

**Fundamentals:**  
U.S. stocks pared losses late on Wednesday but the Dow and S&P 500 still closed lower, as problems at Credit Suisse revived fears of a banking crisis, eclipsing bets on a smaller U.S. rate hike this month.

Benchmark indexes regained some ground in late trade after Bloomberg reported the Swiss government was holding talks on options to stabilize the country's banking giant. The Nasdaq composite closed with slight gains.

Still, Credit Suisse troubles piled more pressure on the banking sector after U.S. authorities relieved investors with emergency measures to prevent contagion after the collapse of SVB Financial and Signature Bank.

Some investors believe aggressive U.S. interest rate hikes by the Federal Reserve caused cracks in the financial system.

U.S.-listed shares of Credit Suisse hit a record low, after its largest investor said it could not provide more financing to the bank, starting a rout in European lenders and pressuring U.S. banks as well.

The selloff put an early end to Wall Street's lukewarm rebound in yesterday's session.

Data showed U.S. retail sales fell 0.4% last month after 3.2% growth in January. Economists polled by Reuters had expected a contraction of 0.3%.

A separate report showed U.S. producer prices unexpectedly fell in February, a day after another reading showed moderation in consumer inflation. This fueled investor hopes the Fed might slow its rate hikes.

U.S. Treasury yields fell, with traders now expecting equal chances of a 25-basis-point rate hike and a pause at the Fed's March meeting.

The Dow Jones Industrial Average fell 280.83 points, or 0.87%, to 31,874.57, the S&P 500 lost 27.36 points, or 0.70%, to 3,891.93 and the Nasdaq Composite added 5.90 points, or 0.05%, to 11,434.05.

First Republic Bank tumbled 21.37% while PacWest Bancorp slid 12.87%, and trading was halted several times for volatility, a day after shares of the battered banks staged a strong recovery.

Shares of Western Alliance Bancorp and bank and brokerage Charles Schwab Corp bucked the trend to close up 8.3% and 5%, respectively. Both stocks reversed early declines.

Big U.S. banks including JPMorgan Chase & Co, Citigroup and Bank of America Corp dropped, pushing the S&P 500 banking index down 3.62%. The KBW regional banking index declined 1.57%.

Most of the 11 major S&P 500 sectors were in the red, with energy the worst performer with a 5.42% fall.

U.S. Treasury yields slumped on Wednesday after problems at Swiss banking giant Credit Suisse CSGN.S stoked fears about the impact of rising yields on the global banking sector, with U.S. data showing signs of economic weakness and cooling inflation also adding to declines.

U.S. two-year yields, which reflect interest rate expectations dropped to 3.72%, the lowest since September and were last down 23.8 basis points (bps) at 3.989%. Over the last two weeks, the two-year yield has fallen by more than 130 bps.

The yield on 10-year Treasury notes fell 14.4 bps to 3.49%. Since the beginning of the month, it has dropped about 40 bps.

The yield curve, as a result, further narrowed its inversion, with the gap between two-year and 10-year yields contracting to -28.60 bps. That's the tightest spread since October. The curve was last at -48.7 bps, as investors significantly reduced rate hike bets.

The yield on the 30-year Treasury bond was down 7 bps to 3.69%.

Credit Suisse caught the market's attention on Wednesday following the collapse of Silicon Valley Bank last week, as European and U.S. bank shares dropped. Shares on Wall Street also fell as Credit Suisse's problems renewed concerns about a banking crisis.

Switzerland is under pressure from at least one major government to intervene quickly on Credit Suisse, after the Swiss bank led a rout in European banking stocks on Wednesday.

Swiss authorities and European lenders are reportedly discussing ways to stabilize the bank, according to Bloomberg News, citing people familiar with the matter.

Those headlines overshadowed U.S. data that showed an economy slowing down.

U.S. retail sales fell moderately, down 0.4% in February, after the prior month's outsized gain, but the underlying momentum remained strong, suggesting the economy continued to expand in the first quarter despite higher borrowing costs.

The producer price index also slipped last month, down 0.1% in February, versus January's revised 0.3% gain, much cooler than the 0.3% monthly increase expected.

