

Fundamentals:

U.S. stock indexes edged higher on Wednesday in a holiday-shortened trading session, as data pointing to a softening economy raised hopes for a September start to the Federal Reserve's policy easing.

The equity market will close early on Wednesday and stay shut on Thursday on account of U.S. Independence Day, keeping trading volumes thin throughout the week.

Both the ADP Employment report and weekly jobless claims data pointed to easing labor market conditions, a welcome signal ahead of Friday's closely watched non-farm payrolls report. Markets hope signs of weakness in the labor market will boost chances of the Fed cutting interest rates.

"It's quite a strong unemployment claims number, and it's fitting in with an overall trend that's probably an indication of loosening up in the jobs market. It must be quite welcoming for the Fed," said David Morrison, Trade Nation senior market analyst.

Additionally, PMI data from the Institute for Supply Management was weaker than expected, and factory orders unexpectedly slumped, strengthening the case for easing policy.

Wednesday's data prompted market participants to boost bets of a September rate cut to over 70%, as per LSEG's FedWatch.

The Fed's June meeting minutes are due later in the day.

Tesla jumped 3.9%, trading at a near six-month high after a more than 10% gain on Tuesday following a smaller-than-expected drop in second-quarter vehicle deliveries.

The Philadelphia SE Semiconductor Index rose 0.5%, helped by gains in the U.S. listing of Taiwan Semiconductor Manufacturing and Broadcom, which rose 2.0% and 1.8%.

However, megacaps Nvidia, Alphabet, Microsoft, and Amazon.com slipped between 0.1% and 1%.

On the other hand, an index of smallcap stocks was 0.4% higher, while the economically sensitive materials and utilities S&P 500 subsectors were up 0.9% and 1.1%.

"The tendency at the moment is towards rotation ... we have quite a few days where we see the Russell down, and tech up and vice versa," Morrison said, though noting that the market's optimism around megacap tech stocks was still strong.

As the S&P 500 has jumped over 15% in the first half of 2024, largely supported by top-tier high momentum technology-related stocks, the benchmark index's equal-weighted counterpart only rose 5% and small and mid-cap stocks have significantly lagged.

At 10:06 a.m. ET, the Dow Jones Industrial Average was up 14.44 points, or 0.04%, at 39,346.29, the S&P 500 was up 9.83 points, or 0.18%, at 5,519.84, and the Nasdaq Composite was up 32.02 points, or 0.18%, at 18,060.78.

Among other movers, Paramount Global jumped 10% after Shari Redstone's National Amusements reached a preliminary deal to sell its controlling interest in the media giant to David Ellison's Skydance Media.

Lender First Foundation shed 24.7% after the company, which holds a huge portfolio of multifamily real estate loans, disclosed a \$228 million unexpected capital raise.

Advancing issues outnumbered decliners by a 3.43-to-1 ratio on the NYSE and by a 1.73-to-1 ratio on the Nasdaq.

The S&P index recorded 13 new 52-week highs and three new lows, while the Nasdaq recorded 25 new highs and 65 new lows.

(Source: Reuters)

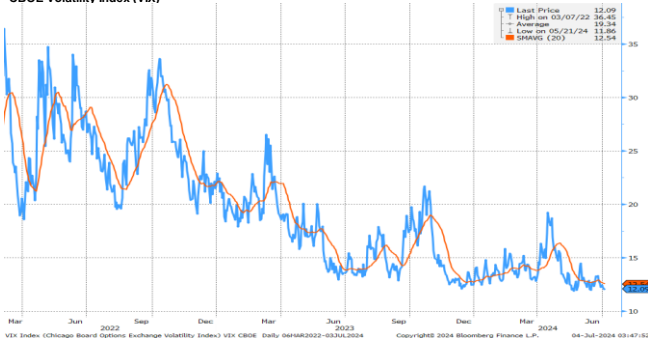
Contract	Close	Change	High	Low
E-Mini Dow SEP 24	39,636.00	-52.00	39,763.00	39,568.00
E-Mini S&P SEP 24	5,590.25	21.500	5,595.75	5,559.75
E-Mini NASDAQ SEP 24	20,411.50	156.25	20,435.25	20,205.00
Micro Russell 2K JUN 22	2053.1	-1.9	2069.2	2051.1
USD Nikkei SEP 24	#N/A N/A	410.0	40,775.00	40,220.00
US Dollar Index	105.35	-0.369	105.80	105.05
DJIA	39,308.00	-23.850	39,411.17	39,230.86
S&P 500	5,537.02	28.010	5,539.27	5,507.42
NASDAQ	18,188.30	159.540	18,188.30	18,016.12
Nikkei 225	40,580.76	506.070	40,694.21	40,172.85
Hang Seng	17,978.57	209.430	18,017.76	17,808.27
Straits Times	3,415.51	47.610	3,420.91	3,387.46
DAX	18,374.53	210.470	18,395.60	18,181.71
CAC	7,632.08	93.790	7,662.06	7,566.41
FTSE100	8,171.12	49.920	8,177.98	8,121.20

