



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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December 4, 2020

STOCK INDEX FUTURES

U.S. stock index futures held near all-time highs in light of growing prospects for further economic stimulus.

November nonfarm payrolls increased 245,000 when a gain of 500,000 was expected. Private payrolls were up 344,000 when an increase of 590,000 was anticipated and manufacturing payrolls advanced 27,000, which compares to the estimated gain of 40,000.

The unemployment rate was 6.7% when 6.8% was predicted.

The 9:00 central time October factory orders report is expected to show a 0.8% increase.

Stock index futures are performing well on the news suggesting higher prices are likely.

CURRENCY FUTURES

Yesterday the U.S. dollar fell to its lowest level since May 2018 and is headed for its worst week in a month.

Longer term, the U.S. dollar is likely to trend lower due to expectations for an extended period of low interest rates and concerns over rising U.S. levels of debt.

The euro currency remains near its highest level since May 2018. The euro traded higher today on news that new orders for German manufactured goods increased for the sixth straight month, jumping 2.9% October, following an upwardly revised 1.1% increase in September and was well above market expectations of a 1.5% gain.

Some analysts believe the euro will be underpinned by favorable euro zone trade numbers and that this bullish influence will outweigh the anticipated additional easing measures at next week's European Central Bank policy meeting.

The British pound is higher on news of better-than-expected PMI data that showed Britain's construction output grew at a faster pace in November.

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Financial Forecast

The Australian dollar is lower despite news that retail sales increased by 1.4% month-over-month in October, which is the first increase in retail trade since July.

INTEREST RATE MARKET FUTURES

It is a sign of weakness for futures at the long end of the curve to be lower despite the bullish on balance weaker than expected U.S. employment numbers.

Federal Reserve speakers today are Charles Evans at 8:00, Michelle Bowman at 9:00 and Neel Kashkari at 10:00.

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 zero to 25 basis points at the December 16 policy meeting.

In the months ahead the yield curve is likely to steepen, which should put pressure on futures at the long end of the curve, especially the 30-year Treasury bond futures, while futures at the short end of the curve are likely to hold steady.

SUPPORT & RESISTANCE

December 20 S&P 500

Support 3660.00 Resistance 3684.00

December 20 U.S. Dollar Index

Support 90.480 Resistance 90.750

December 20 Euro Currency

Support 1.21300 Resistance 1.21860

December 20 Japanese Yen

Support .96000 Resistance .96460

December 20 Canadian Dollar

Support .77640 Resistance .78000

December 20 Australian Dollar

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Support .74050 Resistance .74500

March 21 Thirty-Year Treasury Bonds

Support 171[^]12 Resistance 173[^]16

February 21 Gold

Support 1833.0 Resistance 1855.0

March 21 Copper

Support 3.4800 Resistance 3.5450

January 21 Crude Oil

Support 45.55 Resistance 46.90

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