



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

S&P 500, NASDAQ and Dow stock index futures advanced to record highs as investors focus on prospects for additional government spending.

December nonfarm payrolls declined 140,000 when an increase of 50,000 was expected.

Private payrolls fell 95,000, which compares to the anticipated 90,000 increase.

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

The 2:00 central time November consumer credit report is predicted to show an increase of \$9.0 billion.

Positive technical action suggests higher prices for stock index futures.

CURRENCY FUTURES

The U.S. dollar index firmed in the overnight trade after falling to its lowest level since May 2018 on Wednesday. However, there was selling pressure more recently when the U.S. employment report was released.

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 is lower despite news that German industrial production increased more than expected in November. Total industrial output rose 0.9% from October when economists had forecast a 0.4% increase.

In addition, the euro zone's jobless rate fell for the fourth straight month in November. The number of unemployed fell by 172,000 in November. The jobless rate was 8.3%, which compares to 8.4% in October. That decline was a surprise with economists expecting to see an increase to 8.5%.

Interest rate differential expectations suggest higher prices for the euro longer term.

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Financial Forecast

There are expectations that the Bank of England will be announcing more policy easing in the coming months. Financial futures markets now are predicting the central bank could take interest rates into negative territory as early as May.

The Japanese yen is higher on news that Japan's leading economic index jumped to a three-year high.

INTEREST RATE MARKET FUTURES

Futures are steady at the front of the curve and are lower at the long end of the curve with the 30-year Treasury bond futures falling to the lowest since March 2020. There was some recovery in the 30-year Treasury bond futures when the U.S. employment report was released.

Richard Clarida of the Federal Reserve will speak at 10:00.

Financial futures markets are predicting there is a 95.9% probability that the Federal Open Market Committee will keep its key fed funds rate unchanged at 0 to 25 basis points at its January 27, 2021 policy meeting.

In the months ahead the yield curve is likely to steepen, which would 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

March 21 S&P 500

Support 3790.00 Resistance 3821.00

March 21 U.S. Dollar Index

Support 89.550 Resistance 90.15

March 21 Euro Currency

Support 1.22240 Resistance 1.23150

March 21 Japanese Yen

Support .96060 Resistance .96630

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March 21 Canadian Dollar

Support .78640 Resistance .79000

March 21 Australian Dollar

Support .77380 Resistance .78000

March 21 Thirty-Year Treasury Bonds

Support 168^{^15} Resistance 169^{^14}

February 21 Gold

Support 1874.0 Resistance 1921.0

March 21 Copper

Support 3.6750 Resistance 3.7400

February 21 Crude Oil

Support 50.75 Resistance 52.13

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