



ADM Investor
Services, Inc.

Daily Futures Market Commentary Financial Forecast

by Alan Bush, Senior Financial Economist

February 16, 2021

STOCK INDEX FUTURES

S&P 500, Dow and NASDAQ futures advanced to record highs.

Futures have been recently supported by mostly stronger than expected corporate earnings reports, along with optimism toward more economic stimulus. There is some talk that the fiscal stimulus package could be on the larger side.

Also, traders are focused on support from central banks.

The February Empire State Manufacturing Index was 12.1 when 5.7 was expected.

Stock index futures continue to have upside momentum.

CURRENCY FUTURES

The U.S. dollar is lower and near three week lows.

There was some recovery for the greenback when the February Empire State Manufacturing Index came in better than anticipated.

Traders are questioning how much any new economic stimulus might permanently increase the U.S. debt burden.

Longer term, lower prices are likely for the U.S. dollar.

The euro currency is higher after a report showed German economic expectations increased strongly in February, beating forecasts for a decline, according to the ZEW economic research institute.

The measure of economic expectations improved to 71.2 in February from 61.8 in January, which beat economists' forecast of 59.8.

ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.

The president of the ZEW institute said, "The financial market experts are optimistic about the future. They are confident that the German economy will be back on the growth track within the next six months."

The assessment of the current economic situation in Germany, however, weakened slightly to minus 67.2 in February from minus 66.4 in January, which compares with economists' forecast of minus 66.9.

The euro was also supported by news that the euro zone's economic contraction during the last three months of 2020 was slightly less than previously estimated, according to the European Union's statistics agency.

The currency area's gross domestic product declined 0.6% in the fourth quarter from the third quarter, which is less than the 0.7% contraction in the first estimate. Economists had predicted a 0.7% decline in gross domestic product.

Longer term, higher prices are likely for the currency of the euro zone.

The Japanese yen is lower despite news that preliminary data showed the Japanese economy grew by 3.0% quarter to quarter in the fourth quarter beating market expectations of a 2.3% expansion.

INTEREST RATE MARKET FUTURES

Futures are firm at the front end of the yield curve and are lower at the long end of the curve.

St. Louis Federal Reserve President James Bullard today said he thinks inflation will move up this year, and the "Fed will take inflation on board."

Mary Daly of the Federal Reserve will speak at 2:00 central time.

In light of the Federal Reserve pledging not to hike its fed funds rate until possibly 2023, futures at the short end of the curve are likely to hold steady.

SUPPORT & RESISTANCE

March 21 S&P 500

Support 3930.00 Resistance 3966.00

March 21 U.S. Dollar Index

Support 90.050 Resistance 90.600

March 21 Euro Currency

Support 1.21050 Resistance 1.21800

March 21 Japanese Yen

Support .94500 Resistance .95380

March 21 Canadian Dollar

ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.

Support .78700 Resistance .79380

March 21 Australian Dollar

Support .77400 Resistance .78120

March 21 Thirty-Year Treasury Bonds

Support 164^18 Resistance 165^30

April 21 Gold

Support 1788.0 Resistance 1830.0

March 21 Copper

Support 3.7950 Resistance 3.8550

March 21 Crude Oil

Support 59.28 Resistance 61.21