

Fundamentals:

Stocks in a variety of sectors rallied on Monday and the blue-chip Dow Jones Industrial Average ended at a one-month high as investors rotated out of AI-linked stocks and added some laggards to their portfolios, betting on Federal Reserve interest rate cuts this year.

The S&P 500 and Nasdaq ended lower on the rotation out of technology stocks whose outsized gains have led this year's rally. Nvidia slid for a third session, as market watchers cited profit taking in the semiconductor bellwether after last week's meteoric rise made it the world's most valuable company.

Other chip stocks including U.S. shares of Taiwan Semiconductor Manufacturing, Broadcom, Marvell Technology and Qualcomm dropped, dragging the chip stocks index down.

"The market's selling some of the winners and buying some of the laggards here," said Jack Janasiewicz, lead strategist at Natixis Investment Managers. "It's a little bit of a nod to looking out over the inflation data that is coming out on Friday, as expectations are for a pretty soft print."

Technology and the consumer discretionary were the only two decliners among the 11 S&P 500 sector indexes, while the energy sector was the top outperformer.

"There's been a rotation into some of the value areas of the market like financials, energy, and utilities. Energy has the additional benefit of a little bit of a jump in oil prices," said Ed Clissold, chief U.S. strategist at Ned Davis Research. Oil prices rose on Monday spurred by stronger fuel demand expectations, shares of energy and oil field services companies rose.

The Dow Jones Industrial Average jumped and registered a five-day winning streak. The small-caps index Russell 2000 also hit its highest in over a week, signaling broader market gains.

Except for Nvidia and other chip stocks, "the rest of the market is behaving positively on the expectation that we're still on course for a soft landing base case," said Carl Ludwigson, managing director at Bel Air Investment Advisors.

The biggest event on investors' radar for the week is Friday's personal consumption expenditures (PCE) price index report, the Fed's preferred measure of inflation, expected to show a moderation in price pressures.

Investors still expect about two rate cuts this year, pricing in a 61% chance of a 25-basis-point cut in September, as per LSEG's FedWatch. The Fed's own latest projection is for one rate cut likely in December.

San Francisco Fed President Mary Daly said she does not believe the U.S. central bank should cut rates before policymakers are confident inflation is headed toward 2%.

According to preliminary data, the S&P 500 lost 15.73 points, or 0.29%, to end at 5,448.89 points, while the Nasdaq Composite lost 190.19 points, or 1.09%, to 17,499.17. The Dow Jones Industrial Average rose 257.99 points, or 0.66%, to 39,488.32.

Other data this week include durable goods, weekly jobless claims and final first-quarter GDP figures, the annual Russell index reconstitution. Some quarterly earnings reports also are due.

On Thursday, President Joe Biden will debate Republican rival Donald Trump in Atlanta, which could influence the outcome of a race for the November election that opinion polls show as neck-and-neck.

Meta Platforms rose after a report the Facebook parent has discussed integrating its generative AI model into Apple's recently announced AI system for iPhones. Apple's shares also climbed.

RXO leapt on plans to buy United Parcel Service's Coyote Logistics business unit for \$1.025 billion.

(Source: Reuters)

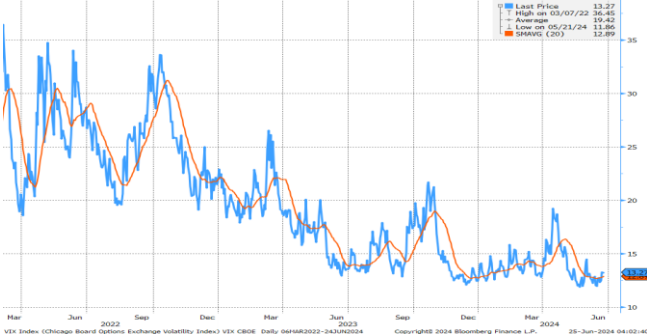
Contract	Close	Change	High	Low
E-Mini Dow SEP 24	39,844.00	260.00	39,999.00	39,463.00
E-Mini S&P SEP 24	5,517.00	-17.50	5,558.50	5,510.25
E-Mini NASDAQ SEP 24	19,750.75	-219.00	20,030.25	19,728.00
Micro Russell 2K JUN 22	2052.7	9.3	2067.4	2034.6
USD Nikkei SEP 24	38,755.0	235.0	39,010.00	38,425.00
US Dollar Index	105.48	-0.319	105.90	105.37
DJIA	39,411.21	260.880	39,571.23	39,184.49
S&P 500	5,447.84	-16.780	5,490.66	5,447.59
NASDAQ	17,496.82	-192.540	17,730.12	17,494.02
Nikkei 225	38,804.65	208.180	38,905.47	38,416.07
Hang Seng	18,027.71	-0.810	18,032.67	17,789.57
Straits Times	3,314.14	8.120	3,314.14	3,295.80
DAX	18,325.58	162.060	18,354.71	18,165.54
CAC	7,706.89	78.320	7,725.28	7,629.27
FTSE100	8,281.55	43.830	8,307.93	8,217.39

