

Fundamentals:

The S&P 500 and the Nasdaq closed lower on Friday as deteriorating consumer sentiment data and the Middle East conflict soured investors on riskier bets and overshadowed upbeat quarterly earnings from some of the largest U.S. banks.

Wall Street's three major indexes opened higher but lost ground after a preliminary reading on U.S. consumer sentiment showed a sharp fall in October. The Dow managed a small gain.

Investors were also monitoring news out of the Middle East. On Friday Israel said it carried out raids inside the Gaza Strip, its first announcement of ground operations aimed at Hamas fighters after their deadly rampage in Israel. The United Nations said Israel's call for Gaza civilians to leave was impossible "without devastating humanitarian consequences."

U.S. Treasury prices rose as investors looked for safety while the price of U.S. crude oil settled up 5.8%.

However, unless there is a major escalation in the Middle East war the strategist said she did not expect Friday's mood to be "indicative of the beginning of a troubled market."

The Dow Jones Industrial Average rose 39.15 points, or 0.12%, to 33,670.29, the S&P 500 lost 21.83 points, or 0.50%, at 4,327.78 and the Nasdaq Composite dropped 166.99 points, or 1.23%, to 13,407.23.

However, for the week the S&P 500 registered a 0.45% gain for its second weekly advance in a row. The Nasdaq fell 0.18% for the week. The Dow showed a 0.79% gain, snapping a two-week losing streak.

Among the S&P's 11 major industry sectors energy led gains with a 2.3% advance as oil prices rose. Defensive sectors such as utilities, up 1%, and consumer staples, adding 0.8%, were also top gainers.

Other safe-haven assets such as gold rallied.

Shares in JPMorgan Chase, Wells Fargo and Citigroup rose after their quarterly profits trounced analysts' estimates with help from higher interest rates. Wells Fargo rose 3% and JPMorgan closed up 1.5%, but Citigroup lost steam, ending down 0.2%.

The S&P 500 Banks index pared gains as the day wore on to close up 0.6% after rising as much as 3.4% to a three-week high.

Federal Reserve Bank of Philadelphia President Patrick Harker said he believes the central bank is likely done with its rate-hiking cycle as price pressures have eased.

Among individual stocks, asset manager BlackRock fell 1.3% after posting a sharp drop in quarterly net inflows.

UnitedHealth advanced 2.6% after beating third-quarter profit estimates.

Dollar General finished up 9% after the discount store retailer brought back former CEO Todd Vasos to replace Chief Executive Jeff Owen.

Boeing ended down 3% after the planemaker and Spirit AeroSystems expanded the scope of their ongoing inspections of a production defect affecting 737 Max 8 aircraft. Spirit's shares lost 0.9%.

Safe-haven U.S. Treasuries rallied on Friday as investors worry Israel's military conducting raids inside the Gaza Strip could escalate violence in the Middle East, but poor bond auctions this week suggest yields may rise as investor caution increases.

Treasury yields, which move inversely to price, advanced on Thursday after data showed U.S. consumer prices in September rose more than expected, suggesting the Federal Reserve might need to raise rates further to tame high inflation.

The yield on the 10-year Treasury fell on Friday to about the same level when trading opened as the start of the week when the initial weekend attack by the Palestinian Islamist group Hamas on Israel led bond prices to jump and yields to tumble.

The yield on 10-year Treasuries was last down 8.2 basis points at 4.629%, while on two-year notes, which often reflect interest rate expectations, the yield was down 1.5 basis points at 5.056%.

Earlier this week, the two-year tumbled below 5% for the first time since Sept. 15 as Fed officials rammed home the message rates will stay higher for longer, leading yields to surge.

The gap between yields on two- and 10-year Treasury notes, seen as a recession harbinger when yields are inverted, meaning shorter-dated notes are higher than longer securities, was at -42.9 basis points.

The yield on the 30-year Treasury bond fell 9.4 basis points to 4.777%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.284%.

The 10-year TIPS breakeven rate was last at 2.344%, indicating the market sees inflation averaging about 2.3% a year for the next decade.

