

Fundamentals:

US stocks closed higher on Wednesday as investors took in the Federal Reserve's latest interest rate decision.

All three benchmark indexes ended the day with gains, while the yield on the 10-year US Treasury slid 11 basis points to around 4.76%.

Fed officials chose to keep interest rates level at their November policy meeting, in-line with investors' expectations. The Fed funds rate is still in the 5.25%-5.5% range, the highest interest rates have been since 2001.

In a press conference following the meeting, Fed Chair Jerome Powell pointed to the tightness of financial conditions, but left the door to another potential rate hike open.

"While we expected Powell to talk tough and do his best to keep markets from taking the two successive 'skips' in interest rate hikes as a green light for risk assets, we were surprised at how detailed he has been in his language that the Fed is still worried about inflation and wouldn't hesitate to raise rates again in the near future," Independent Advisor Alliance CIO Chris Zaccarelli said in a statement.

Traders got a dose of encouragement after Powell signaled the current tightening cycle has come very far and noted officials are "proceeding carefully." The S&P 500 closed near session highs, up over 1%. Ten-year US rates dropped 18 basis points to 4.75%, with the move initially triggered by the Treasury's plans to slow the pace of increase in its long-term debt sales. Swaps for January show a peak rate of 5.41% — equating to only eight basis points of additional hikes.

"The Fed tried to deliver a hawkish hold, but Wall Street is not believing additional tightening will happen this cycle," said Edward Moya, senior market analyst for the Americas at Oanda. "Fed Chair Powell tried to talk a hawkish game, but he wasn't convincing enough."

Another relevant aspect was that the Fed signaled that a run-up in long-term Treasury yields reduces the impetus to raise interest rates again. The perception is — the massive increase in longer-term rates has effectively done some of the work the Fed has been trying to accomplish in its quest to tighten conditions and bring inflation back to its 2% target.

"The Fed didn't hike today, mainly because the bond market hiked for them," Callie Cox at eToro. "This should be a relief for investors. The Fed is paying attention to the big picture, and they know that blindly hiking on top of substantially tight conditions could tip the economy over the edge."

The US central bank's policy-setting Federal Open Market Committee held interest rates at a 22-year high for a second straight meeting on Wednesday. The committee said in a post-meeting statement that "tighter financial and credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation," adding the word "financial" to language that previously referred only to credit conditions.

(Source: Bloomberg)

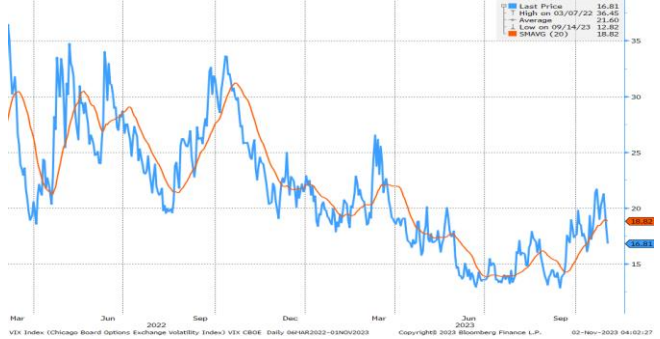
Contract	Close	Change	High	Low
E-Mini Dow DEC 23	33,351.00	206.00	33,418.00	32,990.00
E-Mini S&P DEC 23	4,256.00	42.000	4,264.75	4,191.25
E-Mini NASDAQ DEC 23	14,744.50	246.25	14,762.00	14,410.75
Micro Russell 2K JUN 22	1674.1	5.7	1678.2	1652.5
USD Nikkei DEC 23	31,875.0	520.0	31,910.00	31,310.00
US Dollar Index	106.65	-0.009	107.11	106.61
DJIA	33,274.58	221.710	33,337.15	33,010.85
S&P 500	4,238.97	45.170	4,245.64	4,197.74
NASDAQ	13,061.47	210.230	13,072.42	12,875.20
Nikkei 225	31,601.65	742.800	31,601.65	31,301.51
Hang Seng	17,101.78	-10.700	17,188.85	16,979.26
Straits Times	3,076.77	9.030	3,081.65	3,067.74
DAX	14,923.27	112.930	14,949.58	14,786.32
CAC	6,932.63	46.980	6,954.84	6,873.55
FTSE100	7,342.43	20.710	7,385.39	7,304.89

