

Fundamentals:

Wall Street's indexes ended down more than 1% on Friday after investors ran for the exits as they feared for the health of U.S. banks after the failure of a high-profile lender to the technology sector, overshadowing the February jobs report.

California banking regulators said they closed SVB Financial Group to protect deposits in what was the largest bank failure since the financial crisis. A capital crisis at SVB had already put pressure on bank stocks globally.

SVB had tried but failed to shore up its balance sheet through a stock sale proposed late on Wednesday. The same day, crypto-lender Silvergate Capital said it would have to wind down after huge losses from the FTX cryptocurrency exchange collapse.

While many investors looked through their bank holdings for signs of risk, Schief said much of the weakness in regional bank stocks stemmed from a "proverbial shoot first ask questions later situation."

The KBW regional banking index ended the session down 2.4% while the S&P 500 financials index lost 1.8%.

The Dow Jones Industrial Average fell 345.22 points, or 1.07%, to 31,909.64, the S&P 500 lost 56.73 points, or 1.45%, to 3,861.59 and the Nasdaq Composite dropped 199.47 points, or 1.76%, to 11,138.89.

All 11 S&P 500 industry sectors lost ground. Real estate, down 3.3%, led declines while consumer staples the top performer, fell just 0.5%.

For the week, the S&P lost 4.6% in its biggest weekly percentage decline since September but was clinging to a tiny year-to-date gain of 0.6%. The Dow fell 4.4% for the week and was down more than 3% year-to-date while the Nasdaq declined 4.7% this week but was up more than 6% for 2023.

The Cboe Volatility Index, an options-based indicator that reflects demand for protection against stock market declines, closed at a 3-month high, up 2.19 points at 24.9 after touching a roughly five-month high during the session.

Investors had expected to end the week with most of their focus on economic data rather than banks.

Before the market opened, the closely monitored non-farm payrolls report showed the U.S. economy added more jobs than expected in February while average hourly earnings rose at a slower 0.2% last month after versus 0.3% in January while unemployment rose to 3.6%.

The data had eased some concerns that the Fed could raise rates by 50 basis points at its March meeting after hawkish remarks from Fed Chair Powell this week.

The S&P 500's bank subsector closed down 0.5% with a boost from JPMorgan Chase, which closed up 2.5% and Wells Fargo, which closed up 0.6% while the rest of the index lost ground.

The biggest decliners were Silvergate crypto-bank peer Signature Bank, which tumbled 22.9% and regional bank First Republic, which finished down 14.8%.

In individual stocks, Gap Inc lost 6.3% after the apparel retailer posted a bigger-than-expected fourth-quarter loss and forecast full-year sales below Wall Street estimates.

Oracle Corp slid 3% after the software firm missed third-quarter revenue estimates.

U.S. two-year Treasury yields saw the biggest drop since the 2008 financial crisis on Friday as yields across the curve plummeted after the February payrolls report, while investors continued to be risk-averse as they assessed possible ramifications from troubles in the banking sector.

Nonfarm payrolls increased by 311,000 last month, the Labor Department said, above the 205,000 estimate of economists polled by Reuters, while average hourly earnings rose by 0.2% in February, slightly below the expected 0.3%, giving hope that the Fed can be less aggressive in its path of interest rate hikes. January's report was revised only slightly lower to 504,000 jobs from the previously announced 517,000.

The yield on 10-year Treasury notes was down 22.6 basis points at 3.697%. The yield was poised for its largest one-day drop since November 10.

Expectations for a larger rate hike by the Fed at its March 22 policy announcement lessened after the jobs data, with fed funds futures now projecting a 39.5% chance of a 50 basis-point hike, down from 68.3% on Thursday, according to CME's FedWatch Tool.

The tumble in yields began on Thursday, in part due to worries about the banking sector, and contagion concerns stemming from troubles at SVB Financial. On Friday, the bank was shuttered by regulators, the largest bank failure since the financial crisis and weighed on other banks, primarily regional banks.

The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was down 30.3 basis points at 4.597%. The yield is down about 45 basis points over the last two days, its biggest drop since the financial crisis in September 2008 after having just crossed 5% for the first time since 2007 earlier in the week.

The yield on the 30-year Treasury bond was down 17.2 basis points at 3.698%, on track for its fourth straight daily decline and biggest one-day drop since December 1.

A closely watched part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes, seen as an indicator of economic expectations, was at a negative 90.4 basis points.

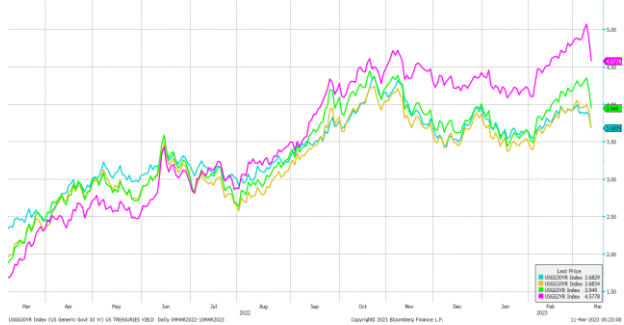
(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
03/10/2023 01:00	Household Change in Net Worth	4Q	--	\$2927b	-\$1294b
03/10/2023 21:30	Two-Month Payroll Net Revision	Feb	--	-34k	--
03/10/2023 21:30	Change in Nonfarm Payrolls	Feb	225k	311k	504k
03/10/2023 21:30	Change in Private Payrolls	Feb	215k	265k	386k
03/10/2023 21:30	Change in Manufact. Payrolls	Feb	10k	-4k	19k
03/10/2023 21:30	Unemployment Rate	Feb	3.40%	3.60%	3.40%
03/10/2023 21:30	Average Hourly Earnings MoM	Feb	0.30%	0.20%	0.30%
03/10/2023 21:30	Average Hourly Earnings YoY	Feb	4.70%	4.60%	4.40%
03/10/2023 21:30	Average Weekly Hours All Employees	Feb	34.6	34.5	34.7
03/10/2023 21:30	Labor Force Participation Rate	Feb	62.40%	62.50%	62.40%
03/10/2023 21:30	Underemployment Rate	Feb	--	6.80%	6.80%
03/11/2023 03:00	Monthly Budget Statement	Feb	-\$263.0b	-\$262.4b	-\$216.6b

