

**Fundamentals:**

The S&P 500 ended higher on Monday, lifted by energy stocks following surprise cuts to the OPEC+ group's oil output targets, while Tesla tumbled after its electric vehicle deliveries for the first quarter disappointed investors.

Tesla Inc dropped 6.1% after disclosing March-quarter deliveries rose just 4% from the previous quarter, even after CEO Elon Musk slashed car prices in January to boost demand.

The S&P 500 energy sector index surged 4.9% after Saudi Arabia and other OPEC+ oil producers announced unexpected output cuts that could push oil prices toward \$100 a barrel. Chevron Corp, Exxon Mobil Corp and Occidental Petroleum Corp all rallied more than 4%.

However, the prospect of higher oil costs added to inflation worries on Wall Street just days after evidence of cooling prices raised expectations that the U.S. Federal Reserve might soon end its aggressive monetary tightening campaign.

The Dow was lifted in part by a 4.6% rally in UnitedHealth Group Inc on better-than-proposed Medicare Advantage rates for 2024.

Investors worried about inflation drew comfort from surveys by the Institute for Supply Management and S&P Global that reflected weakness in manufacturing activity in March.

Interest rate futures imply 56% odds the Fed will raise rates by 25 basis points at its meeting in May, and 44% odds it will keep interest rates unchanged, according to CME Group's Fedwatch tool.

The S&P 500 climbed 0.37% to end the session at 4,124.49 points.

The Nasdaq declined 0.27% to 12,189.45 points, while the Dow Jones Industrial Average rose 0.98% to 33,601.15 points.

Despite turbulence in the global banking sector, the S&P 500 jumped 7% in the first quarter and the tech-heavy Nasdaq rallied 17%.

First-quarter earnings season is around the corner, with big banks among the first to report in coming weeks and offer details about the sector's overall health after the March collapse of Silicon Valley Bank sparked a fears of a broader industry crisis.

Treasury yields retreated on Monday after data showing U.S. manufacturing activity slumped to the lowest level in nearly three years increased expectations that the Federal Reserve will cut interest rates later this year as the economy slows.

The yield on two-year Treasury notes, which typically moves in step with interest rate expectations, fell 8.8 basis points to 3.974% after the Institute for Supply Management (ISM) said new orders continued to contract.

It was the fifth straight month that the PMI remained below the 50 threshold, which indicates contraction in manufacturing, increasing market expectations the U.S. economy is headed into a recession.

Yields had risen earlier after a surprise cut in OPEC+ crude production announced on Sunday renewed market concerns about high inflation.

Crude traded more than 6% higher on the decision, which could push oil prices toward \$100 a barrel, making it harder for inflation to slow and potentially less likely that the Fed cuts rates.

Fed funds futures showed the likelihood that the Fed raises rates by 25 basis points on May 3 when policymakers conclude a two-day meeting increased to 59.7% from 48.4% on Friday, CME's FedWatch Tool shows. But the likelihood of a rate cut later in the year also rose.

The outlook for higher oil prices initially took some of the gloss from a bond rally on Friday, but not everyone saw the announcement causing a big impact on inflation as adherence to production cuts by OPEC members often has been lacking.

The yield on 10-year notes fell 6.6 basis points to 3.425%.

Yields slid on Friday after the Fed's preferred gauge of inflation, the PCE price index, came in softer than expected for February at 5.0% on an annualized basis.

Fed funds also raised the market outlook for the target rate to 4.973% in May, while prices for December suggest the Fed cuts the rate to 4.316%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.472%.

The 10-year TIPS breakeven rate was last at 2.3%, indicating the market sees inflation averaging about 2.4% a year for the next decade.

The U.S. dollar 5 years forward inflation-linked swap, seen by some as a better gauge of inflation expectations due to possible distortions caused by the Fed's quantitative easing, was last at 2.453%.

