

**Fundamentals:**

Wall Street's main indexes ended with slim gains in a holiday-shortened session on Monday, helped by a surge in Tesla and strength in bank shares as the second half of the year kicked off on a subdued note.

Tesla shares jumped 6.9% as the electric vehicle maker said it delivered a record number of vehicles in the second quarter.

Shares of major banks gained after the companies raised dividends as they sailed through the Federal Reserve's annual health check. Wells Fargo shares rose 1.7%, Citigroup shares climbed 1.5%, while the S&P 500 banks index ended up 1.5%.

Trading volumes were lighter than average as the stock market closed at 1 p.m. ET ahead of the July 4th Independence Day holiday on Tuesday.

The Dow Jones Industrial Average rose 10.87 points, or 0.03%, to 34,418.47; the S&P 500 gained 5.21 points, or 0.12%, at 4,455.59; and the Nasdaq Composite added 28.85 points, or 0.21%, at 13,816.77.

While nine of the 11 S&P 500 sectors rose, healthcare fell the most, dropping 0.8%, while the heavyweight technology sector fell 0.3%.

Stocks ended higher on Friday, closing out a strong first-half of the year for major equity indexes. The Nasdaq Composite posted its biggest first-half gain in 40 years, rising 31.7%.

Outsized gains for megacap stocks have led indexes this year, but recent signs have shown a broadening rally.

A widely watched section of the U.S. Treasury yield curve hit its deepest inversion on Monday since 1981, reflecting financial markets' concerns about the economy.

U.S. manufacturing slumped further in June, a survey showed, reaching levels last seen when the economy was reeling from the initial wave of the COVID-19 pandemic.

U.S. Treasury yields rose modestly in light trading on Monday, reversing course after briefly losing ground following economic data that showed the manufacturing sector continues to slump.

Yields moved lower after the Institute for Supply Management (ISM) said that its manufacturing PMI dropped to 46.0 last month, the lowest reading since May 2020, from 46.9 in May. The reading marked the eighth straight month below the 50 level, indicating contraction, the longest streak since the Great Recession from 2007 to 2009.

But the decline was short-lived, and the yield on 10-year Treasury notes was up 3.9 basis points to 3.858%.

A separate reading on manufacturing from S&P Global for June came in at 46.3, matching an earlier preliminary reading, while May construction spending rose 0.9%, above the 0.6% estimate, as a severe shortage of inventory of single-family homes has spurred construction.

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 a negative 107.9 basis points.

The spread had earlier reached its deepest inversion since 1981.

The yield on the 30-year Treasury bond was up 2.2 basis points to 3.876%.

Monday's trading was set for an early close ahead of the U.S. Independence Day holiday on Tuesday, leading to thin trading.

The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was up 5.7 basis points at 4.934%.

Markets are still widely expecting the Federal Reserve to hike interest rates at its next policy meeting on July 25-26, with odds of a 25-basis point hike at 86.2%, according to CME's FedWatch Tool.

Comments last week from several Fed officials, including Chair Jerome Powell, heightened the view that the central bank would raise interest rates at the end of the month after pausing its rate hike cycle in June.

While the economic data on Monday signaled a continued softness in manufacturing, it could also help tamp down high prices.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.248%, after closing at 2.208% on Friday.

The 10-year TIPS breakeven rate was last at 2.262%, indicating the market sees inflation averaging 2.3% a year for the next decade.

