



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures are lower as a last-minute economic stimulus bill was not enough to offset bad coronavirus news from Europe. Congress reached a deal on a \$900 billion relief package on Sunday and the House and Senate will vote on it today. Meanwhile, the U.K. announced a resurgence of a new strain of virus, which prompted new travel restrictions.

The November Chicago Federal Reserve national activity index was 0.27 when 0.55 was expected.

Recently, stock index futures have shown a tendency to be able to recover from bearish news.

CURRENCY FUTURES

The U.S. dollar index is higher in a flight to quality move. Last week the greenback 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.

The euro currency is lower a risk-off move. Last week the euro advanced to its highest level since May 2018.

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

Today's risk-off mood also pressured the British pound. There was additional pressure on the pound as Brexit talks uncertainties continued but there were no signs of a breakthrough.

INTEREST RATE MARKET FUTURES

Flight to quality buying is coming into futures.

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Financial Forecast

U.S. Treasury yields were down in the early trade Monday after a new strain of virus was reported in the U.K., precipitating further lockdowns across the country.

The Treasury will auction 20-year bonds today.

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 90.000 Resistance 90.980

March 21 Euro Currency

Support 1.21550 Resistance 1.22700

March 21 Japanese Yen

Support .96350 Resistance .97000

March 21 Canadian Dollar

Support .77160 Resistance .78280

March 21 Australian Dollar

Support .74660 Resistance .76200

March 21 Thirty-Year Treasury Bonds

Support 172[^]6 Resistance 173[^]26

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Financial Forecast

February 21 Gold

Support 1857.0 Resistance 1914.0

March 21 Copper

Support 3.5400 Resistance 3.6500

January 21 Crude Oil

Support 46.10 Resistance 48.75

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