

MORNING BRIEF

WEDNESDAY · JUNE 3, 2026 · DAY 103 OF THE IRAN WAR – NQM26 +1.15% PRE-OPEN AS BROADCOM (AVGO) REPORTS Q2 FY2026 AMC TONIGHT; WTI SURGES +10.18% TO \$96.25 ON RENEWED HORMUZ DEAL UNCERTAINTY; FOMC BLACKOUT BEGINS SATURDAY JUNE 6

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/ESM26 + /NQM26 MORNING BRIEFING

JUNE ES FUTURES + JUNE NQ FUTURES · BROADCOM AMC · WTI \$96.25 · FOMC BLACKOUT T-3 DAYS · ADP 8:15 AM · ISM SERVICES 10:00 AM

△ SITUATION – OIL SPIKE + BROADCOM AMC COLLISION

The prior brief's line in the sand at 30,566.25 held and extended – NQM26 trades 30,753.75 pre-open, +348.50 points (+1.15%) above Tuesday's close of 30,405.25, validating the continuation thesis and now sitting at a session high of 30,785.00. WTI crude exploded overnight to a session high of \$97.00, settling at \$96.25 – a +\$8.89 gain (+10.18%) in a single session – the largest single-day oil move since the war's opening days in March, driven by Bloomberg reports of discordant US-Iran peace-talk signals that cast doubt on any near-term Hormuz MOU framework. The tape is now running two contradictory narratives simultaneously: oil pricing a deal breakdown while NQ prices a Broadcom beat – and the resolution of that contradiction lands tonight after the close when Broadcom reports fiscal Q2 FY2026 results against consensus revenue of approximately \$22 billion and guided AI semiconductor revenue of \$10.7 billion.

/ESM26	/NQM26	VIX	WTI OIL	10Y YIELD
7,612.25	30,753.75	16.11	\$96.25	4.46%
▲ +16.50 (+0.22%)	▲ +348.50 (+1.15%)	▲ +0.37 (+2.35%)	▲ +8.89 (+10.18%)	

TODAY IN ONE PARAGRAPH

The 30,566.25 level – Tuesday's prior brief line in the sand – now acts as the first meaningful support below current price, roughly 190 points of cushion; a pull to and hold of that level keeps the four-session rally intact, while a close below it signals a technical reassessment that would target the 30,405.25 prior-close zone. The base case remains the Broadcom beat scenario: management guided AI semiconductor revenue of \$10.7 billion in fiscal Q2, implying 140% year-over-year growth, and Q1 AI revenue reached \$8.4 billion, up 106% year-over-year and ahead of the company's own guidance – the bar is high and the beat history is clean. A confirmed beat on both headline revenue (~\$22 billion) and the AI semiconductor line activates the 31,000.00 target zone, with NVDA, AMD, and MRVL moving in sympathy and amplifying NQ's beta response. The oil spike introduces a specific and material complication: WTI at \$96.25 and Brent at \$98.44 represent energy costs that the ISM Services prices index – already at 70.7 in April, the highest since 2022 – will reflect directly in today's 10:00 AM print, and a hot ISM print reintroduces stagflation pricing that NQ's tech-heavy composition absorbs poorly. The FOMC blackout begins Saturday June 6 – today and Thursday are the final two sessions with any Fed communication risk before the June 16-17 meeting; there are no Fed speakers scheduled today. Directional conviction is low before 9:45 AM – two data releases hit before the open (ADP at 8:15 AM ET) and immediately after (ISM Services at 10:00 AM ET), and those results, combined with any Hormuz headline, define the morning's opening range. The highest-impact catalyst of the session is Broadcom AMC – everything before 4:00 PM is positioning ahead of a binary print that resets or confirms the AI infrastructure thesis for the next quarter.

MACRO & OVERNIGHT CONTEXT

01 Walk through the overnight sequence from Tuesday's close to Wednesday's pre-open – what moved, when, and what does the tape look like heading into the cash open?

Tuesday closed with NQM26 at 30,405.25 and WTI at approximately \$87.36 – a market that had absorbed oil's partial reversion of the diplomatic-discount trade while mega-cap tech held. Overnight, oil swung higher as traders parsed discordant signals on the prospects of a US-Iran peace deal – specifically, competing narratives between an apparent Hormuz MOU framework and White House denials, which Iranian officials had discussed a memorandum of understanding, only for the White House to later dismiss the claims as untrue, while renewed strikes and retaliatory attacks are putting the fragile ceasefire at risk. WTI accelerated from \$87.36 to a session high of \$97.00 – a +\$9.64 range peak – before settling at \$96.25, the largest intraday oil surge since the war's opening weeks. NQM26 simultaneously bid from 30,405.25 to a Globex high of 30,785.00, a divergence that reflects exactly the two-tail structure described by analysts: equities are balancing two opposing forces – geopolitical left tails on one side, the AI commercialization right tail on the other – and right now the right tail is winning convincingly. Gold fell -\$74.70 to \$4,485.80, the 10-year yield eased to 4.46%, and the DXY firmed to 99.34 – a cross-asset configuration that reads risk-on in tech specifically, not broad macro risk-on.