Economic Releases	Period	Survey	Actual	Prior	Revised	
07/03/2023 21:45	S&P Global US Manufacturing PMI	Jun F	46.3	46.3	46.3	--
07/03/2023 22:00	Construction Spending Revisions					
07/03/2023 22:00	Construction Spending MoM	May	0.60%	0.90%	1.20%	0.40%
07/03/2023 22:00	ISM Manufacturing	Jun	47.1	46	46.9	--
07/03/2023 22:00	ISM Prices Paid	Jun	44	41.8	44.2	--
07/03/2023 22:00	ISM Employment	Jun	--	48.1	51.4	--
07/03/2023 22:00	ISM New Orders	Jun	--	45.6	42.6	--
07/03/2023 07:04	Wards Total Vehicle Sales	Jun	15.40m	--	15.05m	--
07/05/2023 22:00	Factory Orders	May	0.80%	--	0.40%	--
07/05/2023 22:00	Factory Orders Ex Trans	May	--	--	-0.20%	--
07/05/2023 22:00	Durable Goods Orders	May F	1.70%	--	1.70%	--
07/05/2023 22:00	Durables Ex Transportation	May F	0.60%	--	0.60%	--
07/05/2023 22:00	Cap Goods Orders Nondel Ex Air	May F	--	--	0.70%	--
07/05/2023 22:00	Cap Goods Ship Nondel Ex Air	May F	--	--	0.20%	--
07/06/2023 02:00	FOMC Meeting Minutes	Jun-14	--	--	--	--
07/06/2023 19:00	MBA Mortgage Applications	Jun-30	--	--	3.00%	--
07/06/2023 19:30	Challenger Job Cuts YoY	Jun	--	--	286.70%	--
07/06/2023 20:15	ADP Employment Change	Jun	225k	--	278k	--
07/06/2023 20:30	Trade Balance	May	-\$69.0b	--	-\$74.6b	--
07/06/2023 20:30	Initial Jobless Claims	Jul-01	245k	--	239k	--
07/06/2023 20:30	Continuing Claims	Jun-24	1740k	--	1742k	--

Contract	Close	Change	High	Low
E-Mini Dow SEP 23	34,637.00	-6.00	34,688.00	34,510.00
E-Mini S&P SEP 23	4,492.25	4.000	4,494.00	4,479.50
E-Mini NASDAQ SEP 23	15,364.75	27.75	15,392.00	15,308.00
Micro Russell 2K JUN 22	1911.1	7.4	1919.6	1898.2
USD Nikkei SEP 23	33,675.0	180.0	33,880.00	33,470.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	102.99	0.078	103.27	102.75
DJIA	34,418.47	10.870	34,465.60	34,286.54
S&P 500	4,455.59	5.210	4,456.46	4,442.29
NASDAQ	13,816.77	28.850	13,839.09	13,773.41
Nikkei 225	33,753.33	564.290	33,762.81	33,510.55
Hang Seng	19,306.59	390.160	19,371.71	19,002.55
Straits Times	3,207.10	1.190	3,219.49	3,200.85
DAX	16,081.04	-66.860	16,209.29	16,070.49
CAC	7,386.70	-13.360	7,426.60	7,386.70
FTSE100	7,527.26	-4.270	7,561.26	7,513.93

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	8.49	10.99	11.31	12.49
E-Mini S&P Futures	11.17	11.31	12.13	13.80
E-Mini Nasdaq Futures	18.78	21.38	17.89	17.59

