

## Fundamentals:

US equities posted mild losses Friday as major indexes consolidated gains following a strong stretch that sent the S&P 500 Index to its best week since mid-June, juiced by optimism the Federal Reserve is closer to ending interest-rate hikes.

The benchmark index slipped 0.1%, with eight of the 11 major industry groups finishing lower as energy shares slumped on the back of oil prices sliding from an 11-week high. The Nasdaq 100 Index ended the session little changed, while the Dow Jones Industrial Average rose 0.3%. For the week, the S&P 500 jumped 2.4% to notch gains in seven of the past nine weeks, and the Nasdaq 100 climbed 3.5% for its best week in a month.

Investors sifted through results from the first batch of corporate earnings, which buoyed investor sentiment as rising interest rates that caught many US banks off guard are proving a boon for the nation's largest. JPMorgan Chase & Co. posted a record profit and some of its top rivals signaled stronger-than-expected earnings from lending. Both JPMorgan and Wells Fargo & Co. lifted forecasts for revenue from loans.

Meanwhile, Citigroup Inc. — the world's second-largest credit-card issuer — is reaping the gains as customers borrow more, though shares dipped as trading revenue just met the average analyst estimate.

The optimism isn't expected to spill over to next week, as results from Goldman Sachs Inc., Morgan Stanley and Bank of America Corp. will put the current investment banking slowdown in perspective. Traders will parse results for further signs of corporate resilience as profits for S&P 500 firms are forecast to drop for a third straight quarter. Wall Street analysts project that companies in the index will see the biggest contraction in earnings growth during the second quarter, where profits are expected to fall by 9% year-over-year.

At the end of a week marked by optimism the Fed would be closer to ending its most aggressive tightening cycle in decades, a report Friday showed consumer sentiment soared to an almost two-year high — while short-term inflation expectations rose. US consumer sentiment jumped in early July to an almost two-year high, bolstered by easing inflation and a strong labor market.

That came in the wake of a cooler-than-expected consumer price index print earlier in the week, along with a softer-than-expected producer price index data that had helped propel the S&P 500 above 4,500 — its highest level since April 2022. Swaps pricing show expectations that the Fed is virtually certain to raise its benchmark rate by another 25 basis point when it meets later this month.

While next week is another busy one for investors on the earnings front, the Fed will be in a blackout period ahead of its July 25-26 meeting. Ahead of the quiet stretch, Chicago Fed Bank President Austan Goolsbee said easing consumer-price data was "promising," though inflation is still higher than policymakers' 2% goal.

UnitedHealth Group Inc.'s shares surged 7.2% to post their best day since November 2020, reversing most of the stock's decline over the past month as second-quarter profits allayed Wall Street's fears of runaway medical costs.

BlackRock Inc. — the world's largest money manager — saw its shares snap a five-session winning streak following mixed earnings results, including an EPS beat driven mainly by "below-the-line" items, according to Jefferies.

AT&T Inc. sank to a 29-year low on growing concerns of the potentially high costs the phone giant faces if it must clean up contamination due to lead-clad wiring throughout parts of its nationwide network.

Stocks in the swimming pool industry slumped after pool-supplier retailer Leslie's Inc. cut its annual forecast following a decline in customer traffic, sending shares tumbling 30% to their worst day on record.

Benchmark 10-year Treasury yields rose off two-week lows on Friday after consumers lifted their inflation expectations in July, but they remained lower on the week as investors bet that the Federal Reserve is nearing the end of its hiking cycle.

The University of Michigan's preliminary reading on the overall index of consumer sentiment showed that U.S. consumer sentiment jumped to the highest level in nearly two years in July as inflation subsided and the labor market remained strong.

The survey's reading of one-year inflation expectations inched up to 3.4% this month from 3.3% in June. Its five-year outlook nudged up to 3.1% from 3.0% in the prior month.

Slowing consumer and producer price inflation in June has increased expectations that inflation will continue to moderate, and in turn lead to more dovish monetary policy.

Now, markets will scrutinize Fed Chairman Jerome Powell's tone at the U.S. central bank's July 25-26 meeting for further indications on whether it is likely to continue raising rates beyond a highly anticipated 25 basis points increase this month.