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	14.23	11.46	10.14	10.01
E-Mini S&P Futures	15.10	14.05	12.66	11.95
E-Mini Nasdaq Futures	12.36	17.36	14.95	16.09

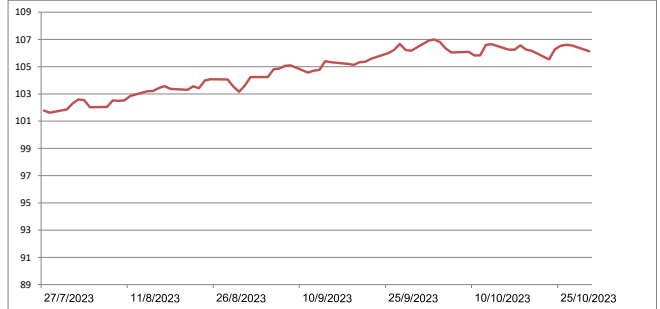
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised	
10/31/2023 22:00	Conf. Board Consumer Confidence	Oct	100.5	102.6	103	104.3
11/01/2023 20:15	ADP Employment Change	Oct	150k	113k	89k	--
11/01/2023 21:45	S&P Global US Manufacturing PMI	Oct F	50.0	50	50	--
11/01/2023 22:00	JOLTS Job Openings	Sep	9400k	9553k	9610k	9497k
11/02/2023 20:30	Initial Jobless Claims	Oct-28	210k	--	210k	--
11/03/2023 20:30	Change in Nonfarm Payrolls	Oct	180k	--	336k	--
11/03/2023 20:30	Unemployment Rate	Oct	3.8%	--	3.8%	--

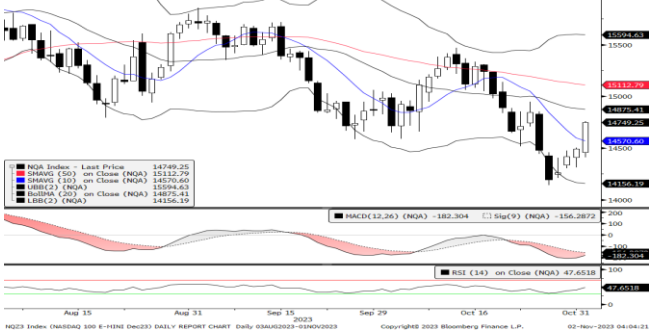
E-Mini Dow Index Futures Daily Chart



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:	33851	2nd Resistance:	34352	1st Resistance:	4319.84	2nd Resistance:	4383.68	1st Resistance:	14965.67	2nd Resistance:	15186.84	1st Resistance:	1699.21	2nd Resistance:	1724.32
1st Support:	32851	2nd Resistance:	32350	1st Support:	4192.16	2nd Resistance:	4128.32	1st Support:	14523.33	2nd Resistance:	14302.17	1st Support:	1648.99	2nd Resistance:	1623.88
MACD:	-309.765			MACD:	-53.703142			MACD:	-182.410			MACD:	-40.164		
MACD DIFF:	6.769			MACD DIFF:	-3.501466			MACD DIFF:	-26.220			MACD DIFF:	-0.870		
RSI:	46.579			RSI:	45.378899			RSI:	47.578			RSI:	37.402		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32851	33179	32686	32350	32674	32189	33851	34021	34021	34352	34008	34523
S&P	4192.16	4234.08	4171.20	4128.32	4169.60	4107.68	4319.84	4276.64	4341.44	4383.68	4339.84	4405.60
Nasdaq	14523.33	14668.57	14450.72	14302.17	14445.19	14230.65	14965.67	14816.01	15040.50	15186.84	15034.97	15262.77
Micro Russell	1648.99	1665.48	1640.74	1623.88	1640.12	1615.76	1699.2115	1682.22	1707.71	1724.323	1707.08	1732.94

Source: Bloomberg

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