



ADM Investor
Services, Inc.



Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures rebounded on Tuesday with Washington's approval late yesterday of an \$892 billion fiscal stimulus package. The bill now heads to the White House where President Trump is expected to sign it into law.

The third quarter U.S. gross domestic product report showed a 33.4% increase when up 33.1% was expected.

There are three 9:00 central time reports. The December consumer confidence index is anticipated to be 97. The November existing home sales report is estimated to show 6.7 million and the December Richmond Federal Reserve manufacturing index is predicted be 12.

Recently, stock index futures have shown a tendency to perform well on the news.

CURRENCY FUTURES

Yesterday's breakout to the upside for the U.S. dollar above a downtrend line appears to be a false signal. The greenback is now below the breakout point, which should be considered a sign of weakness..

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 after a market-research group said German consumer sentiment is likely to decline in January for the third consecutive month.

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

The British pound is lower after a report showed the U.K. gross domestic product expanded 16% in the third quarter, which compares the first estimate of 15.5% growth and compared with a record 18.8% contraction in the previous three-month period. This was the strongest rate of expansion in the economy since the series began in 1955.

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INTEREST RATE MARKET FUTURES

Flight to quality buying came into the market early yesterday but gave it all back, and then some, by the end of the day.

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 3660.00 Resistance 3706.00

March 21 U.S. Dollar Index

Support 89.880 Resistance 90.300

March 21 Euro Currency

Support 1.22300 Resistance 1.22980

March 21 Japanese Yen

Support .96740 Resistance .97000

March 21 Canadian Dollar

Support .77560 Resistance .78000

March 21 Australian Dollar

Support .75380 Resistance .76100

March 21 Thirty-Year Treasury Bonds

Support 172^8 Resistance 173^4

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February 21 Gold

Support 1867.0 Resistance 1895.0

March 21 Copper

Support 3.5100 Resistance 3.5950

February 21 Crude Oil

Support 46.50 Resistance 48.13

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