

Nicoletti's Notes

Monday, October 2, 2023

"Bringing only the facts you need to know to make your trading simple and easy."

Market Data

Monday, October 2, 2023

Monday kicks off a new trading month and quarter. Stock futures jumped at the open of trading after U.S. legislators were able to come to a temporary agreement that staved off a government shutdown.

Futures tied to the Dow Jones Industrial Average rose 122 points, or 0.4%. S&P 500 futures gained 0.4%, while Nasdaq 100 futures added 0.6%.

The Senate passed a continuing resolution with just hours to spare before a midnight deadline Saturday, which was then signed by President Joe Biden into law. The bill keeps the government open for 45 more days, an extended period that lawmakers can use to finalize funding legislation.

On Friday, the blue-chip average lost 158.84 points, or 0.47% to finish at 33,507.50, led down by Travelers Companies. The S&P 500 dropped 0.27% to 4,288.05. The Nasdaq Composite traded up 0.14% to 13,219.32.

The Dow and S&P 500 were higher earlier Friday, as traders cheered data showing inflation may be easing. At session highs, the Dow had climbed about 227 points, or 0.7%, while the S&P 500 added 0.8%. The Nasdaq Climbed rallied 1.4% at its best point in the session.

The latest reading of the personal consumption expenditures price index, which is the Federal Reserve's preferred inflation metric, came Friday morning. So-called core PCE, which strips out volatile food and energy prices, rose 0.1% in August and 3.9% annually. Economists polled by Dow Jones expected that the core PCE would advance 0.2% monthly and 3.9% year over year.

But the indexes are still up on the year despite the pullback, underscoring the strength of the rally seen in the first half of the year. The S&P 500 is down about 6% from its 2023 high close in July, but still up 11% for the year.

Investors will watch for economic data due Monday on purchasing and construction spending. Later in the week, attention will turn to a string of reports offering insight into the health of the labor market, including Friday's all important monthly payrolls data.

Source: CNBC

The drop in stocks creates oversold conditions.

Stocks reached oversold levels this week after the sell-off, according to Adam Turnquist, chief technical strategist at LPL Financial.

The Relative Strength Index on the S&P 500 — a momentum indicator used to measure the speed and magnitude of price action — slid to its lowest reading in 12 months, the strategist noted. He added that oversold conditions within the index have become widespread.

— Yun Li -CNBC

Indices: Nasdaq **+0.14%** | S&P 500 **-0.27%** | Dow **-0.47%**

Commodities: Crude Oil futures rose **-1.02%** to \$90.77 per barrel. Gold futures gained

+0.31% to \$1,946 per oz.

Currencies: The US Dollar Index rose **-0.23%** to \$105.91 and closed higher for the 11th straight week.

Interest Rates: The US 10-year Treasury yield fell to 4.579%.

Source: Daily Chart Report

Forex Markets

The U.S. dollar advanced against a basket of currencies on Friday as the latest batch of data on business activity from around the globe highlighted the superior position of the United States relative to other major economies.

S&P Global said its flash U.S. Composite PMI index, which tracks the manufacturing and service sectors, dipped to a reading of 50.1 in September from a final reading for August of 50.2. September's result was barely above the 50 level that separates expansion and contraction.

The U.S. dollar index - which measures the currency against six major counterparts - was 0.2% higher at 105.6 after having risen as high as 105.78 earlier in the session. That puts the index on pace for a weekly gain of about 0.3%, its 10th straight week of gains, its longest winning streak in nearly a decade.

The Federal Reserve left interest rates at 5.25% to 5.5% on Wednesday but stressed that it would hold them at that level for as long as needed to push inflation back to 2%.

The yen fell on Friday after the Bank of Japan (BOJ) kept interest rates in negative territory days after the Federal Reserve signaled U.S. borrowing costs would stay high, piling pressure on the Japanese currency.

The BOJ held interest rates at -0.1% on Friday and reiterated its pledge to keep supporting the economy until it is confident inflation will stay at the 2% target.

Source: CNBC

Summary of Important News & Events

The U.S. 10-year Treasury yield fell on Friday, pulling back from a fresh 15-year high, after the Federal Reserve's preferred inflation measure showed some signs of easing inflation.

The yield on the benchmark 10-year Treasury note slipped more than 1 basis point to 4.583%, down from 4.688% on Thursday — its highest level since Oct. 15, 2007, when it yielded as much as 4.719%.

The yield on the 30-year Treasury bond also dipped more than 2 basis points to 4.708%. The 2-year Treasury yield declined by around more than 1 basis point to 5.058%.



























