



ADM Investor
Services, Inc.

Daily Futures Market Commentary Financial Forecast

by Alan Bush, Senior Financial Economist

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STOCK INDEX FUTURES

S&P 500 futures advanced to a record high.

Traders have been encouraged by the Federal Reserve, which said it doesn't plan to pull back on supportive policies in the near term.

Investors are gearing up for corporate earnings season on Tuesday when the big banks report.

Stock index futures have upside momentum and have shown a tendency in recent months to recover from bearish news.

CURRENCY FUTURES

Flight to quality buying is coming into the U.S. dollar in light of concerns about the state of the global economic recovery.

European Central Bank President Christine Lagarde said the ECB's monetary policy meeting on July 22 will be an important meeting, as the central bank will communicate differently, in a more concise way, and will review its forward guidance to align with a new strategy. Lagarde also said the ECB will continue support the economy and now it's not the right time to talk about an exit strategy.

Wholesale prices in Germany increased 10.7% year-on-year in June of 2021, which is the biggest increase since October 1981.

Japan's core machinery orders increased by 7.8% month-over-month in May, which is the third straight month of increase and the steepest since October 2020. Japan's May core machinery orders were expected to be up 2.6%.

INTEREST RATE MARKET FUTURES

Federal Reserve speakers today are John Williams at 8:30 and Neel Kashkari at 11:00.

The Treasury Department will auction \$58 billion in 3-year notes and \$38 billion in 10-year notes.

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Federal Reserve Bank of Richmond President Thomas Barkin said the labor market has not healed enough to call for an end to the U.S. central bank's \$120 billion a month in bond-buying stimulus given where the labor market stands currently.

Mr. Barkin said he hopes the job market will reach "relatively soon" the threshold the central bank has laid out as a trigger point for pulling back on asset buying.

Fed officials have recently been debating whether the economy has healed enough to cut back the \$80 billion a month in Treasuries and \$40 billion a month in mortgage bond purchases.

The interest rate futures markets have been telegraphing for several months clues about the state of the global economy.

The U.S. Treasury yield curve has been flattening since May with shorter-dated yields increasing to reflect higher rate expectations, while longer-dated yields fell because higher interest rates in the near term would likely mean a slower rate of growth in the future.

A flattening yield curve suggests the **rate** of inflation has already peaked and the **rate** of growth in the global economy may be slowing.

SUPPORT & RESISTANCE

September 21 S&P 500

Support 4338.00 Resistance 4368.0

September 21 U.S. Dollar Index

Support 92.000 Resistance 92.450

September 21 Euro Currency

Support 1.18480 Resistance 1.19000

September 21 Japanese Yen

Support .90700 Resistance .91000

September 21 Canadian Dollar

Support .79880 Resistance .80400

September 21 Australian Dollar

Support .74470 Resistance .74980

September 21 Thirty-Year Treasury Bonds

Support 162^{^10} Resistance 163^{^12}

August 21 Gold

Support 1795.0 Resistance 1818.0

September 21 Copper

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Support 4.2800 Resistance 4.3700

September 21 Crude Oil

Support 72.34 Resistance 74.21

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