

**Fundamentals:**

U.S. stocks ended higher and the Nasdaq gained more than 1% on Wednesday, a day after a sell-off, as the latest economic data showed U.S. private payrolls increased less than expected in September.

Consumer discretionary rose 2%, leading S&P 500 sectors higher, followed by communication services and technology, as U.S. Treasury yields eased off of 16-year highs.

The ADP National Employment Report was cheered by investors worried about rising interest rates and the likelihood that the Federal Reserve may need to keep rates higher for longer.

Recent weakness had brought the S&P 500 near its 200-day moving average, currently at around 4,203.

Other data on Wednesday showed new orders for U.S.-made goods increased more than expected in August, although Friday's jobs report for September is the week's key economic news.

The Dow Jones Industrial Average rose 127.17 points, or 0.39%, to 33,129.55, the S&P 500 gained 34.3 points, or 0.81%, at 4,263.75 and the Nasdaq Composite added 176.54 points, or 1.35%, at 13,236.01.

Several mega-cap shares including Amazon.com were higher on the day.

Ford Motor was near flat even as the automaker posted a nearly 8% rise in U.S. auto sales for the third quarter.

Investors looking for non-economic data to focus on are keen for third-quarter earnings reports to kick off mid-month. S&P 500 company earnings are expected to have risen 1.6% year-over-year for the quarter, according to LSEG data.

Longer dated U.S. Treasury yields eased from 16-year highs on Wednesday after 30-year yields briefly rose above 5% overnight, and fell to session lows after data showed that U.S. jobs growth was below economists' expectations in September.

Yields have surged as investors reprice for the likelihood that the Federal Reserve will keep rates elevated for longer and possibly raise them again if the economy continues to show resilience and inflation remains above the Fed's 2% target.

Jobs data on Wednesday, however, helped to give some respite to the bond sell-off. The ADP National Employment Report showed that U.S. private payrolls increased far less than expected in September, with 89,000 jobs gained during the month.

This week's main economic focus will be Friday's jobs report for September, which is expected to show that employers added 170,000 jobs.

Benchmark 10-year notes reached 4.884% and 30-year yields hit 5.011%, both the highest levels since 2007, before falling back to 4.737% and 4.878%, respectively.

Interest rate-sensitive two-year yields were last at 5.050%. They are holding below the 5.202% level hit on Sept. 21, which was the highest since July 2006.

Investors are also focused on the likelihood that high rates will ultimately cause a recession, with many analysts forecasting weakness in the fourth quarter and into 2024.

The closely watched yield curve between two-year and 10-year notes reached minus 30 basis points on Wednesday, after inverting as far as minus 111 basis points in March and July. It has been inverted since July 2022.

An inversion in this part of the curve is seen as forecasting an economic downturn, but typically the yield curve will move back into positive territory before a recession begins.

Recent steepening in the yield curve, however, has been led by increases in longer-dated debt yields, which differs from previous periods when the steepening before a recession is driven by front-end rates falling faster than long term ones.

Analysts expect that the recent sell-off in longer-dated bonds will be reversed if there are firm signs of economic weakness or if higher rates lead to other significant market dislocations.

Technical factors this week have also been seen as adding to the selloff, with traders noting a lack of support levels between 4.5% and 5.0% on 10-year Treasury yields.

The average U.S. 30-year mortgage rate rose 12 basis points to 7.53% last week, the highest since Nov. 2000, the U.S. Mortgage Bankers Association said on Wednesday.

(Source: Reuters)

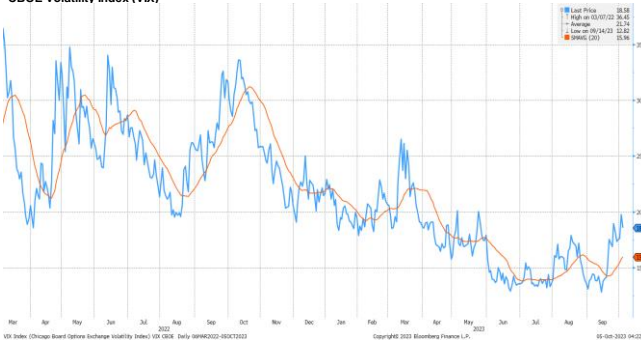
Contract	Close	Change	High	Low
E-Mini Dow DEC 23	33,326.00	77.00	33,357.00	33,021.00
E-Mini S&P DEC 23	4,297.75	27.500	4,304.00	4,235.50
E-Mini NASDAQ DEC 23	14,923.75	193.50	14,956.00	14,589.00
Micro Russell 2K JUN 22	1740.3	-1.6	1748.4	1720.7
USD Nikkei DEC 23	30,735.0	-75.0	30,855.00	30,295.00
US Dollar Index	106.75	-0.254	107.24	106.51
DJIA	33,129.55	127.170	33,156.45	32,873.23
S&P 500	4,263.75	34.300	4,268.50	4,220.48
NASDAQ	13,236.01	176.540	13,258.76	13,072.51
Nikkei 225	30,526.88	-711.060	30,830.85	30,487.67
Hang Seng	17,195.84	-135.380	17,266.82	17,094.00
Straits Times	3,147.39	-44.960	3,165.99	3,134.64
DAX	15,099.92	14.710	15,174.63	14,948.08
CAC	6,996.73	-0.320	7,050.69	6,948.03
FTSE100	7,412.45	-57.710	7,490.18	7,384.20

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	9.20	9.71	9.20	9.90
E-Mini S&P Futures	12.41	12.58	11.45	11.21
E-Mini Nasdaq Futures	18.94	16.07	16.58	17.90

