

Fundamentals:

U.S. stocks ended weaker on Friday after an early rally fizzled as investors digested in-line inflation data and weighed political uncertainty after the U.S. presidential debate, while Nike had steepest one-day fall in over two decades after a gloomy forecast.

"I don't think the inflation number changes much because the Federal Reserve has been pretty serious about their 2% target and remains disciplined," said Ann Milette, Allspring's head of active equity.

Data showed U.S. monthly inflation was unchanged in May, an encouraging development after strong price increases earlier this year raised doubts over the effectiveness of the Fed's monetary policy.

The Commerce Department report also showed consumer spending rose marginally last month, fueling optimism that the U.S. central bank could engineer a much-desired "soft landing" for the economy.

Bets on a rate cut in September rose to 66% after the personal consumption expenditures price index release, LSEG FedWatch data showed.

Traders have maintained bets on two cuts despite Fed projections of just one this year, as they hope inflation will keep cooling.

The first debate on Thursday between U.S. President Joe Biden and Republican rival Donald Trump also weighed on stocks, said Thomas Martin, senior portfolio manager at Global Investments, citing the incumbent's shaky performance.

"People are trying to think about what's going to happen with the presidential election. So instead of uncertainty decreasing after the debate, it's increased," he said.

Treasury yields reversed early losses to end higher, adding pressure on some megacap stocks.

San Francisco Fed President Mary Daly acknowledged the cooling inflation, and noted that it is "good news that policy is working." Fed Governor Michelle Bowman said the central bank would follow its own path as its inflation goal has yet to be reached.

The S&P 500 energy index posted gains, while utilities fell.

Nike slumped after forecasting a surprise drop in fiscal 2025 revenue, weighing on the broader consumer discretionary sector.

According to preliminary data, the S&P 500 lost 23.71 points, or 0.43%, to end at 5,460.70 points, while the Nasdaq Composite lost 130.01 points, or 0.73%, to 17,728.68. The Dow Jones Industrial Average fell 54.11 points, or 0.14%, to 39,109.95.

The FTSE Russell finalized the reconstitution of its indexes at the end of the session.

The S&P 500 and the Nasdaq indexes were set for quarterly gains, but the Dow was on track to drop, highlighting the divergence between the more tech-heavy indexes and the rest of the market.

Among individual stocks, optical networking gear maker Infinera jumped after Nokia said it would acquire the company in a \$2.3 billion deal.

(Source: Reuters)

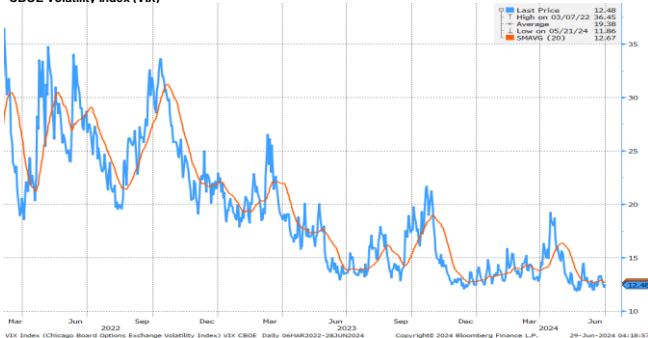
Contract	Close	Change	High	Low
E-Mini Dow SEP 24	39,469.00	-22.00	39,819.00	39,284.00
E-Mini S&P SEP 24	5,521.50	-13.250	5,585.00	5,510.75
E-Mini NASDAQ SEP 24	19,927.25	-73.75	20,273.25	19,906.25
Micro Russell 2K JUN 22	2070	9.9	2085	2050.5
USD Nikkei SEP 24	39,835.0	220.0	40,010.00	39,530.00
US Dollar Index	105.88	-0.025	106.13	105.75
DJIA	39,118.86	-45.200	39,443.60	38,937.15
S&P 500	5,460.48	-22.390	5,523.64	5,451.12
NASDAQ	17,732.60	-126.080	18,035.00	17,723.83
Nikkei 225	39,583.08	241.540	39,783.70	39,485.73
Hang Seng	17,718.61	2.140	17,865.47	17,583.19
Straits Times	3,332.80	-10.550	3,346.81	3,330.58
DAX	18,235.45	24.900	18,352.65	18,198.10
CAC	7,479.40	-51.320	7,544.40	7,456.47
FTSE100	8,164.12	-15.560	8,237.36	8,162.68

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	7.57	9.54	10.10	10.16
E-Mini S&P Futures	5.90	7.44	10.50	10.68
E-Mini Nasdaq Futures	8.71	13.60	14.87	16.96

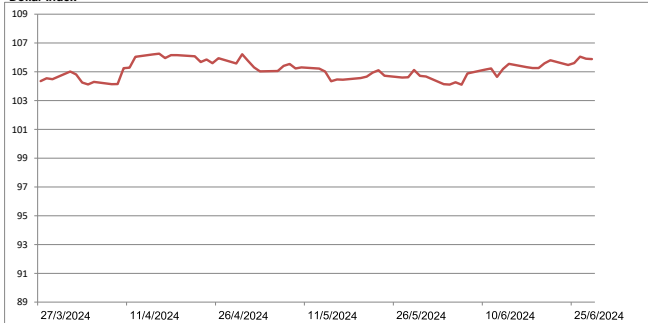
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



