



ADM Investor  
Services, Inc.

## Daily Futures Market Commentary Financial Forecast

by **Alan Bush, Senior Financial Economist**

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### STOCK INDEX FUTURES

Stock futures are higher and are near record levels despite the weak May National Federation of Independent Business (NFIB) small business optimism index, which stood at 99.6 in May when 100.7 was expected. This was the first decline in morale this year, as small business owners were concerned about labor shortages and growing inflationary pressures.

The 9:00 central time April Job Openings and Labor Turnover Survey (JOLTS) is anticipated to be 8.045 million. The Labor Department's JOLTS report tracks monthly changes in job openings and offers rates on hiring and quits.

A congestion pattern is forming now that most likely will be followed by an upside breakout.

### CURRENCY FUTURES

The U.S. dollar index is higher but is off its highs after the weak May National Federation of Independent Business small business optimism index was released.

In the longer term, pressure on the U.S. dollar is likely as the U.S. budget deficit grows and the Fed's balance sheet expands. The next major support on the daily chart is the early January low of 89.155.

The euro zone economy shrank at the beginning of 2021, but less than initially estimated, according to the final estimate from the European Union's statistics agency. The euro area economy shrank 0.3% on the quarter in the first quarter of 2021, compared with the second estimate of a 0.6% contraction. Year-on-year, the GDP fell 1.3% in the first quarter, which is much less than a second estimate of 1.8% decline.

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German economic expectations declined in June, according to the ZEW economic research institute. The measure of economic expectations fell to 79.8 in June from 84.4 in May. This is below economists' forecast of 85.0.

While economic expectations declined, the assessment of the current economic situation in Germany improved significantly, rising to minus 9.1 in June from minus 40.1 in May. The reading compares with economists' forecast of minus 25.0.

German industrial production unexpectedly fell in April, missing expectations for an increase. Total industrial output, comprising production in manufacturing, energy and construction, decreased 1.0% in April from March. Economists had forecast a 0.4% increase.

The next European Central Bank policy meeting is scheduled for June 10.

The Japanese economy shrank 1.0% on the quarter in the first quarter of 2021, compared with the initial estimate of a 1.3% fall and market estimates of a 1.2% drop and after 2.8% growth in the fourth quarter.

### **INTEREST RATE MARKET FUTURES**

The Treasury will auction 3-year notes.

In my minority view, I am seeing indications that the global economy will continue to improve, but growth may not be as strong as many analysts are predicting. This could explain why the 30-year Treasury bond futures are holding up despite the Federal Reserve talking about when it may taper its asset-purchase program.

### **SUPPORT & RESISTANCE**

#### **June 21 S&P 500**

Support 4210.00      Resistance 4242.00

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

Support 89.900      Resistance 90.170

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

Support 1.21620      Resistance 1.22000

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

Support .91240      Resistance .91620

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

Support .82620      Resistance .82900

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

Support .77300      Resistance .77700

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

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Support 157^4      Resistance 158^16

**August 21 Gold**

Support 1890.0      Resistance 1911.0

**July 21 Copper**

Support 4.4600      Resistance 4.5400

**July 21 Crude Oil**

Support 68.36      Resistance 69.75