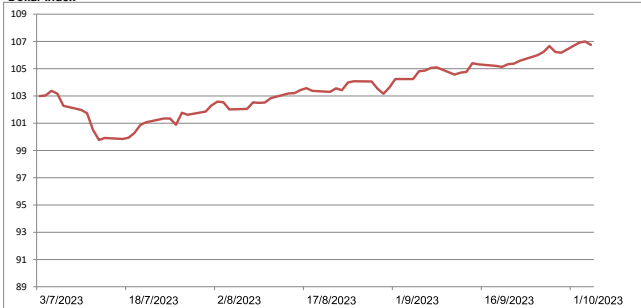
**U.S. Government Treasuries Yield**



**COBE Volatility Index (VIX)**



**Dollar Index**

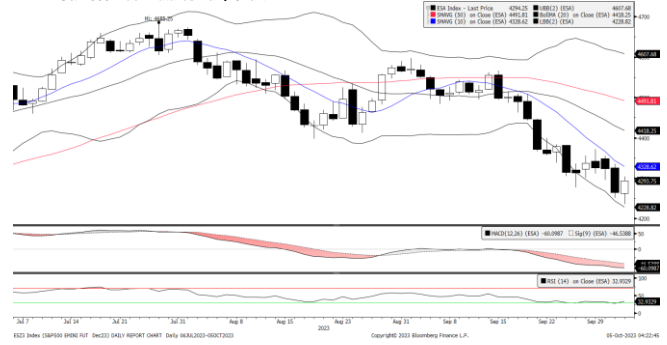


Economic Releases	Period	Survey	Actual	Prior	Revised
10/04/2023 19:00	MBA Mortgage Applications	Sep-23	--	-6.00%	--
10/04/2023 20:15	ADP Employment Change	Sep	150k	89k	177k
10/04/2023 21:45	S&P Global US Services PMI	Sep F	50.2	50.1	50.2
10/04/2023 21:45	S&P Global US Composite PMI	Sep F	50.1	50.2	50.1
10/04/2023 22:00	Factory Orders	Sep	0.30%	1.20%	-2.10%
10/04/2023 22:00	Factory Orders Ex Trans	Aug	0.20%	1.40%	0.80%
10/04/2023 22:00	Durable Goods Orders	Aug F	0.20%	0.10%	0.20%
10/04/2023 22:00	Durables Ex Transportation	Aug F	0.40%	0.40%	0.40%
10/04/2023 22:00	Cap Goods Orders Nondel Ex Air	Aug F	0.90%	0.90%	0.90%
10/04/2023 22:00	Cap Goods Ship Nondel Ex Air	Aug F	--	0.70%	--
10/04/2023 22:00	ISM Services Index	Sep	53.5	53.6	54.5
10/04/2023 22:00	ISM Services Prices Paid	Sep	--	58.9	58.9
10/04/2023 22:00	ISM Services Employment	Sep	--	53.4	54.7
10/04/2023 22:00	ISM Services New Orders	Sep	--	51.8	57.5
10/05/2023 19:30	Challenger Job Cuts YoY	Sep	--	--	266.90%
10/05/2023 20:30	Trade Balance	Aug	-\$59.8b	--	-\$65.0b
10/05/2023 20:30	Initial Jobless Claims	Sep-30	210k	--	204k
10/05/2023 20:30	Continuing Claims	Sep-23	1671k	--	1670k
10/06/2023 20:30	Change in Nonfarm Payrolls	Sep	168k	--	187k
10/06/2023 20:30	Two-Month Payroll Net Revision	Sep	--	--	-110k

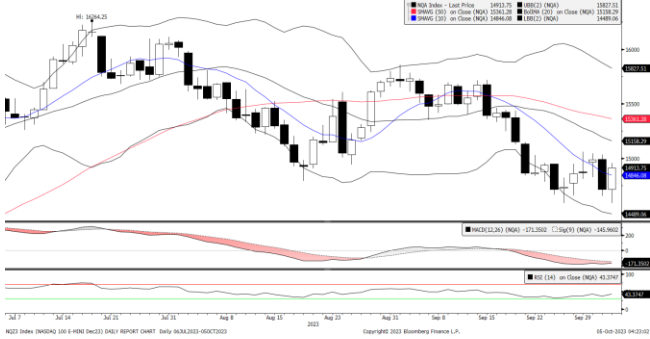
**E-Mini Dow Index Futures Daily Chart**



**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:	33826	2nd Resistance:	34326	1st Resistance:	4362.22	2nd Resistance:	4426.68	1st Resistance:	15147.61	2nd Resistance:	15371.46	1st Resistance:	1766.40	2nd Resistance:	1792.51
1st Support:	32826	2nd Resistance:	32326	1st Support:	4233.28	2nd Resistance:	4168.82	1st Support:	14699.89	2nd Resistance:	14476.04	1st Support:	1714.20	2nd Resistance:	1688.09
MACD:	-435.695			MACD:	-60.250391			MACD:	-171.797			MACD:	-38.259		
MACD DIFF:	-122.696			MACD DIFF:	-13.691186			MACD DIFF:	-25.763			MACD DIFF:	-5.959		
RSI:	25.390			RSI:	32.577204			RSI:	43.195			RSI:	27.249		

**Strategy**

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow	32826	33154	32662		32326	32649	32165		33826	33488	33995		34326	33983	34497
S&P	4233.28	4275.62	4212.12		4168.82	4210.51	4147.97		4362.22	4318.59	4384.03		4426.68	4382.42	4448.82
Nasdaq	14699.89	14846.89	14626.39		14476.04	14620.80	14403.66		15147.61	14996.13	15223.34		15371.46	15217.75	15448.32
Micro Russell	1714.2	1731.34	1705.62		1688.09	1704.97	1679.65		1766.4045	1748.74	1775.24		1792.509	1774.58	1801.47

Source: Bloomberg

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