



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

Alan Bush

July 23, 2020

STOCK INDEX FUTURES

Stock index futures are being supported by expectations of additional stimulus and mostly stronger than expected corporate earnings reports. However, gains were limited by ongoing U.S.-China tensions.

Treasury Secretary Mnuchin said the White House has agreed the next relief package will have \$16 billion in new funds. Fiscal stimulus discussions in Washington will continue this week before current programs are set to expire at the end of the month.

Jobless claims in the week ended July 18 were 1,416,000 when 1,308,000 we expected.

The 9:00 central time June leading indicators report is anticipated to show a 2.5% increase.

The 10:00 July Kansas City Federal Reserve manufacturing index is estimated to be 5.

Stock index futures are performing well for the news and have upside momentum.

CURRENCY FUTURES

The British pound is lower after reports that the U.K. is close to abandoning hope of a Brexit trade agreement with the E.U.

U.K. manufacturers reported weak orders, but were more upbeat on the outlook, according to the Confederation of British Industry.

The Canadian dollar is higher after it was reported that Canada's annual inflation rate returned to positive territory in June, led by higher prices for food and shelter. The stronger than estimated advance followed two months of annual price declines.

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Canada's consumer price index increased 0.7% on a year-over-year basis in June when analysts had expected a 0.2% advance.

INTEREST RATE MARKET FUTURES

Futures firmed when the jobless claims report was released. In addition, flight to quality buying is coming into futures as a result of ongoing tensions between the U.S. and China.

There are no Federal Reserve speakers scheduled for today.

According to financial futures markets there is a 94.5% 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.

Overall, 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 3255.00 Resistance 3288.00

September 20 U.S. Dollar Index

Support 94.700 Resistance 95.210

September 20 Euro Currency

Support 1.15450 Resistance 1.16180

September 20 Japanese Yen

Support .93220 Resistance .93520

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September 20 Canadian Dollar

Support .74420 Resistance .74880

September 20 Australian Dollar

Support .7086 Resistance .7170

September 20 Thirty-Year Treasury Bonds

Support 180^12 Resistance 181^8

August 20 Gold

Support 1860.0 Resistance 1890.0

September 20 Copper

Support 2.8950 Resistance 2.9550

September 20 Crude Oil

Support 41.21 Resistance 42.55

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