Ten-year yields rose 6 basis points on the day to 3.819%, but are down from an eight-month high of 4.094% last Friday.

Two-year Treasury yields rose 14 basis points to 4.751% and are down from 5.120% on July 6, the highest since June 2007.

Fed funds futures traders now see only a small chance of an additional rate hike after July, with around 32 basis points of further tightening priced into the market in total.

Fed Governor Christopher Waller said on Thursday he's not ready to call an all clear on U.S. inflation and favors more rate rises this year, saying the July meeting should bring an increase.

Fed officials on Saturday go into a blackout period ahead of the July meeting.

Other data on Friday showed U.S. import prices fell in June as an increase in the cost of fuels was more than offset by declines elsewhere, the latest indication that inflationary pressures are abating.

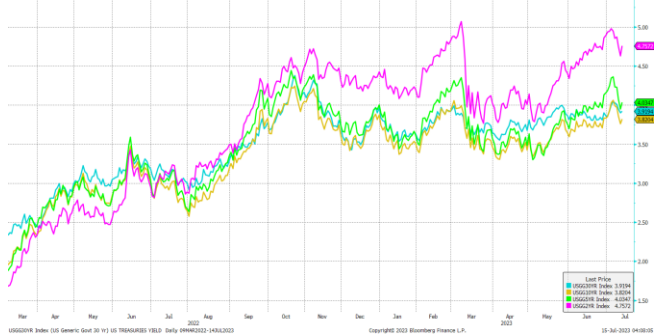
(Source: Bloomberg, Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised	
07/14/2023 02:00	Monthly Budget Statement	Jun	-\$205.0b	-\$227.9b	-\$98.9b	--
07/14/2023 20:30	Import Price Index MoM	Jun	-0.10%	-0.20%	-0.60%	-0.40%
07/14/2023 20:30	Import Price Index ex Petroleum MoM	Jun	-0.20%	-0.30%	-0.20%	--
07/14/2023 20:30	Import Price Index YoY	Jun	-6.10%	-6.10%	-5.90%	-5.70%
07/14/2023 20:30	Export Price Index MoM	Jun	-0.10%	-0.90%	-1.90%	--
07/14/2023 20:30	Export Price Index YoY	Jun	-11.00%	-12.00%	-10.10%	-10.20%

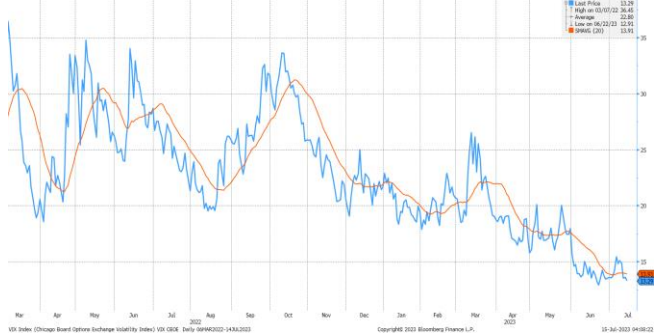
Contract	Close	Change	High	Low
E-Mini Dow SEP 23	34,678.00	71.00	34,788.00	34,495.00
E-Mini S&P SEP 23	4,536.75	-8.000	4,560.50	4,531.00
E-Mini NASDAQ SEP 23	15,694.25	-17.00	15,857.25	15,663.00
Micro Russell 2K JUN 22	1943.4	-20.5	1964.8	1932
USD Nikkei SEP 23	32,370.0	-410.0	32,910.00	32,255.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	99.98	0.205	100.02	99.58
DJIA	34,509.03	113.890	34,592.26	34,425.33
S&P 500	4,505.42	-4.620	4,527.76	4,499.56
NASDAQ	14,113.70	-24.870	14,232.11	14,081.96
Nikkei 225	32,391.26	-28.070	32,780.63	32,225.37
Hang Seng	19,413.78	63.160	19,534.82	19,364.60
Straits Times	3,248.63	10.170	3,260.28	3,241.94
DAX	16,105.07	-35.960	16,149.12	16,071.74
CAC	7,374.54	4.740	7,403.15	7,353.92
FTSE100	7,434.57	-5.640	7,480.43	7,421.31