Source: CNBC

Economic Events: Week of 10.02.23























Date	5:54pm	Currency	Impact		Detail	Actual	Forecast	Previous	Graph
Sun Oct 1	All Day	AUD	🏠		Bank Holiday				
	5:45pm	) NZD	🟡		Building Consents m/m	-6.7%		-5.4% ⬇️	📊
	7:50pm	) JPY	🟡		BOJ Summary of Opinions				
		) JPY	🟡		Tankan Manufacturing Index		6	5	📊
		) JPY	🟡		Tankan Non-Manufacturing Index		24	23	📊
	8:00pm	) AUD	🟡		MI Inflation Gauge m/m			0.2%	📊
	All Day	CNY	🏠		Bank Holiday				
8:30pm	) JPY	🟡		Final Manufacturing PMI		48.6	48.6	📊	
Mon Oct 2	10:00am	) USD	🔴		ISM Manufacturing PMI		47.8	47.6	📊
		) USD	🟡		ISM Manufacturing Prices		48.9	48.4	📊
	11:00am	) USD	🔴		Fed Chair Powell Speaks				
		) USD	🟡		FOMC Member Harker Speaks				
	11:30pm	) AUD	🔴		Cash Rate		4.10%	4.10%	📊
) AUD		🔴		RBA Rate Statement					
Tue Oct 3	2:30am	) CHF	🔴		CPI m/m		0.0%	0.2%	📊
	10:00am	) USD	🔴		JOLTS Job Openings		8.85M	8.83M	📊
	9:00pm	) NZD	🔴		Official Cash Rate		5.50%	5.50%	📊
		) NZD	🔴		RBNZ Rate Statement				
Wed Oct 4	4:15am	) EUR	🟡		ECB President Lagarde Speaks				
	All Day	All	🟡		OPEC-JMMC Meetings				
	8:15am	) USD	🔴		ADP Non-Farm Employment Change		155K	177K	📊
	10:00am	) USD	🔴		ISM Services PMI		53.5	54.5	📊
	12:00pm	) EUR	🟡		ECB President Lagarde Speaks				
Thu Oct 5	4:30am	) GBP	🟡		Construction PMI		50.0	50.8	📊
	8:30am	) USD	🔴		Unemployment Claims			204K	📊
	10:00am	) CAD	🟡		Ivey PMI		50.8	53.5	📊
Fri Oct 6	3:00am	) CHF	🟡		Foreign Currency Reserves			694B	📊
	8:30am	) CAD	🔴		Employment Change		28.0K	39.9K	📊
		) CAD	🔴		Unemployment Rate		5.6%	5.5%	📊
	) USD	🔴		Average Hourly Earnings m/m		0.3%	0.2%	📊	
	) USD	🔴		Non-Farm Employment Change		168K	187K	📊	
	) USD	🔴		Unemployment Rate		3.7%	3.8%	📊	
	12:00pm	) USD	🟡		FOMC Member Waller Speaks				

Watch Lists

Bullish Watchlist as of 10.02.23:

Blue list  +  		
Symbol	Last	Chg%
 GRAB •	3.54	2.02%
 TBLA •	3.79	-0.26%
 ALTO •	4.42	0.00%
 PAYO •	6.12	-0.16%
 SFL •	11.15	-0.54%
 HLX •	11.17	-1.85%
 IONQ •	14.88	-3.31%
 DO •	14.68	-2.13%
 TDS •	18.31	-0.65%
 FTI •	20.34	-2.87%
 CVNA •	41.98	1.79%
 COUR •	18.69	1.19%
 SNDL •	1.90	-1.04%
 LBRT •	18.52	-1.54%
 CRBG •	19.75	-0.40%
 RES •	8.94	-3.14%
 PUMP •	10.63	-1.94%
 UUUU •	8.22	-6.48%
 SCS •	11.17	-0.36%
 TTI •	6.38	-2.00%
 UEC •	5.15	-8.04%
 AMRX •	4.22	-2.54%
 MQ •	5.98	0.17%

Bearish Watchlist as of 10.02.23:

Red list 	+		ooo
Symbol	Last	Chg%	
 GCT •	8.81	14.56%	
 WULF •	1.26	-3.82%	
 REI •	1.95	-2.99%	
 COMP •	2.90	-4.92%	
 OSCR •	5.57	0.54%	
 SKIN •	6.02	1.69%	
 LFST •	6.87	-0.43%	
 PACB •	8.35	-0.12%	
 DAN •	14.67	0.34%	
 PGY •	1.58	0.00%	
 SFIX •	3.45	3.92%	
 TLRY •	2.39	1.70%	
 NRDY •	3.70	5.71%	
 KD •	15.10	-0.40%	
 MTG •	16.69	-1.48%	
 HOUS •	6.43	-4.88%	
 ACHR •	5.06	2.22%	
 CRK •	11.03	-0.36%	
 DTC •	5.10	8.51%	
 FRSH •	19.92	1.84%	