

**Fundamentals:**

U.S. stocks eked out a slight gain on Monday as investors engaged in some bargain hunting after last week's losses, the biggest percentage declines of 2023 for Wall Street's main benchmarks, as jitters persisted about coming interest rate hikes to tame stubbornly high inflation.

All three main stock indexes climbed more than 1% shortly after the opening bell, in part due to an easing in Treasury yields, and all three closed well off their session highs.

Stocks steadily gave up gains throughout the session as U.S. Treasury yields moved off the day's lows.

The Dow Jones Industrial Average rose 72.17 points, or 0.22%, to 32,889.09, the S&P 500 gained 12.2 points, or 0.31%, to 3,982.24 and the Nasdaq Composite added 72.04 points, or 0.63%, to 11,466.98.

Last week, the Dow Industrials fell by the biggest weekly percentage since September, and the S&P 500 and Nasdaq each had their biggest weekly percentage fall since December as economic data and comments from U.S. Federal Reserve officials heightened expectations the central bank will become more aggressive in raising interest rates.

Economists at UK-based banks Barclays and NatWest believe the Fed could ramp up the pace of its interest-rate rises in March with a half-point hike. Morgan Stanley said it no longer sees a cut by the Fed this year and expects a slower pace of 25 basis points when the central bank does begin lowering rates.

Fed funds futures show traders are pricing in a third 25 bps hikes this year and see rates peaking at 5.4% by September.

Fed Governor Philip Jefferson said he had "no illusion" inflation would quickly fall back to target and was committed to keeping restrictive monetary policy in place for as long as needed.

Data showed new orders for key U.S.-made capital goods increased more than expected in January while shipments of core goods rebounded, suggesting that business spending on equipment picked up.

Easing yields helped growth stocks rebound 0.63% while Tesla jumped 5.46% after the electric automaker said its plant in Brandenburg near Berlin was producing 4,000 cars a week, three weeks ahead of schedule according to a recent production plan reviewed by Reuters.

Seagen Inc surged 10.40% after the Wall Street Journal reported that Pfizer was in early talks to acquire the biotech firm. Pfizer's shares dipped 2.32%.

U.S. railroad operator Union Pacific climbed 10.09% as Chief Executive Lance Fritz said he would step down. Hedge fund Soroban Capital Partners had called for his ouster.

U.S. Treasury yields declined on Monday as some investors saw recent weakness in U.S. government bonds as a buying opportunity, but fears of higher interest rates continued to be a top concern.

Yields, which move inversely to prices, have been rising steeply over the past few weeks as a flurry of strong economic data supported expectations that the U.S. Federal Reserve will need to raise interest rates more than previously expected to fight stubbornly high inflation.

Initially yields continued their ascent in early trade on Monday after Germany's benchmark 10-year yield hit a new near 12-year high, but they changed course around the release of U.S. data on durable goods orders in January, which dropped 4.5% month on month, against expectations of a 4% decline.

While orders for durable goods fell more than expected last month, new orders for key U.S.-manufactured capital goods increased more than expected and shipments of so-called core goods rebounded, suggesting that business spending on equipment picked up at the start of the first quarter.

Economic data this month reflected still tight jobs markets and inflation remaining sticky, leading Fed funds futures traders to bet on higher rates, which in the U.S. are now seen peaking in September at 5.4%, up from 4.58% now.

There is also less conviction that the Fed may cut rates later this year, with Morgan Stanley now expecting it to deliver its first interest rate cut in March 2024, against a previous forecast of a December move.

Separately on Monday the National Association of Realtors (NAR) said its Pending Home Sales Index, based on signed contracts, jumped 8.1% last month, the biggest increase since June 2020. Treasury yields inched up after the release.

U.S. Treasury 10-year yields were last seen at 3.921%, down nearly three basis points from Friday.

Two-year yields, which more closely track investor expectations on the path of interest rates, were about one point lower at 4.792%. On Friday, they had hit three-and-a-half-month highs after data showing that U.S. consumer spending rebounded sharply in January and inflation accelerated.