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	9.92	11.09	11.57	12.17
E-Mini S&P Futures	8.84	10.04	12.23	13.42
E-Mini Nasdaq Futures	20.17	21.23	19.48	18.42

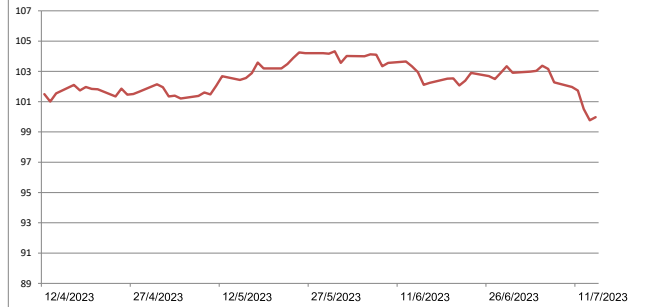
## U.S. Government Treasuries Yield



## CBOE Volatility Index (VIX)



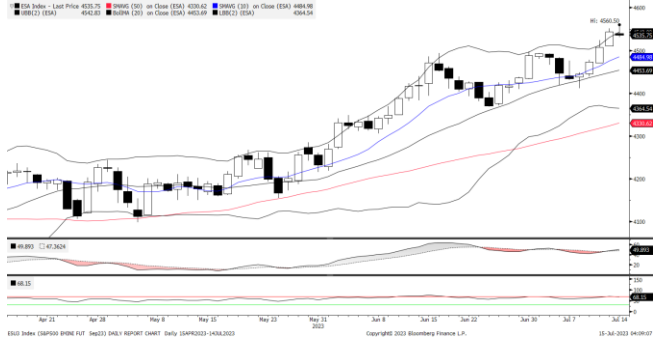
## Dollar Index



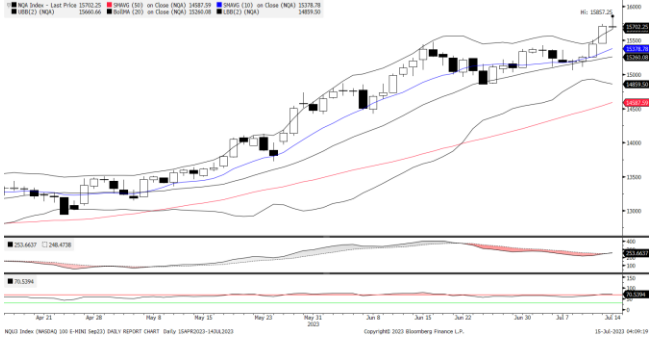
**E-Mini Dow Index Futures Daily Chart**



**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:	35198	2nd Resistance:	35718	1st Resistance:	4604.80	2nd Resistance:	4672.85	1st Resistance:	15929.66	2nd Resistance:	16165.08	1st Resistance:	1972.55	2nd Resistance:	2001.70
1st Support:	34158	2nd Resistance:	33638	1st Support:	4468.70	2nd Resistance:	4400.65	1st Support:	15458.84	2nd Resistance:	15223.42	1st Support:	1914.25	2nd Resistance:	1885.10
MACD:	133.273			MACD:	49.898345			MACD:	253.199			MACD:	24.712		
MACD DIFF:	17.300			MACD DIFF:	2.502825			MACD DIFF:	4.623			MACD DIFF:	5.287		
RSI:	59.093			RSI:	68.107046			RSI:	70.208			RSI:	61.025		

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	34158	34499	33987	33638	33974	33469	35198	34846	35374	35718	35361	35897
S&P	4468.70	4513.39	4446.36	4400.65	4444.65	4378.64	4604.80	4558.75	4627.83	4672.85	4626.12	4696.22
Nasdaq	15458.84	15613.42	15381.54	15223.42	15375.66	15147.31	15929.66	15770.37	16009.31	16165.08	16003.43	16245.90
Micro Russell	1914.25	1933.39	1904.68	1885.10	1903.95	1875.67	1972.55	1952.83	1982.41	2001.70	1981.68	2011.71

Source: Bloomberg

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