



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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December 7, 2020

STOCK INDEX FUTURES

U.S. stock index futures are mixed but remain near all-time highs. Traders continue to look for indications of progress on an economic relief bill.

The 2:00 central time October consumer credit report is expected to show a \$17 billion increase.

Futures are holding up well despite fresh U.S.-China tensions suggesting higher prices are likely for stock index futures.

CURRENCY FUTURES

The U.S. dollar is higher but is substantially below its overnight highs.

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 remains near its highest level since May 2018 and is higher today on news that German industrial production increased in October at a quicker pace than in the previous month, beating expectations. Total industrial output rose 3.2% in October compared with September when economists had forecast a 1.5% increase.

Some analysts believe the euro will be underpinned by favorable euro zone trade numbers and that this bullish influence will outweigh the anticipated additional easing measures when the European Central Bank meets this Thursday.

The British pound is lower after the U.K. ruled out continuing E.U. trade talks next year.

Japan's Prime Minister Yoshihide Suga on Friday said he would decide on an economic stimulus package early this week.

The Australian dollar is lower despite news that a services PMI increased to 52.90 points in November from 51.40 points in the previous month.

INTEREST RATE MARKET FUTURES

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Futures are mixed to higher.

There are no major Federal Reserve speakers scheduled for today.

Financial futures markets are predicting there is almost a 100% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at zero to 25 basis points at the December 16 policy meeting.

In the months ahead the yield curve is likely to steepen, which should 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

December 20 S&P 500

Support 3668.00 Resistance 3710.00

December 20 U.S. Dollar Index

Support 90.600 Resistance 91.250

December 20 Euro Currency

Support 1.20750 Resistance 1.21500

December 20 Japanese Yen

Support .95800 Resistance .96280

December 20 Canadian Dollar

Support .77880 Resistance .78330

December 20 Australian Dollar

Support .73680 Resistance .74450

March 21 Thirty-Year Treasury Bonds

Support 171[^]0 Resistance 172[^]16

February 21 Gold

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Support 1822.0 Resistance 1850.0

March 21 Copper

Support 3.4700 Resistance 3.5500

January 21 Crude Oil

Support 45.30 Resistance 46.55

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