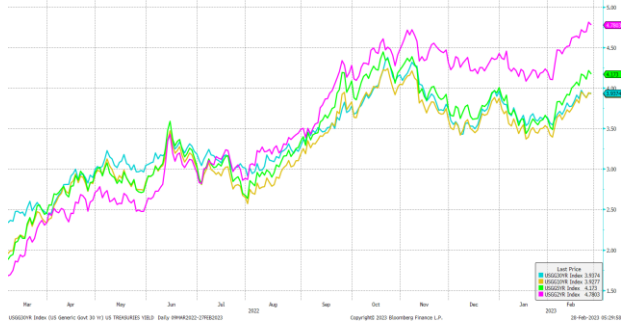
(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
02/27/2023 21:30	Durable Goods Orders	Jan P	-4.00%	-4.50%	5.60%	5.10%
02/27/2023 21:30	Durables Ex Transportation	Jan P	0.10%	0.70%	-0.20%	-0.40%
02/27/2023 21:30	Cap Goods Orders Nondefl Ex Air	Jan P	0.00%	0.80%	-0.10%	-0.30%
02/27/2023 21:30	Cap Goods Ship Nondefl Ex Air	Jan P	0.20%	1.10%	-0.80%	--
02/27/2023 23:00	Pending Home Sales MoM	Jan	1.00%	8.10%	2.50%	1.10%
02/27/2023 23:00	Pending Home Sales NSA YoY	Jan	--	-22.40%	-34.30%	--
02/27/2023 23:30	Dallas Fed Manf. Activity	Feb	-9.3	-13.5	-8.4	--
02/28/2023 21:30	Advance Goods Trade Balance	Jan	-\$91.0b	--	-\$90.3b	-\$89.7b
02/28/2023 21:30	Wholesale Inventories MoM	Jan P	0.20%	--	0.10%	--
02/28/2023 21:30	Retail Inventories MoM	Jan	0.10%	--	0.50%	--
02/28/2023 22:00	House Price Purchase Index QoQ	4Q	--	--	0.10%	--
02/28/2023 22:00	FHFA House Price Index MoM	Dec	-0.20%	--	-0.10%	--
02/28/2023 22:00	S&P CoreLogic CS 20-City MoM SA	Dec	-0.40%	--	-0.54%	--
02/28/2023 22:00	S&P CoreLogic CS 20-City YoY NSA	Dec	4.75%	--	6.77%	--
02/28/2023 22:00	S&P CoreLogic CS US HPI YoY NSA	Dec	--	--	7.69%	--
02/28/2023 22:45	MNI Chicago PMI	Feb	45.5	--	44.3	--
02/28/2023 23:00	Richmond Fed Manufact. Index	Feb	-5	--	-11	--
02/28/2023 23:00	Conf. Board Consumer Confidence	Feb	108.5	--	107.1	--
02/28/2023 23:00	Conf. Board Present Situation	Feb	--	--	150.9	--
02/28/2023 23:00	Conf. Board Expectations	Feb	--	--	77.8	--
02/28/2023 23:00	Richmond Fed Business Conditions	Feb	--	--	-10	--
02/28/2023 23:30	Dallas Fed Services Activity	Feb	--	--	-15	--

Contract	Close	Change	High	Low
E-Mini Dow MAR 23	32,909.00	106.00	33,211.00	32,783.00
E-Mini S&P MAR 23	3,988.00	15.500	4,024.75	3,973.00
E-Mini NASDAQ MAR 23	12,083.25	96.75	12,189.50	11,990.00
Micro Russell 2K JUN 22	1900.1	8.5	1919.1	1889
USD Nikkei MAR 23	27,535.0	210.0	27,560.00	27,300.00
Euro Dollar MAR 23	94.93	0.000	94.93	94.91
US Dollar Index	104.65	-0.560	105.36	104.55
DJIA	32,889.09	72.170	33,189.28	32,814.18
S&P 500	3,982.24	12.200	4,018.05	3,973.55
NASDAQ	11,466.98	72.040	11,565.23	11,444.60
Nikkei 225	27,423.96	-29.520	27,456.22	27,292.74
Hang Seng	19,943.51	-66.530	20,086.53	19,804.56
Straits Times	3,263.24	-19.060	3,285.79	3,261.95
DAX	15,381.43	171.690	15,481.06	15,351.63
CAC	7,295.55	108.280	7,324.03	7,243.03
FTSE100	7,935.11	56.450	7,949.97	7,878.66

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	14.05	13.50	14.48	16.82
E-Mini S&P Futures	14.22	16.77	17.35	20.74
E-Mini Nasdaq Futures	9.99	11.64	14.77	14.08