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	6.59	9.77	10.69	10.20
E-Mini S&P Futures	6.78	8.19	11.00	10.80
E-Mini Nasdaq Futures	11.22	13.24	15.54	16.94

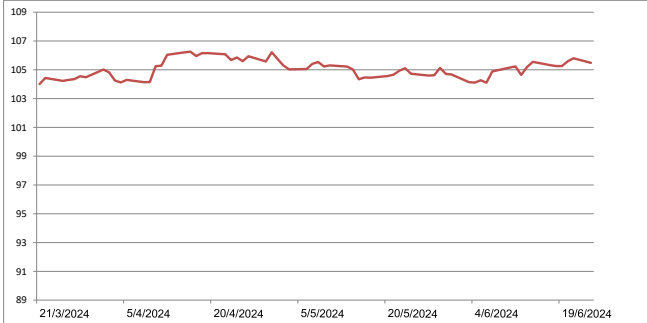
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised	
06/21/2024 21:45	S&P Global US Manufacturing PMI	Jun P	51	51.7	51.3	--
06/21/2024 21:45	S&P Global US Services PMI	Jun P	54	55.1	54.8	--
06/21/2024 21:45	S&P Global US Composite PMI	Jun P	53.5	54.6	54.5	--
06/21/2024 22:00	Leading Index	May	-0.30%	-0.50%	-0.60%	--
06/21/2024 22:00	Existing Home Sales	May	4.10m	4.11m	4.14m	--
06/21/2024 22:00	Existing Home Sales MoM	May	-1.00%	-0.70%	-1.90%	--
06/26/2024 22:00	New Home Sales	May	635k	--	634k	--
06/26/2024 22:00	New Home Sales MoM	May	0.20%	--	-4.70%	--
06/27/2024 20:30	GDP Annualized QoQ	1Q T	1.40%	--	1.30%	--
06/27/2024 20:30	Personal Consumption	1Q T	2.00%	--	2.00%	--
06/27/2024 20:30	GDP Price Index	1Q T	3.00%	--	3.00%	--

E-Mini Dow Index Futures Daily Chart



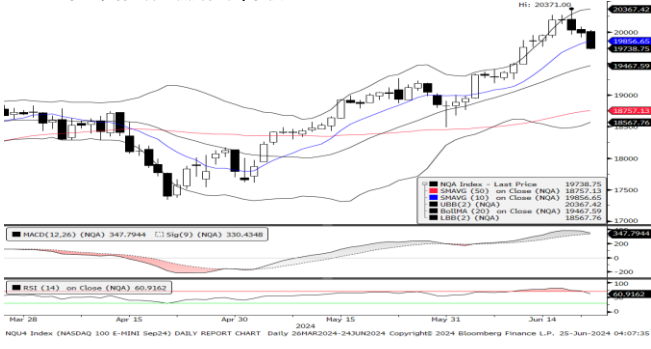
DMH4 Index (D3A H4NI e-CBOT Sep24) DAILY REPORT CHART Daily 26MAR2024-24JUN2024 Copyright 2024 Bloomberg Finance L.P. 25-Jun-2024 04:06:58

E-Mini S&P 500 Index Futures Daily Chart



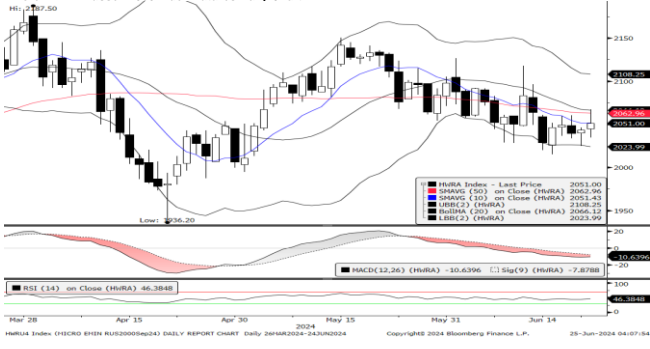
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E-Mini NASDAQ 100 Index Futures Daily Chart



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Micro E-Mini Russell 2000 Index Futures Daily Chart



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Technical Analysis

Dow		S&P	
1st Resistance:	40442	1st Resistance:	5599.76
2nd Resistance:	41039	2nd Resistance:	5682.51
1st Support:	39246	1st Support:	5434.25
2nd Support:	38649	2nd Support:	5351.49
MACD:	12.347	MACD:	59.048089
MACD DIFF:	63.098	MACD DIFF:	4.349005
RSI:	60.217	RSI:	65.301154

Nasdaq		Micro Russell	
1st Resistance:	20047.01	1st Resistance:	2083.49
2nd Resistance:	20343.27	2nd Resistance:	2114.28
1st Support:	19454.49	1st Support:	2021.91
2nd Support:	19158.23	2nd Support:	1991.12
MACD:	349.844	MACD:	-10.506
MACD DIFF:	18.929	MACD DIFF:	-2.651
RSI:	61.777	RSI:	46.786

Source: Bloomberg

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