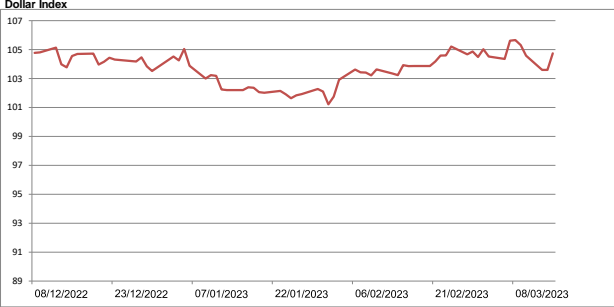
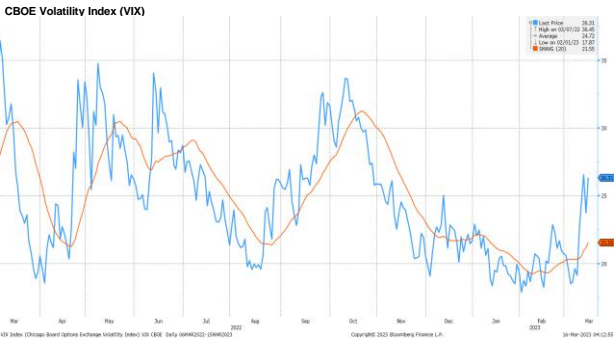
The rate futures market has priced in an even chance of the Fed pausing its rate hikes, according to CME's FedWatch.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
03/15/2023 19:00	MBA Mortgage Applications	Mar-10	--	6.50%	7.40%
03/15/2023 20:30	PPI Final Demand MoM	Feb	0.30%	-0.10%	0.70%
03/15/2023 20:30	PPI Ex Food and Energy MoM	Feb	0.40%	0.00%	0.50%
03/15/2023 20:30	PPI Ex Food, Energy, Trade MoM	Feb	0.30%	0.20%	0.60%
03/15/2023 20:30	PPI Final Demand YoY	Feb	5.40%	4.60%	6.00%
03/15/2023 20:30	PPI Ex Food and Energy YoY	Feb	5.20%	4.40%	5.40%
03/15/2023 20:30	PPI Ex Food, Energy, Trade YoY	Feb	4.80%	4.40%	4.50%
03/15/2023 20:30	Empire Manufacturing	Mar	-7.9	-24.6	-5.8
03/15/2023 20:30	Retail Sales Advance MoM	Feb	-0.40%	-0.40%	3.00%
03/15/2023 20:30	Retail Sales Ex Auto MoM	Feb	-0.10%	-0.10%	2.30%
03/15/2023 20:30	Retail Sales Ex Auto and Gas	Feb	-0.20%	0.00%	2.60%
03/15/2023 20:30	Retail Sales Control Group	Feb	-0.30%	0.50%	1.70%
03/15/2023 22:00	Business Inventories	Jan	0.00%	-0.10%	0.30%
03/15/2023 22:00	NAHB Housing Market Index	Mar	40	44	42

Contract	Close	Change	High	Low
E-Mini Dow JUN 23	32,095.00	-310.00	32,443.00	31,640.00
E-Mini S&P JUN 23	3,925.00	-28.000	3,964.00	3,865.00
E-Mini NASDAQ JUN 23	12,377.75	60.00	12,407.50	12,086.75
Micro Russell 2K JUN 22	1747.1	-32	1786.8	1715.1
USD Nikkei JUN 23	26,570.0	-700.0	27,315.00	26,285.00
Euro Dollar JUN 23	95.12	0.295	95.48	94.71
US Dollar Index	104.74	1.144	105.10	103.44
DJIA	31,874.57	-280.830	31,906.47	31,429.82
S&P 500	3,891.93	-27.360	3,894.26	3,838.24
NASDAQ	11,434.05	5.900	11,447.90	11,238.44
Nikkei 225	27,229.48	7.440	27,424.94	27,105.99
Hang Seng	19,539.87	291.910	19,745.44	19,431.09
Straits Times	3,172.92	43.170	3,186.92	3,157.93
DAX	14,735.26	-497.570	15,246.17	14,702.91
CAC	6,885.71	-255.860	7,123.20	6,861.63
FTSE100	7,344.45	-292.660	7,637.39	7,333.35

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	17.48	14.16	14.24	16.24
E-Mini S&P Futures	21.08	16.73	17.00	20.02
E-Mini Nasdaq Futures	24.01	15.12	16.56	15.06



E-Mini Dow Index Futures Daily Chart



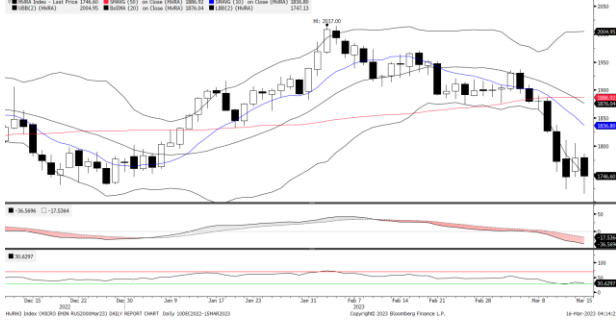
E-Mini S&P 500 Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Technical Analysis

<b>Dow</b>			<b>S&amp;P</b>			<b>Nasdaq</b>			<b>Micro Russell</b>		
1st Resistance:	32576	2nd Resistance:	33058	1st Resistance:	3983.88	2nd Resistance:	4042.75	1st Resistance:	12563.42	2nd Resistance:	12749.08
1st Support:	31614	2nd Resistance:	31132	1st Support:	3966.13	2nd Resistance:	3807.25	1st Support:	12192.08	2nd Resistance:	12006.42
MACD:	-446.798			MACD:	-40.959209			MACD:	-5.443		
MACD DIFF:	-117.989			MACD DIFF:	-14.942439			MACD DIFF:	-16.735		
RSI:	33.494			RSI:	39.594773			RSI:	53.404		

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:		Short:	Profit target:	Stop-loss:
Dow	31614	31930	31456		31132	31443	30976		32576	32251	32739		33058	32727	33223
S&P	3986.13	3904.79	3946.79		3807.25	3845.32	3788.21		3983.88	3944.04	4003.79		4042.75	4002.32	4062.96
Nasdaq	12192.08	12314.00	12131.12		12006.42	12126.46	11946.39		12563.42	12457.78	12626.23		12749.08	12621.59	12812.83
Micro Russell	1720.89	1738.10	1712.29		1694.69	1711.63	1686.21		1773.31	1755.57	1782.17		1799.51	1781.52	1808.51

Source: Bloomberg

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