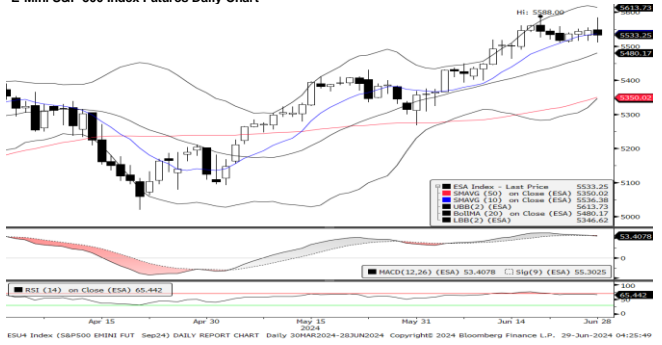
Economic Releases	Period	Survey	Actual	Prior	Revised
06/28/2024 20:30 PCE Price Index MoM	May	0.00%	0.00%	0.30%	--
06/28/2024 20:30 PCE Price Index YoY	May	2.60%	2.60%	2.70%	--
06/28/2024 20:30 Core PCE Price Index MoM	May	0.10%	0.10%	0.20%	0.30%
06/28/2024 20:30 Core PCE Price Index YoY	May	2.60%	2.60%	2.80%	--
07/01/2024 21:45 S&P Global US Manufacturing PMI	Jun F	51.7	--	51.7	--
07/01/2024 22:00 ISM Manufacturing	Jun	49.2	--	48.7	--
07/01/2024 22:00 ISM Prices Paid	Jun	55.8	--	57	--
07/01/2024 22:00 ISM New Orders	Jun	49	--	45.4	--
07/01/2024 22:00 ISM Employment	Jun	50	--	51.1	--
07/03/2024 20:15 ADP Employment Change	Jun	158k	--	152k	--

E-Mini Dow Index Futures Daily Chart



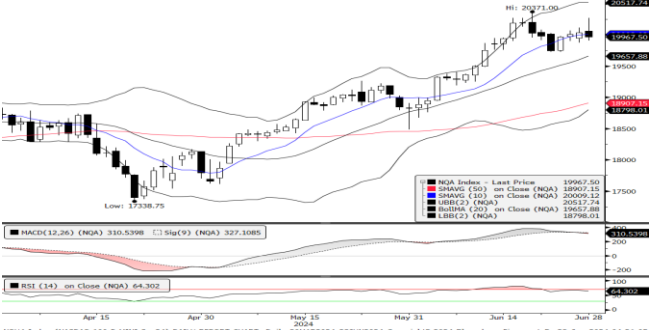
EDM4 Index (EDIA HINI e-CBOT Sep24) DAILY REPORT CHART Daily 30MAR2024-28JUN2024 Copyright © 2024 Bloomberg Finance L.P. 29-Jun-2024 04:25:29

E-Mini S&P 500 Index Futures Daily Chart



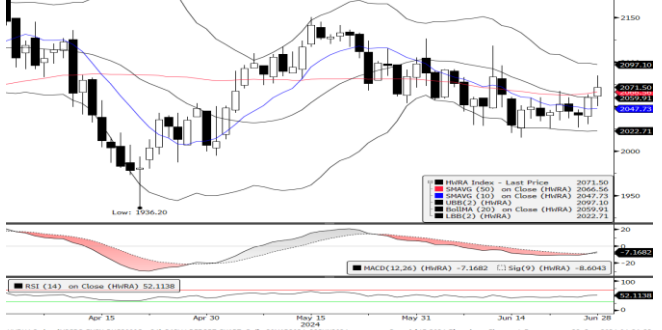
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E-Mini NASDAQ 100 Index Futures Daily Chart



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Micro E-Mini Russell 2000 Index Futures Daily Chart



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Technical Analysis

Dow		S&P		Nasdaq		Micro Russell									
1st Resistance:	40061	2nd Resistance:	40653	1st Resistance:	5604.32	2nd Resistance:	5687.15	1st Resistance:	20226.16	2nd Resistance:	20525.07	1st Resistance:	2101.05	2nd Resistance:	2132.10
1st Support:	38577	2nd Resistance:	38285	1st Support:	6438.68	2nd Resistance:	5355.86	1st Support:	19628.34	2nd Resistance:	19329.43	1st Support:	2038.95	2nd Resistance:	2007.90
MACD:	36.656			MACD:	53.377675			MACD:	310.466			MACD:	-7.293		
MACD DIFF:	39.007			MACD DIFF:	-1.931215			MACD DIFF:	-16.712			MACD DIFF:	1.343		
RSI:	52.460			RSI:	65.308279			RSI:	64.209			RSI:	51.760		

Source: Bloomberg

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