

Fundamentals:

Wall Street's main indexes ended Wednesday with solid gains after the Federal Reserve's November meeting minutes showed interest rate hikes may slow soon.

A "substantial majority" of policymakers agreed it would "likely soon be appropriate" to slow the pace of interest rate hikes, the minutes showed.

Since the Fed's last meeting on Nov. 1-2, investors have been more optimistic that price pressures have started to ease, meaning smaller rate hikes could curtail inflation.

The Dow Jones Industrial Average rose 95.96 points, or 0.28%, to 34,194.06, the S&P 500 gained 23.68 points, or 0.59%, at 4,027.26 and the Nasdaq Composite added 110.91 points, or 0.99%, at 11,285.32.

Trading volume was thin ahead of the Thanksgiving holiday on Thursday, with the U.S. stock market open for a half-session on Friday.

Earlier on Wednesday, a mixed bag of economic data led to a drop in yield on the benchmark 10-year Treasury note, helping drive stocks up.

The number of Americans filing new claims for unemployment benefits rose more than expected last week and U.S. business activity contracted for a fifth straight month in November. Consumer sentiment ticked higher and home sales rose above expectations.

Heavyweight stocks, including Amazon.com Inc and Meta Platforms Inc, rose 1.00% and 0.72%, respectively.

Tesla Inc jumped 7.82% with Citigroup upgrading the electric-vehicle maker's stock to "neutral" from a "sell" rating.

Deere & Co soared 5.03% after the farm equipment maker reported a higher-than-expected quarterly profit.

Nordstrom Inc fell 4.24% as the fashion retailer cut its profit forecast amid steep markdowns to attract inflation-wary customers.

The Cboe Volatility Index, or VIX, extended its decline Wednesday to its lowest level in more than three months as stocks climbed after minutes from the Federal Reserve's most recent meeting signaled that investors could soon see a slowing in the pace of interest rate hikes.

Wall Street's fear gauge is on the cusp of falling below the key 20 threshold after dropping to 20.31, its lowest intraday level since Aug. 18. The last time the measure fell below that level, the S&P 500 Index had reached a peak in a rally that started in June.

The VIX, which measures market expectations of 30-day volatility, can serve as a key indicator of how investors are feeling. That said, it's a light trading session before the US hunkers down for the Thanksgiving holiday, with volume on the S&P 500 down 34% from the average over the past 30 days. Traders will want to see if these levels hold next week.

U.S. Treasury yields fell on Wednesday after the Federal Reserve's November meeting minutes showed a "substantial majority" of policymakers agreed it would "likely soon be appropriate" to slow the pace of interest rate hikes.

The readout of the Nov. 1-2 meeting, at which the Fed raised its policy rate by three-quarters of a percentage point for the fourth straight time, showed officials were largely satisfied they could stop front-loading the rate increases and move in smaller, more deliberate steps.

The minutes also showed an emerging debate within the Fed over the risks the rapid policy tightening could pose to economic growth and financial stability, even as policymakers acknowledged little demonstrable progress had been made on inflation and that rates still needed to rise.

Yields fell despite the minutes showing no major surprises.

Some of the move was likely due to thin trading conditions a day before the U.S. Thanksgiving holiday, said Simons. Some investors might also be buying bonds to get an early start on month-end rebalancing.

Benchmark 10-year note yields fell five basis points on the day to 3.711%. Two-year yields dipped three basis points to 4.490%.

The closely watched two-year, 10-year part of the yield curve was last at minus 78 basis points, after reaching minus 86 basis points.

The Fed this year has embarked on the swiftest tightening of U.S. monetary policy in 40 years as it attempts to bring down decades-high inflation. How high rates end up, however, will remain dependent on data.

Yields had dipped early on Wednesday after data showed jobless claims increased more than expected last week.

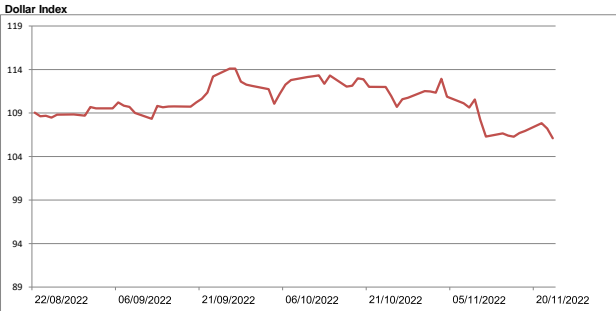
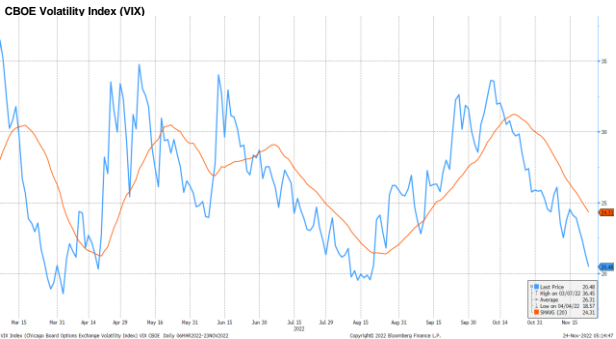
Other data on Wednesday showed resilience in business spending on equipment, and a contraction in the manufacturing and services sectors. New home sales also rose in October.

