



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures came under pressure yesterday afternoon when the minutes of the July 29 Federal Open Market Committee meeting were less dovish than expected. The minutes showed Fed officials believed the economy would need more fiscal support.

In addition, hopes for a robust fiscal stimulus package dimmed due to the ongoing gridlock in Washington.

There was some support for futures when the Chinese commerce ministry said the U.S. and China have agreed to go back to the negotiating table in the coming days to review the progress of their “phase one” trade deal.

Jobless claims in the week ended August 15 were 1,106,000 when 963,000 were anticipated.

The August Philadelphia Federal Reserve manufacturing index was 17.2 when 21.5 was anticipated.

CURRENCY FUTURES

The U.S. dollar traded higher yesterday after the minutes of the July Federal Open Market Committee meeting were less dovish than expected.

Now that the bullish news from the FOMC minutes is out of the way the U.S. dollar can work lower.

The official account of the European Central Bank’s July policy meeting showed ECB policymakers debated last month the extent of their flexibility in conducting emergency bond purchases. Some policymakers urged caution against a further increase in buying.

The British pound is higher after a report showed inflation in the U.K. jumped unexpectedly in July to its highest rate since March. The CPI rose to 1.0% year to year from 0.6% year to year in June, which is above expectations for an unchanged rate of 0.6% year to year.

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INTEREST RATE MARKET FUTURES

Treasury bond futures fell yesterday after the Fed suggested in the minutes of its July policy meeting that it would not keep Treasury yields in check through so-called yield curve control policies. The Federal Reserve said that it was not inclined to use unconventional methods to keep interest rates low.

Futures are higher today due to lower stock index futures.

Mary Daly of the Federal Reserve will speak at 12:00 central time.

Interest rate market futures, especially at the short end of the curve are likely to be supported by ideas that major central banks, including the Federal Reserve, will keep short term interest rates low for an extended period.

The next Federal Open Market Committee meeting is scheduled for September 16. Financial futures markets are predicting there is an 88% probability that the FOMC will maintain its fed funds target rate at zero to 25 basis points.

SUPPORT & RESISTANCE

September 20 S&P 500

Support 3340.00 Resistance 3373.00

September 20 U.S. Dollar Index

Support 92.820 Resistance 93.280

September 20 Euro Currency

Support 1.18000 Resistance 1.18800

September 20 Japanese Yen

Support .94100 Resistance .94600

September 20 Canadian Dollar

Support .75440 Resistance .75800

September 20 Australian Dollar

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Support .7130 Resistance .7200

September 20 Thirty-Year Treasury Bonds

Support 178[^]2 Resistance 179[^]20

December 20 Gold

Support 1926.0 Resistance 1965.0

December 20 Copper

Support 2.9700 Resistance 3.0200

October 20 Crude Oil

Support 41.80 Resistance 43.03

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