



ADM Investor
Services, Inc.

Daily Futures Market Commentary Financial Forecast

by **Alan Bush, Senior Financial Economist**

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STOCK INDEX FUTURES

Stock index futures are higher with NASDAQ futures advancing to record highs.

Investors are looking to the release of the Federal Reserve's June meeting minutes at 1:00 central time for more clues on when the central bank may begin tapering its asset-buying program.

Mortgage applications declined 1.8 % in the week ended July 2, which is the second consecutive decline, and pushed the index down to the lowest since the beginning of 2020. Applications to refinance a home loan were down 2.3% and those to purchase a home fell 1.1%.

The 9:00 central time May Job Openings and Labor Turnover Survey (JOLTS) is predicted to show 9.3 million. The Labor Department's JOLTS report tracks monthly changes in job openings and offers rates on hiring and quits.

Futures are being supported by fiscal and monetary support and continue to have upside momentum.

CURRENCY FUTURES

The European Commission revised upwards its euro zone GDP forecasts for 2021 and 2022. The euro zone is seen expanding by 4.8% this year and 4.5% in 2022, compared with May estimates of 4.3% and 4.4%, respectively.

Germany's industrial output dropped by 0.3% for a second consecutive month in May 2021, missing market expectations of 0.5% growth, led by declines in the production of capital goods and energy.

House prices in the U.K. increased 8.8% year-on-year in June of 2021, following an upwardly revised 9.6% gain in the previous month, which was the highest in 14 years.

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Yesterday, the au Jibun Bank Japan Services PMI came in at 48.0 in June 2021, which is the 17th consecutive month of contraction.

INTEREST RATE MARKET FUTURES

Futures advanced yesterday with follow-through gains today after yesterday's release of the June Institute for Supply Management services sector index, which fell short of economists' expectations.

Government bond yields dropped to their lowest level in over four months.

Raphael Bostic of the Federal Reserve will speak at 2:30.

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 and the **rate** of growth in the global economy may be slowing.

SUPPORT & RESISTANCE

September 21 S&P 500

Support 4322.00 Resistance 4352.00

September 21 U.S. Dollar Index

Support 92.350 Resistance 92.620

September 21 Euro Currency

Support 1.18240 Resistance 1.18600

September 21 Japanese Yen

Support .90250 Resistance .90680

September 21 Canadian Dollar

Support .80100 Resistance .80550

September 21 Australian Dollar

Support .74800 Resistance .75440

September 21 Thirty-Year Treasury Bonds

Support 162^6 Resistance 163^24

August 21 Gold

Support 1792.0 Resistance 1814.0

September 21 Copper

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Support 4.2400 Resistance 4.3600

September 21 Crude Oil

Support 72.00 Resistance 74.34

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