

Fundamentals:

U.S. stocks fell on Wednesday amid further gains in Treasury yields and concern over the timing and scale of possible interest rate cuts from the Federal Reserve.

The Dow fell to its lowest level in nearly a month, while rate-sensitive utilities were among S&P 500 sectors with the biggest declines.

The yield on the benchmark 10-year U.S. Treasury note hit four-week highs at 4.6%, extending Tuesday's gains, after weak debt auctions.

"Today's stock market action is primarily about what's going on in the fixed income space, with yields pushing higher... It's consistent with when this has happened a few times - as rate expectations have been repriced, it causes some indigestion in the stock market temporarily," said Zachary Hill, head of portfolio management at Horizon Investments in Charlotte, North Carolina.

Conflicting expectations on the size and the timing of interest rates have kept the market on edge since the start of this year.

Sticky inflation and hawkish comments from central bankers have forced traders to temper down rate cut expectations to only one by November or December, per the CME FedWatch Tool, from multiple cuts expected at the start of the year.

Stocks held their losses following the release of a U.S. Fed survey. It showed U.S. economic activity continued to expand from early April through mid-May but firms grew more pessimistic about the future while inflation increased at a modest pace.

The main focus this week will be on Friday's release of April's Personal Consumption Expenditure data - the Fed's preferred inflation gauge.

The Dow Jones Industrial Average fell 402.30 points, or 1.04%, to 38,450.56, the S&P 500 lost 33.79 points, or 0.64%, to 5,272.25 and the Nasdaq Composite lost 71.14 points, or 0.42%, to 16,948.74.

The Nasdaq retreated after closing above the 17,000 mark for the first time on Tuesday, while the small-caps Russell 2000 index was down 1.4%.

Marathon Oil advanced 7.7% after ConocoPhillips said it would buy the company in an all-stock deal for a little over its \$15 billion market value. ConocoPhillips lost 4%, dropping to the bottom of the energy sector that lost 1.3%.

Airline stocks fell, led by American Airlines, which declined 14.7% after the company cut its second-quarter profit forecast.

Dick's Sporting Goods jumped 15.2% after lifting forecasts for annual sales and profit, while Abercrombie & Fitch rose 23.7% on raised annual sales growth forecast.

Salesforce and HP Inc are set to report quarterly results after the close.

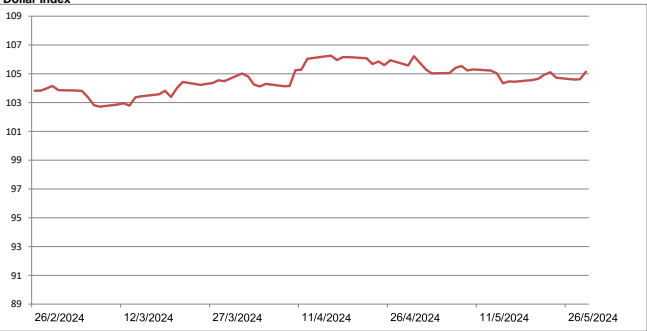
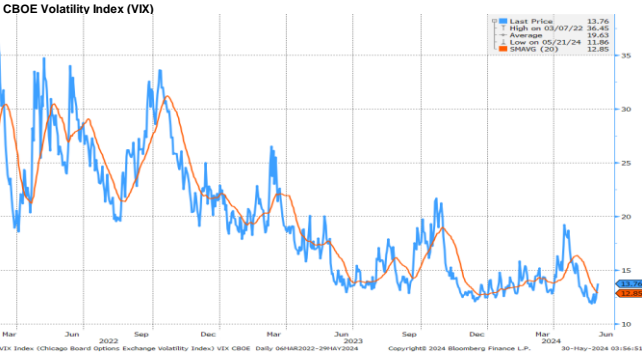
Declining issues outnumbered advancers by a 5.85-to-1 ratio on the NYSE and by a 2.74-to-1 ratio on the Nasdaq.

The S&P 500 posted seven new 52-week highs and 15 new lows, while the Nasdaq Composite recorded 42 new highs and 130 new lows.

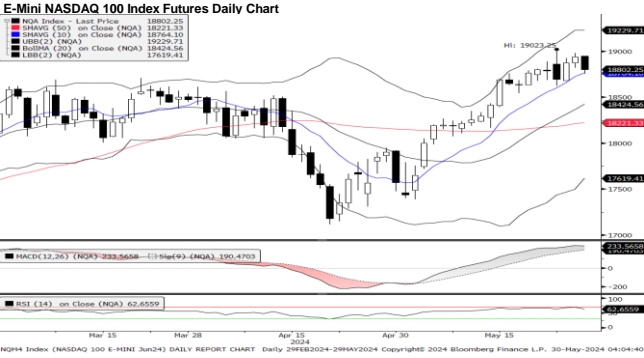
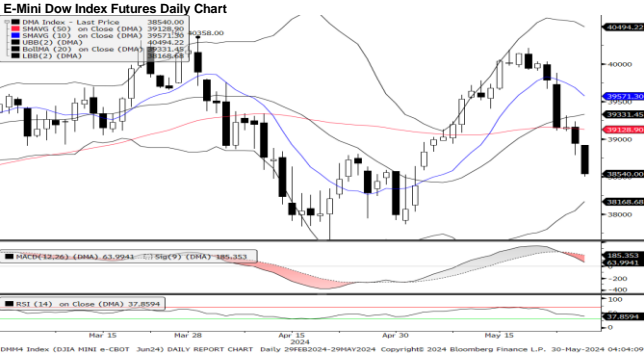
(Source: Reuters)

