



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

S&P 500 and NASDAQ futures advanced to new record highs today.

Futures continue to be underpinned by last Thursday's speech from Federal Reserve Chairman Jerome Powell at the Kansas City Federal Reserve's annual economic policy symposium when he signaled looser monetary policy for longer.

Chairman Powell called for a "robust updating" of Federal Reserve policy. The central bank has formally agreed to a policy of "average inflation targeting," which means it will allow inflation levels to run "moderately" above the Fed's 2.0% goal "for some time" following periods when the rate of inflation has run below that objective.

The 9:30 central time August Dallas Federal Reserve manufacturing index is expected to be negative 1.0.

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

CURRENCY FUTURES

The September U.S. dollar index futures are lower and are closing in on the August 18 lows at 92.11.

Much of the recent weakness in the greenback can be linked to the more accommodative Federal Reserve policies. The Fed's now formalized "average inflation targeting," suggests the U.S. central bank will remain accommodative for longer.

Some of the bears on the greenback for a while have speculated that the Federal Reserve may loosen its approach to inflation and now, it has.

The U.S. dollar will likely trend lower on the Fed's new strategy.

The euro currency is higher despite news that preliminary data shows German consumer prices declined in August for the second consecutive month.

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Consumer prices declined 0.1% on the month in August as measured by national standards and fell 0.2% on E.U. harmonized standards. Economists had forecast prices would remain flat in both national standards and E.U. harmonized standards.

The British pound is lower on reports that the U.K. is ready to walk away from Brexit trade talks over state aid demands.

INTEREST RATE MARKET FUTURES

The “new” flexible Federal Reserve is causing traders to anticipate higher levels of inflation.

Interest rate market futures at the short end of the curve are likely to be supported by ideas that major central banks, including the Federal Reserve, will keep short term interest rates low for an extended period.

However, futures at the long end of the curve, especially the 30-year Treasury bond futures may be undermined by the inflationary aspects of “average inflation targeting.”

The next Federal Open Market Committee meeting is scheduled for September 16. Financial futures markets are predicting there is an 86% probability that the FOMC will maintain its fed funds target rate at zero to 25 basis points. There are growing pressures for additional accommodation from the Federal Reserve.

SUPPORT & RESISTANCE

September 20 S&P 500

Support 3496.00 Resistance 3528.00

September 20 U.S. Dollar Index

Support 92.110 Resistance 92.520

September 20 Euro Currency

Support 1.18700 Resistance 1.19640

September 20 Japanese Yen

Support .94280 Resistance .95000

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September 20 Canadian Dollar

Support .76280 Resistance .76660

September 20 Australian Dollar

Support .7337 Resistance .7390

September 20 Thirty-Year Treasury Bonds

Support 175^16 Resistance 176^24

December 20 Gold

Support 1960.0 Resistance 1992.0

December 20 Copper

Support 3.0250 Resistance 3.0650

October 20 Crude Oil

Support 42.85 Resistance 43.80

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