



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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July 21, 2020

STOCK INDEX FUTURES

S&P 500 futures have finally seen a clear move above the June high at 3220.50 for a resumption of the uptrend.

U.S. stock index futures are higher as investors believe central banks and governments will do more to support the global economy.

S&P 500 futures and global equity markets jumped after European Union leaders reached a historic deal on a massive €750BN (\$860BN) economic recovery plan. The originally scheduled Friday-Saturday meeting stretched into the early morning hours of today.

Fiscal stimulus discussions in Washington will continue this week before current programs are set to expire at the end of the month.

The Chicago Federal Reserve national activity index, which is a monthly index that tracks overall economic activity and inflationary pressures, was 4.11. This compares to the previous month's revised 3.50.

Stock index futures continue to have upside momentum.

CURRENCY FUTURES

The euro currency is higher after E.U. leaders agreed to jointly borrow €750 billion (\$857.8 billion) of funds for a fiscal stimulus package. In addition, an agreement was reached on the E.U.'s budget over the next seven years, amounting to €1074 billion. This is the largest ever joint borrowing undertaken by the E.U.

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Reserve Bank of Australia Governor Lowe said inflation will stay low for quite some time and it is possible that the RBA could lower its key lending rate to 10 basis points.

INTEREST RATE MARKET FUTURES

U.S. Treasury and European bond yields showed limited reaction to a deal on the E.U.'s recovery fund, which will deploy billions of euros across its member states.

There are no Federal Reserve speakers scheduled for today.

According to financial futures markets there is a 95.6% probability that the Federal Open Market Committee will leave its fed funds rate unchanged at zero to 25 basis points at its July 29 policy meeting.

My analysis suggests there will be no change in the fed funds rate at the July meeting.

Futures appear to be caught between the bearish influence of more government stimulus and the bullish influence of ongoing historically accommodative central bank policies.

SUPPORT & RESISTANCE

September 20 S&P 500

Support 3239.00 Resistance 3280.00

September 20 U.S. Dollar Index

Support 95.500 Resistance 95.930

September 20 Euro Currency

Support 1.14300 Resistance 1.14900

September 20 Japanese Yen

Support .93120 Resistance .93480

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September 20 Canadian Dollar

Support .73800 Resistance .74490

September 20 Australian Dollar

Support .7012 Resistance .7110

September 20 Thirty-Year Treasury Bonds

Support 179^22 Resistance 180^12

August 20 Gold

Support 1815.0 Resistance 1850.0

September 20 Copper

Support 2.9150 Resistance 2.9600

September 20 Crude Oil

Support 40.64 Resistance 42.55

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