



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

S&P 500 and NASDAQ futures advanced to a record high today after yesterday's speech from Federal Reserve Chairman Jerome Powell at the Kansas City Federal Reserve's 44th Annual Economic Policy Symposium. Chairman Powell signaled looser monetary policy for longer.

Chairman Powell called for a "robust updating" of Federal Reserve policy. The central bank has formally agreed to a policy of "average inflation targeting," which means it will allow inflation levels to run "moderately" above the Fed's 2.0% goal "for some time" following periods when the rate of inflation has run below that objective.

July personal income increased 0.4% when a decline of 0.2% was expected.

The 8:45 central time August Chicago PMI is anticipated to be 51.8 and the 9:00 August consumer sentiment index is estimated to be 72.8.

U.S. stock index futures continue to have upside momentum.

CURRENCY FUTURES

The U.S. dollar is sharply lower after Fed Chair Powell announced yesterday that the Fed is moving to "average inflation targeting," suggesting that the U.S. central bank will remain accommodative for longer.

Some of the bears on the greenback for a while have speculated that the Federal Reserve may loosen its approach to inflation and now, it has.

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

The euro zone August consumer confidence index was negative 14.7, as predicted.

Canada's second quarter gross domestic product contracted at an annualized rate of 38.7% when a contraction of 40.0% was expected.

INTEREST RATE MARKET FUTURES

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Interest rate market futures at the short end of the curve are likely to be supported by ideas that major central banks, including the Federal Reserve, will keep short term interest rates low for an extended period.

However, futures at the long end of the curve, especially the 30-year Treasury bond futures may be undermined by the inflationary aspects of “average inflation targeting.”

The next Federal Open Market Committee meeting is scheduled for September 16. Financial futures markets are predicting there is a 90% probability that the FOMC will maintain its fed funds target rate at zero to 25 basis points.

SUPPORT & RESISTANCE

September 20 S&P 500

Support 3482.00 Resistance 3514.00

September 20 U.S. Dollar Index

Support 92.140 Resistance 93.120

September 20 Euro Currency

Support 1.18100 Resistance 1.19300

September 20 Japanese Yen

Support .93460 Resistance .95130

September 20 Canadian Dollar

Support .76110 Resistance .76500

September 20 Australian Dollar

Support .7252 Resistance .7358

September 20 Thirty-Year Treasury Bonds

Support 175^0 Resistance 176^24

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December 20 Gold

Support 1925.0 Resistance 1980.0

December 20 Copper

Support 2.9900 Resistance 3.0450

October 20 Crude Oil

Support 42.75 Resistance 43.80

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