



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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January 21, 2021

STOCK INDEX FUTURES

U.S. stock index futures advanced to record highs on strong corporate earnings reports.

Jobless claims in the week ended January 16 were 900,000, as expected.

December housing starts were 1.669 million when 1.558 million were anticipated and permits were 1.709 million, which compares to the estimate of 1.635 million.

The January Philadelphia Federal Reserve manufacturing index was 26.5 when 11 was predicted.

Futures continue to have upside momentum.

CURRENCY FUTURES

The U.S. dollar index is lower despite mostly stronger than expected U.S. economic reports, which is a sign of weakness.

The European Central Bank kept its large monetary stimulus unchanged at its policy meeting today. The ECB said it would continue to buy up to 1.85 trillion euros of euro zone bonds through March 2022, as planned. The ECB left its key interest rate unchanged at minus 0.5%.

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

The British pound traded at its highest level since June 2018. The pound is higher despite news that the Confederation of British Industry's quarterly measure of manufacturing optimism in the U.K. fell to -22.0 in the first quarter of 2021. This is the lowest since an all-time low of -87 was reached in the second quarter of 2020.

The Bank of Japan concluded its two-day policy meeting today. The BoJ left its key short-term interest rate unchanged at -0.1% and maintained the target for the 10-year Japanese government bond yield at near 0%.

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In a quarterly outlook report, the central bank revised higher its GDP growth estimate for the next fiscal year beginning in April to 3.9% growth from an estimate of 3.6% that was made in October.

INTEREST RATE MARKET FUTURES

Stronger than anticipated U.S. economic reports pressured futures at the long end of the curve.

In light of a likely unchanged fed funds target rate from the Fed at its January 27 policy meeting and its pledge not to hike its fed funds rate until possibly 2023, futures at the short end of the curve are likely to hold steady.

However, the fundamentals at the long end of the curve have changed. Since last August, the fundamentals on balance have been bearish for the 30-year Treasury bond futures and new lows for the move were made last week. The fundamentals have now turned mixed.

SUPPORT & RESISTANCE

March 21 S&P 500

Support 3838.00 Resistance 3863.00

March 21 U.S. Dollar Index

Support 90.000 Resistance 90.420

March 21 Euro Currency

Support 1.21180 Resistance 1.21950

March 21 Japanese Yen

Support .96480 Resistance .96880

March 21 Canadian Dollar

Support .79100 Resistance .79500

March 21 Australian Dollar

Support .77440 Resistance .77930

March 21 Thirty-Year Treasury Bonds

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Support 168^4 Resistance 169^12

February 21 Gold

Support 1853.0 Resistance 1877.0

March 21 Copper

Support 3.6400 Resistance 3.6800

March 21 Crude Oil

Support 52.66 Resistance 53.55

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