



Daily Futures Market Commentary Financial Forecast

by Alan Bush, Senior Financial Economist

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STOCK INDEX FUTURES

There were substantial gains on Friday after Minneapolis Federal Reserve Bank President Neel Kashkari said a spike in real interest rates may warrant more easing.

The new stimulus package from Washington headed toward final passage this week. The Senate passed the \$1.9 trillion stimulus bill on Saturday and the House is seen passing it on Tuesday.

Stock index futures are likely to recover from the early morning selling.

Overall, stock index futures are performing well for the news.

CURRENCY FUTURES

The U.S. dollar advanced to a four-month high, and the euro currency fell to a four-month low.

Pressure on the euro was linked to news that German industrial production fell in January, missing forecasts for an increase. Total industrial output, comprising of production in manufacturing, energy and construction, fell 2.5% compared with December. Economists had forecast a 0.2% increase.

European Central Bank policymakers recently suggested the central bank is ready to provide more stimulus if needed to keep yields down and support the economy.

The Swiss franc fell to an 8-month low against the U.S. dollar.

The Bank of England governor Andrew Bailey reiterated that the central bank's decision to ask banks to make preparations within the next six months, in case it needs to employ negative interest rates to provide further support for the economy, did not mean to imply anything about policymakers' intentions in that direction. He also said that his assessment of the U.K.'s economic outlook was "positive, but with large doses of cautionary realism."

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The Japanese yen fell to a 9-month low against the U.S. dollar after the Bank of Japan Deputy Governor Masayoshi Amamiya said the central bank must focus on keeping the entire yield curve “stably low” for the time being.

There was some support for the yen on news that Japan's leading index increased to the highest level in two-and-a-half years in January. The leading index, which measures future economic activity, improved to 99.1 in January from 97.7 in December. This latest number was the highest since September 2018 when it was 99.2.

INTEREST RATE MARKET FUTURES

Futures at the short end of the yield curve were supported on Friday after Minneapolis Federal Reserve President Kashkari said a spike in real interest rates may warrant more easing.

This is the first I have heard of more easing talk at the short end of the yield curve from anyone at the Fed.

The next Federal Open Market Committee meeting is scheduled for March 17.

I believe major central banks eventually will employ tools to mitigate rising long-term interest rates.

SUPPORT & RESISTANCE

March 21 S&P 500

Support 3792.00 Resistance 3870.00

March 21 U.S. Dollar Index

Support 91.900 Resistance 92.420

March 21 Euro Currency

Support 1.18520 Resistance 1.19420

March 21 Japanese Yen

Support .91940 Resistance .92380

March 21 Canadian Dollar

Support .78660 Resistance .79300

March 21 Australian Dollar

Support .76320 Resistance .77330

June 21 Thirty-Year Treasury Bonds

Support 156^8 Resistance 157^12

April 21 Gold

Support 1680.0 Resistance 1712.0

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May 21 Copper

Support 3.9900 Resistance 4.1750

April 21 Crude Oil

Support 65.34 Resistance 68.05

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