

Fundamentals:

Stocks climbed on Wednesday as traders hoped that cooling inflation will put an end to the Federal Reserve's rate hikes soon. The June consumer price index was up 3% year over year, coming in better than Wall Street forecasts and marking the lowest rate in two years.

Investors are still widely expecting the Fed to hike rates 25 basis points at its July policy meeting, which would lift the fed funds rate target to 5.25%-5.5%. Another rate hike remains on the table, but bets that the Fed will pause in September rose to 82% from 72% on Tuesday.

"While today's CPI data brought good news on the inflation front, we expect the FOMC to look through the fluctuations in the volatile categories, and to maintain its view that it needs to hike rates further to eventually bring inflation back to its 2% target." Barclays strategists said in a note on Wednesday, adding that the Fed would likely hike in July and again in September.

Shares of big tech-related companies, which tend to be sensitive to higher interest rates, gave the S&P 500 its biggest boost.

In the 12 months through June, the CPI advanced 3.0%. That was the smallest year-on-year increase since March 2021 and followed a 4.0% rise in May.

While indexes ended off their highs of the session, "bulls remain firmly in charge," said Michael James, managing director of equity trading at Wedbush Securities in Los Angeles.

"Clearly the CPI data we got was what the bulls wanted to see, and those that have been sitting on the sidelines hoping for a pullback continue to get frustrated."

According to preliminary data, the S&P 500 gained 33.40 points, or 0.75%, to end at 4,472.66 points, while the Nasdaq Composite gained 160.30 points, or 1.16%, to 13,921.00. The Dow Jones Industrial Average rose 92.17 points, or 0.27%, to 34,353.59.

Investors have been weighing how much longer the Fed will need to raise rates to curb inflation.

The CBOE Market Volatility Index, Wall Street's fear gauge, eased.

The Labor Department report also showed the smallest monthly gain in underlying consumer prices since August 2021.

"The market is sensing the Fed getting closer and closer to that final one and done," said Quincy Krosby, chief global strategist at LPL Financial in North Carolina.

The S&P 500 banks index rose. Reports from JPMorgan Chase and other major U.S. banks Friday unofficially begin the second-quarter earnings season.

(Source: Reuters, Bloomberg)

| Contract | Close | Change | High | Low |
|-----------------------------------|-----------|----------|-----------|-----------|
| E-Mini Dow SEP 23 | 34,550.00 | 110.00 | 34,782.00 | 34,410.00 |
| E-Mini S&P SEP 23 | 4,507.50 | 37.250 | 4,523.75 | 4,470.00 |
| E-Mini NASDAQ SEP 23 | 15,444.75 | 200.25 | 15,507.75 | 15,254.50 |
| Micro Russell 2K JUN 22 | 1949.4 | 21.6 | 1965.3 | 1926.1 |
| USD Nikkei SEP 23 | 32,085.0 | -265.0 | 32,435.00 | 31,800.00 |
| Euro Dollar #N/A Invalid Security | 0.00 | 0.000 | 0.00 | 0.00 |
| US Dollar Index | 100.56 | -1.169 | 101.61 | 100.51 |
| DJIA | 34,347.43 | 86.010 | 34,586.94 | 34,308.78 |
| S&P 500 | 4,472.16 | 32.900 | 4,488.34 | 4,463.23 |
| NASDAQ | 13,918.96 | 158.260 | 13,963.45 | 13,842.13 |
| Nikkei 225 | 31,943.93 | -259.640 | 32,312.03 | 31,791.71 |
| Hang Seng | 18,860.95 | 201.120 | 18,932.18 | 18,739.60 |
| Straits Times | 3,175.36 | 11.520 | 3,185.27 | 3,158.09 |
| DAX | 16,023.00 | 232.660 | 16,044.28 | 15,806.28 |
| CAC | 7,333.01 | 113.000 | 7,348.06 | 7,231.33 |
| FTSE100 | 7,416.11 | 133.590 | 7,425.10 | 7,282.52 |

| Historical Volatility | 10 Days | 30 Days | 60 Days | 90 Days |
|-----------------------|---------|---------|---------|---------|
| E-Mini Dow Futures | 11.47 | 11.21 | 11.58 | 12.52 |
| E-Mini S&P Futures | 9.96 | 10.35 | 12.15 | 13.67 |
| E-Mini Nasdaq Futures | 14.90 | 21.03 | 18.83 | 18.10 |

