



ADM Investor
Services, Inc.

Daily Futures Market Commentary Financial Forecast

by Alan Bush, Senior Financial Economist
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STOCK INDEX FUTURES

U.S. stock index futures ticked down due to geopolitical issues.

The 9:00 central time March factory orders report is expected to show a 1.3% increase.

The technical picture remains supportive long-term for stock index futures.

CURRENCY FUTURES

There is some flight to quality buying coming into U.S. dollar index today.

The British pound is lower on news that U.K. lenders approved 82,700 mortgages in March, which is below a recent peak of 103,100 in November and market expectations of 92,300.

The Reserve Bank of Australia left its cash rate unchanged at a record low of 10 basis points at its policy meeting today, as widely expected. Policymakers reaffirmed their commitment to maintain highly supportive monetary conditions until at least 2024 when actual inflation is within the 2.0% to 3.0% target. The board also said it remained committed to the three-year government bond yield target of 10 basis points.

RBA Governor Philip Lowe continued to point to a long-term outlook for interest rate increases, saying that while the economy is recovering quickly, the conditions for an interest rate hike are still many years away.

In addition, Mr. Lowe announced upwardly-revised forecasts for GDP growth and lowered the central bank's expectations for unemployment. The RBA now anticipates the economy will grow 4.75% in 2021, which is up from a forecast of 3.5% issued three months ago. The unemployment rate is now estimated to be at 5.0% by December, compared with a forecast in February of 6.0%. The jobless rate was 5.6% in March.

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INTEREST RATE MARKET FUTURES

There was support for futures yesterday as economic data showed the U.S. manufacturing sector expanded less than forecast in April with slower growth rates for both new orders and employment.

Federal Reserve Chairman Jerome Powell on Monday, in prepared remarks at a National Community Reinvestment Coalition event, said the U.S. economy's prospects have "clearly brightened," but stressed the recovery has been uneven.

There is some flight to quality buying coming into the market today.

Futures have held up well since early April in spite of mostly bearish news, including a proposed new \$1.8 trillion spending plan, which is viewed as inflationary.

In my minority view, I am seeing indications that global economy will continue to improve, but growth may not be as strong as many analysts are predicting.

GOLD AND SILVER

Most major central banks are likely to keep their accommodation for longer, which is a longer-term bullish influence for the precious metals.

SUPPORT & RESISTANCE

June 21 S&P 500

Support 4150.00 Resistance 4188.00

June 21 U.S. Dollar Index

Support 90.920 Resistance 91.400

June 21 Euro Currency

Support 1.20000 Resistance 1.20800

June 21 Japanese Yen

Support .91300 Resistance .91800

June 21 Canadian Dollar

Support .81000 Resistance .81500

June 21 Australian Dollar

Support .76930 Resistance .77550

June 21 Thirty-Year Treasury Bonds

Support 157[^]8 Resistance 158[^]20

June 21 Gold

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Support 1777.0 Resistance 1799.0

July 21 Copper

Support 4.4900 Resistance 4.5350

June 21 Crude Oil

Support 64.21 Resistance 66.00

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