



ADM Investor
Services, Inc.



Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures are lower amid further uncertainty around fiscal stimulus talks and the election. Negotiators failed to announce a deal on Wednesday and will speak again today.

Weekly jobless claims were better than expected. Jobless claims in the week ended October 17 were 787,000 when 865,000 were anticipated.

The 9:00 central time September existing home sales report is predicted to show 6.2 million.

The 9:00 September leading indicators index is estimated to be up 0.6% and the 10:00 October Kansas City Federal Reserve manufacturing index is expected to be 13.

The technical situation remains positive for stock index futures.

CURRENCY FUTURES

After four days of declines for the U.S. dollar there is some recovery today. However, lower prices are likely for the greenback longer term.

The euro currency is lower but remains near a five week high.

The British pound is lower despite news that the Confederation of British Industry's order book balance increased 14 points to -34 in October 2020, which its highest level since March and beat the market expectations of -45.

INTEREST RATE MARKET FUTURES

The Federal Reserve's Beige Book was released yesterday and indicated the U.S. economy grew at a "slight to modest" pace over the fall. The report found that the recovery was proceeding on separate tracks, with the manufacturing, residential housing and banking industries reporting steady growth, while commercial real estate and overall consumer spending remained to be weak.

Firms said they were "generally optimistic or positive" about the future but noted that there is still a lot of uncertainty in their outlook.

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Federal Reserve speakers today are Thomas Barkin at 12:10, Mary Daly at 12:10 and Robert Kaplan at 5:00.

Interest rate market futures at the short end of the curve are likely to be supported by ideas that major central banks, including the Federal Reserve, will keep short term interest rates low for an extended period. Many analysts believe it will be several years before the Federal Reserve will be in a position to hike its fed funds rate.

However, futures at the long end of the curve, especially the 30-year Treasury bond futures may be undermined by the inflationary aspects of the Federal Reserve's "average inflation targeting" policy.

Financial futures markets are predicting there is a 97.7% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at the November 4-5 policy meeting.

Although the December 30-year Treasury bond futures are a little higher this morning, I would not be surprised to see a move to lower on the day.

SUPPORT & RESISTANCE

December 20 S&P 500

Support 3400.00 Resistance 3440.00

December 20 U.S. Dollar Index

Support 92.550 Resistance 93.020

December 20 Euro Currency

Support 1.18200 Resistance 1.18860

December 20 Japanese Yen

Support .95420 Resistance .95820

December 20 Canadian Dollar

Support .75850 Resistance .76220

December 20 Australian Dollar

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Daily Futures Market Commentary

Financial Forecast

Support .7080 Resistance .7128

December 20 Thirty-Year Treasury Bonds

Support 172[^]20 Resistance 173[^]16

December 20 Gold

Support 1901.00 Resistance 1935.0

December 20 Copper

Support 3.1400 Resistance 3.2000

December 20 Crude Oil

Support 39.60 Resistance 40.75

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