



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

Alan Bush

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STOCK INDEX FUTURES

After hitting record highs in the overnight trade U.S. stock index futures are mixed. Recent gains are linked to vaccine optimism and signs of progress toward a new fiscal stimulus package.

The 9:00 central time November leading indicators report is expected to show a 0.5% increase.

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

CURRENCY FUTURES

The U.S. dollar index is higher today after yesterday it breached the 90.000 psychological support level and fell to 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.

Yesterday the euro currency advanced to its highest level since May 2018.

However, the euro is lower today despite news that German business sentiment unexpectedly improved in December. The Ifo business-climate index came in at 92.1 in December, compared with an upwardly revised 90.9 in November. Economists had forecast a decline to 90.5.

The Ifo index is based on a poll of approximately 9,000 companies in manufacturing, services, trade and construction.

Interest rate differential expectations suggest higher prices for the euro longer term.

The British pound is lower after a report showed retail sales in the U.K. fell in November, breaking a six-month streak of monthly gains. The volume of retail sales in the U.K. fell 3.8% in November from the previous month when economists anticipated sales to decline by 2.9%.

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Financial Forecast

The Bank of Japan at its policy meeting today left its key short-term interest rate unchanged at negative 10 basis points and maintained the target for the 10-year Japanese government bond yield at around 0 percent by an 8-1 vote.

INTEREST RATE MARKET FUTURES

Federal Reserve speakers today are Charles Evans at 10:00 and Lael Brainard at 10:00.

Financial futures markets are predicting there is a 95.2% probability that the Federal Open Market Committee will keep its key fed funds rate unchanged at 0 to 25 basis points at its January 27, 2021 policy meeting.

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 3695.00 Resistance 3726.00

March 21 U.S. Dollar Index

Support 89.680 Resistance 90.000

March 21 Euro Currency

Support 1.22600 Resistance 1.23000

March 21 Japanese Yen

Support .96660 Resistance .97200

March 21 Canadian Dollar

Support .78350 Resistance .78720

March 21 Australian Dollar

Support .75850 Resistance .76380

March 21 Thirty-Year Treasury Bonds

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Financial Forecast

Support 172^{^6} Resistance 173^{^2}

February 21 Gold

Support 1878.0 Resistance 1900.0

March 21 Copper

Support 3.5900 Resistance 3.6500

January 21 Crude Oil

Support 48.00 Resistance 48.95

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