



ADM Investor  
Services, Inc.



Financial Forecast

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### **STOCK INDEX FUTURES**

U.S. stock index futures are higher as investors assessed the potential for additional fiscal spending in coming weeks after President Trump appeared to soften his earlier position regarding offering support to households, airlines and small businesses.

Mortgage applications in the U.S. increased 4.6% in the week ended October 2, according to the Mortgage Bankers Association.

The 2:00 central time August consumer credit report is expected to show a \$14.6 billion increase.

The technical situation has improved recently for stock index futures.

### **CURRENCY FUTURES**

The U.S. dollar index is lower as flight to quality longs are being liquidated and riskier currencies gained.

The euro currency is higher despite news that German industrial production declined in August after three straight months of growth. Total industrial output, comprising production in manufacturing, energy and construction, fell 0.2% in August from July. Economists had forecast a 1.5% increase.

The British pound remains close to a three-week high that was registered yesterday due to optimism surrounding Britain's trade talks with the European Union. Both sides promised to reach a Brexit deal before the transition deadline.

### **INTEREST RATE MARKET FUTURES**

Yesterday afternoon's flight to quality rally was short-lived, as today the 30-year Treasury bond futures are sharply lower and are closing in on yesterday's lows.

The Federal Reserve will release the minutes of its September 15-16 policy meeting at 1:00.

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Officials at their September meeting raised the bar for interest rate increases and signaled they expected it would be at least three years before they could be in a position to hike the fed funds rate.

Federal Reserve speakers today are Neel Kashkari at 12:00, Raphael Bostic at 12:00, Eric Rosengren at 12:00, John Williams at 1:00, Neel Kashkari at 1:15, John Williams at 2:00 and Charles Evans at 3:30.

The Treasury will auction 10-year notes.

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 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, which currently stands at zero to 25 basis points.

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, along with the potential for a global economic recovery.

Financial futures markets are predicting there is a 97.7% 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 3328.00    Resistance 3390.00

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

Support 93.520    Resistance 94.000

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

Support 1.17380    Resistance 1.18040

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

Support .94280    Resistance .94830

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### **December 20 Canadian Dollar**

Support .74900      Resistance .75440

### **December 20 Australian Dollar**

Support .7094      Resistance .7155

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

Support 173^8      Resistance 175^0

### **December 20 Gold**

Support 1874.0      Resistance 1905.0

### **December 20 Copper**

Support 2.9200      Resistance 3.0300

### **November 20 Crude Oil**

Support 39.34      Resistance 40.55

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