



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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December 17, 2020

STOCK INDEX FUTURES

U.S. stock index futures advanced to record highs due to vaccine optimism and signs of progress toward a fresh fiscal stimulus package. Congressional leaders closed in on a near \$900 billion package, which includes \$600-\$700 stimulus checks and extended unemployment benefits.

Jobless claims in the week ended December 12 were 885,000 when 806,000 were expected.

November housing starts were 1.547 million when 1.530 million were anticipated and building permits were 1.639 million, which compares to the expected 1.553 million.

The December Philadelphia Federal Reserve manufacturing index was 11.1 when 21.1 was estimated.

The 10:00 central time December Kansas City Federal Reserve manufacturing index is expected to be 10.

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

CURRENCY FUTURES

The U.S. dollar index is sharply lower, as safe-haven longs continue to be liquidated. The greenback fell below 90 for the first time since May of 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.

Interest rate differential expectations suggest higher prices for the euro.

The Swiss franc advanced to its highest level since February 2015.

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The British pound advanced to its strongest level since May 2018 on signs of progress in post-Brexit trade deal negotiations.

The Bank of England kept its benchmark interest rate on hold and said the economic outlook for the U.K. has improved. The nine members of the BOE's Monetary Policy Committee voted unanimously to keep the central bank's policy rate at 0.1% and the target for its asset purchase program at 895 billion pounds (\$1.209 trillion), as expected.

INTEREST RATE MARKET FUTURES

The Federal Open Market Committee yesterday voted to keep its fed funds target range at zero to 25 basis points and provided updated plans for its purchases of large amounts of government debt to support the economy. Since June, the Fed has been buying \$80 billion in Treasuries and \$40 billion in mortgage bonds per month and pledged to buy assets at least at that pace for "the coming months."

Fed officials released new projections indicating most of them expected interest rates would remain near zero at least through 2023.

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

March 21 S&P 500

Support 3689.00 Resistance 3726.00

March 21 U.S. Dollar Index

Support 89.600 Resistance 90.200

March 21 Euro Currency

Support 1.22150 Resistance 1.23000

March 21 Japanese Yen

Support .96660 Resistance .97380

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March 21 Canadian Dollar

Support .78440 Resistance .78900

March 21 Australian Dollar

Support .75700 Resistance .76550

March 21 Thirty-Year Treasury Bonds

Support 172^20 Resistance 173^22

February 21 Gold

Support 1863.0 Resistance 1900.0

March 21 Copper

Support 3.5600 Resistance 3.6150

January 21 Crude Oil

Support 47.75 Resistance 48.88

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