



ADM Investor  
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## Daily Futures Market Commentary Financial Forecast

by **Alan Bush, Senior Financial Economist**

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### **STOCK INDEX FUTURES**

U.S. stock index futures are higher as investors grew more comfortable that the Federal Reserve and other central banks would maintain their economic support despite the near-term bout of inflation.

Mortgage applications fell 4.2% in the week ending May 21, which is the biggest decline in seven weeks, according to the Mortgage Bankers Association. Applications to refinance a home loan fell 7.2%.

A congestion pattern is forming now that most likely will be followed by an upside breakout.

### **CURRENCY FUTURES**

The U.S. dollar index fell to a four-month low yesterday but is higher today.

In the longer term, pressure on the U.S. dollar is likely as the U.S. budget deficit grows and the Fed's balance sheet expands. The next support on the daily chart is the early January low of 89.155.

The euro currency is lower but remains near a four-month high.

### **INTEREST RATE MARKET FUTURES**

Futures are firm as Federal Reserve officials maintain a united front on policy expectations. Yesterday Richard Clarida joined Lael Brainard, Raphael Bostic and James Bullard who reiterated this week their view that the recent jump in inflation is temporary and the Fed will remain ultra-accommodative until the economy has further recovered. However, Clarida added that the Federal Reserve may be ready to begin discussing tapering of its asset purchases in upcoming meetings, which is in line with the FOMC minutes that were released earlier this month.

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Randal Quarles of the Federal Reserve will speak at 9:00 central time and again at 2:00 this afternoon.

The Treasury will auction five-year notes.

In my minority view, I am seeing indications that the global economy will continue to improve, but growth may not be as strong as many analysts are predicting.

### **GOLD AND SILVER**

Most major central banks will probably keep their accommodation for longer, which remains a bullish influence on the precious metals. I believe follow-through advances are likely for the precious metals. Gold will likely continue to be the leader on the upside.

### **SUPPORT & RESISTANCE**

#### **June 21 S&P 500**

Support 4184.00      Resistance 4212.00

#### **June 21 U.S. Dollar Index**

Support 89.500      Resistance 89.900

#### **June 21 Euro Currency**

Support 1.22180      Resistance 1.22750

#### **June 21 Japanese Yen**

Support .91740      Resistance .92050

#### **June 21 Canadian Dollar**

Support .82460      Resistance .83090

#### **June 21 Australian Dollar**

Support .77440      Resistance .78000

#### **June 21 Thirty-Year Treasury Bonds**

Support 158^8      Resistance 158^30

#### **June 21 Gold**

Support 1895.0      Resistance 1921.0

#### **July 21 Copper**

Support 4.4850      Resistance 4.5500

#### **June 21 Crude Oil**

Support 65.10      Resistance 66.50

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