

Fundamentals:

U.S. stocks wavered to a mixed close on Monday as benchmark U.S. Treasury yields backed down from 5% and investors shifted their focus to this week's high-profile earnings and closely watched economic data.

The S&P 500 index ended modestly lower, while a host of interest rate sensitive momentum stocks buoyed the tech-laden Nasdaq Composite Index to a higher close.

The Dow Jones Industrial Average notched its fourth straight daily drop.

The tech-heavy Nasdaq racked up the largest gains among Wall Street's major indexes, while the blue-chip Dow was nominally lower.

The S&P 500 ended below its 200-day moving average, a closely watched technical level, for the second straight session.

The week ahead promises to be eventful for earnings, with reports by nearly one-third of the companies in the S&P 500.

These include megacap momentum drivers, including Microsoft Corp, Alphabet Inc, Meta Platforms Inc and Amazon.com, along with heavy-hitting industrials such as General Motors Co, Ford Motor Co and Boeing Co.

So far, 86 of the companies in the S&P 500 have posted earnings. Of those, 78% have beat expectations, LSEG data showed.

Analysts see aggregate S&P 500 earnings for the July-September period growing 1.2% year-on-year, slightly below the 1.6% growth projected at the start of the month, according to LSEG.

The Commerce Department on Thursday will announce third-quarter gross domestic product, seen accelerating to 4.3%. Its wide-ranging Personal Consumption Expenditures (PCE) report, due on Friday, is expected to show annual headline and core inflation cooling down to 3.4% and 3.7%, respectively.

Geopolitical turmoil is also on the radar, with market participants looking for potential signs the Israel-Hamas conflict could broaden or escalate.

The Dow Jones Industrial Average fell 190.87 points, or 0.58%, to 32,936.41; the S&P 500 lost 7.12 points, or 0.17%, at 4,217.04; and the Nasdaq Composite added 34.52 points, or 0.27%, at 13,018.33.

Of the 11 major sectors in the S&P 500, communication services notched the biggest gain, while energy shares suffered the largest percentage drop.

Walgreens Boots Alliance surged 3.3% after J.P. Morgan upgraded the pharmacy chain operator to "overweight" from "neutral."

Chevron fell 3.7% after the company said it would buy smaller rival Hess Corp in a \$53 billion all-stock deal. Hess dipped 1.1%.

Agricultural sciences firm FMC tumbled 13.2% after the company lowered its third-quarter guidance.

The yield on the benchmark 10-year U.S. Treasury note declined on Monday after briefly rising above 5.0%, hitting the July 2007 milestone that it briefly attempted to scale last week and further threatening an economic slowdown on higher borrowing costs.

The run-up in yields on the 10-year Treasury note, seen as a safe haven in times of economic uncertainty and a benchmark for borrowing costs around the world, has been driven by investors pricing in stronger U.S. growth as well as fiscal slippage.

Yields at the long end rose quickly after Federal Reserve Chair Jerome Powell said last week that the U.S. economy's strength and hot labor market might warrant tighter financial conditions.

The 10-year yield was briefly bid at a 16-year high of 5.001% on Thursday, breaking 5% again on Monday morning before slipping to 4.83%. It has risen 160 basis points since mid-May.

Yields have been tempered by the threat of an expanding conflict in the Middle East, which has caused investors to turn to the safe haven of U.S. government bonds after Hamas fighters attacked Israel on Oct. 7.

The 30-year bond on Monday posted its largest daily fall since mid-May. Its yield has slipped 9.8 basis points to 4.98%.

Billionaire investor Bill Ackman revealed Monday that he shared Baumohl's sentiments, disclosing that he covered his previous bets against Treasuries on his expectation that the war would push more investor dollars towards U.S. Treasuries.

The yield on the two-year Treasury note last stood at 5.06%.

The yield curve between the two-year and 10-year Treasury is the steepest it has been since mid-July. It last stood at minus 22.7.

The Treasury Department on Monday auctioned two sets of Treasury bills: \$75 billion in 13-week bills and \$68 billion in 26-week bills. More supply will come to the market this week in the form of a \$51 billion auction by the Treasury of 2-year notes on Tuesday, \$52 billion in 5-year notes on Wednesday and \$38 billion in 7-year notes on Thursday.

Several sets of economic data will be published this week that could inform the Fed's rate path, including the latest GDP read on Thursday and personal consumption expenditures on Friday.

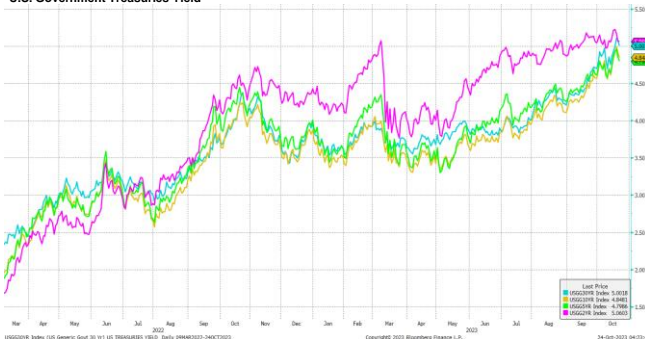
(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
10/23/2023 20:30	Chicago Fed Nat Activity Index	Sep	-0.14	0.02	-0.16	-0.22
10/24/2023 20:30	Philadelphia Fed Non-Manufacturing Activity	Oct	--	--	-16.6	--
10/24/2023 21:45	S&P Global US Manufacturing PMI	Oct P	49.5	--	49.8	--
10/24/2023 21:45	S&P Global US Services PMI	Oct P	49.9	--	50.1	--
10/24/2023 21:45	S&P Global US Composite PMI	Oct P	50	--	50.2	--
10/24/2023 22:00	Richmond Fed Manufact. Index	Oct	2	--	5	--
10/24/2023 22:00	Richmond Fed Business Conditions	Oct	--	--	-5	--
10/25/2023 19:00	MBA Mortgage Applications	Oct-20	--	--	-6.90%	--
10/25/2023 22:00	New Home Sales	Sep	680k	--	675k	--
10/25/2023 22:00	New Home Sales MoM	Sep	0.70%	--	-8.70%	--

