

Fundamentals:

Wall Street's main indexes ended with modest declines on Wednesday as investors digested minutes from the U.S. Federal Reserve's latest meeting and braced for significant economic data in the days to come.

Minutes showed a united Fed agreed to hold interest rates steady at the June meeting as a way to buy time and assess whether further rate hikes would be needed.

Following the release of the anticipated minutes, investors still largely expected the central bank to raise rates at its next meeting later this month. Key economic data is due before the meeting, including the monthly U.S. jobs report on Friday.

The Dow Jones Industrial Average fell 129.83 points, or 0.38%, to 34,288.64, the S&P 500 lost 8.77 points, or 0.20%, to 4,446.82 and the Nasdaq Composite dropped 25.12 points, or 0.18%, to 13,791.65.

Materials fell most among S&P 500 sectors, shedding 2.5%.

In data out on Wednesday, new orders for U.S.-made goods increased less than expected in May, fanning fears of an economic slowdown. Meanwhile, China's services activity expanded at the slowest pace in five months in June, according to a private-sector survey.

Chip stocks fell after China said it would control exports of some metals widely used in the semiconductor industry as tensions between Beijing and Washington rise over access to high-tech microchips.

The Philadelphia SE Semiconductor Index dropped 2.2%, while Intel shares sank 3.3% and Texas Instruments declined 1.8%.

Shares of Meta Platforms rose 2.9% ahead of the expected release of the company's Twitter-rival app, Threads, on Thursday.

Megacap stocks such as Meta have led the gains so far this year for major equity indexes, including the biggest first-half increase for the Nasdaq Composite in 40 years.

Shares of United Parcel Service fell 2.1% after the Teamsters Union said UPS "walked away" from negotiations over a new contract, a claim the shipping giant denied.

U.S. Treasury yields were mostly higher on Wednesday after a softer-than-expected reading on U.S.-made goods and the minutes from the Federal Reserve's June policy meeting did little to alter expectations on the path of rate hikes.

Almost all Fed officials agreed to hold interest rates steady at the June meeting, the first pause after hikes at 10-straight meetings prior, according to the minutes, but most believed more rate hikes would be needed.

Expectations for a 25-basis point hike from the Fed at its meeting on July 25-26 are at 88.7%, according to CME's FedWatch Tool, up from 81.8% a week ago.

The yield on 10-year Treasury notes was up 7.9 basis points to 3.938%.

Yield slowly advanced throughout the session after factory orders rose 0.3% in May, shy of the estimate of economists polled by Reuters for a 0.8% increase and matching the revised 0.3% rise in the prior month. The manufacturing sector has struggled under the Fed's rapid rate hike cycle.

Investors will also gauge a flurry of data on the labor market over the next two days, which will help shape the Fed's aggressiveness in tightening monetary policy.

The yield on the 30-year Treasury bond was up 6.5 basis points to 3.942%.

Federal Reserve Bank of New York President John Williams will speak later today in a moderated discussion at a Central Bank Research Association meeting.

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 100.7 basis points after experiencing its deepest inversion in more than 40 years on Monday.

The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was up 0.2 basis point at 4.942%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.247%, after closing at 2.247% on Monday, near its highest close in two months.

The 10-year TIPS breakeven rate was last at 2.258%, indicating the market sees inflation averaging 2.26% a year for the next decade.

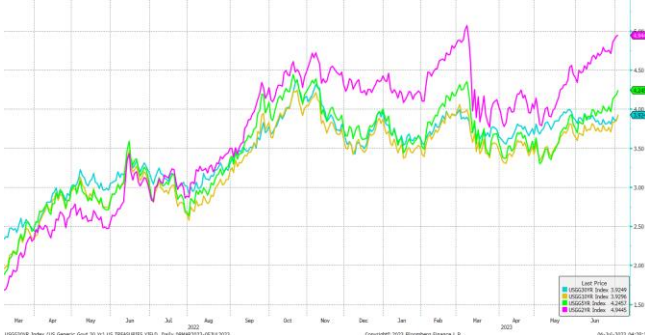
(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
07/05/2023 22:00	Factory Orders	0.80%	0.30%	0.40%	0.30%
07/05/2023 22:00	Factory Orders Ex Trans	--	-0.50%	-0.20%	-0.60%
07/05/2023 22:00	Durable Goods Orders	May F	1.70%	1.80%	1.70%
07/05/2023 22:00	Durables Ex Transportation	May F	0.60%	0.70%	0.60%
07/05/2023 22:00	Cap Goods Orders Nondef Ex Air	May F	--	0.70%	0.70%
07/05/2023 22:00	Cap Goods Ship Nondef Ex Air	May F	--	0.30%	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	1734k	--	1742k
07/06/2023 21:45	S&P Global US Services PMI	Jun F	54.1	--	54.1
07/06/2023 21:45	S&P Global US Composite PMI	Jun F	--	--	53
07/06/2023 22:00	JOLTS Job Openings	May	9900k	--	10103k
07/06/2023 22:00	ISM Services Index	Jun	51.2	--	50.3
07/06/2023 22:00	ISM Services Prices Paid	Jun	--	--	56.2
07/06/2023 22:00	ISM Services Employment	Jun	--	--	49.2
07/06/2023 22:00	ISM Services New Orders	Jun	--	--	52.9
07/05/2023 07:06	Wards Total Vehicle Sales	Jun	15.40m	15.68m	15.05m

