

Fundamentals:

U.S. stocks climbed sharply Friday, as investors digested a stronger-than-expected jobs report for April and a jump in Apple Inc. shares led the Dow Jones Industrial Average's gainers and lifted the S&P 500 and Nasdaq Composite.

In a market gripped by concerns over regional banks, Apple (AAPL)earnings offered a welcome distraction following banking-sector volatility this week that began with failed First Republic Bank's takeover by JPMorgan Chase & Co. (JPM)

Apple announced a 4% dividend hike and a \$90 billion extension of its stock buyback program in addition to reporting its quarterly results. The consumer-technology giant is among Big Tech companies driving the S&P 500's gains so far this year, with its shares up 4.7% on Friday.

In U.S. economic data, the April employment report showed the U.S. economy added 253,000 jobs last month, surpassing the 180,000 forecast by economists polled by The Wall Street Journal. Annual wage growth also accelerated to 4.4%, up from 4.2% during the prior month, while the unemployment rate dropped to 3.4%, from 3.5%.

For the week though, the Dow Jones Industrial Average fell 1.2%, while the S&P 500 slipped 0.8% and the tech-heavy Nasdaq Composite eked out a 0.1% gain, according to Dow Jones Market Data.

After a flurry of downbeat economic data and concerning headlines about the banking system, the upbeat jobs report might benefit stocks by signaling that the U.S. may be headed for a soft landing instead of a punishing recession.

Meanwhile, investor attention remains on regional banks. Shares of PacWest Bancorp (PACW)surged 81.7% Friday while Western Alliance Bancorp (WAL) soared 49.2%, after each booking heavy losses on Thursday. The SPDR S&P Regional Banking ETF (KRE) gained 6.3% Friday.

St. Louis Federal Reserve President James Bullard on Friday downplayed the risk of a recession in the U.S. during a talk to the Economic Club of Minnesota. In his base case for the economy, Bullard said he expects to see continued slow growth, a somewhat softer labor market and falling inflation.

U.S. Treasury yields finished Friday higher in a reversal from their downward trend most of the week, after the release of labor data showed April employment and wage figures had outpaced market expectations.

The yield on two-year notes jumped 19.7 basis points (bps) to 3.924%, while the yield on 10-year notes rose 9.6 bps to 3.448%. The 30-year bond's yield was up 4.1 bps at 3.763%.

Nonfarm payrolls increased by 253,000 in April, according to data released Friday by the Labor Department. The figure beat the 180,000 forecast of economists polled by Reuters.

The data also showed average hourly earnings gained 0.5% in April after rising 0.3% in March.

The strong labor data showed the Fed still has work to do in fighting persistent inflation, after the central bank on Wednesday hiked rates a further 25 bps.

The upward move in longer-dated Treasury yields marked a reversal in course from their downward trend throughout the week, when investors bet that the Federal Reserve would pause and then cut rates this year.

The yield curve between two-year and 10-year Treasuries, an indicator of economic conditions, steepened to negative 47.9 bps.

On Friday, the yield on the one-month T-bill fell 29.2 bps to 5.447% after earlier rising to 5.739%, a record high. Yields on two-month and three-month bills also ticked down.

Investors dumped bills with shorter-dated maturities earlier this week in the latest sign of nerves about the U.S. debt ceiling standoff.

Treasury Secretary Janet Yellen said this week that the government could run out of cash as soon as June 1, as Democrats and Republicans stand at an impasse.

On Thursday, the Treasury Department auctioned roughly \$95 billion in short-term debt at record-high interest rates.

Treasury will hold another auction on May 9 for \$40 billion in three-year notes . The yield on existing three-year notes rose 18.5 bps on Friday to 3.639%.

The next major economic data point will come on Monday when the Fed is slated to release its Senior Loan Officer Opinion Survey, which will show the state of credit conditions in the first quarter.

