

## Fundamentals:

Wall Street ended higher on Monday, with gains in 3M and Goldman Sachs ahead of key inflation and jobs data this week that will offer more clues on the Federal Reserve's interest rate path.

All three major stock indexes rose as investors digested last Friday's comments from Fed Chair Jerome Powell that the U.S. central bank may need to raise interest rates further to ensure inflation is contained.

Focus now shifts to a report on the personal consumption expenditures price index, the Fed's preferred inflation gauge, to be released on Thursday, and non-farm payrolls data due on Friday.

Nvidia rose 1.78% and was the most traded stock in the S&P 500, with \$31 billion worth of the chipmaker's shares exchanged.

Other megacaps also gained, with Apple and Alphabet both adding 0.9%.

3M jumped 5.2% after a report that the conglomerate has tentatively agreed to pay more than \$5.5 billion to resolve over 300,000 lawsuits claiming it sold the U.S. military defective combat earplugs.

Goldman Sachs gained 1.8% after the lender struck a deal to sell an investment advisory business to wealth management firm Creative Planning LLC.

The S&P 500 climbed 0.63% to end the session at 4,433.31 points.

The Nasdaq gained 0.84% to 13,705.13 points, while Dow Jones Industrial Average rose 0.62% to 34,559.98 points.

U.S.-listed shares of Chinese companies including JD.com, Baidu and Alibaba rallied over 2% after China halved the stamp duty on stock trading effective Monday to boost its ailing market.

U.S. Commerce Secretary Gina Raimondo discussed concerns about restrictions on American businesses including Intel and Micron with Chinese Commerce Minister Wang Wentao. Micron's stock rose 2.5% and Intel added 1.1%.

The U.S. Federal Trade Commission suspended its challenge of Amgen's \$27.8 billion purchase of Horizon Therapeutics. Horizon's shares 5.2%.

U.S. Treasury yields were modestly lower on Monday, pulling back from their highs last week, as investors awaited key U.S. economic data, led by the non-farm payrolls report for August on Friday that should help determine the path of interest rates this year and next.

U.S. two-year yields earlier in the session rose as high as 5.106%, the strongest level since July 6, with market participants pricing in higher interest rates to contain persistently elevated inflation. The rate move was in line with Federal Reserve Chair Jerome Powell's hawkish message on Friday.

The two-year yield, which reflects interest rate expectations, was last down 1.7 basis points (bps) at 5.039%.

Volume was thin overall with most market participants out ahead of the Labor Day weekend, and with Monday's holiday in the UK.

Powell, in remarks at the annual Jackson Hole Economic Policy Symposium on Friday, said the U.S. central bank may need to raise interest rates further to cool still-too-high inflation. But he promised the Fed would move carefully, noting both progress on easing price pressures and risks from the surprising strength of the U.S. economy.

Monday's auctions by the U.S. Treasury were mixed, with the \$45 billion two-year note sale garnering more demand than the \$46 billion five-year offering.

The two-year notes fetched a high yield of 5.024%, the highest in 17 years. That was lower than the expected rate at the bid deadline, suggesting investors were willing to accept a lower rate for the note and meant increased demand.

The U.S. five-year note auction was not as strong, analysts said, picking up a high yield of 4.4%, matching expectations. The high yield was the highest since late 2007.

The country's debt managers will next sell \$36 billion in seven-year notes on Tuesday.

The yield curve, as measured by the gap between U.S. two-year and 10-year yields, reduced its inversion after the auctions. The curve, which historically predicts recession, was last at -83.70 bps.

Earlier on Monday, the curve inverted to as much as -88.20 bps, matching the spread hit on Aug. 10. The added inversion reflected expectations of more interest rate hikes.

Markets anticipate an 80% chance of the Fed's standing pat next month, Refinitiv's FedWatch tool showed, but the probability of a rate hike in November is now seen at roughly 56%.

In midafternoon trading, the yield on the benchmark 10-year note was down 3.7 bps at 4.202%.

U.S. 30-year yields were also lower, down 1.4 bps at 4.281%.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
08/28/2023 22:30	Dallas Fed Manf. Activity	Aug	-19	-17.2	-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 CoQ	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	-1.60%	--	-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	9468k	--	9582k
08/29/2023 22:00	Conf. Board Consumer Confidence	Aug	116	--	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

Contract	Close	Change	High	Low
E-Mini Dow SEP 23	34,594.00	226.00	34,692.00	34,400.00
E-Mini S&P SEP 23	4,442.25	29.500	4,449.50	4,414.50
E-Mini NASDAQ SEP 23	15,092.50	118.50	15,126.50	14,973.50
Micro Russell 2K JUN 22	1874.1	16.7	1884.5	1856.1
USD Nikkei SEP 23	32,290.0	450.0	32,315.00	31,860.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	104.02	-0.055	104.21	103.98
DJIA	34,559.98	213.080	34,652.91	34,441.64
S&P 500	4,433.31	27.600	4,439.56	4,414.98
NASDAQ	13,705.13	114.480	13,735.98	13,626.64
Nikkei 225	32,169.99	545.710	32,205.48	31,881.93
Hang Seng	18,130.74	174.360	18,564.43	18,113.23
Straits Times	3,213.68	23.800	3,231.40	3,200.04
DAX	15,792.61	160.790	15,804.95	15,673.89
CAC	7,324.71	95.110	7,340.35	7,261.50
FTSE 100	0.00	0.000	0.00	0.00

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	10.69	9.26	9.40	10.91
E-Mini S&P Futures	13.62	11.01	10.38	11.86
E-Mini Nasdaq Futures	14.00	16.00	18.00	18.00