02 Broadcom reports fiscal Q2 FY2026 tonight AMC – what exactly is the market testing, and what does a beat vs. miss mean mechanically for NQ?

Wall Street consensus calls for revenue of approximately \$22 billion, up 47% year-over-year, with AI semiconductor revenue projected to hit \$10.7 billion, a 140% year-over-year increase. Broadcom is also an AI networking powerhouse, guiding for 40% of total AI revenue in the upcoming quarter to come from networking – not chips – meaning the miss/beat read is multi-dimensional: headline revenue, the AI chip line, and the networking line each trade independently. A key structural risk is declining gross margins due to increasing ASIC contributions, and management's guidance on gross margins will be crucial for market direction. A clean beat – revenue above \$22 billion, AI line above \$10.7 billion, and flat-to-expanding gross margins – removes the primary uncertainty hanging over NVDA, AMD, MRVL, and the entire NQ AI complex and activates the 31,000.00 target; a miss on any of the three legs, or a cautious H2 guide, resets the positioning that has driven NQ's four-session, roughly 1,000-point rally from the 29,800 zone. The options-implied move on AVGO itself is material enough that dealer delta-hedging into and out of the print will create NQ gamma flow in the 30-minute window after results.

AVGO reports AMC Wednesday June 3. The three-legged test: total revenue vs. ~\$22B consensus, AI semiconductor revenue vs. \$10.7B guide, gross margin trajectory. All three is likely to confirm for the full NQ bull thesis to activate.

Broadcom is a barometer for the custom AI chip market – a miss on any leg resets the NQ AI complex.

03 What is the forward catalyst clock for Wednesday through Friday, and which scheduled event carries the highest market-moving potential?

May ADP National Employment Report is scheduled for Wednesday June 3 at 8:15 AM ET – hitting before the equity open, it is the first labor read ahead of Friday's BLS Employment Situation Report and carries immediate NQ/ES reaction risk if it deviates materially from a roughly +150k private payroll consensus. ISM Services for May follows at 10:00 AM ET – the April print was 53.6, and the prices gauge held at 70.7, the highest since 2022, with companies citing higher fuel, gasoline, diesel, and freight prices due to the war; a hot May prices sub-index in the context of WTI at \$96.25 is the specific stagflation trigger the Fed cannot ignore in the June 16–17 SEP. The May Employment Situation Report (non-farm payrolls) is scheduled for Friday June 5 at 8:30 AM ET – the week's structural anchor and the last major macro print before the FOMC blackout period, which runs June 6 through June 18. The June 16–17 FOMC meeting is a projection meeting – it includes the updated SEP and dot plot – making Friday's payroll print and today's ISM Services prices sub-index the two most consequential data inputs Powell will reference in his press conference. The single highest-impact scheduled catalyst today is Broadcom AMC: it puts the 31,000.00 NQ target in play on a beat, or activates the 30,200.00 reversion zone on a miss.

Friday NFP + Saturday blackout = last clean data window before June 16–17 SEP/dot-plot meeting.

KEY / NQM26 LEVELS

LEVEL	TYPE	CONTEXT
30,785.00	RESISTANCE	Globex session high – the overnight ceiling. A cash open and hold above this level signals institutional continuation buying ahead of Broadcom; rejection here is the first sign of pre-earnings fade.
30,753.75	CURRENT	NQM26 pre-open price, +348.50 (+1.15%) vs. Tuesday's close of 30,405.25. Four consecutive higher closes; highest pre-open read since the war began.
30,566.25	SUPPORT	Prior brief's line in the sand – Tuesday's prior close and the level that defined the four-session rally. A confirmed cash close below this level invalidates the continuation thesis and signals a reversal toward 30,405.25.
30,405.25	SUPPORT	First reload zone on a Broadcom miss or oil-driven risk-off reversal. Breakdown below here targets 30,317.75.
30,317.75	DANGER	The danger level from the prior session framework – represents the lower boundary of the current rally structure. A close below this level triggers a broader technical reassessment targeting the 30,000 round-number zone.
31,000.00	TARGET	Round-number psychological target and the Broadcom-beat scenario activation zone. First approached only on a confirmed AVGO beat with clean gross-margin guidance – dealer gamma adds fuel above 30,800.