Contract	Close	Change	High	Low
E-Mini Dow JUN 24	38,524.00	-547.00	38,920.00	38,373.00
E-Mini S&P JUN 24	5,284.00	-41.500	5,324.00	5,278.75
E-Mini NASDAQ JUN 24	18,802.75	-138.25	18,949.75	18,755.25
Micro Russell 2K JUN 22	2041.8	-31.4	2073	2038.4
USD Nikkei JUN 24	38,325.0	-630.0	39,175.00	38,230.00
US Dollar Index	105.14	0.524	105.14	104.59
DJIA	38,441.54	-411.320	38,716.28	38,413.67
S&P 500	5,274.56	-31.480	5,282.27	5,262.70
NASDAQ	16,920.58	-99.300	16,989.60	16,873.97
Nikkei 225	38,556.87	-298.500	39,141.99	38,524.24
Hang Seng	18,477.01	-344.150	18,694.55	18,425.09
Straits Times	3,323.20	-6.890	3,333.86	3,322.92
DAX	18,473.29	-204.580	18,677.70	18,438.01
CAC	7,935.03	-122.770	8,040.03	7,926.42
FTSE100	8,183.07	-71.110	8,255.39	8,180.03

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	10.78	11.56	11.07	10.49
E-Mini S&P Futures	7.63	11.18	11.31	11.60
E-Mini Nasdaq Futures	15.21	15.44	17.54	16.90



Economic Releases	Period	Survey	Actual	Prior	Revised
05/30/2024 20:30 GDP Annualized QoQ	1Q S	1.30%	--	1.60%	--
05/30/2024 20:30 Personal Consumption	1Q S	2.20%	--	2.50%	--
05/30/2024 20:30 GDP Price Index	1Q S	3.10%	--	3.10%	--
05/30/2024 20:30 Core PCE Price Index QoQ	1Q S	3.70%	--	3.70%	--
05/30/2024 20:30 Initial Jobless Claims	May-25	217k	--	215k	--
05/31/2024 20:30 PCE Deflator MoM	Apr	0.30%	--	0.30%	--
05/31/2024 20:30 PCE Deflator YoY	Apr	2.70%	--	2.70%	--
05/31/2024 20:30 PCE Core Deflator MoM	Apr	0.30%	--	0.30%	--
05/31/2024 20:30 PCE Core Deflator YoY	Apr	2.80%	--	2.80%	--



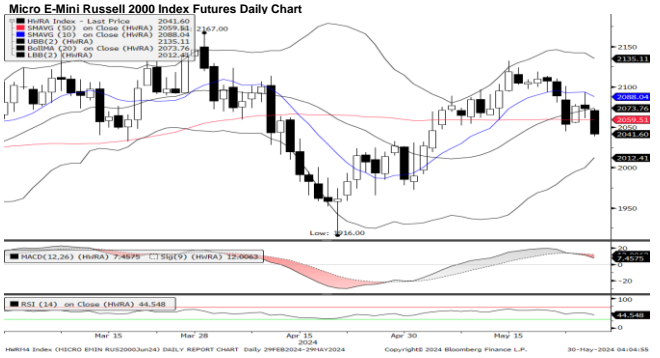
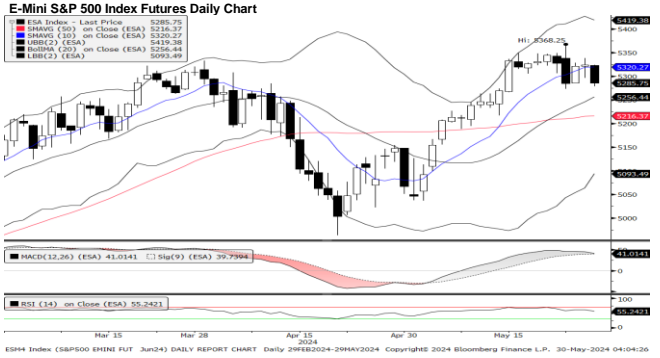
**Technical Analysis**

**Dow**

1st Resistance: 39102 2nd Resistance: 39680  
1st Support: 37946 2nd Resistance: 37368  
MACD: 52.867  
MACD DIFF: -130.617  
RSI: 36.046

**S&P**

1st Resistance: 5363.26 2nd Resistance: 5442.52  
1st Support: 5204.74 2nd Resistance: 5125.48  
MACD: 40.841803  
MACD DIFF: 1.102329  
RSI: 54.834779



**Nasdaq**

1st Resistance: 19084.79 2nd Resistance: 19366.83  
1st Support: 18520.71 2nd Resistance: 18238.67  
MACD: 233.681  
MACD DIFF: 43.041  
RSI: 62.672

**Micro Russell**

1st Resistance: 2072.43 2nd Resistance: 2103.05  
1st Support: 2011.17 2nd Resistance: 1980.55  
MACD: 7.498  
MACD DIFF: -4.548  
RSI: 44.591

Source: Bloomberg

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