

### Fundamentals:

U.S. stocks ended mostly lower Friday on signs that the U.S. labor market remained robust in November despite the Federal Reserve's interest-rate hikes.

Data released by the Labor Department showed the U.S. economy added more jobs than economists had expected, bolstering the perception that the Fed still has a long way to go before its rate hikes produce their intended effect of cooling the labor market, and inflation with it.

All three major benchmarks booked a second straight week of gains, according to Dow Jones Market Data. Stocks had soared on Wednesday with the Dow climbing more than 700 points in the wake of Fed Chairman Jerome Powell's remarks about the likelihood that the Fed will downshift to a 50 basis point interest-rate hike later this month.

Stocks mostly fell Friday as investors digested a stronger-than-anticipated jobs report, with the S&P 500 finishing slightly lower but still up for the week.

The U.S. economy added 263,000 new jobs in November, beating expectations for 200,000 jobs, which would have been the lowest monthly number since December 2020. The prior month's reading was also revised higher to 284,000.

Stocks fell as shorter-term Treasury yields rose. The rate on the two-year Treasury note edged up 2.4 basis points Friday to 4.278%, while 10-year Treasury yields dipped 2.3 basis points to 3.502%, according to Dow Jones Market Data.

Fed funds futures, which allow traders to place bets on the path of Federal Reserve policy, see the fed funds rate peaking at 5.25% next year, according to the CME's FedWatch tool. St. Louis Fed President Jim Bullard indicated in a chart last month that the fed funds rate, which is the central bank's benchmark policy rate, might need to rise as high as 7%.

The unemployment rate was unchanged at 3.7% in November, while wage growth accelerated over the past year to 5.1%, according to the report Friday from the U.S. Bureau of Labor Statistics.

Although the stock market ended mostly lower Friday, all three major benchmarks booked weekly gains. The S&P 500 rose 1.1% for the week, while the tech-heavy Nasdaq Composite gained 2.1% and the Dow Jones Industrial Average added 0.2%, according to Dow Jones Market Data.

Treasury yields pared sharp gains on Friday after a strong U.S. jobs report for November showed a resilient labor market with rising wages, a potential thorn for the Federal Reserve as it moves to slow its hiking of inflation.

Nonfarm payrolls increased by 263,000 jobs last month as employees hired more workers than expected and data for the prior month was revised higher, the Labor Department said.

Another sign of a strong labor market was a 0.6% increase in average hourly earnings after a 0.5% advance in October. It was the biggest monthly rise in 10 months and nudged the annual rate to 5.1% from 4.9% in October. Wages peaked at 5.6% in March.

Futures showed the market expects the terminal rate to rise to 4.913% in May, up about 7 basis points from the day before. The chance of a fifth-straight 75 bps hike when Fed policy-makers meet Dec. 13-14 rose to 23%, according to CME's FedWatch Tool. A 50-bps hike is still the greatest likelihood.

The two-year Treasury yield, which typically moves in step with interest rate expectations, rose 0.5 basis points to 4.259%, while the yield on 10-year yield fell 3.5 basis points to 3.492%.

Earlier the 10-year yield briefly traded below 3.5% before the data's release, then shot to 3.638% before slipping.

The yield curve measuring the gap between yields on two- and 10-year notes, seen as a recession harbinger, was at -76.9 basis points.

The yield on the 30-year Treasury bond was down 8.3 basis points to 3.550%.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.571%.

The 10-year TIPS breakeven rate was last at 2.455%, indicating the market sees inflation averaging about 2.4% a year for the next decade.

The U.S. dollar 5 years forward inflation-linked swap, seen by some as a better gauge of inflation expectations due to possible distortions caused by the Fed's quantitative easing, was last at 2.558%.

(Source: Dow Jones Newswires, Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
12/02/2022 21:30	Two-Month Payroll Net Revision	Nov	--	-23k	--
12/02/2022 21:30	Change in Nonfarm Payrolls	Nov	200k	263k	261k
12/02/2022 21:30	Change in Private Payrolls	Nov	195k	221k	233k
12/02/2022 21:30	Change in Manufact. Payrolls	Nov	19k	14k	32k
12/02/2022 21:30	Unemployment Rate	Nov	3.70%	3.70%	3.70%
12/02/2022 21:30	Average Hourly Earnings MoM	Nov	0.30%	0.60%	0.40%
12/02/2022 21:30	Average Hourly Earnings YoY	Nov	4.60%	5.10%	4.70%
12/02/2022 21:30	Average Weekly Hours All Employees	Nov	34.5	34.4	34.5
12/02/2022 21:30	Labor Force Participation Rate	Nov	62.30%	62.10%	62.20%
12/02/2022 21:30	Underemployment Rate	Nov	--	6.70%	6.80%
12/05/2022 22:45	S&P Global US Services PMI	Nov F	46.1	--	46.1
12/05/2022 22:45	S&P Global US Composite PMI	Nov F	46.3	--	46.3
12/05/2022 23:00	Factory Orders	Oct	0.70%	--	0.30%
12/05/2022 23:00	Factory Orders Ex Trans	Oct	--	--	-0.10%
12/05/2022 23:00	Durable Goods Orders	Oct F	1.00%	--	1.00%
12/05/2022 23:00	Cap Goods Orders Nondef Ex Air	Oct F	--	--	0.70%
12/05/2022 23:00	Durables Ex Transportation	Oct F	0.50%	--	0.50%
12/05/2022 23:00	Cap Goods Ship Nondef Ex Air	Oct F	--	--	1.30%
12/05/2022 23:00	ISM Services Index	Nov	53.3	--	54.4
12/06/2022 21:30	Trade Balance	Oct	-\$80.0b	--	-\$73.3b
12/07/2022 20:00	MBA Mortgage Applications	Dec-02	--	--	-0.80%
12/07/2022 21:30	Nonfarm Productivity	3Q F	0.60%	--	0.30%
12/07/2022 21:30	Unit Labor Costs	3Q F	3.20%	--	3.50%
12/08/2022 04:00	Consumer Credit	Oct	\$28.000b	--	\$24.976b
12/08/2022 21:30	Initial Jobless Claims	Dec-03	230k	--	225k
12/08/2022 21:30	Continuing Claims	Nov-26	1615k	--	1608k

