



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

**Alan Bush**

**September 16, 2020**

### **STOCK INDEX FUTURES**

U.S. stock index futures are higher, as traders await the conclusion of the Federal Reserve's two-day monetary policy meeting.

In addition, there is renewed optimism for a bipartisan economic stimulus package.

August retail sales increased 0.6% when a gain of 1.0% was expected.

There are three 9:00 central time reports. The September housing market index is anticipated to be 78 and the July business inventories report is estimated to show a 0.1% increase. The Atlanta Fed's Business Inflation Expectations last month was 1.7%.

I am expecting the statement from the Federal Open Market Committee today will be dovish on balance.

### **CURRENCY FUTURES**

The U.S. dollar index is lower, and the euro currency is higher, as traders expect a dovish on balance statement from the FOMC.

The British pound advanced on news that U.K. inflation fell in August to its lowest level for nearly five years but was above expectations.

The Bank of England will hold its policy meeting tomorrow. No change in interest rate policies is expected. Traders will focus on the statement.

### **INTEREST RATE MARKET FUTURES**

The Fed's two-day meeting concludes today with a policy statement at 1:00 p.m. and Powell's press conference at 1:30 p.m. Financial futures markets are predicting there is a 98% probability that the FOMC will maintain its fed funds target rate at zero to 25 basis points.

**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 Archer Daniels Midland Company. 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. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. 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 the Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.



## Daily Futures Market Commentary

### Financial Forecast

The FOMC will likely elaborate on its recently announced “average inflation targeting” framework. The Fed’s policy suggests it will seek inflation exceeding 2.0% for a period of time to offset recent inflation undershoots.

Fed Chair Powell is likely to speak about the need for Congress to provide more fiscal stimulus. In addition, Mr. Powell may open the door to shifting the emphasis to asset purchases.

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. Some 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.

### **SUPPORT & RESISTANCE**

#### **December 20 S&P 500**

Support 3380.00    Resistance 3423.00

#### **December 20 U.S. Dollar Index**

Support 92.650    Resistance 93.280

#### **December 20 Euro Currency**

Support 1.18420    Resistance 1.19200

#### **December 20 Japanese Yen**

Support .94880    Resistance .95600

#### **December 20 Canadian Dollar**

Support .75700    Resistance .76150

#### **December 20 Australian Dollar**

Support .7280    Resistance .7355

**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 Archer Daniels Midland Company. 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. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. 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 the Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.



ADM Investor  
Services, Inc.



## Financial Forecast

### December 20 Thirty-Year Treasury Bonds

Support 176^0      Resistance 177^12

### December 20 Gold

Support 1952.0      Resistance 1995.0

### December 20 Copper

Support 3.0400      Resistance 3.0800

### November 20 Crude Oil

Support 38.55      Resistance 39.88

**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 Archer Daniels Midland Company. 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. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. 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 the Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.