

Fundamentals:

U.S. stocks sold off for a second straight session on Friday, and the Nasdaq Composite confirmed it was in correction territory after a soft jobs report stoked fears of an oncoming recession.

The Labor Department said nonfarm payrolls increased by 114,000 jobs last month, well short of the 175,000 average forecast by economists polled by Reuters, and the at least 200,000 that economists believe are needed to keep up with population growth. The unemployment rate jumped up to 4.3%, near a three-year high.

The data added to concerns the economy was slowing more rapidly than anticipated and the Federal Reserve had erred by keeping rates steady at its policy meeting that concluded on Wednesday.

Expectations for rate cut of 50 basis points (bps) at the Fed's September meeting jumped to 69.5% from 22% in the prior session, according to CME's FedWatch Tool.

"Obviously the jobs number is the big headline, but we seem to have officially entered at least a rational world where bad economic news is read as bad rather than bad economic news is read as good," said Lamar Villere, portfolio manager at Villere & Co. in New Orleans.

"The Fed is going to cut and we're all sort of adjusted to that, that is sort of established. Now it's more like hey, did they wait too long? Do we have a recession on our hands?"

The weak jobs data also triggered what is known as the "Sahm Rule," seen by many as a historically accurate recession indicator.

According to preliminary data, the S&P 500 lost 100.70 points, or 1.85%, to end at 5,345.98 points, while the Nasdaq Composite lost 417.98 points, or 2.43%, to 16,773.22. The Dow Jones Industrial Average fell 621.10 points, or 1.54%, to 39,726.87.

Adding downward pressure were tumbles in Amazon and Intel after their quarterly results and disappointing forecasts.

The declines pushed the Nasdaq Composite down more than 10% from its July closing high to confirm the index is in a correction after concerns grew about expensive valuations in a weakening economy.

The S&P 500 hit its lowest since June 5. Both the benchmark S&P index and the blue-chip Dow suffered their biggest two-day slides in nearly two years.

The small cap Russell 2000 index slumped to hit a nearly one-month low and saw its biggest two-day drop since June 2022.

Chip stocks also continued their recent downdraft, and the Philadelphia SE Semiconductor Index hit a three-month low after its biggest two-day slide since March 2020.

Among the few bright spots, Apple rose after posting better-than-expected third-quarter iPhone sales and forecasting more gains, betting on AI to attract buyers.

Of the 11 major S&P 500 sectors, only consumer staples were higher, with the Consumer Discretionary sector leading declines as Amazon weighed heavily, for its biggest two-day drop since June 2022.

The CBOE Volatility Index, also known as Wall Street's "fear gauge," breached its long-term average level of 20 points to touch 29.66 its highest mark since last March 2023.

Some market participants viewed the sell off as a chance to pickup stocks at cheaper prices. UBS strategist Jonathan Golub said in a note to clients on Friday that market returns are greatest when the VIX is extended and represents a near-term buying opportunity.

Among other movers, Snap plummeted after forecasting current-quarter results below expectations.

(Source: Reuters)

Contract	Close	Change	High	Low
E-Mini Dow SEP 24	39,879.00	-703.00	40,450.00	39,518.00
E-Mini S&P SEP 24	5,376.00	-110.750	5,473.25	5,331.75
E-Mini NASDAQ SEP 24	18,556.25	-474.50	18,979.75	18,385.75
Micro Russell 2K JUN 22	-2118.6	-79.5	2200.2	2097.1
USD Nikkei SEP 24	35,020.0	-1,925.0	36,800.00	34,425.00
US Dollar Index	103.21	-1.209	104.43	103.13
DJIA	39,737.26	-610.710	40,075.33	39,358.68
S&P 500	5,346.56	-100.120	5,383.89	5,302.03
NASDAQ	16,776.16	-417.980	16,920.63	16,582.79
Nikkei 225	35,909.70	-2,216.630	37,471.52	35,880.15
Hang Seng	16,945.51	-359.450	17,075.52	16,865.93
Straits Times	3,381.45	-38.390	3,397.65	3,377.23
DAX	17,661.22	-421.830	17,918.02	17,623.97
CAC	7,251.80	-118.650	7,350.29	7,227.79
FTSE100	8,174.71	-108.650	8,283.36	8,158.03

