

**Fundamentals:**

Wall Street's main indexes ended lower on Monday, kicking off the final week of the year on a softer note, as heavyweight technology stocks retreated from last week's gains that had pushed the S&P 500 to record highs.

The information technology sector SPLRCT weighed on the S&P 500, as most tech and AI-linked stocks declined, such as Nvidia NVDA and Palantir Technologies PLTR. "This is (not) the beginning of the end of the tech dominance, it'll turn out to be a buying opportunity," said Hank Smith, director and head of investment strategy at Haverford Trust.

"A big reason for that is the top tech names, excluding Tesla, do not have challenging valuations given their growth rate, the most around their business and their financial strength, which is unparalleled."

According to preliminary data, the S&P 500 SPX lost 23.84 points, or 0.34%, to end at 6,906.10 points, while the Nasdaq Composite .IXIC lost 118.75 points, or 0.50%, to 23,474.35. The Dow Jones Industrial Average .DJI fell 242.43 points, or 0.50%, to 48,468.91.

Tesla TSLA offed sharply after hitting a record high last week, weighing on the consumer discretionary sector .SPLRCD.

Materials .SPLRCM slipped, with precious metal miners sliding as silver XAG= dropped sharply after topping \$80 per ounce for the first time, while gold XAU= also fell after back-to-back record highs last week. Conversely, energy stocks .SPNY gained, tracking a 2% rise in oil prices.

Bank stocks .SPXBK also retreated after a strong rally this year. Citigroup C.N. among major gainers this year due to progress on resolving some regulatory problems, was among major decliners. Stocks pulled back after the S&P 500 was within 1% of the 7,000-point mark. The blue-chip Dow hit a record closing high last week.

Some investors were hoping for a "Santa Claus rally", a seasonal phenomenon where the S&P 500 typically posts gains in the last five trading days of the year and the first two in January, according to Stock Trader's Almanac. All three indexes were headed for firm monthly gains, with the Dow and S&P 500 on pace for their eighth consecutive month in the green.

The bull market, which began in October 2022, stayed intact despite concerns over high valuations of technology companies and market volatility. With traders still optimistic about AI, interest-rate cuts and a resilient economy, all three main indexes are set for their third consecutive yearly gain. Most strategists also expected gains in 2026.

With expectations for continued global economic expansion and further easing by the Federal Reserve, it would be unusual to see a significant equity setback or bear market without a recession, said Peter Oppenheimer, chief global equities strategist at Goldman Sachs, in a recent note.

On the macro front, minutes from the Fed's previous meeting and a weekly reading of jobless claims will be on the radar in an otherwise data-light week.

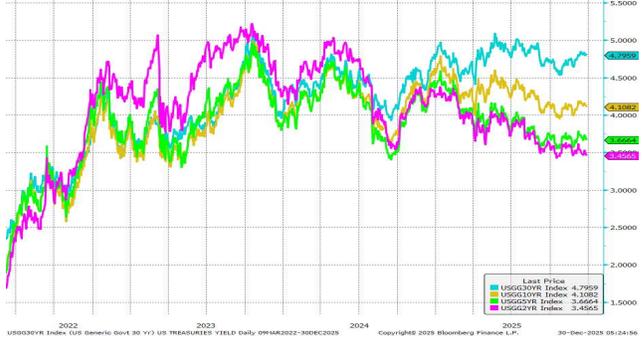
The S&P 500 has added about 17% so far this year, as the frenzy to capitalize on AI helped the U.S. benchmark overtake Europe's STOXX 600 STOXX, despite investors diversifying away from U.S. stocks earlier in the year. DigitalBridge DBRG.N surged, with Japan's SoftBank Group 9984.T set to acquire the digital infrastructure investor in a deal valued at \$4 billion.