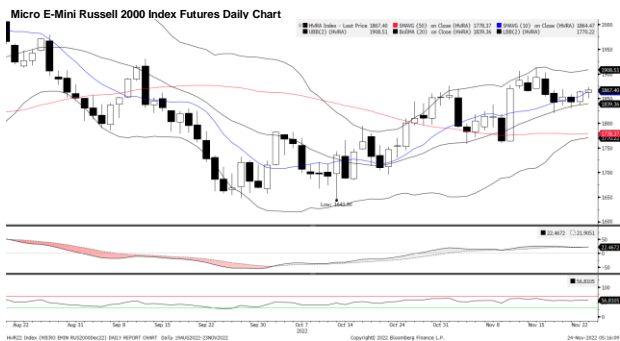
(Source: Reuters, Bloomberg)

Economic Releases	Period	Survey	Actual	Prior	Revised
11/23/2022 20:00	MBA Mortgage Applications	Nov-18	--	2.20%	2.70%
11/23/2022 21:30	Durable Goods Orders	Oct P	0.40%	1.00%	0.40%
11/23/2022 21:30	Durables Ex Transportation	Oct P	0.00%	0.50%	-0.50%
11/23/2022 21:30	Cap Goods Orders Nondefl Ex Air	Oct P	0.00%	0.70%	-0.40%
11/23/2022 21:30	Cap Goods Ship Nondefl Ex Air	Oct P	0.20%	1.30%	-0.50%
11/23/2022 21:30	Initial Jobless Claims	Nov-19	225k	240k	222k
11/23/2022 21:30	Continuing Claims	Nov-12	1520k	1551k	1507k
11/23/2022 22:45	S&P Global US Manufacturing PMI	Nov P	50	47.6	50.4
11/23/2022 22:45	S&P Global US Services PMI	Nov P	48	46.1	47.8
11/23/2022 22:45	S&P Global US Composite PMI	Nov P	48	46.3	48.2
11/23/2022 23:00	U. of Mich. Sentiment	Nov F	55	56.8	54.7
11/23/2022 23:00	U. of Mich. Current Conditions	Nov F	57.8	58.8	57.8
11/23/2022 23:00	U. of Mich. Expectations	Nov F	52.5	55.6	52.7
11/23/2022 23:00	U. of Mich. 1 Yr Inflation	Nov F	5.10%	4.90%	5.10%
11/23/2022 23:00	U. of Mich. 5-10 Yr Inflation	Nov F	3.00%	3.00%	3.00%
11/23/2022 23:00	New Home Sales	Oct	570k	632k	603k
11/23/2022 23:00	New Home Sales MoM	Oct	-5.50%	7.50%	-10.90%
11/24/2022 03:00	FOMC Meeting Minutes	Nov-02	--	--	--
11/28/2022 23:30	Dallas Fed Manf. Activity	Nov	-23	--	-19.4

Contract	Close	Change	High	Low
E-Mini Dow DEC 22	34,211.00	122.00	34,277.00	34,015.00
E-Mini S&P DEC 22	4,033.00	28.00	4,039.50	4,002.00
E-Mini NASDAQ DEC 22	11,862.75	121.25	11,892.75	11,720.00
Micro Russell 2K JUN 22	1870.6	6.8	1873.1	1850.4
USD Nikkei DEC 22	28,355.0	0.0	28,420.00	28,295.00
Euro Dollar DEC 22	95.03	0.010	95.05	94.99
US Dollar Index	106.10	-1.123	107.22	106.03
DJIA	34,194.06	95.960	34,262.07	34,004.64
S&P 500	4,027.26	23.680	4,033.78	3,998.66
NASDAQ	11,285.32	110.910	11,310.82	11,174.61
Nikkei 225	0.00	0.000	0.00	0.00
Hang Seng	17,523.81	99.400	17,640.84	17,375.96
Straits Times	3,255.99	-3.570	3,285.48	3,249.52
DAX	14,427.59	5.240	14,446.33	14,363.51
CAC	6,679.09	21.560	6,681.41	6,642.03
FTSE100	7,465.24	12.400	7,498.34	7,452.84

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	7.91	19.87	22.69	20.72
E-Mini S&P Futures	13.14	26.83	26.98	24.85
E-Mini Nasdaq Futures	7.53	12.88	15.94	15.43





	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
<i>Dow</i>	33698	34035	33529	33185	33517	33019
<i>S&P</i>	3972.51	4012.23	3952.64	3912.01	3951.13	3892.45
<i>Nasdaq</i>	11684.81	11801.66	11626.38	11506.47	11621.94	11449.33
<i>Micro Russell</i>	1842.54	1860.97	1833.33	1814.48	1832.63	1805.41

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