

Fundamentals:

U.S. stocks ended a volatile session higher on Friday as investors digested comments from Federal Reserve Chair Jerome Powell that the U.S. central bank may need to raise interest rates further to ensure inflation is contained.

Powell also acknowledged that price pressures have eased in his much-anticipated morning speech at the Economic Policy Symposium at Jackson Hole, Wyoming.

The major U.S. indexes, which started the day with solid gains, alternated between extending and paring those gains for much of the session.

All of the major S&P 500 sectors rose, with consumer discretionary, technology and energy among the top gainers.

The Dow Jones Industrial Average rose 247.48 points, or 0.73%, to 34,346.9, the S&P 500 gained 29.4 points, or 0.67%, to 4,405.71 and the Nasdaq Composite added 126.67 points, or 0.94%, to 13,590.65.

The S&P 500 and Nasdaq also ended higher for the week, with the Nasdaq rising about 2.3% and ending a three-week streak of losses. The market rose in the run up to Nvidia's second-quarter results Wednesday.

The company, which makes chips designed for artificial intelligence tasks, gave another upbeat forecast with its report.

Following Powell's comments Friday, expectations of a rate hike in November rose from a day earlier, according to CME Group's FedWatch tool. Most traders still expect the Fed to hold off on hiking in September.

In the retailers' space, shares of Gap rose 7.2% after the company beat second-quarter profit estimates, while Nordstrom fell 7.7% after the department store chain left its forecasts unchanged.

Shares of Hostess Brands ended up 21.7%, jumping after Reuters reported, citing people familiar with the matter, that the maker of Twinkies snacks is exploring a sale.

Shares of Marvell Technology fell 6.6% after the chipmaker posted a fall in second-quarter revenue.

Hawaiian Electric Industries, which has come under scrutiny over its possible role in the Hawaii wildfires, dropped 18.5% after the county of Maui sued the power company.

Treasury yields rose on Friday after Federal Reserve Chair Jerome Powell said the U.S. central bank may need to raise interest rates further to ensure inflation is contained at the 2% target set by policymakers.

Powell's remarks at the Fed's annual symposium at Jackson Hole, Wyoming, balanced an outlook based on declines in the pace of price increases over the past year with the surprisingly strong resilience of the U.S. economy.

Powell said inflation remains too high and that the Fed is prepared to hold monetary policy at a restrictive level until policymakers are confident the pace of rising prices is on a sustainable path "toward our objective."

The yield on the benchmark 10-year note edged up 1 basis point to 4.245% as longer dated securities held steady and even declined, suggesting the market does not see higher rates holding forever.

But the two-year yield, a reflection of interest rate expectations, rose 4.4 basis points to just above the key 5% threshold at 5.063%, a sign of higher rates in the near-term and potentially another rate hike.

The bond market has increased bets that the fed funds rate at which banks lend money to each other overnight will stay higher for longer. The market previously ignored that message, pricing a Fed rate cut starting in December, but no longer.

Futures market traders now bet that the Fed's overnight lending rate will stay above 5% through June 2024 and reach 5.49% in November, and that rate cuts will not begin in earnest until next July.

The market is looking at a 19.5% probability that the Fed hikes rates in September, up from less than 10% earlier this week. Chances of a November hike jumped to more than 57% as some bet on a 50-basis point hike, CME Group's FedWatch Tool shows.

The gap between yields of two- and 10-year notes, seen as a recession barometer when shorter-term securities yield more than longer ones, inverted a bit further at -81.9 basis points.

The yield on the 30-year bond fell 0.3 basis points to 4.299%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.274%.

The 10-year TIPS breakeven rate was last at 2.322%, indicating the market sees inflation averaging about 2.3% a year for the next decade.

(Source: Reuters)

Contract	Close	Change	High	Low
E-Mini Dow SEP 23	34,377.00	243.00	34,483.00	34,062.00
E-Mini S&P SEP 23	4,414.25	28.750	4,429.00	4,365.25
E-Mini NASDAQ SEP 23	14,979.25	110.75	15,048.75	14,751.75
Micro Russell 2K JUN 22	1856.5	6.2	1867.2	1832.7
USD Nikkei SEP 23	31,860.0	155.0	31,890.00	31,555.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	104.20	0.220	104.45	103.74
DJIA	34,346.90	247.480	34,441.91	34,029.22
S&P 500	4,405.71	29.400	4,418.46	4,356.29
NASDAQ	13,590.65	126.680	13,633.42	13,376.35
Nikkei 225	31,624.28	-662.930	31,885.53	31,572.06
Hang Seng	17,956.38	-255.790	18,137.65	17,956.38
Straits Times	3,189.88	9.160	3,190.31	3,165.99
DAX	15,631.82	10,330	15,739.78	15,578.97
CAC	7,229.60	15.140	7,287.56	7,196.84
FTSE 100	7,338.58	4.950	7,389.40	7,326.97

