

Fundamentals:

U.S. stocks ended up sharply on Wednesday, with the S&P 500 and Nasdaq gaining more than 1% each as investors were optimistic ahead of an inflation report that could give the Federal Reserve room to dial back on its aggressive interest rate hikes.

The much-anticipated report due on Thursday is projected by economists polled by Reuters to show U.S. consumer prices grew 6.5% year-on-year in December, moderating from a 7.1% rise in November.

Among sectors, real estate and consumer discretionary were the day's strongest performers, while Microsoft, Amazon.com and other mega-cap growth names gave the S&P 500 its biggest boost.

The benchmark index is up so far for 2023 after falling sharply last year. Hopes that the Fed could soon ease back on its aggressive tightening after raising the federal funds rate seven times in 2022 have boosted the market in recent sessions, even as comments by some Fed officials have supported the view that the central bank needs to remain vigilant about raising rates to fight inflation.

The Dow Jones Industrial Average rose 268.91 points, or 0.8%, to 33,973.01, the S&P 500 gained 50.36 points, or 1.28%, to 3,969.61 and the Nasdaq Composite added 189.04 points, or 1.76%, to 10,931.67.

Money market participants see a 75% chance the Fed will raise the benchmark rate by 25 basis points in February.

This week also marks the start of the fourth-quarter earnings season for S&P 500 companies, with overall S&P 500 earnings expected to have declined year-over-year, according to IBES data from Refinitiv.

The biggest U.S. banks, which kick off the season later this week, are expected to report lower quarterly earnings as risks of a recession rise due to monetary policy tightening.

Goldman Sachs began laying off staff on Wednesday in a sweeping cost-cutting drive, a source familiar with the matter said. Shares of Goldman Sachs ended up 2%.

Retailer Bed Bath & Beyond Inc sharply extended recent gains to end up 68.6% despite bleak quarterly results, with some investors speculating it could be a potential acquisition target.

Treasury yields fell on Wednesday, a day before the release of key consumer price data, with the market anticipating that inflation is on a sustainable downward path and the Federal Reserve will cut interest rates by year end.

Economists polled by Reuters project CPI to slow to 6.5% in December from 7.1% the prior month, an expectation that is driving a rally in equity and bond markets.

The yield on benchmark 10-year Treasury notes US10YT=RR fell 5.9 basis points to 3.560%. Yields move inversely to their price.

Boston Fed President Susan Collins said she is inclined to raise interest rates by 25 basis points at the U.S. central bank's policy meeting ending on Feb. 1, the New York Times reported on Wednesday.

Futures are pricing in the Fed's target rate will be 4.947% in June, but then foresee it falling to 4.458% by December, indicating the Fed will have cut rates.

The Treasury sold \$32 billion of 10-year notes at a high yield of 3.575%, just below the market value at the bidding deadline. On Thursday, \$18 billion of 30-year bonds are scheduled to be sold.

The gap between yields on two- and 10-year Treasury notes, a recession harbinger when short-end yields are higher than longer-dated securities, in what's known as an inverted yield curve, was at -67.9 basis points.

The two-year yield, which often reflects interest rate expectations, slid 2.1 basis points at 4.237%, while yield on the 30-year bonds fell 6.7 basis points to 3.687%.

The breakeven rate on five-year U.S. Treasury inflation-protected securities (TIPS) was last at 2.227%.

The 10-year TIPS breakeven rate was last at 2.216%, indicating the market sees inflation averaging 2.2% a year for the next decade.

(Source: Reuters)

