

### Fundamentals:

U.S. stocks tumbled in a broad sell-off on Wednesday as Alphabet shares slid after the Google parent posted disappointing earnings and as U.S. Treasury yields rose, reviving fears that interest rates could stay higher for longer.

The benchmark S&P 500 index notched its fifth daily decline in six to close below the closely watched 4,200 level. The Nasdaq Composite slumped to its biggest single-session percentage drop since Feb. 21, with interest rate sensitive megacaps weighing heavily the tech-laden index.

The Dow Jones Industrial Average finished modestly lower.

The Philadelphia SE Semiconductor index plummeted 4.1%, its biggest one-day plunge since Dec. 22, 2022.

The Communication Services sector posted its largest percentage decline since Feb. 3.

Shares of Alphabet Inc plunged after the company reported disappointing cloud services revenue, reviving fears of an economic slowdown.

Benchmark Treasury yields resumed their upward drift, edging closer to the 5% level, feeding fears high interest rates could linger.

Yields on 10-year Treasury notes rose after robust new home sales data and mortgage rates reaching 23-year highs stoked fears of prolonged elevated rates.

The Dow fell 105.45 points, or 0.32%, to 33,035.93, the S&P 500 lost 60.91 points, or 1.43%, to 4,186.77 and the Nasdaq Composite dropped 318.65 points, or 2.43%, to 12,821.22.

Among the 11 major sectors in the S&P 500, communications services had the largest percentage loss, while consumer staples and utilities ended modestly green.

It is a momentous week for earnings, with nearly one-third of the companies in the S&P 500 expected to post third-quarter results.

So far, 146 of the S&P 500 have reported. Of those, 80% have delivered earnings above expectations.

Analysts now see S&P 500 year-on-year earnings growth of 2.6% for the July-September period, up from 1.6% at the beginning of the month.

Microsoft advanced 3.1% following its better than expected quarterly report, issued after the market closed on Tuesday.

The economically sensitive Dow Jones Transport Average index touched its lowest in more than four months after trucking firm Old Dominion Freight Line posted earnings.

The trucking firm's shares fell 3.9%.

Defense contractor General Dynamics rose 4.0% after reporting a jump in third-quarter revenue.

After the closing bell, IBM and Meta Platforms posted earnings that were stronger than expected, and their shares climbed in extended trading.

U.S. Treasury yields on Wednesday climbed after an auction of five-year notes showed weak demand and following data indicating that new-home sales accelerated in September, affirming market expectations of prolonged high rates heading into 2024.

The yield on benchmark 10-year Treasury notes was up 11.5 basis points (bps) at 4.954%. It hit a 16-year high of more than 5% on Monday.

New home sales rebounded 12.3% to a seasonally adjusted annual rate of 759,000 units last month, the Commerce Department said on Wednesday. August sales were revised up to 676,000 units from the previously reported 675,000 units.

In addition, mortgage rates approaching 8% could curb last month's strong demand. Along with continued inflation and U.S. economic strength, that may increase the odds the U.S. Federal Reserve keeps interest rates elevated heading into next year to curb persistent inflation.

A weak Treasury auction on Wednesday of \$52 billion in U.S. five-year notes also boosted yields. The auction stopped at a high yield of 4.899%, above the expected rate at the bid deadline, which suggested investors demanded a premium to buy the note.

Total bids were about \$123 billion for a bid-to-cover ratio, a measure of demand, of 2.36, lower than the 2.52 seen previously and the 2.52 average. It is the weakest since September 2022, analysts said.

U.S. five-year yields were last at 4.92%, up 9.4 bps.

The 30-year Treasury bond yield was up 12.9 bps at 5.091%.

The short end of the curve sold off as well, lifting the two-year yields, which typically reflect interest rate expectations, to 5.12%.

A closely watched part of the U.S. Treasury yield curve measuring the gap between two- and 10-year Treasury yields, seen as an indicator of economic expectations, was at -16.8 basis points.

An inverted yield curve historically is seen as a precursor to recession. But this curve has been steepening of late, reflecting concerns about persistent inflation that have prompted selling of long-dated Treasuries.