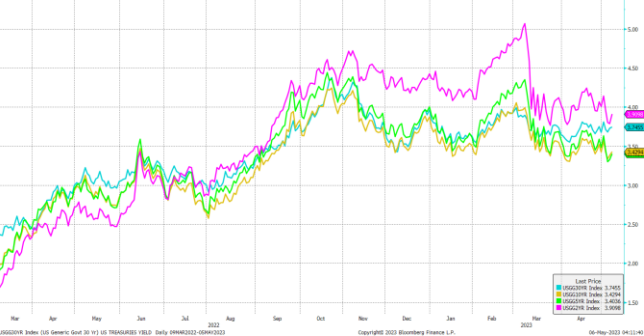
(Source: Dow Jones Newswires, Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
05/05/2023 20:30	Two-Month Payroll Net Revision	Apr	--	-149k	--
05/05/2023 20:30	Change in Nonfarm Payrolls	Apr	185k	253k	165k
05/05/2023 20:30	Change in Private Payrolls	Apr	160k	230k	123k
05/05/2023 20:30	Change in Manufact. Payrolls	Apr	-5k	11k	-1k
05/05/2023 20:30	Unemployment Rate	Apr	3.60%	3.40%	3.50%
05/05/2023 20:30	Average Hourly Earnings MoM	Apr	0.30%	0.50%	0.30%
05/05/2023 20:30	Average Hourly Earnings YoY	Apr	4.20%	4.40%	4.20%
05/05/2023 20:30	Average Weekly Hours All Employees	Apr	34.4	34.4	--
05/05/2023 20:30	Labor Force Participation Rate	Apr	62.60%	62.60%	--
05/05/2023 20:30	Underemployment Rate	Apr	--	6.60%	6.70%
05/06/2023 03:00	Consumer Credit	Mar	\$17.000b	\$26.514b	\$15.290b
05/08/2023 22:00	Wholesale Inventories MoM	Mar F	0.10%	--	0.10%
05/08/2023 22:00	Wholesale Trade Sales MoM	Mar	0.40%	--	0.40%
05/09/2023 18:00	NFIB Small Business Optimism	Apr	89.7	--	90.1
05/10/2023 19:00	MBA Mortgage Applications	May-05	--	--	-1.20%
05/10/2023 20:30	CPI MoM	Apr	0.40%	--	0.10%
05/10/2023 20:30	CPI Ex Food and Energy MoM	Apr	0.30%	--	0.40%
05/10/2023 20:30	CPI YoY	Apr	5.00%	--	5.00%
05/10/2023 20:30	CPI Ex Food and Energy YoY	Apr	5.50%	--	5.60%
05/10/2023 20:30	CPI Index NSA	Apr	303.472	--	301.836
05/10/2023 20:30	CPI Core Index SA	Apr	306.243	--	305.24
05/10/2023 20:30	Real Avg Weekly Earnings YoY	Apr	--	--	-1.60%
05/10/2023 20:30	Real Avg Hourly Earning YoY	Apr	--	--	-0.70%

Contract	Close	Change	High	Low
E-Mini Dow JUN 23	33,739.00	535.00	33,822.00	33,173.00
E-Mini S&P JUN 23	4,150.25	73.250	4,163.25	4,076.75
E-Mini NASDAQ JUN 23	13,317.75	268.00	13,359.00	13,055.75
Micro Russell 2K JUN 22	1765.2	41.2	1772.2	1723.7
USD Nikkei JUN 23	29,115.0	470.0	29,165.00	28,650.00
Euro Dollar JUN 23	94.60	-0.065	94.63	94.58
US Dollar Index	101.27	-0.125	101.78	101.12
DJIA	33,674.38	546.640	33,748.43	33,248.55
S&P 500	4,136.25	75.030	4,147.02	4,084.73
NASDAQ	12,235.41	269.010	12,264.83	12,065.72
Nikkei 225	0.00	0.000	0.00	0.00
Hang Seng	20,049.31	100.580	20,208.75	19,968.41
Straits Times	3,266.63	-2.550	3,271.15	3,258.65
DAX	15,961.02	226.780	15,961.54	15,755.97
CAC	7,432.93	92.160	7,437.60	7,354.60
FTSE100	7,778.38	75.740	7,781.54	7,702.64

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	17.71	11.93	14.27	13.81
E-Mini S&P Futures	20.30	13.51	15.63	16.04
E-Mini Nasdaq Futures	19.40	14.42	15.57	15.27

U.S. Government Treasuries Yield



CBOE Volatility Index (VIX)



Dollar Index



E-Mini Dow Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



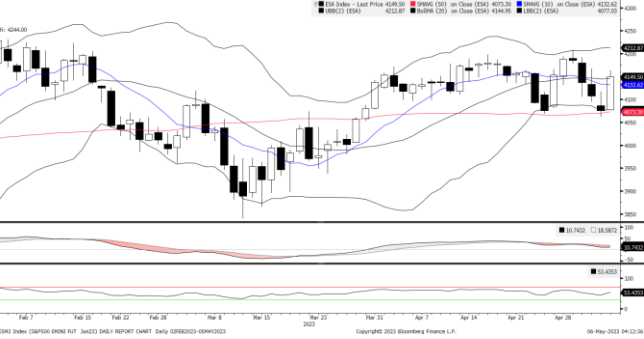
Technical Analysis

Dow		S&P	
1st Resistance:	34245	2nd Resistance:	34751
1st Support:	33233	2nd Resistance:	32727
MACD:	62.531	MACD:	10.719342
MACD DIFF:	-78.898	MACD DIFF:	-7.883464
RSI:	51.134	RSI:	53.382377

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:
Dow	33233	33565	33067		32727	33054	32563
S&P	4088.00	4128.88	4067.56		4025.74	4066.00	4005.61
Nasdaq	13117.98	13249.16	13052.39		12918.22	13047.40	12853.63
Micro Russell	1738.72	1756.11	1730.03		1712.24	1729.37	1703.68

E-Mini S&P 500 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Nasdaq		Micro Russell	
1st Resistance:	13517.52	2nd Resistance:	13717.28
1st Support:	13117.98	2nd Resistance:	12918.22
MACD:	80.795	MACD:	1791.68
MACD DIFF:	-10.306	MACD DIFF:	1738.72
RSI:	58.557	RSI:	15.041

Source: Bloomberg

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