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	16.96	13.29	11.54	11.59
E-Mini S&P Futures	20.93	14.67	11.86	12.29
E-Mini Nasdaq Futures	40.25	30.64	23.36	21.46

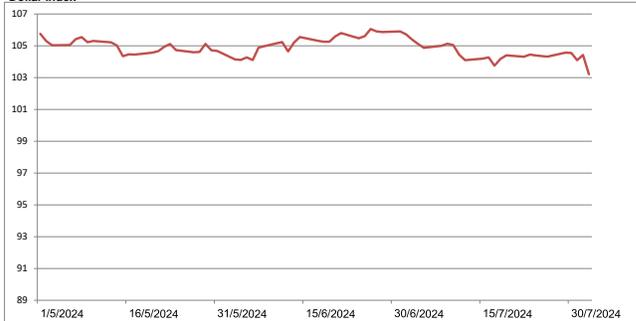
U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



Economic Releases	Period	Survey	Actual	Prior	Revised	
08/01/2024 20:30	Nonfarm Productivity	2Q P	1.80%	2.30%	0.20%	0.40%
08/01/2024 20:30	Unit Labor Costs	2Q P	1.70%	0.90%	4.00%	3.80%
08/01/2024 21:45	S&P Global US Manufacturing PMI	Jul F	49.6	49.6	49.5	--
08/01/2024 22:00	ISM Manufacturing	Jul	48.8	46.8	48.5	--
08/01/2024 22:00	ISM Prices Paid	Jul	51.8	52.9	52.1	--
08/01/2024 22:00	ISM New Orders	Jul	49	47.4	49.3	--
08/01/2024 22:00	ISM Employment	Jul	49.2	43.4	49.3	--
08/02/2024 20:30	Change in Nonfarm Payrolls	Jul	175k	114k	206k	179k
08/02/2024 20:30	Change in Private Payrolls	Jul	140k	97k	136k	--
08/02/2024 20:30	Change in Manufact. Payrolls	Jul	-5k	1k	-8k	-9k

E-Mini Dow Index Futures Daily Chart



DMH Index (D3A HINI e-CBOT Sep24) DAILY REPORT CHART Daily 04MAY2024-03AUG2024 Copyright 2024 Bloomberg Finance L.P. 03-Aug-2024 04:24:10

E-Mini S&P 500 Index Futures Daily Chart



ES14 Index (S&P500 EHINI FUT Sep24) DAILY REPORT CHART Daily 04MAY2024-03AUG2024 Copyright 2024 Bloomberg Finance L.P. 03-Aug-2024 04:24:25

E-Mini NASDAQ 100 Index Futures Daily Chart



NQ14 Index (NASDAQ 100 E-HINI Sep24) DAILY REPORT CHART Daily 04MAY2024-03AUG2024 Copyright 2024 Bloomberg Finance L.P. 03-Aug-2024 04:24:40

Micro E-Mini Russell 2000 Index Futures Daily Chart



HR14 Index (CHRCK RUS2000HR24) DAILY REPORT CHART Daily 04MAY2024-03AUG2024 Copyright 2024 Bloomberg Finance L.P. 03-Aug-2024 04:24:55

Technical Analysis

Dow		S&P	
1st Resistance:	40477	2nd Resistance:	41075
1st Support:	39281	2nd Resistance:	36683
MACD:	189.889	MACD:	-22.096989
MACD DIFF:	-80.966	MACD DIFF:	-24.622314
RSI:	43.256	RSI:	36.894135

Nasdaq		Micro Russell	
1st Resistance:	18834.59	2nd Resistance:	19112.94
1st Support:	18277.91	2nd Resistance:	17999.56
MACD:	-272.916	MACD:	30.752
MACD DIFF:	-151.383	MACD DIFF:	-10.849
RSI:	34.299	RSI:	42.935

Source: Bloomberg

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