Contract	Close	Change	High	Low
E-Mini Dow DEC 22	34,459.00	-27.00	34,528.00	33,935.00
E-Mini S&P DEC 22	4,075.50	-14.500	4,085.50	4,006.75
E-Mini NASDAQ DEC 22	12,010.25	-78.50	12,067.75	11,740.50
Micro Russell 2K JUN 22	1891.3	7.6	1902.4	1843.3
USD Nikkei DEC 22	27,705.0	-350.0	28,055.00	27,505.00
Euro Dollar DEC 22	95.17	0.038	95.18	95.13
US Dollar Index	104.49	-0.235	105.59	104.38
DJIA	34,429.88	34.870	34,483.21	34,039.73
S&P 500	4,071.70	-4.870	4,080.48	4,026.63
NASDAQ	11,461.50	-20.950	11,492.32	11,296.72
Nikkei 225	27,777.90	-448.180	27,983.18	27,662.12
Hang Seng	18,675.35	-61.090	18,841.22	18,530.82
Straits Times	3,259.14	-33.590	3,287.23	3,259.14
DAX	14,529.39	39.090	14,584.59	14,372.42
CAC	6,742.25	-11.720	6,767.72	6,689.76
FTSE100	7,556.23	-2.260	7,570.46	7,507.98

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	16.30	19.13	22.90	20.97
E-Mini S&P Futures	20.55	25.43	27.30	24.86
E-Mini Nasdaq Futures	15.21	14.11	16.16	15.24

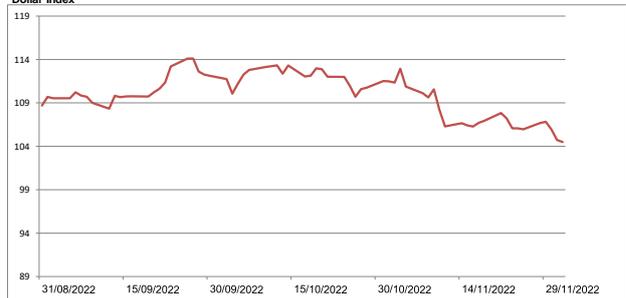
### U.S. Government Treasuries Yield



### CBOE Volatility Index (VIX)



### Dollar Index





**Technical Analysis**

Dow			S&P			Nasdaq			Micro Russell		
1st Resistance:	34976	2nd Resistance: 35493	1st Resistance:	4136.63	2nd Resistance: 4197.77	1st Resistance:	12190.40	2nd Resistance: 12370.56	1st Resistance:	1919.67	2nd Resistance: 1948.04
1st Support:	33942	2nd Resistance: 33425	1st Support:	4014.37	2nd Resistance: 3953.24	1st Support:	11830.10	2nd Resistance: 11649.94	1st Support:	1862.93	2nd Resistance: 1834.56
MACD:	666.519		MACD:	61.642513		MACD:	145.057		MACD:	20.986	
MACD DIFF:	-23.377		MACD DIFF:	6.776148		MACD DIFF:	40.087		MACD DIFF:	0.698	
RSI:	65.594		RSI:	61.448269		RSI:	57.863		RSI:	59.011	

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	33942	34282	33772	33425	33759	33258	34976	34626	35151	35493	35138	35670
S&P	4014.37	4054.51	3994.30	3953.24	3982.77	3933.47	4136.63	4095.27	4157.32	4197.77	4155.79	4218.75
Nasdaq	11830.10	11948.40	11770.95	11649.94	11766.44	11591.69	12190.40	12068.50	12251.36	12370.56	12246.85	12432.41
Micro Russell	1862.93	1881.56	1853.62	1834.56	1852.91	1825.39	1919.6695	1900.47	1929.27	1948.039	1928.56	1957.78

Source: Bloomberg

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