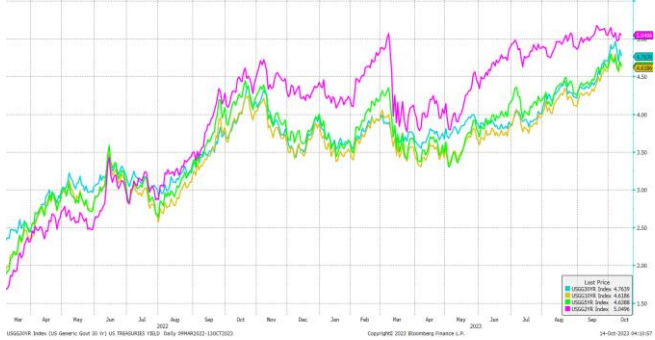
(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
10/13/2023 20:30	Import Price Index MoM	Sep	0.50%	0.10%	0.50%
10/13/2023 20:30	Import Price Index ex Petroleum MoM	Sep	-0.10%	-0.30%	0.00%
10/13/2023 20:30	Import Price Index YoY	Sep	-1.40%	-1.70%	-3.00%
10/13/2023 20:30	Export Price Index MoM	Sep	0.50%	0.70%	1.30%
10/13/2023 20:30	Export Price Index YoY	Sep	-4.00%	-4.10%	-5.50%
10/13/2023 22:00	U. of Mich. Sentiment	Oct P	67	63	68.1
10/13/2023 22:00	U. of Mich. Current Conditions	Oct P	70.3	66.7	71.4
10/13/2023 22:00	U. of Mich. Expectations	Oct P	65.7	60.7	66
10/13/2023 22:00	U. of Mich. 1 Yr Inflation	Oct P	3.20%	3.80%	3.20%
10/13/2023 22:00	U. of Mich. 5-10 Yr Inflation	Oct P	2.80%	3.00%	2.80%
10/16/2023 20:30	Empire Manufacturing	Oct	-7	--	1.9
10/19/2023 10:21	Monthly Budget Statement	Sep	-\$158.0b	--	-\$429.8b
10/17/2023 20:30	Retail Sales Advance MoM	Sep	0.30%	--	0.60%
10/17/2023 20:30	Retail Sales Ex Auto MoM	Sep	0.20%	--	0.60%
10/17/2023 20:30	Retail Sales Ex Auto and Gas	Sep	0.10%	--	0.20%
10/17/2023 20:30	Retail Sales Control Group	Sep	-0.10%	--	0.10%
10/17/2023 20:30	New York Fed Services Business Activity	Oct	--	--	-3
10/17/2023 21:15	Industrial Production MoM	Sep	0.00%	--	0.40%
10/17/2023 21:15	Capacity Utilization	Sep	79.60%	--	79.70%
10/17/2023 21:15	Manufacturing (SIC) Production	Sep	0.00%	--	0.10%
10/17/2023 22:00	Business Inventories	Aug	0.30%	--	0.00%

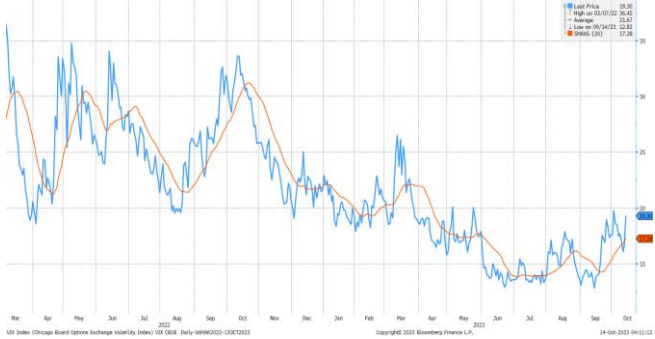
Contract	Close	Change	High	Low
E-Mini Dow DEC 23	33,827.00	-7.00	34,123.00	33,707.00
E-Mini S&P DEC 23	4,357.25	-29.500	4,407.75	4,340.75
E-Mini NASDAQ DEC 23	15,120.25	-206.50	15,366.75	15,062.25
Micro Russell 2K JUN 22	1727.1	-19.1	1755.3	1724.3
USD Nikkei DEC 23	31,910.0	-385.0	32,550.00	31,875.00
US Dollar Index	106.68	0.079	106.79	106.29
DJIA	33,670.29	39.150	33,957.72	33,551.58
S&P 500	4,327.78	-21.830	4,377.10	4,311.97
NASDAQ	13,407.23	-166.990	13,619.54	13,361.85
Nikkei 225	32,315.99	-178.670	32,533.08	32,249.03
Hang Seng	17,813.45	-424.760	18,013.67	17,776.95
Straits Times	3,185.79	-32.900	3,197.31	3,184.48
DAX	15,186.66	-238.370	15,409.89	15,178.07
CAC	7,003.53	-101.000	7,108.76	6,997.48
FTSE100	7,599.60	-45.180	7,660.05	7,590.72