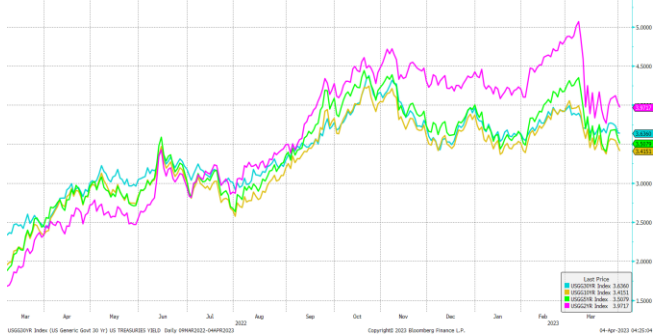
(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
04/03/2023 21:45	S&P Global US Manufacturing PMI	Mar F	49.3	49.3	--
04/03/2023 22:00	Construction Spending MoM	Feb	0.00%	-0.10%	0.40%
04/03/2023 22:00	ISM Manufacturing	Mar	47.5	46.3	--
04/03/2023 22:00	ISM Prices Paid	Mar	51.1	49.2	--
04/03/2023 22:00	ISM Employment	Mar	--	46.9	--
04/03/2023 22:00	ISM New Orders	Mar	47.5	44.3	--
04/04/2023 22:00	JOLTS Job Openings	Feb	10500k	--	10824k
04/04/2023 22:00	Factory Orders	Feb	-0.50%	--	-1.60%
04/04/2023 22:00	Factory Orders Ex Trans	Feb	0.00%	--	-1.20%
04/04/2023 22:00	Durable Goods Orders	Feb F	-1.00%	--	-1.00%
04/04/2023 22:00	Durables Ex Transportation	Feb F	0.00%	--	0.00%
04/04/2023 22:00	Cap Goods Orders Nondef Ex Air	Feb F	--	--	0.20%
04/04/2023 22:00	Cap Goods Ship Nondef Ex Air	Feb F	--	--	0.00%
04/03/2023 04:04	Wards Total Vehicle Sales	Mar	14.50m	--	14.89m

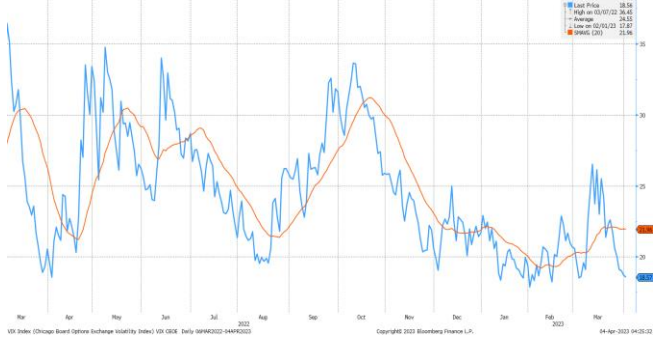
Contract	Close	Change	High	Low
E-Mini Dow JUN 23	33,786.00	319.00	33,821.00	33,436.00
E-Mini S&P JUN 23	4,153.75	16.500	4,157.75	4,122.75
E-Mini NASDAQ JUN 23	13,270.00	-37.00	13,278.75	13,154.00
Micro Russell 2K JUN 22	1814.6	1.1	1827.4	1793.1
USD Nikkei JUN 23	28,270.0	-5.0	28,340.00	28,110.00
Euro Dollar SEP 23	95.12	0.000	95.15	95.01
US Dollar Index	102.05	-0.458	103.06	101.98
DJIA	33,601.15	327.000	33,632.90	33,245.78
S&P 500	4,124.51	15.200	4,127.66	4,098.79
NASDAQ	12,189.45	-32.460	12,196.34	12,086.52
Nikkei 225	28,188.15	146.670	28,258.91	28,120.71
Hang Seng	20,409.18	9.070	20,475.43	20,226.95
Straits Times	3,281.08	22.180	3,287.44	3,263.36
DAX	15,580.92	-47.920	15,659.35	15,553.90
CAC	7,345.96	23.570	7,362.39	7,332.64
FTSE100	7,673.00	41.260	7,698.15	7,631.74

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	13.52	15.47	14.33	15.13
E-Mini S&P Futures	14.55	16.95	16.64	17.91
E-Mini Nasdaq Futures	12.45	17.84	15.39	15.67