Investors have grown more wary of further Fed rate hikes if inflation remains higher.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
10/25/2023 19:00	MBA Mortgage Applications	Oct-20	--	-1.00%	-6.90%	--
10/25/2023 22:00	New Home Sales	Sep	680k	759k	675k	676k
10/25/2023 22:00	New Home Sales MoM	Sep	0.70%	12.30%	-8.70%	-8.20%
10/26/2023 20:30	Advance Goods Trade Balance	Sep	-\$96.0b	--	-\$94.3b	-\$94.6b
10/26/2023 20:30	Wholesale Inventories MoM	Sep P	0.10%	--	-0.10%	--
10/26/2023 20:30	Retail Inventories MoM	Sep	0.20%	--	1.10%	--
10/26/2023 20:30	GDP Annualized QoQ	3Q A	4.50%	--	2.10%	--
10/26/2023 20:30	Personal Consumption	3Q A	4.00%	--	0.80%	--
10/26/2023 20:30	GDP Price Index	3Q A	2.70%	--	1.70%	--
10/26/2023 20:30	Core PCE Price Index QoQ	3Q A	2.50%	--	3.70%	--
10/26/2023 20:30	Durable Goods Orders	Sep P	1.80%	--	0.10%	--
10/26/2023 20:30	Durables Ex Transportation	Sep P	0.20%	--	0.40%	--

Contract	Close	Change	High	Low
E-Mini Dow DEC 23	33,150.00	-80.00	33,389.00	33,098.00
E-Mini S&P DEC 23	4,209.75	-58.500	4,273.50	4,203.75
E-Mini NASDAQ DEC 23	14,478.25	-370.00	14,855.00	14,444.00
Micro Russell 2K JUN 22	1662.6	-26.3	1689.5	1657.8
USD Nikkei DEC 23	31,005.0	-305.0	31,485.00	30,955.00
US Dollar Index	106.55	0.281	106.55	106.14
DJIA	33,035.93	-105.450	33,267.91	32,989.72
S&P 500	4,186.77	-60.910	4,232.42	4,181.42
NASDAQ	12,821.22	-318.660	13,042.52	12,804.30
Nikkei 225	31,269.92	207.570	31,466.92	31,195.58
Hang Seng	17,085.33	93.800	17,465.82	17,001.43
Straits Times	3,078.78	-5.100	3,093.26	3,075.84
DAX	14,892.18	12.240	14,933.69	14,789.63
CAC	6,915.07	21.420	6,927.27	6,846.51
FTSE100	7,414.34	24.640	7,428.11	7,368.38

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	10.74	9.85	9.54	9.42
E-Mini S&P Futures	14.31	13.40	12.34	11.68
E-Mini Nasdaq Futures	13.46	17.10	15.18	16.58

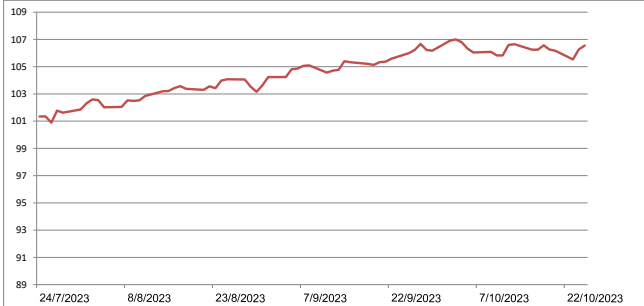
### U.S. Government Treasuries Yield



### COBE 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:	33647	2nd Resistance:	34145	1st Resistance:	4272.90	2nd Resistance:	4336.04	1st Resistance:	14695.42	2nd Resistance:	14912.60	1st Resistance:	1687.54	2nd Resistance:	1712.48
1st Support:	32653	2nd Resistance:	32156	1st Support:	4146.60	2nd Resistance:	4083.46	1st Support:	14261.08	2nd Resistance:	14043.90	1st Support:	1637.66	2nd Resistance:	1612.72
MACD:	-291.519			MACD:	-44.363711			MACD:	-125.797			MACD:	-39.415		
MACD DIFF:	-26.744			MACD DIFF:	-9.181932			MACD DIFF:	-48.581			MACD DIFF:	-5.311		
RSI:	35.863			RSI:	33.237405			RSI:	35.877			RSI:	30.295		

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32653	32979	32489	32156	32477	31995	33647	33311	33815	34145	33803	34315
S&P	4146.60	4188.07	4125.87	4083.46	4124.29	4063.04	4272.90	4230.17	4294.26	4336.04	4292.68	4357.72
Nasdaq	14261.08	14403.69	14189.77	14043.90	14184.34	13973.68	14695.42	14548.47	14768.90	14912.60	14763.47	14987.16
Micro Russell	1637.66	1654.04	1629.47	1612.72	1628.85	1604.66	1687.539	1670.66	1695.98	1712.478	1695.35	1721.04

Source: Bloomberg

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