Contract	Close	Change	High	Low
E-Mini Dow DEC 23	33,067.00	-141.00	33,366.00	33,013.00
E-Mini S&P DEC 23	4,241.75	0.750	4,280.75	4,213.25
E-Mini NASDAQ DEC 23	14,712.00	76.50	14,853.75	14,514.25
Micro Russell 2K JUN 22	1680.6	-9.2	1699.7	1670.9
USD Nikkei DEC 23	30,995.0	-25.0	31,215.00	30,750.00
US Dollar Index	105.62	-0.546	106.33	105.52
DJIA	32,936.41	-190.870	33,234.85	32,892.19
S&P 500	4,217.04	-7.120	4,255.84	4,189.22
NASDAQ	13,018.33	34.520	13,143.22	12,848.83
Nikkei 225	30,999.55	-259.810	31,177.41	30,974.26
Hang Seng	0.00	0.000	0.00	0.00
Straits Times	3,053.36	-23.330	3,076.69	3,053.36
DAX	14,800.72	2.250	14,838.01	14,630.21
CAC	6,850.47	34.250	6,855.93	6,773.82
FTSE100	7,374.83	-27.310	7,402.20	7,338.59

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	9.93	10.14	9.57	9.39
E-Mini S&P Futures	12.74	13.10	12.23	11.41
E-Mini Nasdaq Futures	13.91	17.57	15.97	16.63

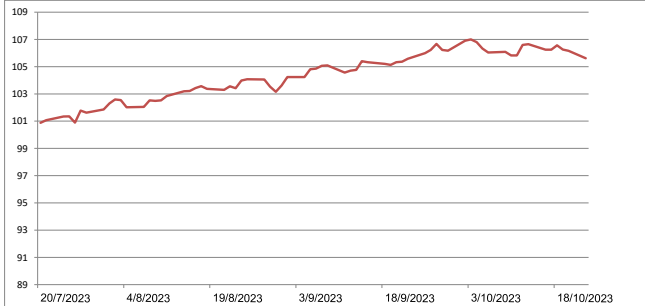
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



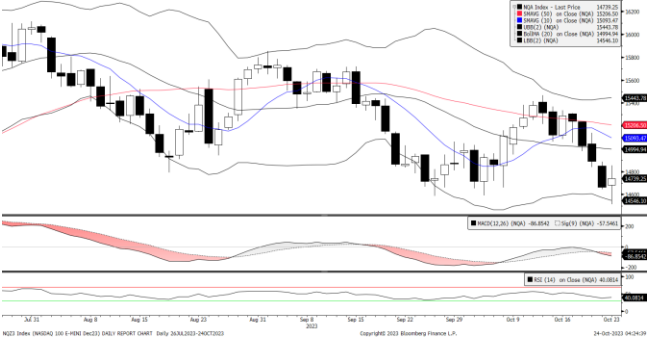
E-Mini Dow Index Futures Daily Chart



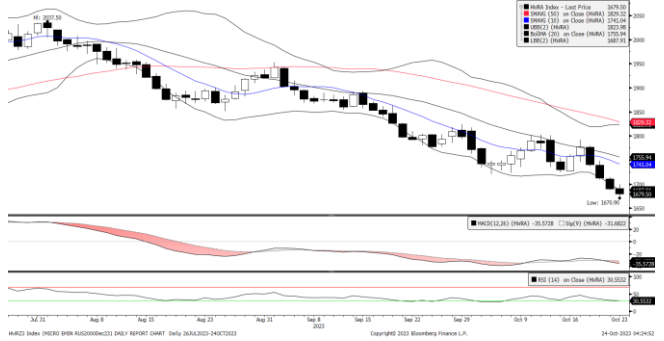
E-Mini S&P 500 Index Futures Daily Chart



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:	33563	2nd Resistance:	34059	1st Resistance:	4305.38	2nd Resistance:	4369.00	1st Resistance:	14932.68	2nd Resistance:	15153.36	1st Resistance:	1705.81	2nd Resistance:	1731.02
1st Support:	32571	2nd Resistance:	32075	1st Support:	4178.12	2nd Resistance:	4114.50	1st Support:	14491.32	2nd Resistance:	14270.64	1st Support:	1655.39	2nd Resistance:	1630.18
MACD:	-265.845			MACD:	-36.552889			MACD:	-86.713			MACD:	-35.489		
MACD DIFF:	-14.083			MACD DIFF:	-5.271364			MACD DIFF:	-29.248			MACD DIFF:	-3.818		
RSI:	32.349			RSI:	34.253572			RSI:	40.115			RSI:	30.678		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32571	32897	32408	32075	32396	31915	33563	33227	33731	34059	33718	34229
S&P	4178.12	4219.90	4157.23	4114.50	4155.64	4093.93	4305.38	4262.32	4326.90	4369.00	4325.31	4390.85
Nasdaq	14491.32	14636.23	14418.86	14270.64	14413.35	14199.29	14932.68	14783.35	15007.34	15153.36	15001.83	15229.13
Micro Russell	1655.39	1671.94	1647.11	1630.18	1646.48	1622.03	1705.809	1688.75	1714.34	1731.018	1713.71	1739.67

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.