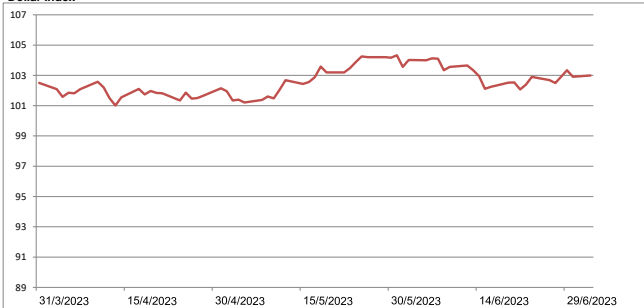
**U.S. Government Treasuries Yield**



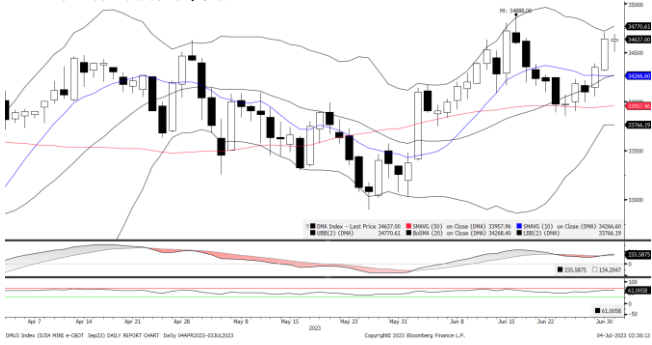
**CBOE Volatility Index (VIX)**



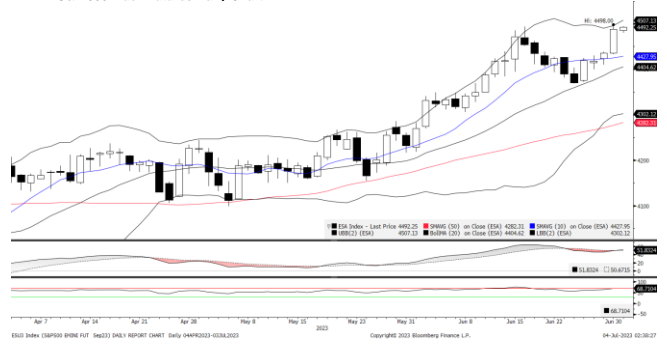
**Dollar Index**



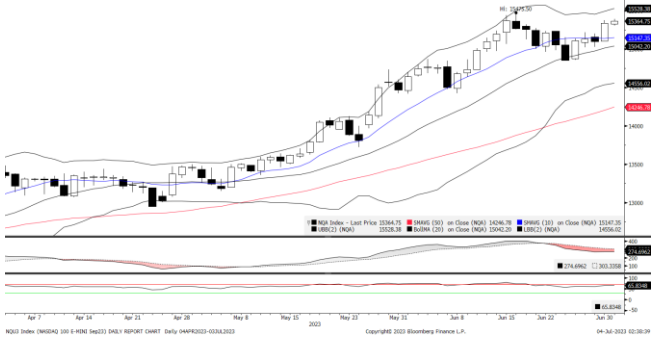
**E-Mini Dow Index Futures Daily Chart**



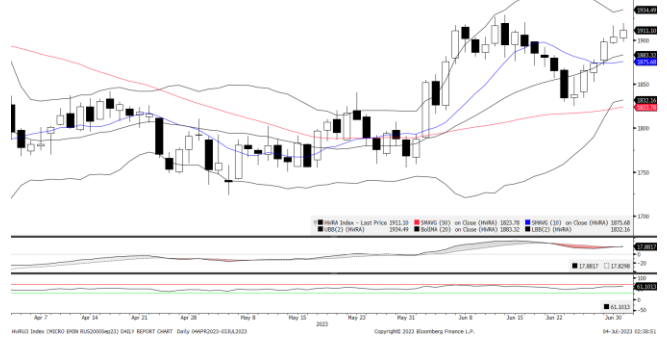
**E-Mini S&P 500 Index Futures Daily Chart**



**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:	35157	2nd Resistance:	35676	1st Resistance:	4559.63	2nd Resistance:	4627.02	1st Resistance:	15595.22	2nd Resistance:	15825.69	1st Resistance:	1939.77	2nd Resistance:	1968.43
1st Support:	34117	2nd Resistance:	33598	1st Support:	4424.87	2nd Resistance:	4357.48	1st Support:	15134.28	2nd Resistance:	14903.81	1st Support:	1882.43	2nd Resistance:	1853.77
MACD:	155.609			MACD:	51.849025			MACD:	274.789			MACD:	17.893		
MACD DIFF:	21.373			MACD DIFF:	1.153058			MACD DIFF:	-28.683			MACD DIFF:	0.046		
RSI:	61.001			RSI:	68.707798			RSI:	65.834			RSI:	61.100		

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	34117	34459	33947	33598	33934	33430	35157	34805	35332	35676	35319	35854
S&P	4424.87	4469.11	4402.74	4357.48	4401.06	4335.70	4559.63	4514.04	4582.43	4627.02	4580.75	4650.15
Nasdaq	15134.28	15285.62	15058.61	14903.81	15052.85	14829.29	15595.22	15439.27	15673.20	15825.69	15667.44	15904.82
Micro Russell	1882.43	1901.26	1873.02	1853.77	1872.30	1844.50	1939.7665	1920.37	1949.47	1968.433	1948.75	1978.28

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

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

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