OPENING SETUP & RANGE

NQM26 is gapping up approximately +348 points to 30,753.75, trading within a Globex range of 30,561.25 to 30,785.00 – a 223.75-point overnight band that is tight relative to the magnitude of the oil move, which itself confirms that tech positioning is absorbing the energy shock rather than being repriced by it. ADP at 8:15 AM ET lands before the cash open and will define the first 15-minute range: a soft print (below ~120k) introduces stagflation-lite framing that pressures the gap – a strong print (above ~180k) is benign for NQ because labor strength is currently read as AI-demand correlated rather than rate-hawkish in a blackout window. ISM Services at 10:00 AM ET is the more dangerous print – the prices sub-index in the context of WTI at \$96.25 is the specific mechanism through which oil reaches the Fed's June 16-17 SEP; a prices sub-index above 72 with NQ already elevated creates the technical setup for a flush to 30,566.25. Opening-range clarity emerges between 9:45 and 10:00 AM – the 15-minute range formed in the first bar after the open defines the directional bias, with the 30,785.00 Globex high as the upside trigger and 30,650.00 as the first intraday support. RSI is elevated on the four-day run, which means momentum is with the bulls but the reward for a clean hold narrows as the session approaches the 4:00 PM Broadcom print; risk/reward for directional conviction deteriorates materially after 2:00 PM as positioning into the binary AVGO event dominates flow. ES confirms the NQ bid above 7,612.25 – divergence (NQ holding but ES fading toward 7,580.00) would signal energy-sector drag bleeding into the broad market.

TRADE SETUPS

<p>A</p> <p>BROADCOM PRE-POSITIONING CONTINUATION</p> <p>Conditions favor long-side NQ positioning if the opening range holds above 30,700.00 after the ADP print resolves – specifically, if ADP is benign and ISM Services prices sub-index does not print above 72. The thesis activates on a clean hold above the Globex high of 30,785.00, targeting the 31,000.00 round-number zone where dealer gamma accelerates. The setup is invalidated on a close below 30,566.25, which would signal that pre-Broadcom positioning has stalled and the gap is fading. ES confirms the NQ continuation above 7,628.50 – the session high – with a failure there signaling broad-market hesitation even as NQ holds.</p>	<p>B</p> <p>OIL-DRIVEN STAGFLATION FLUSH</p> <p>A short-side NQ thesis develops if ISM Services at 10:00 AM ET prints with a prices sub-index above 72 – specifically because WTI at \$96.25 feeds directly into that sub-index and the combination reprices the Fed's June 16-17 SEP toward a higher-for-longer posture that hits NQ's rate-sensitive multiple harder than ES (NQ's beta to rates is roughly 1.4x ES). The breakdown activates below 30,566.25 on confirmed momentum, targeting the 30,405.25 prior-close zone and then 30,317.75 danger level. Risk/reward deteriorates on this setup after 2:00 PM because Broadcom AMC introduces a positive-news override. ES confirms the flush below 7,581.75.</p>	<p>C</p> <p>PRE-EARNINGS PINNING / RANGE COMPRESSION</p> <p>The base case for the 11:00 AM to 2:00 PM window is range compression between 30,566.25 and 30,785.00 – a 218.75-point band – as institutional participants reduce directional exposure ahead of the Broadcom binary. This is not a directional setup; it is a mechanics read: dealer gamma flattens out in the mid-session, volume declines, and NQ oscillates around VWAP (likely near 30,680.00 to 30,720.00). The scenario is invalidated by a breaking Hormuz headline – a new confirmed attack on a vessel or an explicit Iranian statement rejecting the MOU framework would override the pre-earnings compression and accelerate NQ toward 30,405.25 regardless of the Broadcom setup. ES tracking NQ tick-for-tick in this window confirms the pinning thesis.</p>
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HOW ES DIVERGES FROM NQ

NQM26 is outperforming ESM26 by a meaningful margin on a beta-adjusted basis – NQ is +1.15% vs. ES +0.22%, a ratio of roughly 5.2:1 rather than the expected ~1.4:1 beta relationship, which confirms that the overnight bid is almost entirely tech/AI-specific rather than a broad macro risk-on move. ES is being held back by its energy-sector composition: XOM, CVX, and the broader energy complex are repricing the WTI spike at \$96.25 in a way that offsets consumer and financial sector gains, compressing ES's net upside even as NQ runs. If the ISM Services print at 10:00 AM ET produces a hot prices read, the energy-drag mechanism on ES intensifies while NQ's tech mega-cap exposure absorbs it through the Broadcom pre-positioning bid – that widening divergence is itself a signal that the rally is narrowing to a single catalyst.

KEY /ESM26 LEVELS

LEVEL	TYPE	CONTEXT
7,628.50	RESISTANCE	ESM26 session high – the Globex ceiling and the level that confirms NQ's continuation thesis in the broad market. A cash open and hold above here narrows the divergence; rejection here signals energy-sector drag is capping ES even as NQ extends.
7,612.25	CURRENT	ESM26 pre-open price, +16.50 (+0.22%) vs. The muted gain relative to NQ is the divergence signal in real time.
7,595.75	SUPPORT	Tuesday's ES settlement – the line that is likely to hold on any intraday reversal to keep the broad-market rally thesis intact. A test-and-hold here on ISM Services volatility is constructive; a close below it signals ES is decoupling from NQ's AI bid.
7,581.75	DANGER	Prior brief's ES support level – a confirmed break here activates the broad-market flush thesis and suggests the oil/stagflation narrative is overwhelming the AI pre-positioning bid across both indices.
7,700.00	TARGET	Prior brief ES target – achievable only on a confirmed Broadcom beat with clean guidance that forces a re-rate of the broad market alongside NQ. Dealer gamma above 7,628.50 accelerates the path.

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