

## Fundamentals:

The S&P 500 and Nasdaq ended higher on Wednesday after data showing a moderate increase in consumer prices in August cemented expectations that the Federal Reserve will leave interest rates unchanged in September.

Megacap growth stocks Tesla, Meta Platforms, Microsoft and Amazon.com gained over 1% each.

Apple dipped 1.2%, down for a second day after unveiling new iPhones on Tuesday while leaving prices unchanged.

The S&P 500 climbed 0.12% to end the session at 4,467.44 points.

The Nasdaq gained 0.29% to 13,813.59 points, while the Dow Jones Industrial Average declined 0.20% to 34,575.53 points.

The S&P 500 consumer discretionary index climbed 0.9%, lifted as Ford Motor rallied 1.5% on the vehicle maker's plans to double the production of its hybrid F-150 pickup trucks in 2024.

Data showed consumer prices increased by the most in 14 months in August as gasoline prices surged, but the annual rise in underlying inflation was the smallest in nearly two years.

Stickiness in services inflation has kept alive prospects of a November hike. Interest rate traders now see a 97% chance of the Fed holding rates in September, and a 61% likelihood of a pause in November, according to the CME FedWatch Tool.

Gasoline prices, which have stoked inflation worries, peaked at \$3.984 per gallon in the third week of the month, compared with \$3.676 per gallon during the same period in July.

The S&P 500 utilities index gained 1.2%, with the traditionally defensive sector's rally hinting at investor nervousness ahead of producer price and retail sales data on Thursday, which could influence the Fed's Sept. 20 policy decision.

The Fed is unlikely to cut rates before the April-June period next year, a Reuters poll showed.

Citigroup rose 1.7% after CEO Jane Fraser announced a major management re-organization that will result in more job cuts and give her greater direct oversight over the bank as she seeks to simplify its structure.

U.S.-listed shares of Chinese electric-vehicle makers Nio and Xpeng dropped 4.7% and 3.1%, respectively, after the European Commission started an investigation to assess whether their vehicles warrant punitive tariffs.

Spirit Airlines fell over 6% after the low-cost carrier cut its third-quarter revenue outlook to reflect rising fuel prices.

Moderna gained 3.2% after the drugmaker said its flu vaccine mRNA-1010 met the primary goal in a late-stage trial. The firm also announced it was scaling down manufacturing of its COVID-19 vaccine.

Treasury yields edged lower on Wednesday after the underlying pace of inflation eased in August, suggesting the Federal Reserve can keep interest rate hikes on hold next week despite the biggest increase in U.S. consumer prices in a year.

The consumer price index (CPI) increased by 0.6% last month, the largest gain since June 2022, the Labor Department said, after rising just 0.2% on a monthly basis the prior two months.

Gasoline prices accelerated 10.6%, while in the 12-months through August the CPI jumped 3.7% after climbing 3.2% in July.

However, core inflation, which is of greater concern to the Fed as it strips out food and energy prices, ran at a 4.3% year-on-year rate in August from 4.7% the previous month.

The futures market is betting the Fed's overnight lending rate will hit almost 5.45% in December and will not drop below 5% until late July 2024, with significant rate cuts only starting in the latter half of next year.

In the near term, the Fed will stick to the higher for longer message, but around year-end if the economy enters a recession as Wells Fargo economists anticipate, policymakers will become divided and interest rate volatility will rise, said Mike Schumacher, head of rates strategy at Wells Fargo in New York.

The two-year Treasury yield, which reflects interest rate expectations, fell 3.2 basis points to 4.973%, while the yield on the benchmark 10-year note was down 2.5 basis points at 4.239%.

Yields on two- and 10-year notes remained inverted at -73.7 basis points as the shorter-dated note yields more than the longer one. The inversion, which started in July 2022, is seen as a recession harbinger over an extended period.

The Treasury sold \$20 billion of 30-year bonds at a high yield of 4.345%.

The yield on the 30-year Treasury bond was down 1.7 basis points to 4.329%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.31%.

The 10-year TIPS breakeven rate was last at 2.34%, indicating the market sees inflation averaging just above 2.3% a year for the next decade.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
09/13/2023 19:00	MBA Mortgage Applications	Sep-08	--	-0.80%	-2.90%	--
09/13/2023 20:30	CPI MoM	Aug	0.60%	0.60%	0.20%	--
09/13/2023 20:30	CPI Ex Food and Energy MoM	Aug	0.20%	0.30%	0.20%	--
09/13/2023 20:30	CPI YoY	Aug	3.60%	3.70%	3.20%	--
09/13/2023 20:30	CPI Ex Food and Energy YoY	Aug	4.30%	4.30%	4.70%	--
09/13/2023 20:30	CPI Index NSA	Aug	306.976	307.026	305.691	--
09/13/2023 20:30	CPI Core Index SA	Aug	309.381	309.661	308.801	--
09/13/2023 20:30	Real Avg Hourly Earnings YoY	Aug	--	0.50%	1.10%	--
09/13/2023 20:30	Real Avg Weekly Earnings YoY	Aug	--	0.30%	0.20%	--
09/14/2023 02:00	Monthly Budget Statement	Aug	-\$232.5b	\$89.3b	-\$219.6b	--
09/14/2023 20:30	Retail Sales Advance MoM	Aug	0.10%	--	0.70%	--
09/14/2023 20:30	Retail Sales Ex Auto MoM	Aug	0.40%	--	1.00%	--
09/14/2023 20:30	Retail Sales Ex Auto and Gas	Aug	-0.10%	--	1.00%	--
09/14/2023 20:30	Retail Sales Control Group	Aug	-0.10%	--	1.00%	--
09/14/2023 20:30	Initial Jobless Claims	Sep-09	225k	--	216k	--
09/14/2023 20:30	Continuing Claims	Sep-02	1693k	--	1679k	--

