



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures are higher due to on balance stronger than expected corporate earnings reports.

October housing starts were 1.530 million when 1.460 million were expected and permits were 1.545 million, which compares to the anticipated 1.560 million.

Stock index futures are performing well on the news.

CURRENCY FUTURES

The U.S. dollar is lower for a fifth day due to concerns about the economic recovery, expectations for an extended period of low interest rates and concerns over rising U.S. levels of debt.

Longer term, the U.S. dollar is likely to drift lower.

The euro zone October consumer price index was up 0.2% as expected.

The British pound is higher after a report showed U.K. inflation increased by a little more than expected in October. Consumer prices increased 0.7% in annual terms, which is the highest level in three months after a 0.5% advance in September. Economists predicted a reading of 0.6%.

The Japanese yen is higher after a report showed Japan recorded a trade surplus in October, which was the fourth straight month of surplus and the largest since February.

Bank of Japan Governor Haruhiko Kuroda said the central bank will continue to buy exchange-traded stock funds as part of its monetary easing framework.

INTEREST RATE MARKET FUTURES

Federal Reserve Chair Jerome Powell said on Tuesday there was “a long way to go” to economic recovery.

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Financial Forecast

The Treasury will auction 20-year bonds today.

Federal Reserve speakers today are John Williams at 11:15, James Bullard at 12:20, Robert Kaplan at 5:00 and Raphael Bostic at 6:00.

Financial futures markets are predicting there is almost a 100% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at the December 16 policy meeting.

In the months ahead the yield curve is likely to steepen, which should put pressure on futures at the long end of the curve, especially the 30-year Treasury bond futures, while futures at the short end of the curve are likely to hold steady.

SUPPORT & RESISTANCE

December 20 S&P 500

Support 3582.00 Resistance 3628.00

December 20 U.S. Dollar Index

Support 92.160 Resistance 92.550

December 20 Euro Currency

Support 1.18500 Resistance 1.19030

December 20 Japanese Yen

Support .96000 Resistance .96450

December 20 Canadian Dollar

Support .76200 Resistance .76650

December 20 Australian Dollar

Support .7270 Resistance .7338

December 20 Thirty-Year Treasury Bonds

Support 172[^]16 Resistance 173[^]16

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Financial Forecast

December 20 Gold

Support 1858.0 Resistance 1888.0

December 20 Copper

Support 3.1850 Resistance 3.2450

January 21 Crude Oil

Support 41.03 Resistance 42.85

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