U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index

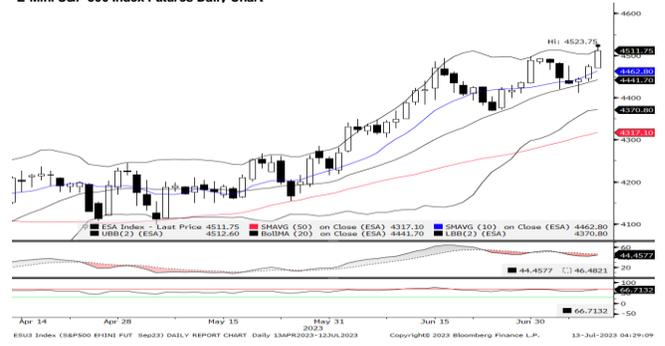


| Economic Releases | Period | Survey | Actual | Prior | Revised | |
|-------------------|--------------------------------|--------|--------|-------|---------|----|
| 07/12/2023 20:30 | CPI MoM | Jun | 0.003 | 0.002 | 0.10% | -- |
| 07/12/2023 20:30 | CPI Ex Food and Energy MoM | Jun | 0.003 | 0.002 | 0.40% | -- |
| 07/12/2023 20:30 | CPI YoY | Jun | 0.031 | 0.03 | 4.00% | -- |
| 07/12/2023 20:30 | CPI Ex Food and Energy YoY | Jun | 0.05 | 0.048 | 5.30% | -- |
| 07/13/2023 20:30 | PPI Ex Food and Energy MoM | Jun | 0.20% | -- | 0.20% | -- |
| 07/13/2023 20:30 | PPI Ex Food, Energy, Trade MoM | Jun | 0.10% | -- | 0.00% | -- |
| 07/13/2023 20:30 | PPI Ex Food and Energy YoY | Jun | 2.60% | -- | 2.80% | -- |
| 07/13/2023 20:30 | PPI Ex Food, Energy, Trade YoY | Jun | 0.026 | -- | 2.80% | -- |
| 07/13/2023 20:30 | Initial Jobless Claims | Jul-08 | 250k | -- | 248k | -- |

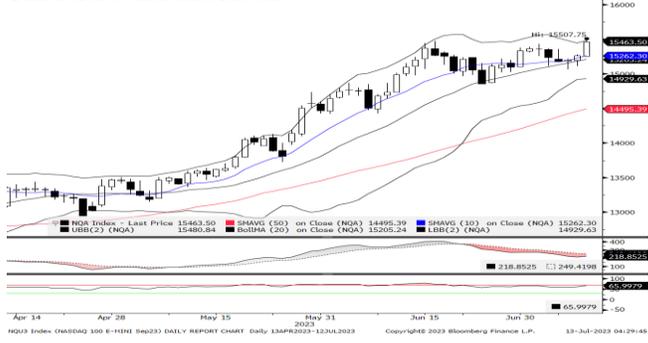
E-Mini Dow Index Futures Daily Chart



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: | 35068 | 2nd Resistance: | 35587 | 1st Resistance: | 4575.11 | 2nd Resistance: | 4642.73 | 1st Resistance: | 15676.42 | 2nd Resistance: | 15908.09 | 1st Resistance: | 1978.64 | 2nd Resistance: | 2007.88 |
| 1st Support: | 34032 | 2nd Resistance: | 33514 | 1st Support: | 4439.89 | 2nd Resistance: | 4372.28 | 1st Support: | 15213.08 | 2nd Resistance: | 14981.41 | 1st Support: | 1920.16 | 2nd Resistance: | 1890.92 |
| MACD: | 105.483 | | | MACD: | 44.424380 | | | MACD: | 218.811 | | | MACD: | 20.124 | | |
| MACD DIFF: | -5.008 | | | MACD DIFF: | -2.084786 | | | MACD DIFF: | -30.776 | | | MACD DIFF: | 3.417 | | |
| RSI: | 57.517 | | | RSI: | 66.621508 | | | RSI: | 65.950 | | | RSI: | 64.103 | | |

Strategy

| | Long: | Profit target: | Stop-loss: | Long: | Profit target: | Stop-loss: | Short: | Profit target: | Stop-loss: | Short: | Profit target: | Stop-loss: |
|---------------|----------|----------------|------------|----------|----------------|------------|----------|----------------|------------|----------|----------------|------------|
| Dow | 34032 | 34372 | 33862 | 33514 | 33849 | 33346 | 35068 | 34718 | 35244 | 35587 | 35231 | 35764 |
| S&P | 4439.89 | 4484.29 | 4417.69 | 4372.28 | 4416.00 | 4350.41 | 4575.11 | 4529.36 | 4597.99 | 4642.73 | 4596.30 | 4665.94 |
| Nasdaq | 15213.08 | 15365.21 | 15137.01 | 14981.41 | 15131.22 | 14906.50 | 15676.42 | 15519.66 | 15754.80 | 15908.09 | 15749.01 | 15987.63 |
| Micro Russell | 1920.16 | 1939.36 | 1910.56 | 1890.92 | 1909.83 | 1881.46 | 1978.64 | 1958.85 | 1988.53 | 2007.882 | 1987.80 | 2017.92 |

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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