

Fundamentals:

European stock markets fell on Monday and Wall Street futures pointed to further losses, while the yen and Japanese government bond yields got a boost from comments suggesting the central bank could hike interest rates.

Equities were jittery in November, but strengthened in the past week, helped by traders increasingly betting that the U.S. Federal Reserve will cut rates at its December meeting.

At 12:49 GMT, Europe's STOXX 600 was down 0.6% on the day, as a fresh wave of risk aversion gripped markets. London's FTSE 100 was down 0.2% and Germany's DAX was down 1.5%. The MSCI World Equity Index was down 0.1% on the day.

A drop in defence stocks helped fuel the weakness in European indexes, after U.S. and Ukrainian officials held what both sides called productive talks on Sunday about a possible Russia-Ukraine peace deal.

Wall Street futures were also in the red, with S&P 500 e-minis down 0.8% on the day and Nasdaq e-minis down 1.1%. Traders were waiting for comments from Fed Chair Jerome Powell, who is due to speak later in the day.

In a further sign of risk aversion, bitcoin was down around 6.4% at \$85,347.26, extending losses and putting bitcoin-buying companies under pressure. Gold hit its highest in six weeks, driven by expectations for U.S. rate cuts, and was last at \$4,248.99.

Bank of Japan Governor Kazuo Ueda said that the central bank will consider the "pros and cons" of raising rates at its next policy meeting, causing traders to sharply increase their rate-hike bets.

The yen rose to as strong as 155.49 per dollar after the remarks, and the two-year Japanese government bond yield rose 2 basis points to hit its highest since June 2008. The dollar-yen pair continued to strengthen during European trading, hitting 154.79.

Japan's low rates are the basis of a popular carry trade, in which traders borrow the yen at a low cost to invest in other riskier assets. Fiona Cincotta, senior market analyst at City Index, said that Monday's downbeat market sentiment could be prompted by the possibility of higher rates in Japan making this position less profitable.

"Concerns over the unwinding of the carry trade have been lingering for some time, but I think comments by governor Ueda hinting at a rate hike in December has really revived those concerns."

The dollar index was down 0.4% on the day, at 99.06, while the euro was up 0.4% at \$1.1646.

Euro zone government bond yields edged higher as investors waited for euro zone inflation data due on Tuesday. Germany's 2-year government bond yield, which is sensitive to expectations for the European Central Bank's policy outlook, hit its highest since March 28.

Purchasing managers' surveys released on Monday showed manufacturing was weak in Europe and in Asia's biggest economies in November, as subdued domestic demand and tariff uncertainties weighed.

Traders were waiting for U.S. economic data on manufacturing, services, and consumer sentiment, this week to set the tone ahead of the Fed's meeting on December 9-10, at which markets are pricing in a 93.9% chance of a 25 basis point rate cut, according to CME's data.

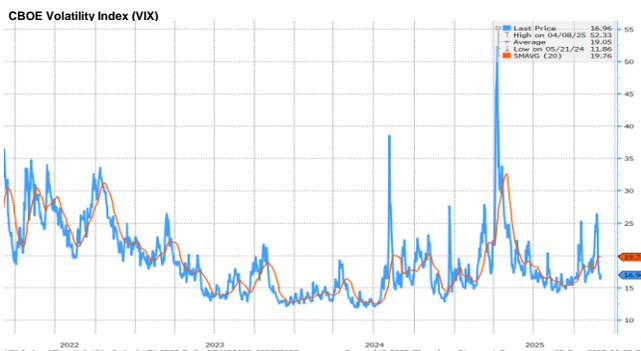
"This week's data will present the last chance for markets to reconsider a December Fed cut that is now fully priced in. While the market's dovish bets appear too high, we think the ISM, ADP and PCE figures will validate them," ING FX strategist Francesco Pesole wrote in a note to clients.

Matt Simpson, senior market analyst at StoneX in Brisbane, said if the incoming data signalled a slowdown without tipping into recession then sentiment would probably remain upbeat while the U.S. dollar weakens as it typically does at this time of year.

(Source: Reuters)

Contract	Close	Change	High	Low
E-Mini Dow DEC 25	47,352.00	-390.00	47,783.00	47,319.00
E-Mini S&P DEC 25	6,826.75	-32.250	6,864.50	6,802.00
E-Mini NASDAQ DEC 25	25,391.25	-84.50	25,546.00	25,193.25
Micro Russell 2K DEC 25	2,477.8	-27.3	2,506	2,471.4
USD Nikkei DEC 25	49,500.00	-760.00	50,430.00	49,080.00
US Dollar Index	99.40	-0.059	99.51	99.01
DJIA	47,289.33	-427.090	47,676.03	47,271.11
S&P 500	6,812.63	-36.460	6,843.65	6,799.94
NASDAQ	23,275.92	-89.770	23,363.85	23,110.21
Nikkei 225	49,303.28	-950.630	50,366.74	49,215.96
Hang Seng	26,033.26	174.370	26,179.72	25,913.98
Straits Times	4,526.22	2.260	4,544.57	4,524.47
DAX	23,589.44	-247.350	23,734.20	23,433.48
CAC	8,097.00	-25.710	8,114.14	8,043.81
FTSE100	9,702.53	-17.980	9,735.35	9,686.88

