



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures are higher, as investors await developments on a fresh stimulus bill. More talks are scheduled today.

Selling yesterday was due to concerns that lawmakers were not making progress on a deal.

Housing starts in September were 1.415 million when 1.463 million were expected and building permits were 1.553 million, which compares to the anticipated 1.520 million.

The technical situation remains positive for stock index futures.

CURRENCY FUTURES

The U.S. dollar is lower for a third straight session as safe-haven longs are liquidated.

The euro currency is higher, hitting the highest level since October 12.

The British pound is steady after a Bank of England policymaker warned that downside risks to the economic outlook are beginning to materialize and the outlook for monetary policy is skewed towards adding further stimulus.

The Australian dollar fell to a three-week low after the Reserve Bank of Australia gave its clearest signal yet that it will lower interest rates further and announce a multi-billion dollar program of government bond buying in November to help fast track the economic recovery.

INTEREST RATE MARKET FUTURES

Futures at the longer end of the curve are under pressure as flight to quality longs are liquidated in light of higher stock index futures.

Yesterday, Federal Reserve Vice Chairman Richard Clarida said it is possible that the recession that began in March already has ended, though it could take another year before broad measures of economic output fully recover. Also, Mr. Clarida said, "Additional support from monetary, and likely fiscal policy, will be needed.

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Federal Reserve speakers today are Randal Quarles at 9:50, Charles Evans at 12:00, Lael Brainard at 2:00 and Raphael Bostic at 4:00.

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 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.

There is a double bottom on the December 30-year Treasury bond futures daily chart at the 173[^]10 – 173[^]11 level, which will likely be taken out.

Financial futures markets are predicting there is a 98.8% 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 3422.00 Resistance 3455.00

December 20 U.S. Dollar Index

Support 93.120 Resistance 93.550

December 20 Euro Currency

Support 1.17700 Resistance 1.18400

December 20 Japanese Yen

Support .94560 Resistance .95000

December 20 Canadian Dollar

Support .75700 Resistance .76000

December 20 Australian Dollar

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Support .7012 Resistance .7072

December 20 Thirty-Year Treasury Bonds

Support 173^{^11} Resistance 174^{^16}

December 20 Gold

Support 1894.0 Resistance 1917.0

December 20 Copper

Support 3.0700 Resistance 3.1450

December 20 Crude Oil

Support 40.34 Resistance 41.55

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