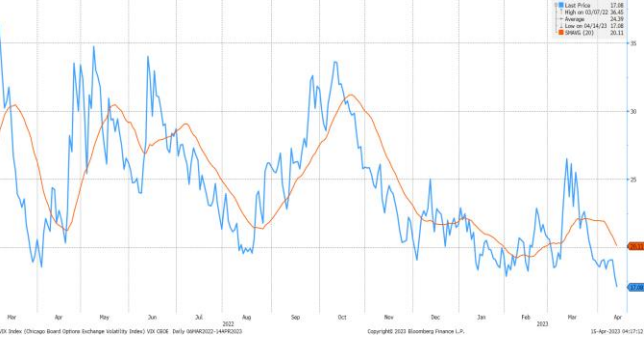
Contract	Close	Change	High	Low
E-Mini Dow JUN 23	34,037.00	-92.00	34,275.00	33,877.00
E-Mini S&P JUN 23	4,163.75	1.250	4,189.00	4,138.00
E-Mini NASDAQ JUN 23	13,181.25	-3.25	13,255.00	13,058.00
Micro Russell 2K JUN 22	1796.9	-11.8	1819.4	1779.1
USD Nikkei JUN 23	28,530.0	140.0	28,625.00	28,365.00
Euro Dollar SEP 23	94.97	-0.145	95.12	94.93
US Dollar Index	101.57	0.558	101.75	100.79
DJIA	33,886.47	-143.220	34,082.94	33,730.85
S&P 500	4,137.64	-8.580	4,163.19	4,113.20
NASDAQ	12,123.47	-42.800	12,205.72	12,026.55
Nikkei 225	28,493.47	336.500	28,515.51	28,282.82
Hang Seng	20,438.81	94.330	20,482.68	20,297.16
Straits Times	3,302.66	8.120	3,315.85	3,300.82
DAX	15,807.50	78.040	15,841.47	15,760.32
CAC	7,519.61	38.780	7,533.41	7,491.43
FTSE100	7,871.91	28.530	7,904.04	7,843.38

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	7.70	14.75	13.39	14.34
E-Mini S&P Futures	8.85	16.27	15.77	16.64
E-Mini Nasdaq Futures	13.95	18.05	14.24	15.75

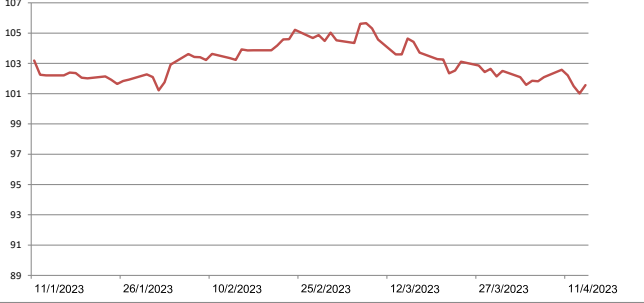
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



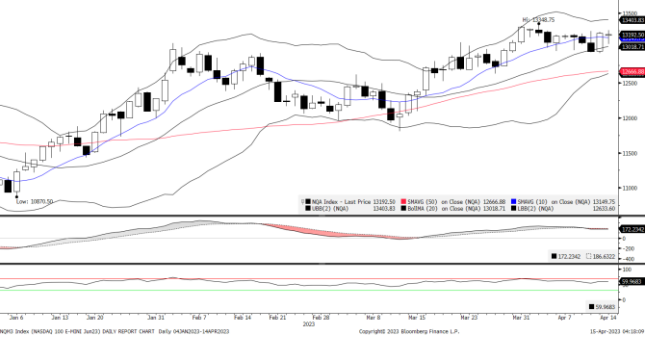
Dollar Index



E-Mini Dow Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Technical Analysis

Dow				S&P			
1st Resistance:	34548	2nd Resistance:	35058	1st Resistance:	4226.21	2nd Resistance:	4288.66
1st Support:	33526	2nd Resistance:	33016	1st Support:	4101.29	2nd Resistance:	4038.84
MACD:	274.862			MACD:	36.228891		
MACD DIFF:	125.944			MACD DIFF:	9.478633		
RSI:	64.067			RSI:	63.533108		

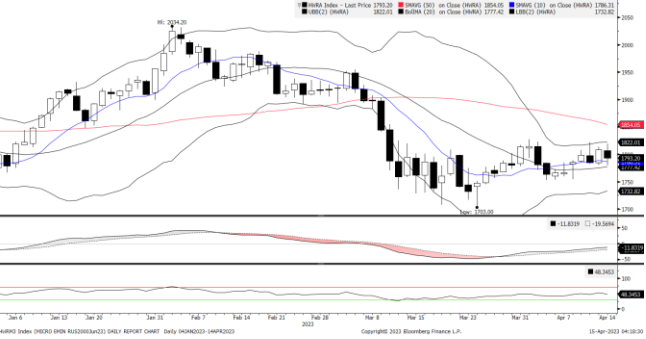
Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:
Dow	33526	33862	33359		33016	33346	32851
S&P	4101.29	4142.31	4080.79		4038.84	4079.23	4018.64
Nasdaq	12983.53	13113.37	12918.61		12785.81	12913.67	12721.88
Micro Russell	1769.95	1787.65	1761.10		1742.99	1760.42	1734.28

E-Mini S&P 500 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Nasdaq				Micro Russell			
1st Resistance:	13378.97	2nd Resistance:	13576.69	1st Resistance:	1823.85	2nd Resistance:	1850.81
1st Support:	12983.53	2nd Resistance:	12785.81	1st Support:	1769.95	2nd Resistance:	1742.99
MACD:	173.347			MACD:	-11.536		
MACD DIFF:	-13.502			MACD DIFF:	7.973		
RSI:	60.510			RSI:	49.052		

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.