



ADM Investor  
Services, Inc.

## Daily Futures Market Commentary Financial Forecast

**by Alan Bush, Senior Financial Economist**

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### STOCK INDEX FUTURES

NASDAQ futures advanced to record highs in the overnight trade. However, pressure developed when the larger than expected consumer price index was reported.

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

In addition, U.S. stock index futures have been underpinned in recent sessions by expectations that companies may report strong quarterly earnings.

The June National Federation of Independent Business small business optimism index was 102.5 when 99.2 was expected.

The June consumer price index increased 0.9% when up 0.5% was anticipated.

Stock index futures in recent months have shown a tendency 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. There were additional gains when the U.S. consumer price index was reported.

The annual inflation rate in Germany was confirmed at 2.3% in June, which matched the preliminary estimate, and slowed from a decade high of 2.5% in May.

Switzerland's producer and import prices increased 2.9% from a year earlier in June, slowing from a 3.2% advance in the previous month.

Australia's new home sales increased 14.8% month-over-month in June, after a 15.2 % gain in the prior month.

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## INTEREST RATE MARKET FUTURES

Federal Reserve Bank of St. Louis President James Bullard said the time is right to start slowing the pace of central bank bond buying.

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

The Treasury Department will auction one-year-bills and 30-year bonds today.

Federal Reserve speakers today are Raphael Bostic at 11:00, Neel Kashkari at 11:45, Raphael Bostic at 1:30 and Eric Rosengren at 1:50.

Federal Reserve Chair Jerome Powell is due to appear before Congress on Wednesday and Thursday.

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 and recent 5-month highs in 30-year Treasury bond futures suggests the rate of inflation has peaked and the rate of growth in the global economy may be slowing.

## SUPPORT & RESISTANCE

### **September 21 S&P 500**

Support 4352.00      Resistance 4382.0

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

Support 92.100      Resistance 92.730

### **September 21 Euro Currency**

Support 1.18020      Resistance 1.19000

### **September 21 Japanese Yen**

Support .90430      Resistance .90840

### **September 21 Canadian Dollar**

Support .79720      Resistance .80400

### **September 21 Australian Dollar**

Support .74230      Resistance .75120

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

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Support 162^4      Resistance 163^2

**August 21 Gold**

Support 1798.0      Resistance 1822.0

**September 21 Copper**

Support 4.2500      Resistance 4.3500

**September 21 Crude Oil**

Support 73.00      Resistance 74.21