

Fundamentals:

Major U.S. stock indexes posted modest gains on Monday, helped by financial and industrial shares, while investors braced for a heavy week of corporate results and comments from Federal Reserve officials that could give more insight into the path of interest rates.

Markets are gauging the health of corporate profits and the economy after several banks kicked off first-quarter reports with strong results last week.

Meanwhile, the New York Fed said on Monday its barometer of manufacturing activity in New York State increased for the first time in five months in April, helping solidify the case for the U.S. central bank to raise rates at its meeting next month.

The Dow Jones Industrial Average rose 100.71 points, or 0.3%, to 33,987.18; the S&P 500 gained 13.68 points, or 0.33%, at 4,151.32; and the Nasdaq Composite added 34.26 points, or 0.28%, at 12,157.72.

Among S&P 500 sectors, financials rose 1.1%, industrials gained 0.8% while the lower-weighted real estate group increased 2.2%. Energy fell 1.3%.

Shares of Google parent Alphabet Inc dropped 2.7%, weighing on the S&P 500 and Nasdaq, after a report that South Korea's Samsung Electronics was considering replacing Google with Microsoft-owned Bing as the default search engine on its devices.

Investors are awaiting more reports from major U.S. banks this week, including Goldman Sachs Group Inc, Bank of America Corp and Morgan Stanley, after heavyweights including JP Morgan Chase & Co reaped windfalls from higher interest payments last week.

Other companies due to report this week include Johnson & Johnson, Tesla Inc and Netflix Inc.

S&P 500 company earnings are expected to have declined 4.8% in the first quarter from the year-earlier period, according to Refinitiv IBES data.

Investors are also seeking to gauge the outlooks from executives following a banking crisis last month that some expect could hasten an economic downturn.

U.S. Treasury yields rose on Monday, with a slew of Fed speakers due later in the week. The U.S. central bank is widely seen raising rates by 25 basis points to the 5%-5.25% range next month.

In company news, State Street Corp shares fell 9.2% after the financial services provider's quarterly profit missed analysts' estimates, hurt by a fall in fee income.

U.S. Treasury yields rose on Monday as investors watched Federal Reserve speakers for any new guidance on whether the U.S. central bank is likely to stop hiking rates after an expected increase in May.

Softening inflation data has added to expectations that the Fed is closer to ending its tightening cycle and the economy is expected to slow as a result of higher rates.

Growth remains relatively solid for now, however, indicating that a recession is unlikely at least for the near term. That could keep the Fed on a tightening path, or at least likely to maintain rates at high levels.

Investors will focus on comments from Fed speakers this week for any new indications on whether further rate hikes are likely after May. The officials will enter into a blackout period from April 22 ahead of the Fed's May 2-3 meeting.

Fed Governor Christopher Waller said on Friday that U.S. central bankers "haven't made much progress" in returning inflation to their 2% target and need to move interest rates higher still.

The head of the Bank of International Settlements also said on Monday that to avoid a long-term "high-inflation regime" rates may need to stay higher and for longer than previously thought, even at the expense of slowing down economies.

Yields rose on Friday after some components of retail sales data for March were not as weak as feared, even though sales fell during the month. The data also still pointed to a strong first quarter.

Yields hit session highs on Monday after the NY Empire State Manufacturing index unexpectedly rose in April. Other data showed that confidence among U.S. single-family homebuilders improved for a fourth straight month in April.

Yields were also due for a bounce after dropping sharply in March. Benchmark 10-year yields rose 7 basis points to 3.591% on Monday, and are up from a seven-month low of 3.253% on April 6.

Two-year yields gained 9 basis points to 4.188%. The yield curve between two-year and 10-year notes was last at minus 60 basis points.

Meanwhile, some investors and analysts expect the economy to be further hurt by tighter lending standards following the collapse of two regional banks including Silicon Valley Bank in mid-March.

Goldman Sachs said in a report dated April 14 that it has lowered its Treasury yield expectations as it anticipates slower growth as a result of tighter credit conditions, which the bank's economists estimate will lower gross domestic product growth by 0.4% over the year.

Goldman now expects 10-year yields to end the year at 3.9%, down from its previous forecast of around 4.2%.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
04/17/2023 20:30	Empire Manufacturing	Apr	-18	10.8	-24.6	--
04/17/2023 22:00	NAHB Housing Market Index	Apr	45	45	44	--
04/18/2023 04:00	Net Long-term TIC Flows	Feb	--	\$71.0b	\$31.9b	--
04/18/2023 04:00	Net Net TIC Flows	Feb	--	\$28.0b	\$183.1b	\$183.2b
04/18/2023 04:30	Housing Starts	Mar	1400k	--	1450k	--
04/18/2023 20:30	Building Permits	Mar	1450k	--	1524k	1550k
04/18/2023 20:30	Housing Starts MoM	Mar	-3.50%	--	9.80%	--
04/18/2023 20:30	Building Permits MoM	Mar	-6.50%	--	13.80%	15.80%
04/18/2023 20:30	New York Fed Services Business Activity	Apr	--	--	-10.1	--
04/19/2023 19:00	MBA Mortgage Applications	Apr-14	--	--	5.30%	--

