

Fundamentals:

The Nasdaq closed sharply higher on Monday as Tesla surged on optimism around artificial intelligence and investors awaited inflation data due later this week.

Tesla rallied 10% after Morgan Stanley upgraded the electric car maker to "overweight" from "equal-weight," saying its Dojo supercomputer could boost the company's market value by nearly \$600 billion.

Other megacaps also rose, with Amazon climbing 3.5% and Microsoft adding 1.1%.

Meta Platforms jumped 3.25% after a report on Sunday said the social media platform was working on a new, more powerful AI system.

Walt Disney added 1.2% and Charter Communications rose 3.2% after they reached a deal for Disney's programming, including ESPN, to return to the Spectrum cable service just hours ahead of the start of NFL "Monday Night Football."

Investors are looking to August consumer price index data due on Wednesday for clues about how close the Federal Reserve may be to ending its campaign of interest rate hikes. That will be followed by producer price data on Thursday.

A New York Fed survey showed Americans' overall views on inflation were little changed in August, as they predicted rising costs for homes and food, while expecting bleaker personal financial health.

Wall Street logged weekly losses on Friday after a recent uptick in oil prices and stronger-than-expected economic data fueled concerns of sticky inflation and interest rates staying higher for longer.

Traders see a 93% chance that the central bank will hold its interest rates at current levels at its September meeting, while chances of a pause in November stand at 57%, according to the CME FedWatch Tool.

Fed officials have entered a blackout period, during which they usually do not make public comments, until the policy decision outcome on Sept. 20.

The S&P 500 climbed 0.67% to end at 4,487.46 points.

The Nasdaq gained 1.14% at 13,917.89 points, while Dow Jones Industrial Average rose 0.25% to 34,663.72 points.

Of the 11 S&P 500 sector indexes, nine rose, led by consumer discretionary, up 2.77%, followed by a 1.17% gain in communication services.

Qualcomm advanced 3.9% after the chipmaker signed a new deal with Apple to supply 5G chips to the iPhone maker until at least 2026.

Hostess Brands surged 19.1% after J. M. Smucker said it would buy the Twinkies-maker in a \$5.6 billion deal.

Treasury yields edged higher on Monday as investors await key inflation data this week that could add to a growing view that the Federal Reserve will keep interest rates steady when policymakers meet next week.

Traders also were watching higher Japanese bond yields after the Bank of Japan (BoJ) stepped into the market on Monday following a weekend news report that flagged a possible early end to the central bank's negative rate policy.

The three-year was sold at a high yield of 4.660%, 1 basis point higher than the market at the deadline for bidding.

Inflation on the services side and housing rents is more likely to be discounted because data from the Cleveland Fed show that rents have come down quite significantly, he said.

Expectations are for core month-on-month CPI to be at 0.2%, the same as July, and to slow to 4.3% from 4.7% the prior month on a 12-month basis, according to a Reuters poll.

The two-year Treasury yield, which often reflects interest rate expectations, was unchanged at 4.984%, while the benchmark 10-year note added 2.8 basis points to yield 4.284%.

The futures market is looking at a 7% chance that the Fed hikes rates next week and will keep its overnight lending rate above 5% through June 2024, with a potential rate cut then.

Hawkish comments by BoJ speakers in recent weeks suggest the bank is preparing markets for an eventual policy change amid growing price pressures in deflation-prone Japan, analysts say.

Bank of Japan Governor Kazuo Ueda said the central bank could end its negative interest rate policy when achievement of its 2% inflation target is in sight, the Yomiuri newspaper reported on Saturday, signaling possible interest rate hikes.

The 10-year JGB yield jumped 6 basis points (bps) to 0.705%, hitting its highest since January 2014.

The Treasury is scheduled to sell \$44 billion in three-year notes with results announced shortly after 1 p.m. EDT (1700 GMT). On Tuesday it will sell \$35 billion of 10-year notes and on Wednesday \$20 billion of 30-year bonds.

The yield on the 30-year Treasury bond was up 4.5 basis points to 4.377%.

The gap between yields on two- and 10-year notes, seen as a recession harbinger when shorter-dated yields are higher than longer ones, was inverted at -70.2 basis points.

The breakeven rate on five-year U.S. Treasury Inflation-Protected Securities (TIPS) was last at 2.323%.

The 10-year TIPS breakeven rate was last at 2.352%, indicating the market sees inflation averaging just over 2.3% a year for the next decade.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
09/11/2023 23:00	NY Fed 1-Yr Inflation Expectations	Aug	--	3.63%	3.55%
09/12/2023 18:00	NFIB Small Business Optimism	Aug	91.5	--	91.9
09/13/2023 19:00	MBA Mortgage Applications	Sep-08	--	--	-2.90%
09/13/2023 20:30	CPI MoM	Aug	0.60%	--	0.20%
09/13/2023 20:30	CPI Ex Food and Energy MoM	Aug	0.20%	--	0.20%
09/13/2023 20:30	CPI YoY	Aug	3.60%	--	3.20%
09/13/2023 20:30	CPI Ex Food and Energy YoY	Aug	4.30%	--	4.70%
09/13/2023 20:30	CPI Index NSA	Aug	306.98	--	305.691
09/13/2023 20:30	CPI Core Index SA	Aug	309.413	--	308.801
09/13/2023 20:30	Real Avg Hourly Earning YoY	Aug	--	--	1.10%
09/13/2023 20:30	Real Avg Weekly Earnings YoY	Aug	--	--	0.20%

