



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

**Alan Bush**

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### **STOCK INDEX FUTURES**

European equity markets were lower led by bank stocks, which followed through into U.S. stock index futures markets.

U.S. stock index futures declined as investors weighed multiple risk factors, including the uncertain global economic outlook, ongoing tensions between the U.S. and China and the heightened political tensions in Washington.

Investors are also awaiting signs of progress on additional U.S. stimulus spending from the federal government.

Durable goods orders in August increased 0.4% when a 1.5% increase was expected.

### **CURRENCY FUTURES**

Safe haven flows extended U.S. dollar gains, while riskier currencies sold off. The uncertainty surrounding the upcoming U.S. elections has turned markets cautious.

The euro currency is lower after a report showed euro zone M3 growth was less than anticipated. According to the European Central Bank, euro zone August M3 growth was 9.5% on the year when an increase of 10.1% was anticipated.

The British pound is lower despite news that consumer sentiment in the U.K. improved slightly in September but remained at depressed levels. The GfK consumer confidence barometer improved to minus 25 in September, an increase of two points compared with minus 27 that was reported in August.

### **INTEREST RATE MARKET FUTURES**

John Williams of the Federal Reserve will speak at 2:10 p.m. central time.

Interest rate market futures 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

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extended period. Many analysts believe it will be several years, possibly not until 2023, before the Federal Reserve will be in a position to hike its fed funds rate.

However, futures at the long end of the curve, especially the 30-year Treasury bond futures may be undermined by the inflationary aspects of the Federal Reserve's "average inflation targeting" policy.

Financial futures markets are predicting there is almost a 100% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at the November 4-5 policy meeting.

### **SUPPORT & RESISTANCE**

#### **December 20 S&P 500**

Support 3203.00    Resistance 3261.00

#### **December 20 U.S. Dollar Index**

Support 93.180    Resistance 94.700

#### **December 20 Euro Currency**

Support 1.16400    Resistance 1.17050

#### **December 20 Japanese Yen**

Support .98770    Resistance .95150

#### **December 20 Canadian Dollar**

Support .74650    Resistance .75030

#### **December 20 Australian Dollar**

Support .7020    Resistance .7090

#### **December 20 Thirty-Year Treasury Bonds**

Support 176<sup>^</sup>16    Resistance 177<sup>^</sup>12

#### **December 20 Gold**

Support 1851.0    Resistance 1882.0

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### December 20 Copper

Support 2.9400      Resistance 3.0000

### November 20 Crude Oil

Support 39.55      Resistance 40.75

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