

**Fundamentals:**

Wall Street's main indexes were little changed on Wednesday, ahead of a closely watched Federal Reserve decision widely expected to deliver a rate cut, even as concerns grew over the extent and pace of potential rate reductions in 2026.

The central bank's ongoing meeting is likely one of its most divisive in years, as policymakers seek a delicate balance between reducing borrowing costs to support the labor market and curbing any reacceleration of inflation.

A prolonged absence of fresh economic data following the recent government shutdown, combined with uncertainty over who will lead the Federal Reserve next year, is adding to policymakers' challenges.

White House economic adviser Kevin Hassett, an advocate for interest rate cuts, is a front-runner for the position.

Traders are pricing in a near 90% chance that the Federal Reserve will cut interest rates by 25 basis points at 2 p.m. ET, according to CME's FedWatch Tool, and are also betting on additional easing in 2026.

"Markets at the moment are positioned for a hawkish Fed cut. Therefore, the bar for a dovish surprise is low. I think the Fed dot will be front-loaded to imply two cuts in 2026. No cuts in 2027 and no cuts after that," said Elias Haddad, global head of markets strategy at Brown Brothers Harriman.

The Fed's balance sheet and plans to purchase short-term bills to ensure ample liquidity in the banking system will also be on investors' radar.

Inflation worries have already prompted market participants to price in higher interest rates by the end of 2026 in Australia, Canada and Japan.

Wall Street's fear gauge, the Cboe Volatility Index was at an over one-week high.

At 9:44 a.m. ET, the Dow Jones Industrial Average rose 29.82 points, or 0.06%, to 47,530.11, the S&P 500 lost 0.64 points, or 0.00%, to 6,839.67 and the Nasdaq Composite lost 42.46 points, or 0.18%, to 23,534.03.

U.S. stocks have rallied since late November on lower rate expectations, bringing the S&P 500 within 1% of a record high. The Russell 2000 Index, which tracks small caps, also hit a record high, outperforming Wall Street's benchmark this quarter.

The rest of the week is likely to be dominated by earnings reports from major artificial intelligence players, including software company Oracle and chipmaker Broadcom.

Investors will scrutinize the results as worries about debt-fueled corporate spending, complex deal-making across the AI sector and uncertainty over how companies will monetize the technology have sparked recent sell-offs in equity and debt markets.

The info-tech sector was down the most, pressured by an over 2% decline in Intel and Microsoft.

On Wednesday, shares of energy equipment manufacturer GE Vernova surged 14% after forecasting higher revenue in 2026, signaling strong demand for its AI-related infrastructure.

Lending giant JPMorgan Chase steadied following a nearly 5% drop in the previous session after saying it expects higher expenses next year.

Advancing issues outnumbered decliners by a 1.18-to-1 ratio on the NYSE and declining issues outnumbered advancers by a 1.18-to-1 ratio on the Nasdaq.

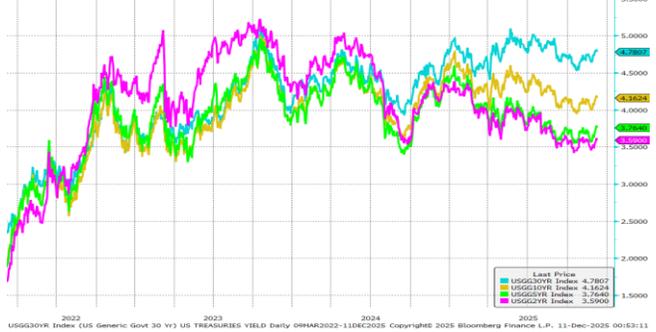
The S&P 500 posted 11 new 52-week highs and four new lows, while the Nasdaq Composite recorded 38 new highs and 37 new lows.