Contract	Close	Change	High	Low
E-Mini Dow JUN 23	34,129.00	102.00	34,148.00	33,938.00
E-Mini S&P JUN 23	4,176.75	15.250	4,180.50	4,148.00
E-Mini NASDAQ JUN 23	13,186.50	9.50	13,218.00	13,076.75
Micro Russell 2K JUN 22	1816.7	25	1817.5	1793.3
USD Nikkei JUN 23	28,625.0	105.0	28,635.00	28,445.00
Euro Dollar JUN 23	94.63	-0.020	94.66	94.61
US Dollar Index	102.10	0.544	102.23	101.53
DJIA	33,987.18	100.710	33,991.23	33,796.91
S&P 500	4,151.32	13.680	4,151.72	4,123.18
NASDAQ	12,157.72	34.250	12,159.02	12,064.10
Nikkei 225	28,514.78	21.310	28,599.75	28,414.98
Hang Seng	20,782.45	343.640	20,864.74	20,299.15
Straits Times	3,319.26	16.600	3,319.26	3,299.28
DAX	15,789.53	-17.970	15,903.25	15,764.38
CAC	7,498.18	-21.430	7,552.00	7,498.07
FTSE100	7,879.51	7.600	7,916.67	7,871.91

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	6.86	13.75	13.34	14.36
E-Mini S&P Futures	8.26	15.53	15.60	16.65
E-Mini Nasdaq Futures	13.53	18.04	14.14	15.74

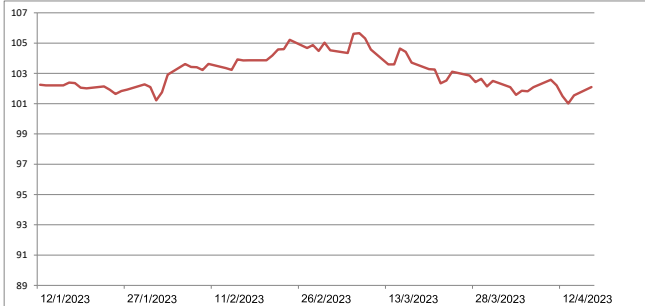
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



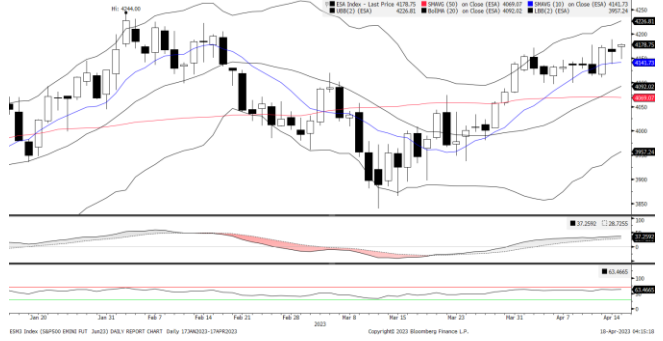
Dollar Index



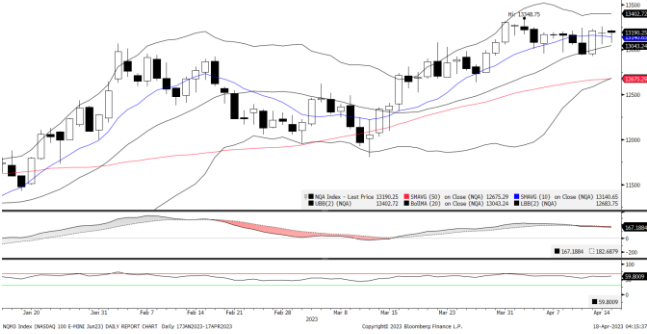
E-Mini Dow Index Futures Daily Chart



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:	34641	2nd Resistance:	35153	1st Resistance:	4239.40	2nd Resistance:	4302.05	1st Resistance:	13384.30	2nd Resistance:	13582.10	1st Resistance:	1843.95	2nd Resistance:	1871.20
1st Support:	33617	2nd Resistance:	33105	1st Support:	4114.10	2nd Resistance:	4051.45	1st Support:	12988.70	2nd Resistance:	12790.91	1st Support:	1789.45	2nd Resistance:	1762.20
MACD:	287.827			MACD:	37.275747			MACD:	167.175			MACD:	-8.766		
MACD DIFF:	111.906			MACD DIFF:	8.551217			MACD DIFF:	-15.417			MACD DIFF:	8.862		
RSI:	64.081			RSI:	63.483419			RSI:	59.810			RSI:	52.962		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33617	33953	33449	33105	33436	32940	34641	34295	34814	35153	34801	35329
S&P	4114.10	4155.24	4093.53	4051.45	4091.96	4031.19	4239.40	4197.01	4260.60	4302.05	4259.03	4323.56
Nasdaq	12988.70	13118.59	12923.76	12790.91	12918.81	12726.95	13384.30	13250.45	13451.22	13582.10	13446.27	13650.01
Micro Russell	1789.45	1807.34	1780.50	1762.20	1779.82	1753.39	1843.9505	1825.51	1853.17	1871.201	1852.49	1880.56

Source: Bloomberg

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