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	6.61	9.52	10.03	9.99
E-Mini S&P Futures	5.69	7.76	10.41	10.18
E-Mini Nasdaq Futures	12.40	13.91	15.47	16.61

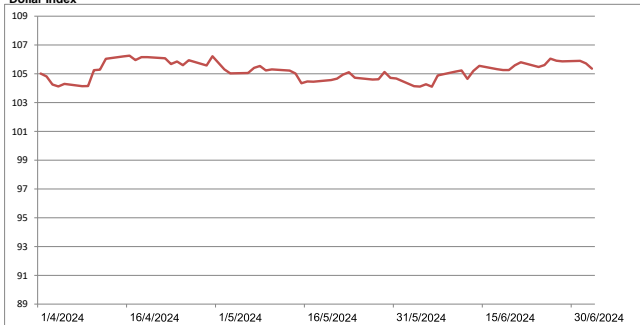
U.S. Government Treasuries Yield



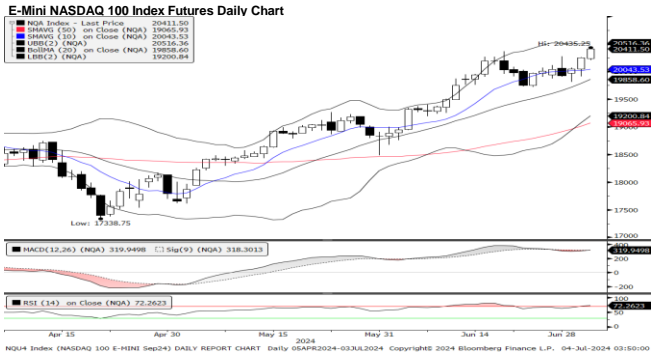
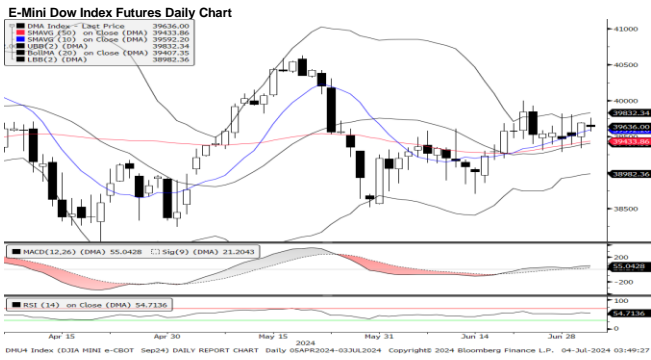
COBE Volatility Index (VIX)



Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised
07/03/2024 20:15	ADP Employment Change	Jun	165k	150k	157k
07/03/2024 21:45	S&P Global US Services PMI	Jun F	55.1	55.3	55.1
07/03/2024 21:45	S&P Global US Composite PMI	Jun F	--	54.8	54.6
07/03/2024 22:00	ISM Services Index	Jun	52.7	48.8	53.8
07/03/2024 22:00	ISM Services Prices Paid	Jun	56.7	56.3	58.1
07/03/2024 22:00	ISM Services Employment	Jun	49.5	46.1	47.1
07/03/2024 22:00	ISM Services New Orders	Jun	53.6	47.3	54.1



Technical Analysis

Dow		S&P	
1st Resistance:	40231	1st Resistance:	5674.10
2nd Resistance:	40825	2nd Resistance:	5757.96
1st Support:	39041	1st Support:	6506.40
2nd Support:	38447	2nd Support:	5422.54
MACD:	55.121	MACD:	51.891067
MACD DIFF:	33.802	MACD DIFF:	-1.201929
RSI:	54.709	RSI:	71.217896

Nasdaq		Micro Russell	
1st Resistance:	20717.67	1st Resistance:	2083.90
2nd Resistance:	21023.85	2nd Resistance:	2114.69
1st Support:	20105.33	1st Support:	2022.30
2nd Support:	19799.16	2nd Support:	1991.51
MACD:	320.084	MACD:	-6.530
MACD DIFF:	1.585	MACD DIFF:	1.331
RSI:	72.268	RSI:	47.745

Source: Bloomberg

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