



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 vaccine optimism and signs of progress toward a fresh fiscal stimulus package.

The Federal Open Market Committee's two-day policy meeting concludes today.

November retail sales fell 1.1% when a decline of 0.3% was expected.

The 8:45 central time December PMI composite index is anticipated to be 57.4.

There are three 10:00 reports. The December housing market index is estimated to be 89 and October business inventories are predicted to be up 0.6%. The December Atlanta Federal Reserve business inflation expectations report showed 1.9% last month.

Stock index futures are performing well for the news suggesting higher prices are likely longer term.

CURRENCY FUTURES

The U.S. dollar index is lower, as safe-haven longs continue to be liquidated. The greenback hit its lowest level since May 2018.

Longer term, the U.S. dollar is likely to trend lower due to expectations for an extended period of low interest rates and concerns over rising U.S. levels of debt.

The euro currency advanced to its highest level since May 2018, boosted by better-than-expected PMI data for the euro zone. Interest rate differential expectations suggest higher prices for the euro.

The British pound advanced amid optimism surrounding a post-Brexit trade deal.

INTEREST RATE MARKET FUTURES

Flight to quality longs at the long end of the yield curve are being liquidated.

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The Federal Open Market Committee will release a statement at 1:00 p.m. and Federal Reserve Chairman Powell will hold a press conference at 1:30 p.m.

We could see a change in guidance relating to the asset purchases, which currently stand at \$80 billion of Treasuries and \$40 billion of mortgage backed securities each month.

The FOMC could adjust its purchases to focus on longer-dated Treasuries, which would place greater pressure on long-term rates.

In the months ahead the yield curve is likely to steepen, which would 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 3677.00 Resistance 3718.00

March 21 U.S. Dollar Index

Support 90.000 Resistance 90.500

March 21 Euro Currency

Support 1.21700 Resistance 1.22550

March 21 Japanese Yen

Support .96500 Resistance .97050

March 21 Canadian Dollar

Support .78340 Resistance .78900

March 21 Australian Dollar

Support .75480 Resistance .75930

March 21 Thirty-Year Treasury Bonds

Support 171²⁴ Resistance 173¹²

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February 21 Gold

Support 1850.0 Resistance 1875.0

March 21 Copper

Support 3.5350 Resistance 3.5850

January 21 Crude Oil

Support 47.30 Resistance 48.13

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