

**Fundamentals:**

A global bond selloff continued on Wednesday, pressuring stock prices and boosting the dollar as signs of continuing strength in the U.S. economy dimmed expectations for aggressive near-term interest rate cuts.

The benchmark 10-year U.S. Treasury yield rose as high as 4.73%, a peak since April 2024, building on Tuesday's 7 basis point rise. It was last up 0.4 basis points to 4.695%.

"Going into this first quarter that we're in right now, aside from earnings, I think a big risk for equities is if bond yields do get to 5%," said Mark Malek, chief investment officer at SiebertNXT in New York. "Buyers are going to be a little bit more reticent. So the people that were powering the market higher, the bid is going to weaken."

The selloff in bonds on Wednesday accelerated after a CNN report that U.S. President-elect Donald Trump is considering declaring a national economic emergency to provide legal justification for a series of universal tariffs on allies and adversaries.

On Wall Street, the benchmark S&P 500 was flat, the Dow rose, while the Nasdaq was trading lower in choppy trading with utilities, energy and communication services driving losses. Healthcare and industrials equities were among the biggest gainers.

The Dow Jones Industrial Average rose 0.06% to 42,553.38, the S&P 500 rose 0.01% to 5,909.53 and the Nasdaq Composite fell 0.12% to 19,466.47.

European shares dipped, with the pan-European STOXX 600 finishing down 0.2%, with most regional bourses also in the red. MSCI's gauge of stocks across the globe fell 0.22% to 845.05.

European government bond yields surged, with those on German benchmark 10-year notes hitting their highest in about six months. The British 10-year gilt yield rose over 11 basis points to 4.82%, the highest since 2008.

Strong U.S. economic data have weighed on U.S. Treasuries in recent weeks, with investors scaling back expectations for Federal Reserve rate cuts.

Markets are only fully pricing in one 25-basis-point rate cut in 2025, and see around a 60% chance of a second.

Investors will watch Friday's more comprehensive non-farm payrolls data after data on Wednesday showed a lower than expected increase in private payrolls and jobless claims.

"One thing I'm worried about is, this bonfire of yields going higher tends to reinforce each other, particularly at times like this," said Michael Purves, CEO and founder of Tallbacken Capital Advisors. "I'm concerned about is if you can buy a 10-year Treasury at 5% with zero risk and that's a higher yield than on the S&P 500 that's going to beg a lot of asset allocation questions."

The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, rose 0.35% to 109.08, with the euro down 0.28% at \$1.031.

Oil prices were pressured by a stronger dollar and large builds in U.S. fuel inventories last week. Brent crude settled down 89 cents, or 1.16%, to \$76.23 a barrel. U.S. West Texas Intermediate crude fell 93 cents, or 1.25%, to \$73.32.

Gold prices advanced. Spot gold rose 0.32% to \$2,657.89 an ounce. U.S. gold futures settled 0.3% higher at \$2,672.40.

(Source: Reuters)

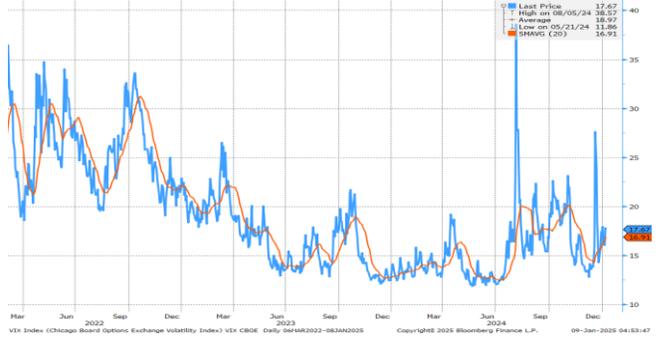
Contract	Close	Change	High	Low
E-Mini Dow MAR 25	42,878.00	106.00	42,940.00	42,592.00
E-Mini S&P MAR 25	5,959.25	10.500	5,975.00	5,917.00
E-Mini NASDAQ MAR 25	21,360.75	27.50	21,448.25	21,166.25
Micro Russell 2K JUN 22	2256.2	-7.7	2270	2225.8
USD Nikkei MAR 25	40,020.0	230.0	40,205.00	39,800.00
US Dollar Index	109.02	0.478	109.38	108.55
DJIA	42,635.20	106.840	42,656.22	42,327.79
S&P 500	5,910.39	1.360	5,927.89	5,874.78
NASDAQ	19,478.88	-10.800	19,544.50	19,308.54
Nikkei 225	39,981.06	-102.240	40,105.72	39,705.81
Hang Seng	19,279.84	-167.740	19,483.59	19,111.54
Straits Times	3,886.98	58.810	3,886.98	3,832.61
DAX	20,329.94	-10.630	20,480.49	20,242.56
CAC	7,452.42	-36.930	7,496.51	7,396.68
FTSE100	8,251.03	5.750	8,267.38	8,189.50

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	8.69	11.34	13.30	12.53
E-Mini S&P Futures	13.13	13.93	13.15	13.14
E-Mini Nasdaq Futures	13.65	16.34	18.74	24.67

**U.S. Government Treasuries Yield**



**CBOE Volatility Index (VIX)**



**Dollar Index**



Economic Releases	Period	Survey	Actual	Prior	Revised
01/07/2025 23:00 JOLTS Job Openings	Nov	7740k	8098k	7744k	7839k
01/07/2025 23:00 JOLTS Job Openings Rate	Nov	4.60%	4.80%	4.60%	4.70%
01/07/2025 23:00 JOLTS Quits Level	Nov	--	3065k	3328k	3283k
01/07/2025 23:00 JOLTS Quits Rate	Nov	--	1.90%	2.10%	--
01/07/2025 23:00 JOLTS Layoffs Level	Nov	--	1765k	1633k	1748k
01/07/2025 23:00 JOLTS Layoffs Rate	Nov	--	1.10%	1.00%	1.10%
01/07/2025 23:00 ISM Services Index	Dec	53.5	54.1	52.1	--
01/07/2025 23:00 ISM Services Prices Paid	Dec	57.5	64.4	58.2	--
01/07/2025 23:00 ISM Services New Orders	Dec	54.2	54.2	53.7	--
01/07/2025 23:00 ISM Services Employment	Dec	51.4	51.4	51.5	--
01/08/2025 21:15 ADP Employment Change	Dec	140k	122k	146k	--

**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	
1st Resistance:	43521	2nd Resistance:	44164
1st Support:	42235	2nd Resistance:	41592
MACD:	-393.089	MACD:	-25.003970
MACD DIFF:	-59.741	MACD DIFF:	-10.475546
RSI:	38.978	RSI:	44.504763

Nasdaq		Micro Russell	
1st Resistance:	21681.16	2nd Resistance:	22001.57
1st Support:	21040.34	2nd Resistance:	20719.93
MACD:	-4.970	MACD:	-31.643
MACD DIFF:	-68.316	MACD DIFF:	-1.794
RSI:	47.257	RSI:	38.890

Source: Bloomberg

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