(Source: Reuters)

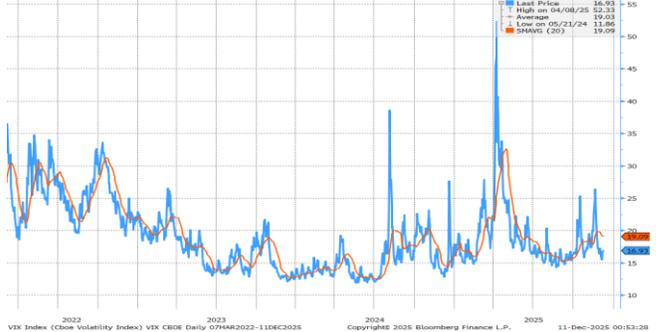
Contract	Close	Change	High	Low
E-Mini Dow DEC 25	48,107.00	539.00	48,245.00	47,504.00
E-Mini S&P DEC 25	6,891.75	44.250	6,908.00	6,830.75
E-Mini NASDAQ DEC 25	25,798.00	96.75	25,870.75	25,528.75
Micro Russell 2K MAR 26	2569.9	40.5	2581.7	2519.7
USD Nikkei MAR 26	51,075.0	90.0	51,330.00	50,550.00
US Dollar Index	98.66	-0.557	99.26	98.59
DJIA	48,057.75	497.460	48,197.30	47,462.94
S&P 500	6,886.68	46.170	6,900.67	6,824.69
NASDAQ	23,654.15	77.660	23,704.08	23,435.17
Nikkei 225	50,602.80	-52.300	51,107.77	50,329.27
Hang Seng	25,540.78	106.550	25,540.78	25,257.61
Straits Times	4,511.90	-1.340	4,520.96	4,492.46
DAX	24,130.14	-32.510	24,168.72	24,001.43
CAC	8,022.69	-29.820	8,045.22	8,005.11
FTSE100	9,655.53	13.520	9,689.47	9,622.74

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

**U.S. Government Treasuries Yield**



**CBOE Volatility Index (VIX)**



**Dollar Index**



Economic Releases	Period	Survey	Actual	Prior	Revised
12/01/2025 S&P Global US Manufacturing PMI	Nov F	51.9	52.2	51.9	--
12/01/2025 ISM Manufacturing	Nov	49	46.2	46.7	--
12/01/2025 ISM Prices Paid	Nov	57.5	56.5	58	--
12/01/2025 ISM New Orders	Nov	--	47.4	49.4	--
12/01/2025 ISM Employment	Nov	--	44	46	--
12/03/2025 ADP Employment Change	Nov	10k	-32k	42k	47k
12/03/2025 S&P Global US Services PMI	Nov F	55	54.1	55	--
12/03/2025 S&P Global US Composite PMI	Nov F	--	54.2	54.8	--
12/03/2025 ISM Services Index	Nov	52	52.6	52.4	--
12/03/2025 ISM Services Prices Paid	Nov	68	65.4	70	--
12/03/2025 ISM Services New Orders	Nov	--	52.9	56.2	--
12/03/2025 ISM Services Employment	Nov	--	48.9	48.2	--
12/05/2025 PCE Price Index MoM	Sep	0.30%	0.30%	0.30%	--
12/05/2025 PCE Price Index YoY	Sep	2.80%	2.80%	2.70%	--
12/09/2025 JOLTS Job Openings	Sep	7198k	7658k	7227k	--
12/09/2025 JOLTS Job Openings Rate	Sep	--	4.60%	4.30%	--
12/16/2025 Change in Nonfarm Payrolls	Nov	50k	--	--	--
12/16/2025 Unemployment Rate	Nov	4.40%	--	--	--

**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:	48829	1st Resistance:	6995.13	1st Resistance:	26184.97	1st Resistance:	2608.45
2nd Resistance:	49550	2nd Resistance:	7098.50	2nd Resistance:	26571.94	2nd Resistance:	2647.00
1st Support:	47385	1st Support:	6788.37	1st Support:	25411.03	1st Support:	2531.35
2nd Support:	46664	2nd Support:	6685.00	2nd Support:	25024.06	2nd Support:	2492.80
MACD:	220.233	MACD:	26.913582	MACD:	130.248	MACD:	24.031
MACD DIFF:	67.267	MACD DIFF:	9.570792	MACD DIFF:	64.332	MACD DIFF:	12.453
RSI:	56.803	RSI:	55.857603	RSI:	56.050	RSI:	61.294

Source: Bloomberg

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