



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

Alan Bush

January 22, 2021

STOCK INDEX FUTURES

After hitting fresh records yesterday, U.S. stock index futures are lower today.

Markets are pausing after rallying for much of January.

There has been a solid start to earnings season. Of the 62 companies in the S&P 500 that have reported results, 89% have beaten analysts' expectations, according to FactSet.

The 8:45 central time January PMI composite index is expected to be 55.5.

The 9:00 December existing home sales report is anticipated to show 6.550 million.

Overall, futures are performing well for the news.

CURRENCY FUTURES

After three days of lower prices the U.S. dollar index is higher.

The euro currency is a little higher despite a report that showed Germany's manufacturing PMI decreased to 57 in January. This compares to the forecast of 57.5.

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

The British pound is lower due to a weak U.K. retail sales report. Retail sales in the U.K. edged up 0.3% in December, but were well below market forecasts of a 1.2% jump.

The U.K. services PMI fell to 38.8 in January from 49.4 in the previous month, which is well under the market consensus of 45.

The Japanese yen is lower on news that consumer prices declined 1.2% year-on-year in December, which was the sharpest decline since April of 2010.

INTEREST RATE MARKET FUTURES

Lower stock index futures supported the interest rate futures market.

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Financial Forecast

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 3808.00 Resistance 3852.00

March 21 U.S. Dollar Index

Support 90.000 Resistance 90.310

March 21 Euro Currency

Support 1.21580 Resistance 1.22100

March 21 Japanese Yen

Support .96320 Resistance .96750

March 21 Canadian Dollar

Support .78600 Resistance .79250

March 21 Australian Dollar

Support .77020 Resistance .77800

March 21 Thirty-Year Treasury Bonds

Support 168^6 Resistance 169^12

February 21 Gold

Support 1833.0 Resistance 1874.0

March 21 Copper

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Support 3.5600 Resistance 3.6550

March 21 Crude Oil

Support 51.38 Resistance 53.55

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