

AFTERNOON BRIEF

WEDNESDAY · JUNE 3, 2026 · DAY 103 OF THE IRAN WAR – NQM26 +0.73% MID-SESSION ON AVGO PRE-EARNINGS POSITIONING; WTI +9.80% TO \$95.92 CREATES ENERGY-DRIVEN STAGFLATION DRAG ON ESM26 -0.18%; FOMC BLACKOUT BEGINS SATURDAY JUNE 6

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/ESM26 + /NQM26 AFTERNOON BRIEFING

JUNE ES FUTURES + JUNE NQ FUTURES · NQ FLOATS ON BROADCOM BID; ES BREAKS BELOW PRIOR CLOSE ON OIL SURGE; NFP FRIDAY AND FOMC JUNE 16-17 ON DECK

△ SITUATION – NQ/ES DIVERGENCE WIDENS INTO AVGO PRINT

The morning brief's NQ line in the sand at 30,566.25 was tested intraday – the session low of 30,496.00 briefly undercut it – but price has recovered to 30,626.25, leaving the level functionally intact on a closing basis. ES is a different story: the 7,595.75 prior-close support broke cleanly, and at 7,581.75 ES is sitting precisely on the morning brief's flagged danger level – a close here or lower activates a technical reassessment toward 7,574.00 and below. WTI's +9.80% surge to \$95.92 is the mechanical driver of the split – energy inflation weight presses ES's broader composition while NQ floats on Broadcom AMC positioning, with options markets pricing a ±10.65% move in AVGO post-close.

/ESM26	/NQM26	VIX	WTI OIL	10Y YIELD
7,581.75 ▼ -14.00 (-0.18%)	30,626.25 ▲ +221.00 (+0.73%)	16.23 ▲ +0.49 (+3.11%)	\$95.92 ▲ +8.56 (+9.80%)	4.50%

TODAY IN ONE PARAGRAPH

The 30,566.25 NQ support held on a closing basis – the intraday breach to 30,496.00 did not generate follow-through selling, which is constructive for the AVGO bull scenario. The single focus level for the remainder of the session is **30,807.75** on NQ – the morning session high that capped the rally; a post-AVGO gap above that level targets 31,000.00, while a gap below 30,496.00 signals the AI momentum thesis has stalled. On ES, 7,581.75 is now the line in the sand – the prior brief's danger level has become the current price, and a close below it shifts the broad-market read from 'digesting oil' to 'breaking down.' The base case through 4 PM is a low-conviction drift with the tape in a holding pattern ahead of AVGO at 5 PM ET. Directional conviction is structurally low until the Broadcom print – the entire afternoon is pre-positioning for a binary catalyst that resets or confirms the AI infrastructure thesis.

BRIEF /NQM26 + /ESM26 – NASDAQ 100 & S&P 500 JUNE FUTURES

MACRO & OVERNIGHT CONTEXT

01 How did the morning's two data catalysts – ADP and ISM Services – land, and what does the mid-session tape tell us about which scenario is winning?

The NQ/ES divergence developing through mid-session is the clearest read on how the morning data landed. NQ holding +0.73% while ES trades -0.18% – a nearly 90-basis-point spread – tells you the tape is pricing a bifurcated outcome: the AI/tech complex is insulated from the energy cost shock, while the broader S&P 500 composition – energy-sensitive industrials, transports, consumer discretionary – is absorbing WTI's +9.80% session move as a margin and inflation input. The VIX at 16.23, up +3.11% on the day, confirms mild broad-market unease rather than panic – this is not a fear spike, it is a repricing. Gold's -1.95% drop to \$4,471.40 alongside a stronger DXY at 99.45 reinforces the read: capital is rotating into dollar-denominated energy assets and away from the gold hedge, not fleeing risk wholesale. The 10-year yield at 4.50% – up 4 basis points – is the specific and material mechanism: rate sensitivity hits NQ roughly 1.4 times harder than ES by beta, yet NQ is outperforming. That outperformance is entirely attributable to AVGO positioning, and it is fragile – it unwinds immediately if tonight's print disappoints.

NQ's 90-bps outperformance over ES is a single-stock phenomenon – AVGO owns it entirely.

Tonight: Broadcom (AVGO) reports Q2 FY2026 results after the close, with the conference call at 5:00 PM ET. Wall Street consensus is \$22.12 billion in revenue and EPS of \$2.40, with the AI semiconductor line – guided at \$10.7 billion – as the primary marker. Options markets are pricing a $\pm 10.65\%$ move in AVGO. A beat on both headline revenue and the AI segment activates the 31,000.00 NQ target zone, with NVDA, AMD, and MRVL moving in sympathy; a miss or soft AI-segment guide reverses the morning's outperformance and puts 30,405.25 – the prior-close support – back in play. **Thursday June 4, 8:30 AM ET:** Weekly initial jobless claims – the last significant labor-market read before NFP. **Friday June 5, 8:30 AM ET:** Nonfarm payrolls – consensus unavailable ahead of print, but this is the highest-impact scheduled macro release of the week given the June 16–17 FOMC meeting is a projection meeting that will include an updated dot plot and Summary of Economic Projections. **Saturday June 6:** FOMC blackout begins – Thursday is the final day Fed officials may speak publicly. **June 16–17:** FOMC meeting with dot plot and SEP update; the March SEP revised median PCE to 2.7% and held the median year-end rate at 3.4%, implying at most one additional 25-basis-point cut. The single highest-impact catalyst in the immediate window is AVGO AMC tonight – it is the binary that resets the NQ tape one way or the other before Thursday's open.