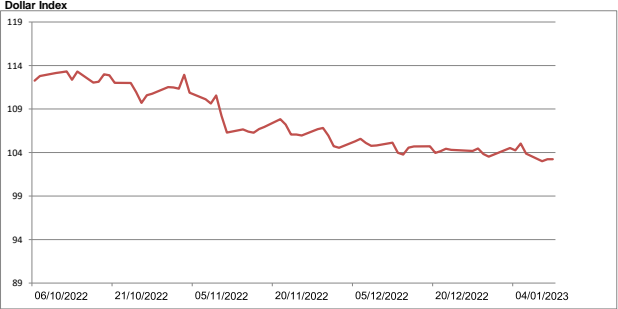
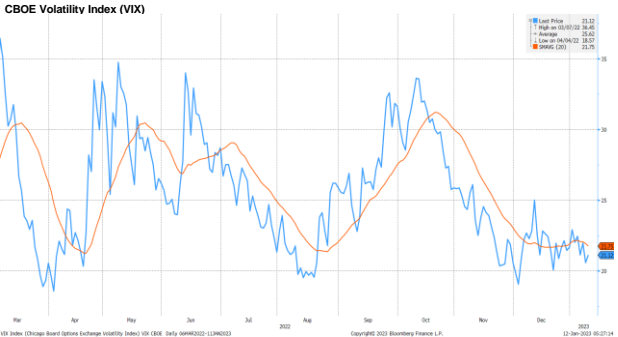
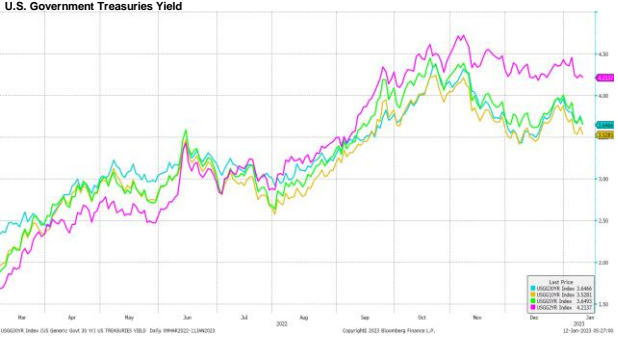
Economic Releases	Period	Survey	Actual	Prior	Revised
01/11/2023 20:00	MBA Mortgage Applications	Jan-06	--	1.20%	--
01/12/2023 21:30	CPI MoM	Dec	-0.10%	--	0.10%
01/12/2023 21:30	CPI Ex Food and Energy MoM	Dec	0.30%	--	0.20%
01/12/2023 21:30	CPI YoY	Dec	6.50%	--	7.10%
01/12/2023 21:30	CPI Ex Food and Energy YoY	Dec	5.70%	--	6.00%
01/12/2023 21:30	CPI Index NSA	Dec	296.699	--	297.711
01/12/2023 21:30	CPI Core Index SA	Dec	300.746	--	300.066
01/12/2023 21:30	Real Avg Hourly Earnings YoY	Dec	--	--	-1.90%
01/12/2023 21:30	Real Avg Weekly Earnings YoY	Dec	--	--	-3.00%
01/12/2023 21:30	Initial Jobless Claims	Jan-07	215k	--	204k
01/12/2023 21:30	Continuing Claims	Dec-31	1710k	--	1694k
01/13/2023 03:00	Monthly Budget Statement	Dec	-\$60.0b	--	-\$21.3b
01/13/2023 21:30	Import Price Index MoM	Dec	-0.90%	--	-0.60%
01/13/2023 21:30	Import Price Index ex Petroleum MoM	Dec	-0.30%	--	-0.30%
01/13/2023 21:30	Import Price Index YoY	Dec	2.20%	--	2.70%
01/13/2023 21:30	Export Price Index MoM	Dec	-0.70%	--	-0.30%
01/13/2023 21:30	Export Price Index YoY	Dec	7.30%	--	6.30%
01/13/2023 23:00	U. of Mich. Sentiment	Jan P	60.5	--	59.7
01/13/2023 23:00	U. of Mich. Current Conditions	Jan P	60	--	59.4
01/13/2023 23:00	U. of Mich. Expectations	Jan P	59	--	59.9
01/13/2023 23:00	U. of Mich. 1 Yr Inflation	Jan P	4.30%	--	4.40%
01/13/2023 23:00	U. of Mich. 5-10 Yr Inflation	Jan P	2.90%	--	2.90%
01/17/2023 21:30	Empire Manufacturing	Jan	-7.5	--	-11.2

INDEX FUTURES DAILY PREVIEW

January 12, 2023

Contract	Close	Change	High	Low
E-Mini Dow MAR 23	34,110.00	269.00	34,121.00	33,826.00
E-Mini S&P MAR 23	3,990.00	50.250	3,991.25	3,934.50
E-Mini NASDAQ MAR 23	11,476.50	191.50	11,479.50	11,239.75
Micro Russell 2K JUN 22	1856	23.8	1856.1	1830.3
USD Nikkei MAR 23	26,550.0	250.0	26,555.00	26,270.00
Euro Dollar MAR 23	94.92	0.015	94.95	94.91
US Dollar Index	103.24	0.003	103.48	103.11
DJIA	33,973.01	268.910	33,974.69	33,711.04
S&P 500	3,969.61	50.360	3,970.07	3,928.54
NASDAQ	10,931.67	189.040	10,932.44	10,762.73
Nikkei 225	26,446.00	270.440	26,479.99	26,332.05
Hang Seng	21,436.05	104.590	21,686.30	21,327.41
Straits Times	3,271.51	8.600	3,281.23	3,261.49
DAX	14,947.91	173.310	14,965.47	14,794.99
CAC	6,924.19	55.050	6,946.67	6,874.71
FTSE100	7,724.98	30.490	7,772.37	7,694.35

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	14.63	17.05	18.29	20.83
E-Mini S&P Futures	17.64	20.58	22.81	24.87
E-Mini Nasdaq Futures	17.57	16.62	14.52	16.16



E-Mini Dow Index Futures Daily Chart



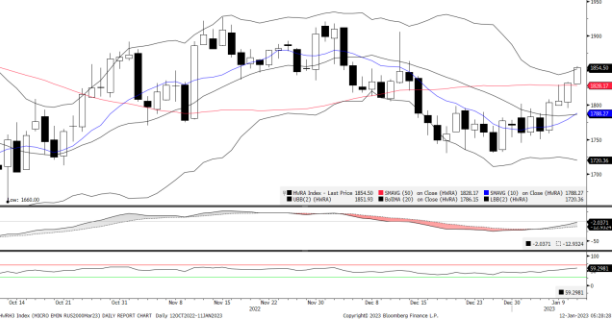
E-Mini S&P 500 Index Futures Daily Chart



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:	34622	2nd Resistance:	35133	1st Resistance:	4049.85	2nd Resistance:	4109.70	1st Resistance:	11648.65	2nd Resistance:	11820.80
1st Support:	33598	2nd Resistance:	33087	1st Support:	3930.15	2nd Resistance:	3870.30	1st Support:	11304.35	2nd Resistance:	11132.21
MACD:	42.910			MACD:	-7.248337			MACD:	-105.864		
MACD DIFF:	67.573			MACD DIFF:	13.576111			MACD DIFF:	52.221		
RSI:	58.189			RSI:	57.585530			RSI:	54.771		

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow		33598	33934		33087	33418	32921		34622	34275	34795		35133	34782	36309
S&P		3930.15	3969.45		3910.50	3970.30	3909.00		4049.85	4009.35	4070.10		4109.70	4068.60	4130.25
Nasdaq		11304.35	11417.40		11247.83	11132.21	11243.53		11648.65	11532.16	11706.89		11620.80	11702.59	11879.90
Micro Russell		1828.16	1846.44		1819.02	1800.32	1818.32		1883.84	1865.00	1893.26		1911.68	1892.56	1921.24

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

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

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.