

Fundamentals:

The Nasdaq closed lower on Monday, underperforming the S&P 500 and the Dow, with pressure from high-profile megacaps as investors awaited results from companies including Microsoft while Tesla shares fell on concerns about its spending plans.

Tesla Inc finished down 1.5% after the automaker raised its 2023 capital expenditure forecast to ramp up output, making it the second biggest drag on the benchmark S&P 500 behind Microsoft Corp.

Shares in Microsoft, up more than 17% so far this year, were under pressure Monday as investors appeared anxious about its results, due out on Tuesday. Another heavyweight laggard was Amazon.com Inc, which is on deck to report this week along with Alphabet Inc, and Meta Platforms Inc.

A rally in these stocks has supported Wall Street this year, so investors are worried about whether the gains can continue given the gloomy economic outlook.

Frederick also pointed to anxiety about upcoming economic data such as first-quarter growth and inflation readings.

The Dow Jones Industrial Average rose 66.44 points, or 0.2%, to 33,875.4 while the S&P 500 gained 3.52 points, or 0.09%, at 4,137.04. The Nasdaq Composite dropped 35.25 points, or 0.29%, to 12,037.20.

Among the S&P 500's 11 major sectors, energy was the strongest, rising 1.5%, while technology was the weakest, down 0.4%.

U.S. stocks have largely held steady through the start of the earnings season on stronger-than-expected results from big banks, allaying concerns about a contagion from the regional banking crisis in March.

Of the 90 S&P 500 companies that have reported first-quarter results so far, nearly 77% have topped analysts' estimates compared with the long-term average beat rate of 66%, as per Refinitiv IBES data.

Early readings of first-quarter U.S. GDP, personal consumer expenditure index (PCE) for March, and April consumer confidence are among the data scheduled for release this week.

Mixed data last week cemented bets of a 25-basis-point rate hike by the Federal Reserve in May, with money market traders pricing in a 92% chance of such a move, according to CME Group's Fedwatch tool. Fed policymakers said in the past week that the central bank has more work to do to bring down inflation.

U.S. Treasury yields eased following recent signs of slowing inflation and economic activity, though investors appeared increasingly concerned about a government spending stand-off and the potential for the United States to hit its debt ceiling sooner than expected.

U.S. House of Representatives Speaker Kevin McCarthy said the House would vote on his spending and debt bill this week.

Amazon fell 0.7% while Meta pared earlier losses to close off just 0.04%. Google's parent Alphabet managed a 0.5% gain. AT&T Inc, which reported disappointing results on Thursday, deepened last week's losses with a 3.8% drop on Monday.

Also dragging on the S&P 500 was air conditioner maker Carrier Global Corp, which closed down 7.3% after reports, citing unidentified sources, said it was in advanced talks to acquire German industrial manufacturer Viessmann for more than \$12 billion including debt.

In the penny-stock department, shares in once-popular home goods retailer Bed Bath & Beyond tumbled 35.7% to 19 cents after it declared bankruptcy on Sunday. Retail rivals including Target Corp and Walmart Inc gained 1.1% and 0.7% respectively on Monday.

After closing up 12.2%, First Republic Bank shares lost ground in after-the-bell trading following the closely watched regional bank's quarterly report, which showed its deposits fell 41% in the first quarter.

The stock was last down almost 87% year-to-date as the U.S. banking crisis sent investors to the exits.

One-month Treasury yields rose from their lowest levels since October on Monday as investors appeared to grow increasingly concerned about a potential standoff over the U.S. debt ceiling.

The yield of the one-month Treasury, which started the month near 4.7%, gained 9 basis points to 3.45%. Three-month Treasuries, meanwhile, fell 6 basis points to 5.05%, roughly in line with where they were trading in mid-April.

Bond yields move in the opposite direction of prices.

U.S. tax collections are currently trending roughly 30% below last year's level, raising the possibility that the United States will reach its borrowing limit as soon as the first half of June rather than later in the summer, according to Goldman Sachs Global Investment Research.

The House of Representatives is expected to vote on a Republican-led debt and spending bill this week.

Market concerns over a debt default pushed the price of insuring Treasury debt through credit-default swaps to their highest levels in over a decade last week.

The yield on 10-year Treasury notes was down 5.7 basis points to 3.515%, while the yield on the 30-year Treasury bond was down 4.9 basis points to 3.729%.

The Chicago Fed National Activity Index slipped 0.19 in March, the same decline it posted in February, and slightly above market expectations for a 0.20 decline. The April reading of the Dallas Fed Manufacturing Index, meanwhile, was -23.4, nearly double the -12.0 economists were predicting and down from -15.7 in March.

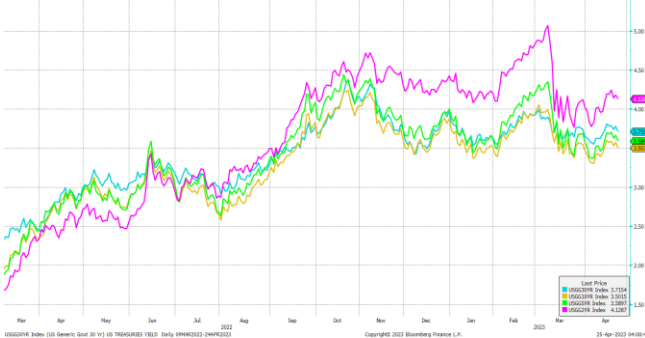
A closely watched part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes, seen as an indicator of economic expectations, was at -62.8 basis points.

