



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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July 27, 2020

STOCK INDEX FUTURES

U.S. stock index futures are higher ahead of a busy week of corporate earnings reports, a Federal Open Market Committee monetary policy meeting and a heavy slate of economic reports.

In addition, investors will be monitoring developments on a highly anticipated U.S. stimulus package.

June durable goods orders were up 7.3% when an increase of 6.5% was expected.

The July Dallas Federal Reserve manufacturing index will be released at 9:30. The figure for June was 13.6.

U.S. stock index futures continue to have upside momentum.

CURRENCY FUTURES

The U.S. dollar dropped to its lowest level in nearly two years against a basket of major currencies, as investors believe the Federal Reserve will continue to keep interest rates low.

The euro currency is higher after a report showed German business sentiment rose in July, beating forecasts and increasing for the third consecutive month, according to the Ifo Institute.

The Ifo business-climate index came in at 90.5 in July from an upwardly revised 86.3 in June. Economists had forecast a reading of 89.0.

In addition, in light of the increased tensions between the U.S. and China, the euro currency has become a safe haven at the expense of the U.S. dollar.

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Other safe haven currencies advanced, such as the Japanese yen and the Swiss franc.

INTEREST RATE MARKET FUTURES

Futures are higher on the belief that the Federal Reserve is likely to keep interest rates lower for a prolonged period.

The yield on the 10-year U.S. Treasury note ticked down to 0.572% from 0.589% Friday.

The Treasury will auction two and five year notes today.

There are no Federal Reserve speakers scheduled for today.

Federal Reserve officials will meet Tuesday and Wednesday at their regularly scheduled policy meeting.

According to financial futures markets there is a 92.3% probability that the Federal Open Market Committee will leave its fed funds rate unchanged at zero to 25 basis points.

My analysis suggests there will be no change in the fed funds rate at this 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 3189.00 Resistance 3233.00

September 20 U.S. Dollar Index

Support 93.470 Resistance 94.420

September 20 Euro Currency

Support 1.16500 Resistance 1.17840

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September 20 Japanese Yen

Support .94280 Resistance .95150

September 20 Canadian Dollar

Support .74420 Resistance .74880

September 20 Australian Dollar

Support .7083 Resistance .7155

September 20 Thirty-Year Treasury Bonds

Support 180[^]26 Resistance 181[^]28

August 20 Gold

Support 1897.0 Resistance 1945.0

September 20 Copper

Support 2.8800 Resistance 2.9200

September 20 Crude Oil

Support 40.75 Resistance 42.00

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