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	8.62	10.33	10.01	10.30
E-Mini S&P Futures	10.56	12.73	10.67	10.26
E-Mini Nasdaq Futures	15.95	29.01	24.31	23.61



Economic Releases	Period	Survey	Actual	Prior	Revised
11/25/2025 21:30 Retail Sales Advance MoM	Sep	0.40%	0.20%	0.60%	--
11/25/2025 21:30 Retail Sales Ex Auto MoM	Sep	0.30%	0.30%	0.70%	0.60%
11/25/2025 21:30 Retail Sales Ex Auto and Gas	Sep	0.30%	0.10%	0.70%	0.60%
11/25/2025 21:30 Retail Sales Control Group	Sep	0.30%	-0.10%	0.70%	0.60%
11/26/2025 22:45 MNI Chicago PMI	Nov	43.6	36.3	43.8	--
12/01/2025 22:45 S&P Global US Manufacturing PMI	Nov F	51.9	52.2	51.9	--
12/01/2025 23:00 ISM Manufacturing	Nov	49	48.2	48.7	--
12/01/2025 23:00 ISM Prices Paid	Nov	57.5	58.5	58	--
12/01/2025 23:00 ISM New Orders	Nov	--	47.4	49.4	--
12/01/2025 23:00 ISM Employment	Nov	--	44	46	--
12/03/2025 21:15 ADP Employment Change	Nov	--	--	42k	--
12/03/2025 22:45 S&P Global US Services PMI	Nov F	--	--	55	--
12/03/2025 22:45 S&P Global US Composite PMI	Nov F	--	--	54.8	--
12/03/2025 23:00 ISM Services Index	Nov	52.2	--	52.4	--
12/03/2025 23:00 ISM Services Prices Paid	Nov	--	--	70	--
12/03/2025 23:00 ISM Services New Orders	Nov	--	--	56.2	--
12/03/2025 23:00 ISM Services Employment	Nov	--	--	48.2	--

E-Mini Dow Index Futures Daily Chart



DWZ5 Index (D3IA HINI e-CBOT Dec25) DAILY REPORT CHART Daily 02SEP2025-02DEC2025 Copyright 2025 Bloomberg Finance L.P. 02-Dec-2025 00:56:04

E-Mini S&P 500 Index Futures Daily Chart



SP5Z Index (SPSP500 BHMI FUT Dec25) DAILY REPORT CHART Daily 02SEP2025-02DEC2025 Copyright 2025 Bloomberg Finance L.P. 02-Dec-2025 00:56:20

E-Mini NASDAQ 100 Index Futures Daily Chart



NQZ5 Index (NQDAQ 100 E-HINI Dec25) DAILY REPORT CHART Daily 02SEP2025-02DEC2025 Copyright 2025 Bloomberg Finance L.P. 02-Dec-2025 00:56:37

Micro E-Mini Russell 2000 Index Futures Daily Chart



HRZ5 Index (HR2000 HR2000HR25) DAILY REPORT CHART Daily 02SEP2025-02DEC2025 Copyright 2025 Bloomberg Finance L.P. 02-Dec-2025 00:56:37

Technical Analysis

Dow		S&P		Nasdaq		Micro Russell									
1st Resistance:	48062	2nd Resistance:	48773	1st Resistance:	6929.15	2nd Resistance:	7031.55	1st Resistance:	25772.12	2nd Resistance:	26152.99	1st Resistance:	2514.97	2nd Resistance:	2552.13
1st Support:	46642	2nd Resistance:	45931	1st Support:	6724.35	2nd Resistance:	6621.95	1st Support:	25010.38	2nd Resistance:	24629.51	1st Support:	2440.63	2nd Resistance:	2403.47
MACD:	57.999	MACD:	5.823472	MACD:	-29.389	MACD:	36.348	MACD:	1.121	MACD:	13.761	MACD:	1.121	MACD:	56.865
MACD DIFF:	59.722	MACD DIFF:	12.424128	MACD DIFF:	36.348	MACD DIFF:	56.1398	MACD DIFF:	13.761	MACD DIFF:	56.865	MACD DIFF:	13.761	MACD DIFF:	56.865
RSI:	56.211	RSI:	56.989132	RSI:	56.636	RSI:	56.1398	RSI:	56.865	RSI:	56.865	RSI:	56.865	RSI:	56.865

Source: Bloomberg

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