



ADM Investor
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Daily Futures Market Commentary Financial Forecast

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STOCK INDEX FUTURES

Stock index futures are higher as investors await comments this afternoon from Federal Reserve Chairman Jerome Powell on the outlook for inflation and the labor market.

The 9:00 central time May existing home sales report is expected to be 5.715 million and the 9:00 June Richmond Federal Reserve manufacturing index is anticipated to be 17.

The fundamentals remain bullish on balance for stock index futures despite the Federal Reserve's tilt to the hawkish side.

The NASDAQ is likely to be the leader on the upside.

CURRENCY FUTURES

Flash PMI surveys for the U.S., U.K., euro zone, Japan and Australia are due this week. I anticipate that, on balance, these PMI numbers will come in mostly weaker than analysts' expectations.

European Central Bank President Christine Lagarde told the European Parliament yesterday that brighter prospects for global demand and a faster-than-anticipated increase in consumer spending could result in a stronger economic recovery.

The British pound is lower despite news that the Confederation of British Industry's order book balance improved 2 points to +19 in June 2021, which is the highest level since a record high was reached in May 1988 and slightly above market expectations of +18, according to the latest monthly CBI Industrial Trends Survey.

INTEREST RATE MARKET FUTURES

Today, traders will focus on Fed Chair Powell, who will testify at 1:00 central time before the House of Representatives' Select Subcommittee on the coronavirus crisis. In prepared remarks

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distributed late last night, Powell indicated that he remains optimistic on the recovery, saying “job gains should pick up in coming months as vaccinations rise, easing some of the pandemic-related factors currently weighing them down.” He also said inflation has “increased notably in recent months,” but regarded the recent increase as likely to fade. He is likely to take questions on the outlook for inflation and the labor market, which could offer new insights into the potential pace of interest-rate hikes and the easing of the Fed's bond-buying program.

Other Federal Reserve speakers today are Loretta Mester at 9:30 and Mary Daly at 10:00.

The Treasury will offer \$60 billion in 2-year notes.

The U.S. Treasury yield curve has flattened recently with shorter-dated yields increasing to reflect higher rate expectations, while longer-dated yields fell because higher interest rates in the near term would likely mean a slower rate of growth in the future.

A flattening yield curve suggests the **rate** of inflation has already peaked.

In my opinion, if there are any surprises coming from Powell’s comments they may come in the form of Powell possibly walking back a bit from the hawkish FOMC meeting last week.

SUPPORT & RESISTANCE

September 21 S&P 500

Support 4202.00 Resistance 4230.00

September 21 U.S. Dollar Index

Support 91.800 Resistance 92.180

September 21 Euro Currency

Support 1.18970 Resistance 1.19520

September 21 Japanese Yen

Support .90340 Resistance .90850

September 21 Canadian Dollar

Support .80580 Resistance .80980

September 21 Australian Dollar

Support .74920 Resistance .75560

September 21 Thirty-Year Treasury Bonds

Support 159^10 Resistance 160^16

August 21 Gold

Support 1768.0 Resistance 1795.0

September 21 Copper

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Support 4.1600 Resistance 4.2400

September 21 Crude Oil

Support 71.34 Resistance 72.55

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