INDEX FUTURES DAILY PREVIEW  
September 12, 2023

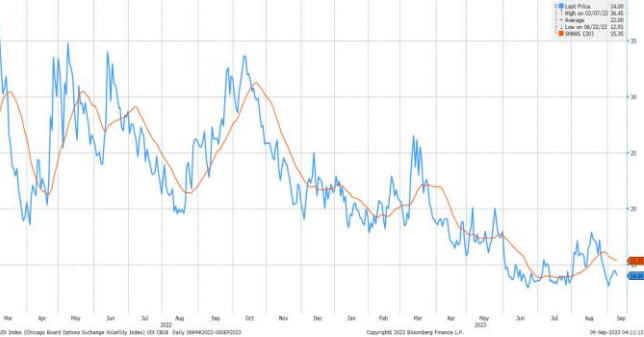
Contract	Close	Change	High	Low
E-Mini Dow DEC 23	35,012.00	81.00	35,143.00	34,904.00
E-Mini S&P DEC 23	4,539.50	27.750	4,543.50	4,508.75
E-Mini NASDAQ DEC 23	15,674.25	182.00	15,696.00	15,492.75
Micro Russell 2K JUN 22	1857.8	4.4	1870.5	1851.6
USD Nikkei DEC 23	32,490.0	-85.0	32,575.00	32,220.00
US Dollar Index	104.53	-0.563	104.94	104.42
DJIA	34,663.72	87.130	34,784.52	34,578.59
S&P 500	4,487.46	29.970	4,490.77	4,467.89
NASDAQ	13,917.89	156.360	13,937.46	13,805.13
Nikkei 225	32,467.76	-139.080	32,746.14	32,391.69
Hang Seng	18,096.45	-105.620	18,164.61	17,842.37
Straits Times	3,218.28	10.530	3,221.18	3,200.42
DAX	15,800.99	56.240	15,867.57	15,771.07
CAC	7,278.27	37.500	7,316.50	7,253.65
FTSE100	7,496.87	18.680	7,549.34	7,467.35

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	7.62	9.27	9.00	10.13
E-Mini S&P Futures	10.38	11.60	10.47	11.12
E-Mini Nasdaq Futures	9.43	14.67	16.37	18.17

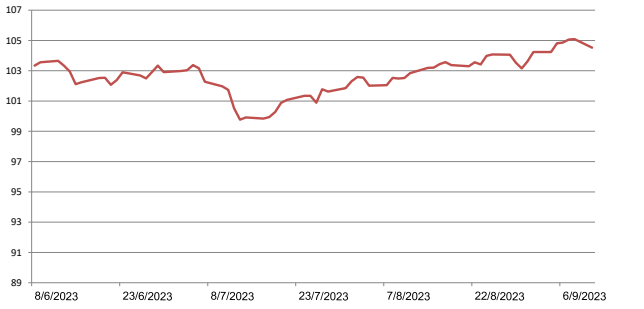
U.S. Government Treasuries Yield



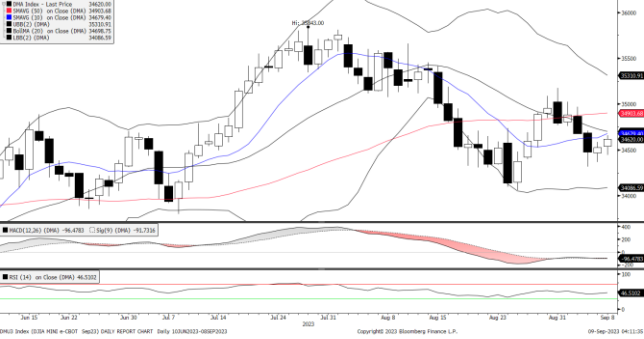
CBOE Volatility Index (VIX)



Dollar Index



E-Mini Dow Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Technical Analysis

<b>Dow</b>				<b>S&amp;P</b>			
1st Resistance:	35537	2nd Resistance:	36062	1st Resistance:	4607.59	2nd Resistance:	4675.69
1st Support:	34487	2nd Resistance:	33962	1st Support:	4471.41	2nd Resistance:	4403.32
MACD:	-87.233			MACD:	-0.458583		
MACD DIFF:	1.241			MACD DIFF:	3.942841		
RSI:	48.229			RSI:	52.134917		

Strategy

	Long:	Profit target:	Stop-loss:		Long:	Profit target:	Stop-loss:
Dow	34487	34832	34314		33962	34301	33792
S&P	4471.41	4516.12	4449.05		4403.32	4447.35	4381.30
Nasdaq	15439.14	15593.53	15361.94		15204.02	15356.06	15128.00
Micro Russell	1829.93	1848.23	1820.78		1802.07	1820.09	1793.06

E-Mini S&P 500 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Nasdaq

1st Resistance:	15909.36	2nd Resistance:	16144.48
1st Support:	15439.14	2nd Resistance:	15204.02
MACD:	42.824		
MACD DIFF:	33.767		
RSI:	55.812		

Micro Russell

1st Resistance:	1885.67	2nd Resistance:	1913.53
1st Support:	1829.93	2nd Resistance:	1802.07
MACD:	-15.237		
MACD DIFF:	-1.259		
RSI:	40.374		

Source: Bloomberg

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