Contract	Close	Change	High	Low
E-Mini Dow SEP 23	34,509.00	-134.00	34,652.00	34,435.00
E-Mini S&P SEP 23	4,483.75	-9.000	4,492.75	4,466.25
E-Mini NASDAQ SEP 23	15,360.75	-8.25	15,432.00	15,255.25
Micro Russell 2K JUN 22	1887.7	-23.4	1913.5	1884.4
USD Nikkei SEP 23	33,170.0	-525.0	33,665.00	33,025.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	103.36	0.318	103.39	102.96
DJIA	34,288.64	-129.830	34,376.11	34,226.98
S&P 500	4,446.82	-8.770	4,454.06	4,436.61
NASDAQ	13,791.65	-25.120	13,844.50	13,764.25
Nikkei 225	33,338.70	-83.820	33,389.22	33,041.14
Hang Seng	19,110.38	-305.300	19,378.90	19,095.60
Straits Times	3,185.38	-18.390	3,203.85	3,182.97
DAX	15,937.58	-101.590	15,982.96	15,901.39
CAC	7,310.81	-59.120	7,352.12	7,294.60
FTSE100	7,442.10	-77.620	7,519.72	7,434.66

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	8.55	10.99	11.33	12.51
E-Mini S&P Futures	10.55	11.36	12.15	13.81
E-Mini Nasdaq Futures	19.28	21.90	18.26	17.85

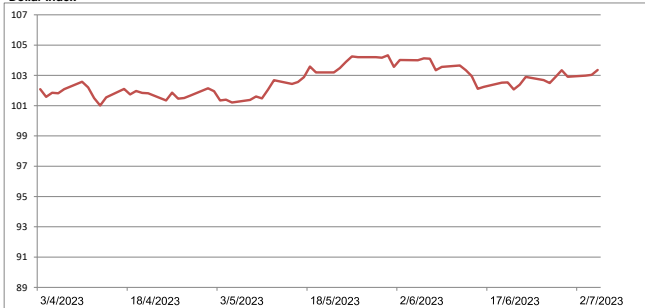
U.S. Government Treasuries Yield



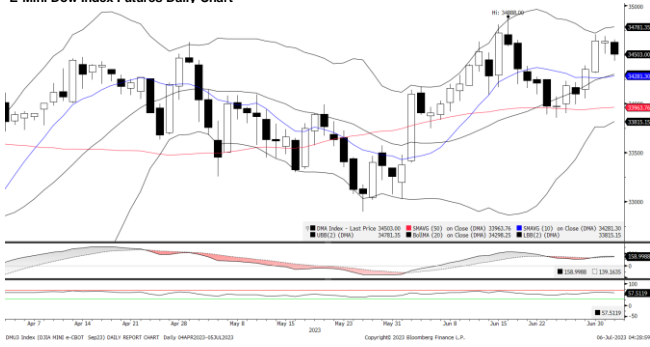
CBOE Volatility Index (VIX)



Dollar Index



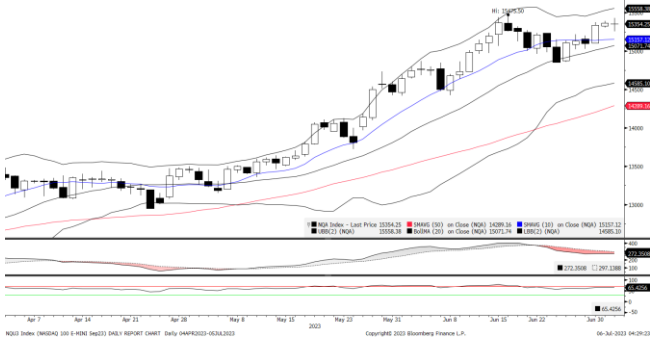
E-Mini Dow Index Futures Daily Chart



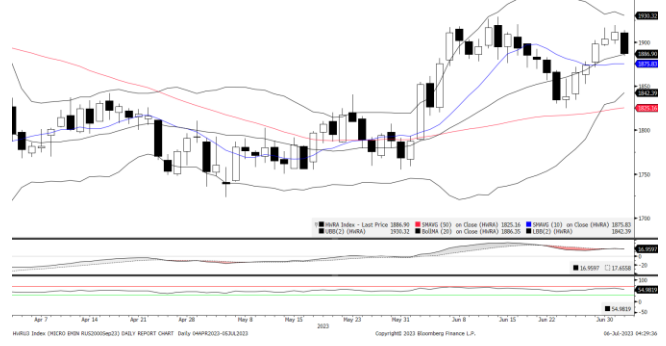
E-Mini S&P 500 Index Futures Daily Chart



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:	35027	2nd Resistance:	35544	1st Resistance:	4551.01	2nd Resistance:	4618.26	1st Resistance:	15591.16	2nd Resistance:	15821.57	1st Resistance:	1916.02	2nd Resistance:	1944.33
1st Support:	33991	2nd Resistance:	33474	1st Support:	4416.49	2nd Resistance:	4349.24	1st Support:	15130.34	2nd Resistance:	14899.93	1st Support:	1859.38	2nd Resistance:	1831.07
MACD:	159.018			MACD:	52.412488			MACD:	272.617			MACD:	17.034		
MACD DIFF:	19.826			MACD DIFF:	1.373216			MACD DIFF:	-24.685			MACD DIFF:	-0.650		
RSI:	57.509			RSI:	66.823498			RSI:	65.512			RSI:	55.164		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33991	34331	33821	33474	33808	33006	35027	34676	35202	35544	35189	35722
S&P	4416.49	4460.66	4394.41	4349.24	4392.73	4327.49	4551.01	4505.50	4573.76	4618.26	4572.08	4641.35
Nasdaq	15130.34	15281.64	15054.69	14899.93	15048.93	14825.43	15591.16	15435.25	15669.12	15821.57	15663.36	15900.68
Micro Russell	1859.38	1877.98	1850.09	1831.07	1849.38	1821.91	1916.0155	1896.86	1925.60	1944.331	1924.89	1954.05

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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