FOMC blackout begins Saturday June 6 – Thursday June 4 is the last day Fed officials may speak. No Fed speakers are scheduled today.

NFP Friday + dot-plot FOMC June 16–17: the two sessions after AVGO define the macro regime into summer.

KEY / NQM26 LEVELS

LEVEL	TYPE	CONTEXT
30,807.75	RESISTANCE	Session high – the morning rally cap; AVGO beat scenario targets a gap above this level in Thursday's pre-open
30,626.25	CURRENT	Current mid-session price – holding above the tested 30,566.25 support, below session-high resistance
30,566.25	SUPPORT	Morning brief's line in the sand – tested intraday (low 30,496.00), held on a closing basis; the level that keeps the four-session rally thesis intact
30,496.00	DANGER	Session low – the intraday breach point; a return and close below this level signals sellers are pressing through the 30,566.25 zone
30,405.25	SUPPORT	Prior-close support and AVGO-miss target – the breakdown destination if tonight's print disappoints and 30,496.00 fails
31,000.00	TARGET	AVGO beat target zone – the morning brief's AI-momentum destination on a confirmed beat and AI-segment revenue above \$10.7 billion

OPENING SETUP & RANGE

The afternoon setup is straightforward: the tape is in a pre-AVGO holding pattern, and the opening-range mechanics from this morning have compressed into a 30,496.00–30,807.75 band with 30,626.25 as the mid-point anchor. Directional conviction is structurally low until 5:00 PM ET – any move toward 30,807.75 before the close is likely AVGO-positioning momentum rather than a macro regime change, and risk/reward for new directional exposure deteriorates sharply after 3:30 PM as the print approaches. The single condition that flips the afternoon bias bearish is a sustained move back below 30,496.00 – that would signal the intraday buyers who defended the morning line in the sand are backing away ahead of the event.

A

AVGO BEAT – GAP-AND-GO THROUGH SESSION HIGH

A Broadcom beat on both headline revenue (\$22.12 billion consensus) and the AI semiconductor line (\$10.7 billion guided) activates the 31,000.00 target zone in Thursday's pre-open, with NVDA, AMD, and MRVL moving in sympathy to amplify NQ's beta response. The thesis requires NQ to open Thursday above 30,807.75 – that session high becomes the new support in this scenario. ES confirms the broad bid above 7,628.50, its own session high. The setup is invalidated if AVGO meets headline revenue but guides flat or lower on the AI segment for Q3 – that outcome reads as peak-AI-revenue timing even on a technical beat.

B

AVGO MISS – AI THESIS STALL BACK TO 30,405.25

A Broadcom miss on AI semiconductor revenue – specifically the Q3 AI forward guide coming in below \$10.7 billion – activates the breakdown thesis with 30,405.25 as the immediate target. The mechanical driver is concentrated: AVGO, NVDA, AMD, and MRVL all re-price simultaneously, and NQ's top-heavy tech composition means 300-400 points of downside is achievable in Thursday's first hour. This scenario is further compounded by oil – WTI's +9.80% session move already has the broad tape under pressure, and an AVGO miss removes the one offsetting positive. ES confirms the breakdown below 7,574.00, its session low, targeting 7,550.00.

C

AFTERNOON DRIFT – LOW CONVICTION HOLD INTO CLOSE

With no catalysts between now and the AVGO print, the base case for the next three hours is a low-volume drift within the established 30,496.00-30,807.75 band, likely consolidating near 30,600.00-30,650.00. This scenario invalidates if an unexpected Hormuz headline or a surprise Fed-adjacent comment breaks the tape before 4 PM – both remain non-zero tail risks on Day 103 of the Iran War. Carrying directional exposure through the 3:30 PM window introduces asymmetric event risk on the oil/geopolitical axis. ES is likely to lag NQ in this drift scenario, sitting near 7,581.75, given its greater sensitivity to the energy cost input.

CROSS-CHECK /ESM26 – S&P 500 DIVERGENCE

HOW ES DIVERGES FROM NQ

The NQ/ES divergence is the defining cross-asset read of this afternoon: NQ +0.73% versus ES -0.18% – a 91-basis-point spread – is entirely attributable to AVGO pre-earnings positioning in NQ's tech-heavy composition, not a macro regime difference. ES is being mechanically weighted by WTI's +9.80% session surge, which raises input costs for the broad S&P 500 in a way that NQ's semiconductor-and-software composition largely avoids. The divergence resolves tonight: an AVGO beat collapses the spread as ES catches the broad risk-on bid; an AVGO miss reverses NQ toward ES's level rather than lifting ES toward NQ's.

KEY /ESM26 LEVELS

LEVEL	TYPE	CONTEXT
7,628.50	RESISTANCE	Session high – ES confirmation level for the AVGO beat scenario; a gap above this in Thursday's pre-open activates the broad-market bull thesis
7,595.75	WATCH	Prior close – broke during today's session; reclaiming this level on a close is the minimum condition for keeping the ES rally thesis intact
7,581.75	CURRENT	Current price and morning brief's danger level – sitting precisely on this line mid-session; a close here rather than a recovery back toward 7,595.75 is a bearish signal for ES specifically
7,574.00	DANGER	Session low – the AVGO-miss breakdown trigger on ES; a move below and hold opens the path to 7,550.00
7,550.00	TARGET	AVGO-miss bear target for ES – the next meaningful support below the session low, representing approximately 75 points of additional downside from current
7,700.00	TARGET	AVGO beat bull target for ES – the morning brief's upside destination on confirmed AI beat, requiring a gap open above 7,628.50 and follow-through

DISCLAIMER

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