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	10.65	9.14	9.20	9.36
E-Mini S&P Futures	13.51	11.91	11.73	11.20
E-Mini Nasdaq Futures	22.24	17.19	15.98	17.05

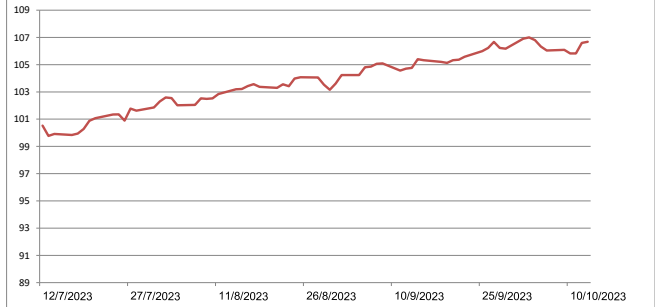
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



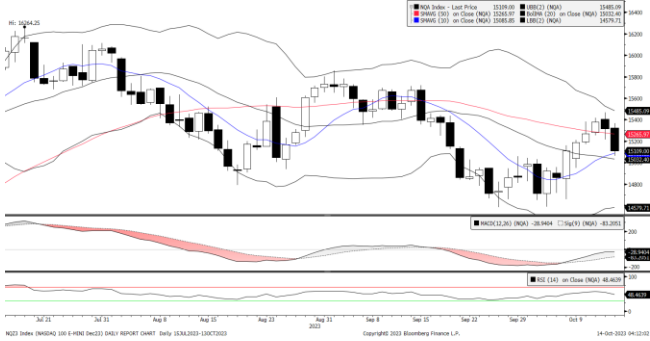
E-Mini Dow Index Futures Daily Chart



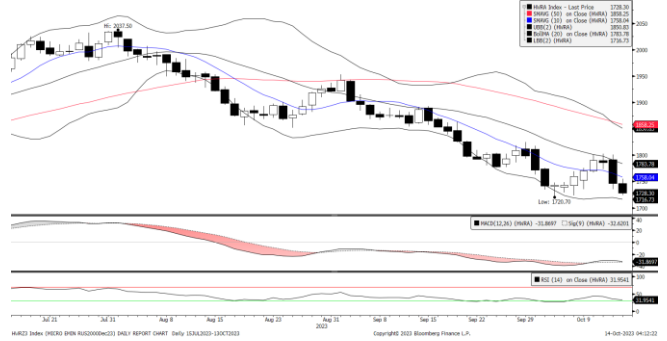
E-Mini S&P 500 Index Futures Daily Chart



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:	34334	2nd Resistance:	34942	1st Resistance:	4422.61	2nd Resistance:	4487.97	1st Resistance:	15347.05	2nd Resistance:	15573.86	1st Resistance:	1753.01	2nd Resistance:	1778.91
1st Support:	33320	2nd Resistance:	32812	1st Support:	4291.89	2nd Resistance:	4226.53	1st Support:	14893.45	2nd Resistance:	14666.64	1st Support:	1701.19	2nd Resistance:	1675.29
MACD:	-276.684			MACD:	-29.526482			MACD:	-28.931			MACD:	-31.972		
MACD DIFF:	52.734			MACD DIFF:	10.709401			MACD DIFF:	54.260			MACD DIFF:	0.677		
RSI:	41.742			RSI:	43.807548			RSI:	48.452			RSI:	31.778		

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow	33320	33653	33153		32812	33140	32648		34334	33991	34506		34842	34493	35016
S&P	4291.89	4334.81	4270.43		4226.53	4268.80	4205.40		4422.61	4378.38	4444.72		4487.97	4443.09	4510.41
Nasdaq	14893.45	15042.38	14818.98		14666.64	14813.31	14593.31		15347.05	15193.58	15423.79		15573.86	15418.12	15651.73
Micro Russell	1701.19	1718.21	1692.69		1675.29	1692.04	1666.91		1753.0065	1735.48	1761.77		1778.913	1761.12	1787.81

Source: Bloomberg

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