



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures are sharply higher despite uncertainties surrounding the inconclusive outcome to the U.S. presidential election, with no clear winner yet apparent.

Mortgage applications in the U.S. jumped 3.8% in the week ended October 30, following a 1.7% increase in the previous week, according to the Mortgage Bankers Association.

Private sector employment increased by 365,000 jobs from September to October according to the October ADP National Employment Report when 650,000 were expected.

The October Markit services PMI final will be released at 8:45 central time. Last month the report showed 56.

The 9:00 October ISM services index is anticipated to be 57.6.

Increased volatility, in light of the uncertainties of the election, is a good reason to reduce trading size or stand aside.

Once the political uncertainties are reduced, it will be the globally low interest rate environment that will once again dominate.

CURRENCY FUTURES

The U.S. dollar index erased earlier gains to trade lower as election results known so far point to a divided Congress, making the passage of a large fiscal stimulus package more difficult.

The euro currency is higher on news that services PMIs for Germany and the euro area were revised higher, pointing to smaller contractions in October. The euro zone October composite PMI was 50.0 when 49.4 was forecast.

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There is the ongoing belief that the European Central Bank will deliver more stimulus when it meets in December, after ECB President Christine Lagarde last week said the fourth quarter GDP is almost certain to be weak.

The British pound is lower on news that U.K. services activity grew at a slower pace than previously estimated in October. The final IHS Markit/CIPS U.K. services purchasing managers' index for October was revised to 51.4 from a flash estimate of 52.3, which is down from 56.1 in September. However, the index remains above 50, which indicates an expansion in activity.

The Bank of England will meet tomorrow. There are expectations that the BoE will increase its asset buying program. In a survey last week, analysts predicted the BoE will increase its quantitative easing by 100 billion pounds to 845 billion pound, which is almost double the level at the start of this year.

The Australian dollar is higher after it was reported that Australia's September adjusted retail sales declined 1.1%, which compares to the estimated decline of 1.5%.

INTEREST RATE MARKET FUTURES

Futures are higher due to the growing perception that the U.S. Federal Reserve may have to do more to support the economy, as the close election makes a large stimulus package less likely.

The Federal Reserve's policymaking committee begins its two-day November meeting today, with a statement on interest rates and a Federal Reserve Chairman Jerome Powell news conference on Thursday afternoon.

Financial futures markets are predicting there is 98.8% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at the November 4-5 policy meeting.

Political markets are the most difficult to trade, which is a reason to reduce trading size.

SUPPORT & RESISTANCE

December 20 S&P 500

Support 3314.00 Resistance 3440.00

December 20 U.S. Dollar Index

Support 93.150 Resistance 94.400

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December 20 Euro Currency

Support 1.16050 Resistance 1.17980

December 20 Japanese Yen

Support .94900 Resistance .96150

December 20 Canadian Dollar

Support .75140 Resistance .76450

December 20 Australian Dollar

Support .7048 Resistance .7234

December 20 Thirty-Year Treasury Bonds

Support 170[^]6 Resistance 175[^]4

December 20 Gold

Support 1878.0 Resistance 1921.0

December 20 Copper

Support 3.0250 Resistance 3.1200

December 20 Crude Oil

Support 37.03 Resistance 39.13

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