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	10.57	9.65	10.32	10.87
E-Mini S&P Futures	14.16	11.07	10.71	11.87
E-Mini Nasdaq Futures	13.43	15.88	18.46	18.29

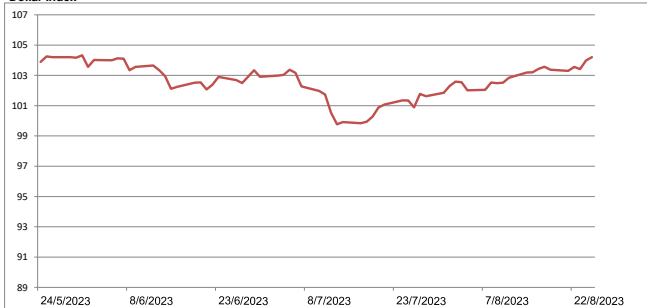
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)

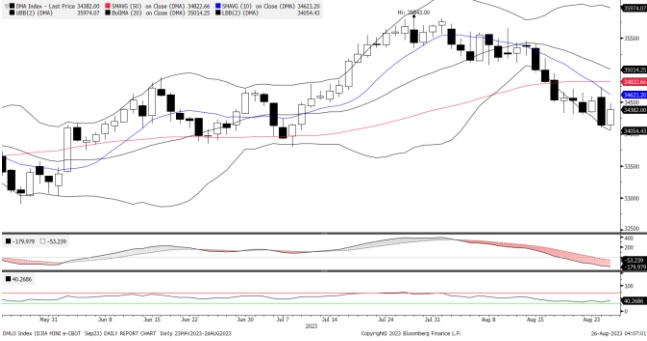


Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised	
08/25/2023 22:00	U. of Mich. Sentiment	Aug F	71.2	69.5	71.2	--
08/25/2023 22:00	U. of Mich. Current Conditions	Aug F	--	75.7	77.4	--
08/25/2023 22:00	U. of Mich. Expectations	Aug F	--	65.5	67.3	--
08/25/2023 22:00	U. of Mich. 1 Yr Inflation	Aug F	3.30%	3.50%	3.30%	--
08/25/2023 22:00	U. of Mich. 5-10 Yr Inflation	Aug F	2.90%	3.00%	2.90%	--
08/25/2023 23:00	Kansas City Fed Services Activity	Aug	--	-1	-1	--
08/28/2023 22:30	Dallas Fed Manf. Activity	Aug	-19	--	-20	--
08/29/2023 21:00	FHFA House Price Index MoM	Jun	0.60%	--	0.70%	--
08/29/2023 21:00	House Price Purchase Index QoQ	2Q	--	--	0.50%	--
08/29/2023 21:00	S&P CoreLogic CS 20-City MoM SA	Jun	0.80%	--	0.99%	--
08/29/2023 21:00	S&P CoreLogic CS 20-City YoY NSA	Jun	-1.65%	--	-1.70%	--
08/29/2023 21:00	S&P CoreLogic CS US HPI YoY NSA	Jun	--	--	-0.46%	--
08/29/2023 22:00	JOLTS Job Openings	Jul	9450k	--	9582k	--
08/29/2023 22:00	Conf. Board Consumer Confidence	Aug	116.2	--	117	--
08/29/2023 22:00	Conf. Board Present Situation	Aug	--	--	160	--
08/29/2023 22:00	Conf. Board Expectations	Aug	--	--	88.3	--
08/29/2023 22:30	Dallas Fed Services Activity	Aug	--	--	-4.2	--

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:	34893	2nd Resistance:	35408	1st Resistance:	4480.46	2nd Resistance:	4546.68	1st Resistance:	15203.94	2nd Resistance:	15428.63	1st Resistance:	1884.35	2nd Resistance:	1912.20
1st Support:	33861	2nd Resistance:	33346	1st Support:	4348.04	2nd Resistance:	4281.82	1st Support:	14754.56	2nd Resistance:	14529.87	1st Support:	1828.65	2nd Resistance:	1800.81
MACD:	-180.025			MACD:	-28.677148			MACD:	-124.288			MACD:	-23.793		
MACD DIFF:	-126.617			MACD DIFF:	-9.843879			MACD DIFF:	-28.171			MACD DIFF:	-9.110		
RSI:	40.286			RSI:	43.255848			RSI:	44.531			RSI:	35.905		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33861	34200	33692	33346	33679	33179	34893	34544	35067	35408	35054	35585
S&P	4348.04	4391.52	4326.30	4281.82	4324.64	4260.41	4480.46	4435.66	4502.87	4546.68	4501.21	4569.41
Nasdaq	14754.56	14902.11	14680.79	14529.87	14675.17	14457.22	15203.94	15051.90	15279.96	15428.63	15274.34	15505.77
Micro Russell	1828.65	1846.94	1819.51	1800.81	1818.81	1791.80	1884.3475	1865.50	1893.77	1912.195	1893.07	1921.76

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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