

Fundamentals:

The S&P 500 and the Nasdaq closed higher on Monday as shares of chipmaker Nvidia surged following a bullish note from Morgan Stanley, leading gains in other megacap growth stocks.

Nvidia jumped 7.1%, its biggest single-day increase since May 25, when its 24% surge on a stellar revenue forecast pointed to the game-changing potential of artificial intelligence.

The rally in the chipmaker's stock pushed the information technology index 1.85% higher, making it the strongest of 11 S&P 500 sector indexes.

Other megacap growth stocks rose, including Alphabet, up 1.4% and Amazon.com, up 1.6%. Chipmaker Micron Technology ended with a 6.1% gain.

The S&P 500 climbed 0.58% to end the session at 4,489.72 points. The Nasdaq gained 1.05% to 13,788.33 points, while Dow Jones Industrial Average rose 0.07% to 35,307.63 points.

Nvidia, one of several tech companies rallying this year on optimism about AI, is due to report quarterly results next week.

Tesla fell 1.2% after the electric automaker said it had cut prices in China for some Model Y versions.

Market focus this week will be on quarterly earnings from major U.S. retailers including Walmart and Target.

Expected economic data includes retail sales for July that will shape expectations for the direction for U.S. interest rates.

Traders see a nearly 89% chance that the Fed will keep its interest rates unchanged next month, according to CME Group's Fedwatch tool.

Goldman Sachs' latest report said its baseline forecast calls for the Fed to start cutting the funds rate in the second quarter of 2024.

Keeping a lid on global market sentiment, investors remained concerned about China's highly leveraged property sector after the country's top private property developer, Country Garden, sought to delay payment on a private onshore bond for the first time.

PayPal Holdings rose 2.8% after the company named Alex Chris, a top executive at tax-preparation software firm Intuit, as its new chief executive officer.

AMC Entertainment common shares tumbled almost 36%. On Friday, a Delaware judge approved the theater chain's revised stockholder settlement. The company's preferred stock surged 16%.

Hawaiian Electric Industries shares plunged almost 34%, as scrutiny mounted over whether the utility's equipment played any role in deadly wildfires that burnt through the coastal Maui town of Lahaina.

Benchmark 10-year U.S. Treasury yields hit a nine-month high on Monday before retail sales data on Tuesday is expected to show solid growth in July.

Trading conditions were thin, however, with many traders and investors away for summer vacations.

Tuesday's retail sales data is expected to show a 0.4% increase in spending during the month, supporting the view that the economy remains solid.

But it is unlikely to change expectations that the Federal Reserve has finished hiking interest rates as inflation moderates.

Investors are weighing expectations that the U.S. central bank has stopped tightening policy against the prospect of increasing bond supply, which could weigh on the market.

The Fed will release minutes from its July 25-26 meeting on Wednesday.

Benchmark 10-year yields hit 4.215%, the highest since Nov. 8, before falling back to 4.182%, up 1 basis point on the day.

Two-year yields gained 7 basis points to 4.965%, the highest since July 7. The interest rate-sensitive notes are holding below yields of 5.120% reached on July 6, which were the highest since June 2007.

The inversion in the closely-watched yield curve between two- and 10-year notes deepened to minus 78 basis points.

There are no major catalysts that are likely to bring further clarity on Fed policy until future inflation reports and when Fed officials give their interest rate projections for the coming quarters at the central bank's Sept. 19-20 meeting.

The Federal Reserve Bank of Kansas City's annual symposium in Jackson Hole, Wyoming, on Aug. 24-26 could also deliver some insight on Fed thinking.

Inflation has moderated in recent months, but remains above the U.S. central bank's 2% annual target, and solid economic data has defied market expectations of a near-term recession.

Americans said last month they expected weaker inflation over the next few years, and they also marked up their own views of their personal financial situations, according to a survey released on Monday by the New York Federal Reserve.

Higher rates are tightening credit conditions, however, which analysts say will eventually feed through to slowing growth and dwindling price pressures.

Fed funds futures traders are pricing in a less than 50% chance of a 25 basis points hike at the Fed's November meeting, and see the central bank as likely to begin cutting rates in May.

Increasing Treasury supply is expected to pull Treasury yields higher than they would otherwise be, and counteract some of the impact of slowing growth. But increases are expected to be gradual enough to not cause any major market disruptions in the short-term.

Yields rose after the Treasury Department last week drew soft demand for a 30-year bond auction on Thursday, but interest in three-year and 10-year notes was solid as part of the government's \$103 billion refunding.

(Source: Reuters)

Contract	Close	Change	High	Low
E-Mini Dow SEP 23	35,371.00	12.00	35,456.00	35,226.00
E-Mini S&P SEP 23	4,506.00	25.250	4,507.75	4,465.00
E-Mini NASDAQ SEP 23	15,270.25	182.50	15,280.75	15,020.75
Micro Russell 2K JUN 22	1930.4	-0.8	1939.6	1907.3
USD Nikkei SEP 23	32,315.0	-150.0	32,620.00	32,035.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	103.17	0.325	103.46	102.77
DJIA	35,307.63	26.230	35,335.45	35,169.97
S&P 500	4,489.72	25.670	4,490.33	4,453.44
NASDAQ	13,788.33	143.480	13,789.16	13,582.49
Nikkei 225	32,059.91	-413.740	32,613.99	32,031.54
Hang Seng	18,773.55	-301.640	18,792.72	18,554.51
Straits Times	3,247.70	-46.580	3,265.69	3,229.45
DAX	15,904.25	72.080	15,937.78	15,817.59
CAC	7,348.84	8.650	7,371.93	7,309.94
FTSE 100	7,507.15	-17.010	7,530.25	7,476.45

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	9.89	8.99	9.91	10.49
E-Mini S&P Futures	10.94	9.41	10.35	11.22
E-Mini Nasdaq Futures	19.28	17.87	19.69	18.05

U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



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:	35902	2nd Resistance:	36432	1st Resistance:	4573.59	2nd Resistance:	4641.18	1st Resistance:	15499.30	2nd Resistance:	15728.36	1st Resistance:	1959.36	2nd Resistance:	1988.31
1st Support:	34840	2nd Resistance:	34310	1st Support:	4438.41	2nd Resistance:	4370.82	1st Support:	15041.20	2nd Resistance:	14812.14	1st Support:	1901.44	2nd Resistance:	1872.49
MACD:	174.066			MACD:	3.856042			MACD:	-24.493			MACD:	3.850		
MACD DIFF:	-65.358			MACD DIFF:	-16.007113			MACD DIFF:	-80.487			MACD DIFF:	-10.638		
RSI:	55.336			RSI:	48.656751			RSI:	46.482			RSI:	44.888		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	34840	35189	34666	34310	34653	34138	35902	35543	36081	36432	36068	36614
S&P	4438.41	4482.79	4416.22	4370.82	4414.53	4348.97	4573.59	4527.85	4596.46	4641.18	4594.77	4664.39
Nasdaq	15041.20	15191.61	14965.99	14812.14	14960.26	14738.08	15499.30	15344.31	15576.80	15728.36	15571.07	15807.00
Micro Russell	1901.44	1920.46	1891.94	1872.49	1891.21	1863.13	1959.356	1939.76	1969.15	1988.312	1968.43	1998.25

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

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

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.