



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. There are reports that negotiators will extend negotiations for a stimulus package.

At 1:00 central time the Federal Open Market Committee will release its “Beige Book” on the economy. This book is produced approximately two weeks before the monetary policy meetings of the Federal Open Market Committee. On each occasion, a different Federal Reserve district bank compiles anecdotal evidence on the economic conditions from each of the 12 Federal Reserve districts.

The technical situation remains positive for stock index futures.

CURRENCY FUTURES

The U.S. dollar is lower for a fourth straight session, the lowest level since September 3, as safe-haven longs are liquidated. Much of the selling is linked to optimism over a large stimulus package, prompting some traders to invest in riskier currencies.

The euro currency is higher, hitting the highest level since September 22, due to renewed Brexit optimism. The European Union chief Brexit negotiator told the European Parliament that a trade deal with the U.K. was within reach if both sides are willing to work constructively.

The British pound jumped on news that annual inflation in the U.K. accelerated in September. Consumer prices rose 0.5% on the year in September compared with a 0.2% gain in August.

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.

Federal Reserve speakers today are Loretta Mester at 9:00, Neel Kashkari at 11:00, Robert Kaplan at 11:00, Mary Daly at 11:00 and Thomas Barkin at 12:00.

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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.

Some of the selling today in futures at the long end of the curve appears to be linked to supply concerns with the Treasury auctioning 20-year bonds today.

The double bottom on the daily December 30-year Treasury bond futures chart at the 173[^]10 – 173[^]11 level was taken out today.

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 3418.00 Resistance 3462.00

December 20 U.S. Dollar Index

Support 92.500 Resistance 93.080

December 20 Euro Currency

Support 1.18300 Resistance 1.18960

December 20 Japanese Yen

Support .94760 Resistance .95690

December 20 Canadian Dollar

Support .76120 Resistance .76520

December 20 Australian Dollar

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Support .7044 Resistance .7116

December 20 Thirty-Year Treasury Bonds

Support 172[^]12 Resistance 173[^]26

December 20 Gold

Support 1909.00 Resistance 1937.0

December 20 Copper

Support 3.1400 Resistance 3.2150

December 20 Crude Oil

Support 40.75 Resistance 41.88

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