(Source: Reuters)

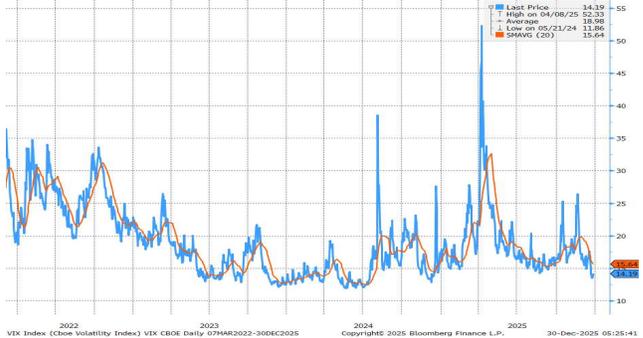
Contract	Close	Change	High	Low
E-Mini Dow MAR 26	48,749.00	-235.00	49,052.00	48,665.00
E-Mini S&P MAR 26	6,955.00	-23.000	6,984.75	6,936.00
E-Mini NASDAQ MAR 26	25,739.75	-120.50	25,893.75	25,648.00
Micro Russell 2K MAR 26	2536.1	-15.3	2558	2530.4
USD Nikkei MAR 26	50,465.0	-355.0	50,975.00	50,355.00
US Dollar Index	98.02	-0.006	98.18	97.92
DJIA	48,461.93	-249.040	48,704.83	48,390.91
S&P 500	6,905.74	-24.200	6,920.21	6,888.76
NASDAQ	23,474.35	-118.750	23,531.02	23,397.52
Nikkei 225	50,526.92	-223.470	50,707.23	50,347.65
Hang Seng	25,635.23	-183.700	26,082.94	25,630.75
Straits Times	4,633.64	-2.510	4,644.12	4,631.40
DAX	24,351.12	11.060	24,389.15	24,253.73
CAC	8,112.02	8.440	8,132.59	8,087.48
FTSE100	9,866.53	-4.150	9,892.79	9,858.46

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	6.83	11.40	11.94	11.03
E-Mini S&P Futures	10.24	11.46	13.20	11.70
E-Mini Nasdaq Futures	16.00	17.89	25.95	23.18

**U.S. Government Treasuries Yield**



**CBOE Volatility Index (VIX)**



**Dollar Index**



Economic Releases	Period	Survey	Actual	Prior	Revised	
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	Unemployment Rate	Nov	4.50%	4.60%	--	--
12/16/2025	S&P Global US Manufacturing PMI	Dec P	52.1	51.8	52.2	--
12/16/2025	S&P Global US Services PMI	Dec P	54	52.9	54.1	--
12/16/2025	S&P Global US Composite PMI	Dec P	53.9	53	54.2	--
12/18/2025	CPI YoY	Nov	3.10%	2.70%	--	--
12/23/2025	GDP Annualized QoQ	3Q S	3.30%	4.30%	3.80%	--
12/23/2025	GDP Price Index	3Q S	2.70%	3.80%	2.10%	--
01/02/2026 22:45	S&P Global US Manufacturing PMI	Dec	--	--	51.8	--
01/05/2026 23:00	ISM Manufacturing	Dec	--	--	48.2	--
01/05/2026 23:00	ISM Prices Paid	Dec	--	--	56.5	--
01/05/2026 23:00	ISM New Orders	Dec	--	--	47.4	--
01/05/2026 23:00	ISM Employment	Dec	--	--	44	--

**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:	49480	2nd Resistance:	50211
1st Support:	48018	2nd Resistance:	47287
MACD:	310.349	MACD:	27.785846
MACD DIFF:	13.158	MACD DIFF:	7.480626
RSI:	57.166	RSI:	56.746092

Nasdaq		Micro Russell	
1st Resistance:	26125.85	2nd Resistance:	26511.94
1st Support:	25353.65	2nd Resistance:	24967.56
MACD:	53.974	MACD:	17.472
MACD DIFF:	22.891	MACD DIFF:	-3.253
RSI:	52.775	RSI:	51.307

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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