



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

**Alan Bush**

**November 6, 2020**

### **STOCK INDEX FUTURES**

U.S. stock index futures are mixed today after four consecutive days of gains.

The October employment numbers were mostly stronger than expected.

October nonfarm payrolls increased 638,000 when a gain of 575,000 was expected and the unemployment rate improved to 6.9%, which compares to the anticipated 7.7%.

Private payrolls increased 906,000 when up 650,000 was predicted and manufacturing payrolls advanced 38,000 when an increase of 48,000 was estimated.

The labor participation rate improved to 61.7% when 61.5% was estimated.

The 2:00 central time September consumer credit report is predicted to show a \$7.9 billion increase.

Major central banks around the world are under pressure to add more accommodation.

Once the political uncertainties in the U.S. are reduced, it will be the globally low interest rate environment that will once again dominate.

### **CURRENCY FUTURES**

The U.S. dollar saw follow-through weakness after the Federal Reserve's announcement yesterday that it would keep short-term borrowing rates steady. The U.S. dollar is lower today for the fourth day and fell to a 9-week low.

The greenback has been weakening since May amid rising debt levels coupled with expectations for an extended period of low interest rates.

The euro currency is higher in spite of the ongoing belief that the European Central Bank will deliver more stimulus when it meets in December.

The safe-haven Swiss franc advanced to a six-year high.

**ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai**

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT Archer Daniels Midland Company. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by the Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.



## Financial Forecast

The Reserve Bank of Australia said it is not contemplating any further reductions in interest rates and believes a move to negative interest rates would contribute little to speeding the economy's recovery.

The Reserve Bank of Australia in its November Statement on Monetary Policy today said, "The board considers that there is little to be gained from short-term interest rates moving into negative territory and continues to view a negative policy rate as extraordinarily unlikely."

The RBA lowered its official cash rate to a record low 0.10% from 0.25% on Tuesday and announced a \$100 billion Australian dollar quantitative easing program.

### **INTEREST RATE MARKET FUTURES**

The Federal Open Market Committee on Thursday left overnight interest rates unchanged in keeping with its commitment to keep them there until it sees evidence of a tighter labor market and inflation has advanced above its 2.0% target rate. It also said it would continue to purchase Treasuries and mortgage-backed securities.

In September, Federal Reserve officials pledged to support the recovery by setting a higher bar to increase interest rates and by signaling it expected to keep rates near zero for at least three more years.

The yield curve is likely to steepen, which should put pressure on the futures at the long end of the curve, while futures at the short end of the curve are likely to hold steady.

### **SUPPORT & RESISTANCE**

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

Support 3454.00    Resistance 3528.00

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

Support 92.130    Resistance 92.880

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

Support 1.18000    Resistance 1.19130

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

**ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai**

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT Archer Daniels Midland Company. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by the Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

Support .96360      Resistance .97000

### **December 20 Canadian Dollar**

Support .76320      Resistance .76780

### **December 20 Australian Dollar**

Support .7244      Resistance .7298

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

Support 172<sup>^</sup>26      Resistance 175<sup>^</sup>0

### **December 20 Gold**

Support 1934.0      Resistance 1968.0

### **December 20 Copper**

Support 3.1000      Resistance 3.1850

### **December 20 Crude Oil**

Support 37.21      Resistance 38.90

**ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai**

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT Archer Daniels Midland Company. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by the Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.