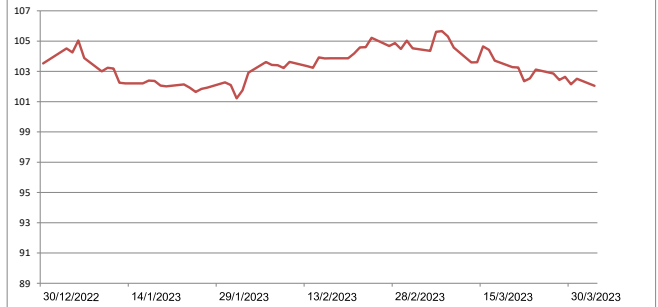
**U.S. Government Treasuries Yield**



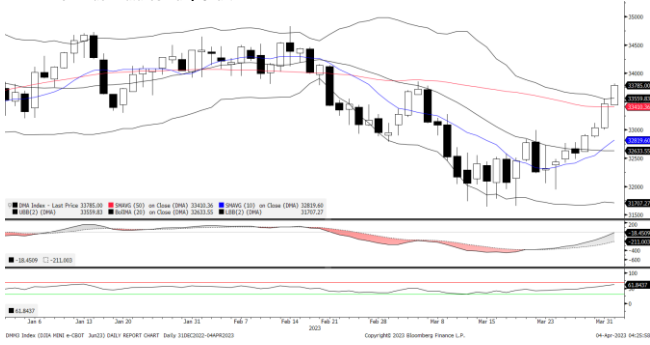
**CBOE Volatility Index (VIX)**



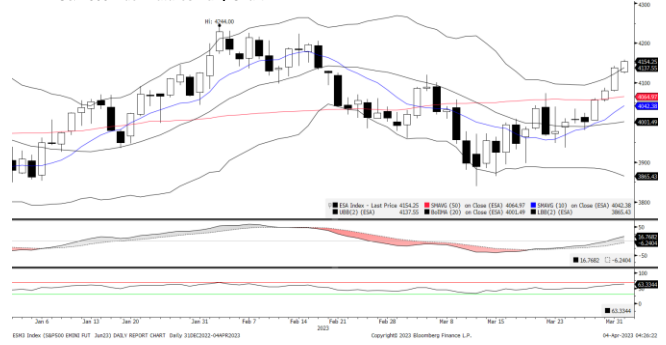
**Dollar Index**



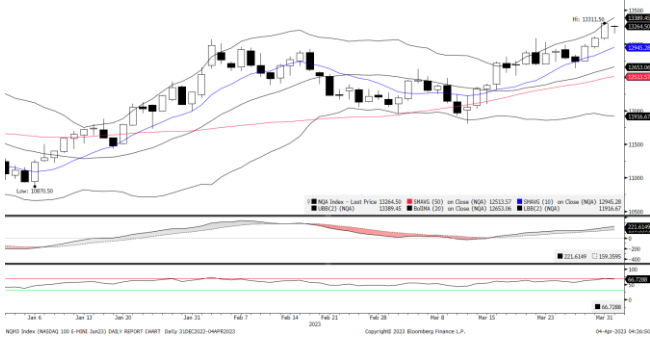
**E-Mini Dow Index Futures Daily Chart**



**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:	34293	2nd Resistance:	34800	1st Resistance:	4216.06	2nd Resistance:	4278.36	1st Resistance:	13469.05	2nd Resistance:	13668.10	1st Resistance:	1841.82	2nd Resistance:	1869.04
1st Support:	33279	2nd Resistance:	32772	1st Support:	4091.44	2nd Resistance:	4029.14	1st Support:	13070.95	2nd Resistance:	12871.90	1st Support:	1787.38	2nd Resistance:	1760.16
MACD:	-18.891			MACD:	16.756502			MACD:	221.578			MACD:	-25.632		
MACD DIFF:	192.151			MACD DIFF:	23.014158			MACD DIFF:	62.298			MACD DIFF:	9.649		
RSI:	61.771			RSI:	63.325892			RSI:	66.736			RSI:	49.734		

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33279	33612	33113	32772	33100	32609	34293	33950	34464	34800	34452	34974
S&P	4091.44	4132.36	4070.99	4029.14	4069.43	4008.99	4216.06	4173.90	4237.14	4278.36	4235.58	4299.75
Nasdaq	13070.95	13201.66	13005.60	12871.90	13000.62	12807.54	13469.05	13334.36	13536.40	13668.10	13531.42	13736.44
Micro Russell	1787.38	1805.25	1778.44	1760.16	1777.76	1751.36	1841.819	1823.40	1851.03	1869.038	1850.35	1878.38

Source: Bloomberg

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