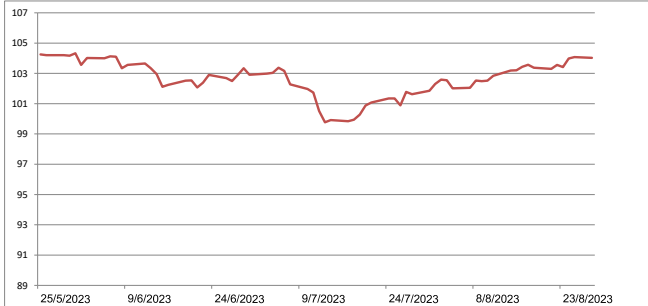
## U.S. Government Treasuries Yield



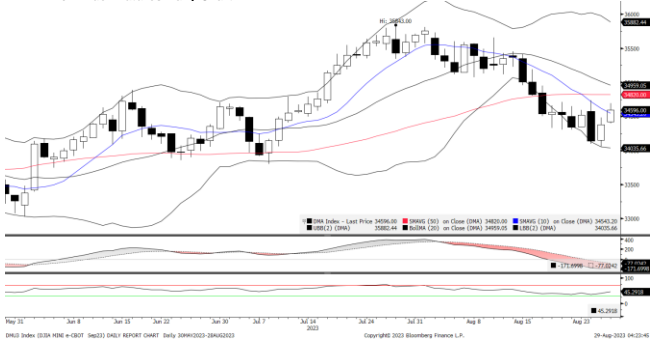
## CBOE Volatility Index (VIX)



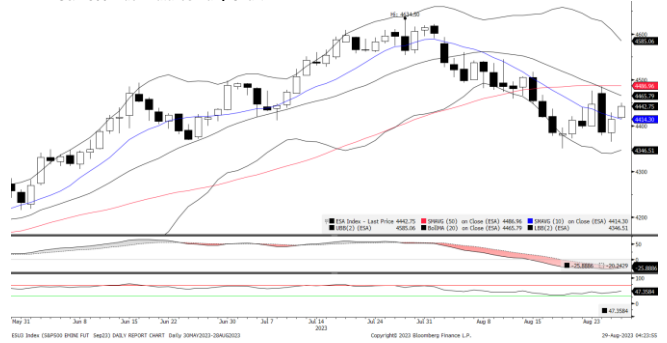
## Dollar Index



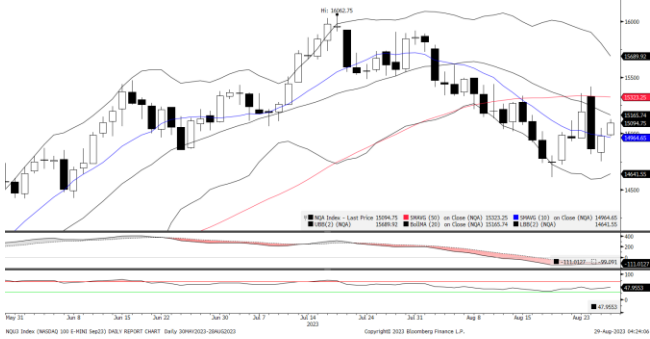
E-Mini Dow Index Futures Daily Chart



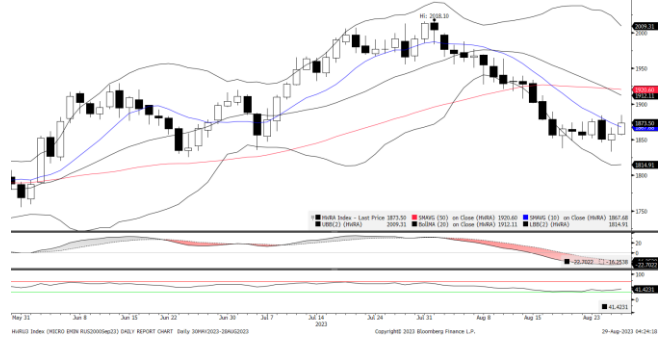
E-Mini S&P 500 Index Futures Daily Chart



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:	35113	2nd Resistance:	35632	1st Resistance:	4508.88	2nd Resistance:	4575.52	1st Resistance:	15318.89	2nd Resistance:	15545.28	1st Resistance:	1902.21	2nd Resistance:	1930.32
1st Support:	34075	2nd Resistance:	33556	1st Support:	4375.62	2nd Resistance:	4308.98	1st Support:	14866.11	2nd Resistance:	14639.73	1st Support:	1845.99	2nd Resistance:	1817.88
MACD:	-171.155			MACD:	-25.795100			MACD:	-110.655			MACD:	-22.664		
MACD DIFF:	-94.121			MACD DIFF:	-5.563083			MACD DIFF:	-11.710			MACD DIFF:	-6.396		
RSI:	45.454			RSI:	47.520791			RSI:	48.053			RSI:	41.623		

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	34075	34416	33905	33556	33892	33888	35113	34762	35288	35632	35276	35810
S&P	4375.62	4419.37	4353.74	4308.98	4352.07	4287.44	4508.88	4463.79	4531.43	4575.52	4529.76	4598.40
Nasdaq	14866.11	15014.77	14791.78	14639.73	14786.12	14566.53	15318.89	15165.70	15395.48	15545.28	15389.82	15623.00
Micro Russell	1845.99	1864.45	1836.76	1817.88	1836.06	1808.79	1902.21	1883.19	1911.72	1930.32	1911.02	1939.97

Source: Bloomberg

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