



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

**Alan Bush**

**September 24, 2020**

### **STOCK INDEX FUTURES**

U.S. stock index futures declined as investors weighed multiple risk factors, including the uncertain global economic outlook, ongoing tensions between the U.S. and China and the heightened political tensions in Washington.

The main event today will be Federal Reserve Chairman Jerome Powell's testimony before the Senate Banking Committee on the CARES Act at 9:00 central time. Mr. Powell is expected to give an overview of the economy and monetary policy, which could provide clues into the central bank's actions going forward.

Jobless claims in the week ended September 19 were 870,000 when 880,000 were expected.

The 9:00 central time August new home sales report is anticipated to show 875,000 and the 10:00 September Kansas City Federal Reserve manufacturing index is estimated to be 13.

### **CURRENCY FUTURES**

Safe haven flows continue to move into the U.S. dollar.

The euro currency is lower despite news that Germany's Ifo institute business sentiment index increased for the fifth consecutive month in September. The Ifo business-climate index came in at 93.4 in September from a downwardly revised 92.5 in August. Economists had forecast it at 93.5. Companies' assessment of their current situation improved to 89.2 in September from 87.9 in August. Expectations were higher, rising to 97.7 from a revised 97.2 in August.

The British pound is higher after a report showed U.K. retail sales volumes grew at the fastest pace since April in the year to September, according to the Confederation of British Industry's latest monthly Distributive Trades Survey.

### **INTEREST RATE MARKET FUTURES**

The Treasury will auction seven-year notes today.

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In addition to Federal Reserve Chair Powell, other Federal Reserve speakers today are James Bullard at 11:00, Charles Evans at 12:00, Thomas Barkin at 12:00, Raphael Bostic at 1:00, Thomas Barkin at 1:00 and John Williams at 1:00.

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, possibly not until 2023, 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 97.7% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at the November 4-5 policy meeting.

### **SUPPORT & RESISTANCE**

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

Support 3196.00    Resistance 3244.00

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

Support 93.230    Resistance 94.700

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

Support 1.16400    Resistance 1.17050

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

Support .98770    Resistance .95210

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

Support .74490    Resistance .74850

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

Support .7011    Resistance .7090

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### **December 20 Thirty-Year Treasury Bonds**

Support 176^0      Resistance 177^0

### **December 20 Gold**

Support 1848.0      Resistance 1878.0

### **December 20 Copper**

Support 2.9100      Resistance 2.9750

### **November 20 Crude Oil**

Support 39.12      Resistance 40.13

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