The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was down 4.9 basis points

Contract	Close	Change	High	Low
E-Mini Dow JUN 23	34,001.00	48.00	34,024.00	33,775.00
E-Mini S&P JUN 23	4,159.50	1.250	4,164.25	4,133.50
E-Mini NASDAQ JUN 23	13,056.50	-37.25	13,134.00	12,967.25
Micro Russell 2K JUN 22	1795.4	-6	1809.8	1788
USD Nikkei JUN 23	28,740.0	25.0	28,765.00	28,580.00
Euro Dollar JUN 23	94.63	-0.005	94.63	94.61
US Dollar Index	101.36	-0.458	101.91	101.33
DJIA	33,875.40	66.440	33,891.15	33,726.09
S&P 500	4,137.04	3.520	4,142.41	4,117.77
NASDAQ	12,037.20	-35.260	12,103.58	11,960.30
Nikkei 225	28,593.52	29.150	28,680.65	28,567.24
Hang Seng	19,959.94	-115.790	20,146.37	19,734.68
Straits Times	3,324.55	2.730	3,326.88	3,307.78
DAX	15,863.95	-17.710	15,919.11	15,831.10
CAC	7,573.86	-3.140	7,581.26	7,545.60
FTSE100	7,912.20	-1.930	7,927.11	7,877.58

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	7.51	11.65	13.21	14.00
E-Mini S&P Futures	8.80	12.63	15.25	16.33
E-Mini Nasdaq Futures	9.20	15.39	14.08	15.72

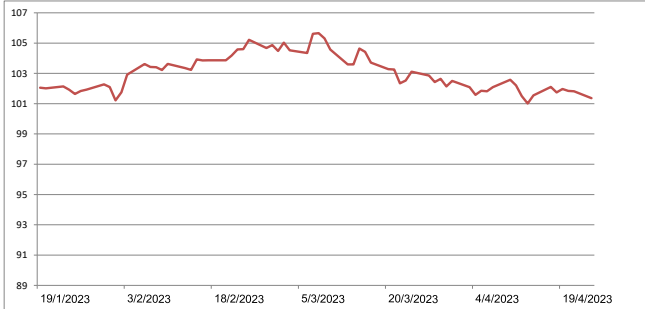
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index

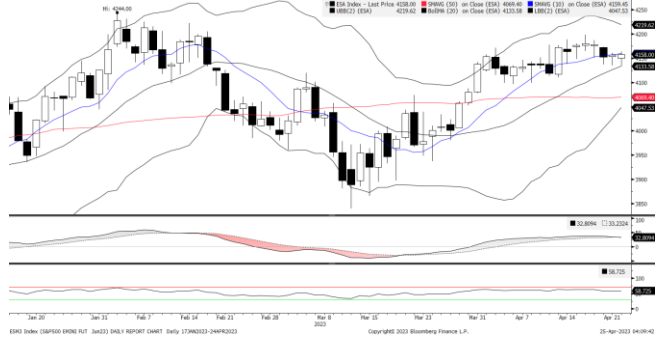


Economic Releases	Period	Survey	Actual	Prior	Revised
04/24/2023 20:30 Chicago Fed Nat Activity Index	Mar	-0.2	-0.19	-0.19	--
04/24/2023 22:00 Revisions: Retail Sales, Inventories					
04/24/2023 22:30 Dallas Fed Manf. Activity	Apr	-12	-23.4	-15.7	--

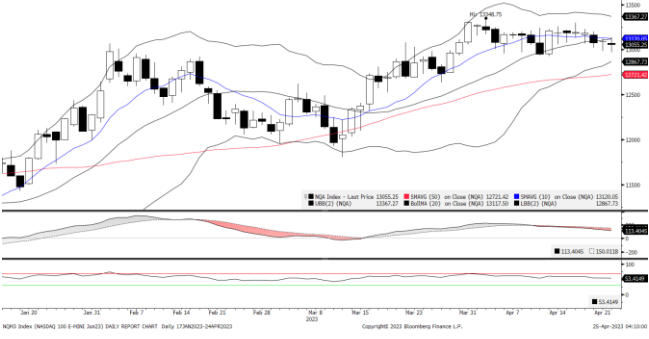
E-Mini Dow Index Futures Daily Chart



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:	34511	2nd Resistance:	35021	1st Resistance:	4221.89	2nd Resistance:	4284.29	1st Resistance:	13252.35	2nd Resistance:	13448.20	1st Resistance:	1822.33	2nd Resistance:	1849.26
1st Support:	33491	2nd Support:	32981	1st Support:	4097.11	2nd Support:	4034.72	1st Support:	12860.65	2nd Support:	12664.81	1st Support:	1768.47	2nd Support:	1741.54
MACD:	257.142			MACD:	32.787152			MACD:	113.215			MACD:	-3.958		
MACD DIFF:	15.622			MACD DIFF:	-0.437820			MACD DIFF:	-36.696			MACD DIFF:	4.967		
RSI:	59.843			RSI:	58.677941			RSI:	53.348			RSI:	48.334		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33491	33826	33324	32981	33311	32816	34511	34166	34684	35021	34671	35196
S&P	4097.11	4138.08	4076.62	4034.72	4075.06	4014.54	4221.89	4179.67	4243.00	4284.29	4241.44	4305.71
Nasdaq	12860.65	12989.26	12796.35	12664.81	12791.45	12601.48	13252.35	13119.82	13318.61	13448.20	13313.71	13515.44
Micro Russell	1768.47	1786.15	1759.63	1741.54	1758.95	1732.83	1822.331	1804.11	1831.44	1849.262	1830.77	1858.51

Source: Bloomberg

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