Contract	Close	Change	High	Low
E-Mini Dow MAR 23	31,918.00	-327.00	32,434.00	31,787.00
E-Mini S&P MAR 23	3,862.75	-53.750	3,941.75	3,846.25
E-Mini NASDAQ MAR 23	11,840.25	-152.75	12,109.00	11,795.00
Micro Russell 2K JUN 22	1775.6	-51.6	1838.4	1753.8
USD Nikkei JUN 23	27,595.0	-490.0	28,270.00	27,560.00
Euro Dollar MAR 23	94.86	0.075	94.91	94.80
US Dollar Index	104.64	-0.672	105.35	104.04
DJIA	31,909.64	-345.220	32,422.10	31,783.41
S&P 500	3,861.59	-56.730	3,934.05	3,846.32
NASDAQ	11,138.89	-199.460	11,373.81	11,093.86
Nikkei 225	28,143.97	-479.180	28,424.24	28,118.74
Hang Seng	19,319.92	-605.820	19,637.72	19,281.97
Straits Times	3,177.43	-37.080	3,199.94	3,169.80
DAX	15,427.97	-205.240	15,495.87	15,316.38
CAC	7,220.67	-95.210	7,256.48	7,166.89
FTSE 100	7,748.35	-131.630	7,879.98	7,708.32

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	17.08	14.09	14.89	16.28
E-Mini S&P Futures	18.33	17.06	17.60	20.29
E-Mini Nasdaq Futures	19.34	12.42	15.82	14.41

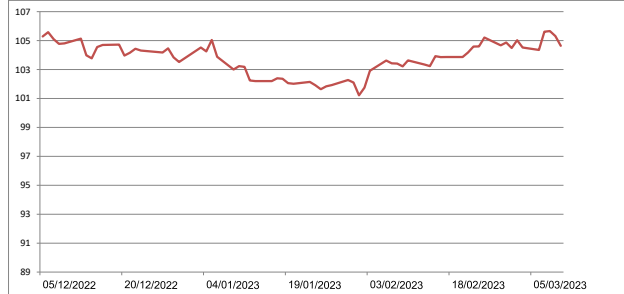
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



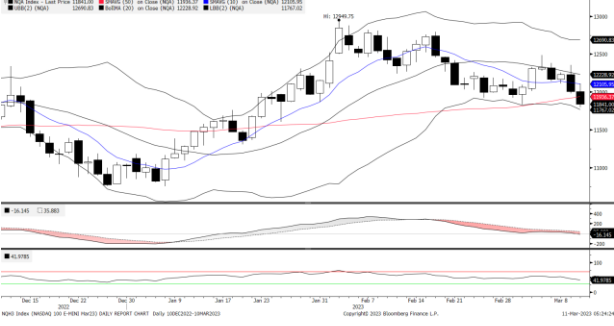
E-Mini Dow Index Futures Daily Chart



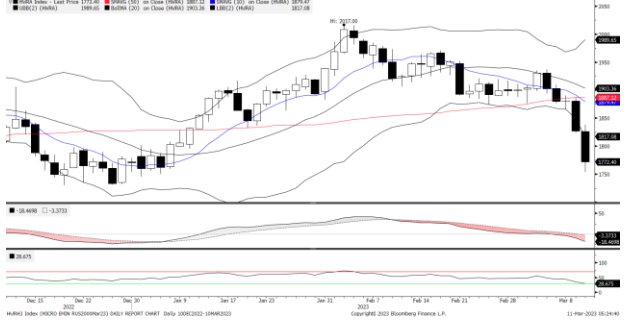
E-Mini S&P 500 Index Futures Daily Chart



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:	32397	2nd Resistance: 32876	1st Resistance:	3920.69	2nd Resistance: 3978.63	1st Resistance:	12017.85	2nd Resistance: 12195.46	1st Resistance:	1802.23	2nd Resistance: 1828.87
1st Support:	31439	2nd Resistance: 30960	1st Support:	3904.81	2nd Resistance: 3746.87	1st Support:	11662.65	2nd Resistance: 11485.04	1st Support:	1748.97	2nd Resistance: 1722.33
MACD:	-345.927		MACD:	-29.755287		MACD:	-15.263		MACD:	-18.270	
MACD DIFF:	-107.224		MACD DIFF:	-16.323534		MACD DIFF:	-51.075		MACD DIFF:	-14.907	
RSI:	31.053		RSI:	34.206247		RSI:	42.257		RSI:	28.931	

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	31439	31754	31282	30960	31270	30806	32397	32073	32559	32876	32547	33040
S&P	3804.81	3842.86	3785.78	3746.87	3784.34	3728.13	3920.69	3881.48	3940.29	3978.63	3938.85	3998.53
Nasdaq	11662.65	11779.27	11604.33	11485.04	11599.89	11427.62	12017.85	11897.68	12077.94	12195.46	12073.50	12256.43
Micro Russell	1748.97	1766.46	1740.22	1722.33	1739.56	1713.72	1802.23	1784.21	1811.25	1828.868	1810.58	1838.01

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.