



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 fell yesterday when Treasury Secretary Yellen said interest rates may have to increase to prevent the U.S. economy from overheating. However, futures mostly recovered when she backtrack on her remarks later in the session when she said she was not predicting or recommending interest rate increases when remarking earlier about the impact of fiscal spending on the U.S. economy. Treasury Secretary Yellen's comments came from The Atlantic's Future Economy Summit.

Keep in mind that the Treasury traditionally does not get involved with monetary policy. That is the job of the Federal Reserve. So when traders realized her comments were observations and not policy there was a recovery in futures with follow-through gains today.

Mortgage applications in the week ended April 30 decreased 0.9% following a 2.5% drop in the previous week, according to the Mortgage Bankers Association. Homebuyer mortgage applications fell 2.5% while those to refinance a home loan went up 0.1%.

The ADP employment change report for April showed 742,000 new jobs when 785,000 were expected.

The 8:45 central time April PMI composite final is estimated to be 62.2 and the 9:00 April Institute for Supply Management services index is predicted to be 64.2.

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

### CURRENCY FUTURES

The U.S. dollar index is lower today after the U.S. Treasury Secretary yesterday afternoon said she was not predicting or recommending interest rate increases.

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Producer prices in the euro area increased 1.1% from a month earlier in March following a 0.5% advance in the previous month and matching market expectations.

Growth of the euro zone private sector economy improved during April with latest data indicating the fastest expansion since last July and the second best in over two and a half years.

The Bank of England will hold a policy meeting tomorrow.

Switzerland's consumer price inflation rate increased to 0.3% year-on-year in April, which ends a 14-month period of price deflation and matching market expectations.

### **INTEREST RATE MARKET FUTURES**

Federal Reserve speakers today are Charles Evans at 8:30, Eric Rosengren at 10:00, Loretta Mester at 11:00 and Charles Evans at 2:00.

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 4152.00      Resistance 4188.00

#### **June 21 U.S. Dollar Index**

Support 91.120      Resistance 91.480

#### **June 21 Euro Currency**

Support 1.19900      Resistance 1.20450

#### **June 21 Japanese Yen**

Support .91300      Resistance .91680

#### **June 21 Canadian Dollar**

Support .81180      Resistance .81580

#### **June 21 Australian Dollar**

Support .77000      Resistance .77550

#### **June 21 Thirty-Year Treasury Bonds**

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Support 157^8      Resistance 158^4

**June 21 Gold**

Support 1768.0      Resistance 1790.0

**July 21 Copper**

Support 4.5100      Resistance 4.5750

**June 21 Crude Oil**

Support 66.00      Resistance 66.95