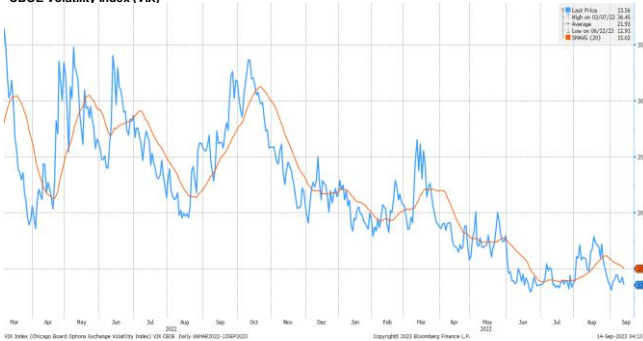
Contract	Close	Change	High	Low
E-Mini Dow DEC 23	34,918.00	-63.00	35,120.00	34,843.00
E-Mini S&P DEC 23	4,517.50	7.750	4,530.25	4,495.00
E-Mini NASDAQ DEC 23	15,552.25	70.75	15,619.75	15,406.00
Micro Russell 2K JUN 22	1842.7	-12.2	1863	1836
USD Nikkei DEC 23	32,685.0	45.0	32,760.00	32,450.00
US Dollar Index	104.76	0.047	104.97	104.51
DJIA	34,575.53	-70.460	34,767.11	34,509.95
S&P 500	4,467.44	5.540	4,479.39	4,453.52
NASDAQ	13,813.58	39.970	13,868.57	13,733.82
Nikkei 225	32,706.52	-69.850	32,872.44	32,616.65
Hang Seng	18,009.22	-16.670	18,200.52	17,954.97
Straits Times	3,218.93	4.470	3,223.60	3,204.84
DAX	15,654.03	-61.500	15,726.60	15,564.64
CAC	7,222.57	-30.310	7,249.34	7,184.56
FTSE100	7,525.99	-1.540	7,545.16	7,490.37

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	5.72	8.83	8.87	9.64
E-Mini S&P Futures	6.81	10.99	10.47	10.65
E-Mini Nasdaq Futures	9.37	12.05	16.07	17.99

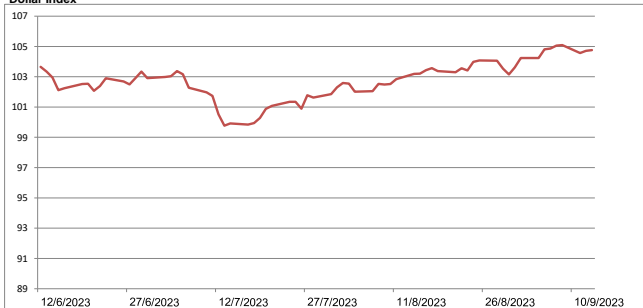
## U.S. Government Treasuries Yield



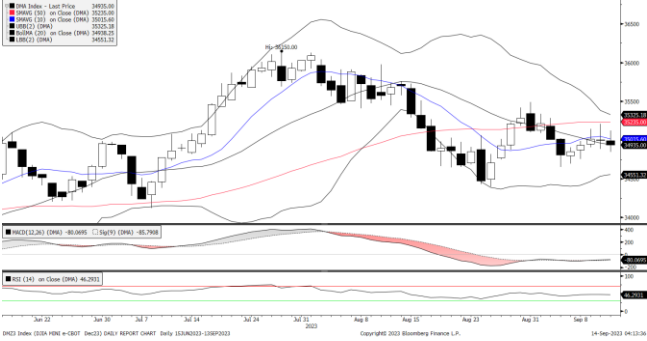
## CBOE Volatility Index (VIX)



## 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:	35442	2nd Resistance:	35966	1st Resistance:	4585.26	2nd Resistance:	4653.03	1st Resistance:	15785.53	2nd Resistance:	16018.82	1st Resistance:	1870.34	2nd Resistance:	1897.98
1st Support:	34394	2nd Support:	33870	1st Support:	4449.74	2nd Support:	4381.98	1st Support:	15318.97	2nd Support:	15085.68	1st Support:	1815.06	2nd Support:	1787.42
MACD:	-80.106	MACD DIFF:	5.536	MACD:	-1.292281	MACD DIFF:	1.976135	MACD:	37.347	MACD DIFF:	18.214	MACD:	-17.188	MACD DIFF:	-2.254
RSI:	46.248	RSI:	49.560130	RSI:	49.560130	RSI:	52.333	RSI:	52.333	RSI:	37.063	RSI:	37.063	RSI:	37.063

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	34394	34738	34222	33870	34209	33701	35442	35087	35619	35966	35606	36145
S&P	4449.74	4494.23	4427.49	4381.98	4425.79	4360.07	4585.26	4539.41	4608.19	4653.03	4606.49	4676.29
Nasdaq	15318.97	15472.16	15242.37	15085.68	15236.54	15010.25	15785.53	15627.68	15864.46	16018.82	15858.63	16098.91
Micro Russell	1815.06	1833.21	1805.98	1787.42	1805.29	1778.48	1870.3405	1851.64	1879.69	1897.981	1879.00	1907.47

Source: Bloomberg

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