

Fundamentals:

U.S. stocks fell on Friday, sending the S&P 500 and the Nasdaq to more than two-week lows, as Treasury yields rose following hawkish remarks from several policymakers, while Broadcom's latest results sparked concerns about an AI-fueled bubble.

Treasury yields rose after a group of policymakers who voted against the Fed's News Story this week said they are worried that inflation remains too high to warrant lower borrowing costs.

The Labor Department's reports on non-farm payrolls and consumer inflation for November are due next week and may offer greater insight into the economy's health.

Broadcom warned of slimmer future margins, sending its shares down 11%, causing renewed concerns about the profitability of surging AI investments.

"Given the fact that 'Big Tech' has been at the vanguard of the rally since October 2022, there's a danger that it may become the catalyst for broad-based selling," said David Morrison, senior market analyst at Trade Nation.

Other chip stocks, such as Nvidia fell 2.8% and weighed on a broader chips index that lost 4.8%, a day after Oracle unveiled a weak forecast.

Shares of the cloud company fell 5.6% after a report said its data centers for ChatGPT maker OpenAI were delayed to 2028 from 2027.

Other stocks that have rallied this year on the back of AI optimism such as Sandisk tumbled 13.6%, while infrastructure companies such as CoreWeave and Oklo slid 11% each.

At 11:49 a.m. ET, the Dow Jones Industrial Average fell 295.81 points, or 0.61%, to 48,408.20, the S&P 500 lost 88.71 points, or 1.29%, to 6,812.29 and the Nasdaq Composite lost 451.43 points, or 1.91%, to 23,142.43.

Nine of the 11 S&P 500 sectors declined, led by heavyweight tech stocks that lost 2.9%. Friday's losses erased weekly gains for the S&P 500 and the Nasdaq, while the Dow and the Russell 2000 held gains garnered after the Fed trimmed borrowing costs and delivered a less hawkish outlook than investors had feared on Wednesday.

Still, traders are pricing in a total of 50 basis points of rate cuts by the end of 2026 - more than the Fed signaled on Wednesday. The biggest gains were in the blue-chip and smallcap indexes, highlighting a shift into other areas of the market, and away from the mega-cap names. The Russell 2000 has outpaced the S&P 500 for much of this quarter along with value-heavy sectors such as healthcare.

However on Friday, higher Treasury yields weighed on the smallcaps Russell 2000 index which fell 1.4%. Among others, Lululemon Athletica jumped 10% after the apparel maker raised its annual profit forecast and said that CEO Calvin McDonald was leaving the company.

U.S.-listed shares of cannabis companies rose after a report said President Donald Trump was looking to cut restrictions on marijuana through a planned order. Canopy Growth and Tilray Brands surged 30% each.

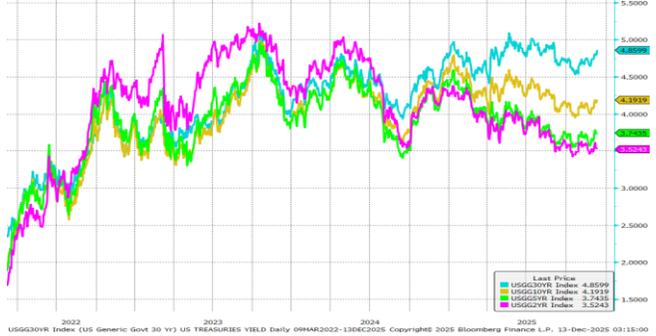
Declining issues outnumbered advancers by a 2.16-to-1 ratio on the NYSE and by a 2.11-to-1 ratio on the Nasdaq. The S&P 500 posted 31 new 52-week highs and three new lows, while the Nasdaq Composite recorded 106 new highs and 69 new lows.

(Source: Reuters)

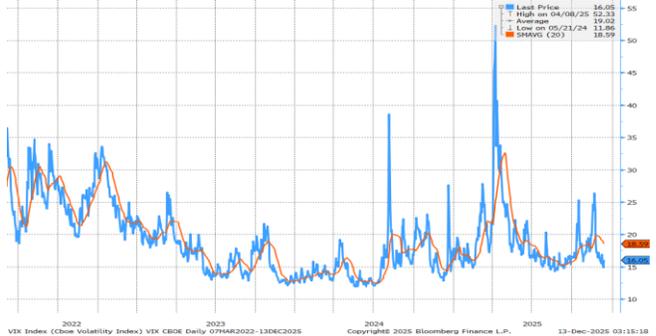
Contract	Close	Change	High	Low
E-Mini Dow DEC 25	48,474.00	-217.00	48,917.00	48,355.00
E-Mini S&P DEC 25	6,830.75	-72.250	6,915.50	6,805.00
E-Mini NASDAQ DEC 25	25,213.50	-504.00	25,733.25	25,118.00
Micro Russell 2K MAR 26	2555.2	-38	2605	2549
USD Nikkei MAR 26	50,160.00	-860.00	51,320.00	49,880.00
US Dollar Index	98.39	0.047	98.53	98.30
DJIA	48,458.05	-245.960	48,886.86	48,334.10
S&P 500	6,827.41	-73.590	6,899.85	6,801.79
NASDAQ	23,195.17	-398.690	23,554.89	23,094.51
Nikkei 225	50,836.55	687.730	51,127.69	50,457.42
Hang Seng	25,976.79	446.280	26,006.47	25,697.43
Straits Times	4,586.45	65.620	4,586.45	4,553.09
DAX	24,186.49	-108.120	24,474.62	24,173.28
CAC	8,068.62	-17.140	8,155.39	8,068.62
FTSE100	9,649.03	-54.130	9,761.47	9,639.29

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

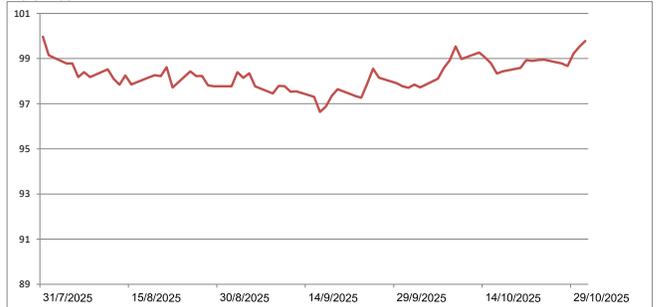
U.S. Government Treasuries Yield



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:	49201	2nd Resistance:	49928	1st Resistance:	6933.21	2nd Resistance:	7035.67	1st Resistance:	25591.70	2nd Resistance:	25969.91	1st Resistance:	2593.53	2nd Resistance:	2631.86
1st Support:	47747	2nd Resistance:	47020	1st Support:	6728.29	2nd Resistance:	6625.83	1st Support:	24835.30	2nd Resistance:	24457.10	1st Support:	2516.87	2nd Resistance:	2478.54
MACD:	345.253	MACD:	29.985932	MACD:	113.034	MACD DIFF:	22.801	MACD:	32.794	MACD DIFF:	13.532	MACD:	32.794	MACD DIFF:	13.532
MACD DIFF:	125.645	MACD DIFF:	7.111673	MACD DIFF:	47.255	RSI:	61.533	RSI:	61.271	RSI:	61.1308	RSI:	61.271	RSI:	61.271

Source: Bloomberg

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