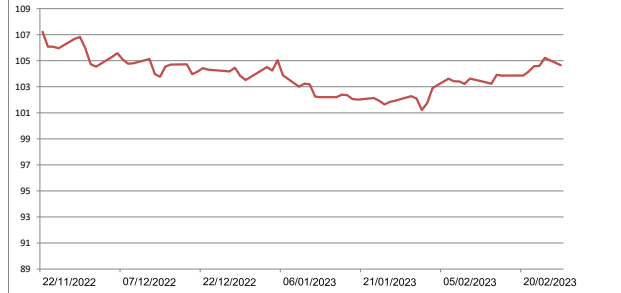
**U.S. Government Treasuries Yield**



**CBOE Volatility Index (VIX)**



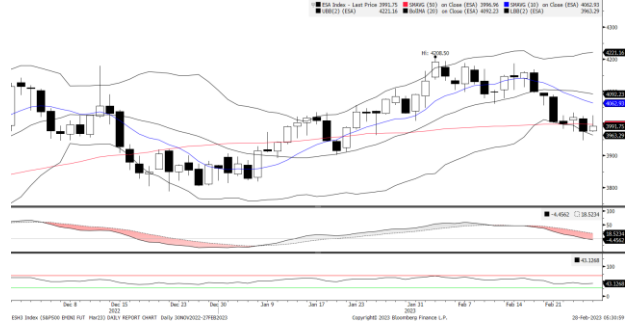
**Dollar Index**



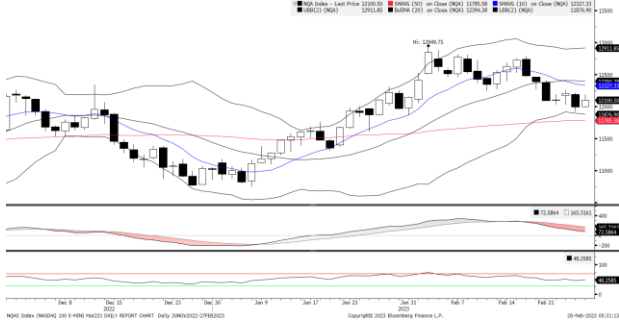
E-Mini Dow Index Futures Daily Chart



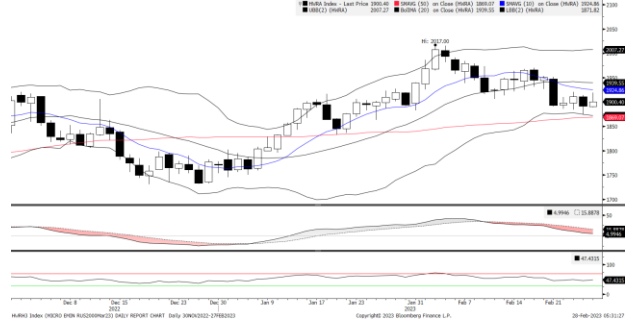
E-Mini S&P 500 Index Futures Daily Chart



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:	33403	2nd Resistance:	33896	1st Resistance:	4047.82	2nd Resistance:	4107.64	1st Resistance:	12264.50	2nd Resistance:	12445.75	1st Resistance:	1928.60	2nd Resistance:	1957.10
1st Support:	32415	2nd Resistance:	31922	1st Support:	3928.18	2nd Resistance:	3868.36	1st Support:	11902.00	2nd Resistance:	11720.75	1st Support:	1871.60	2nd Resistance:	1843.10
MACD:	-198.841			MACD:	-4.528990			MACD:	71.945			MACD:	4.955		
MACD DIFF:	-140.123			MACD DIFF:	-22.996009			MACD DIFF:	-93.087			MACD DIFF:	-10.905		
RSI:	38.011			RSI:	43.068531			RSI:	48.108			RSI:	47.375		

**Strategy**

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow	32415	32740	32253	S&P	31922	32241	31762	33403	33069	33570	Micro Russell	33896	33557	34066
S&P	3928.18	3967.46	3908.54	Nasdaq	3868.36	3907.04	3849.02	4047.82	4007.34	4068.06		4107.64	4066.56	4128.18
Nasdaq	11902.00	12021.02	11842.49		11720.75	11837.96	11662.15	12264.50	12141.85	12325.62		12445.75	12321.29	12507.98
Micro Russell	1871.6	1890.31	1862.24		1843.10	1861.53	1833.88	1928.6015	1909.32	1938.24		1957.103	1937.53	1966.89

Source: Bloomberg

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