



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures were lower in the overnight trade but were able to recover to higher on the day after a series of stronger than expected U.S. economic reports.

The September Chicago PMI was 62.4 when 52.1 was expected.

Private sector employment increased by 749,000 from August to September according to the ADP National Employment Report. This compares to the anticipated increase of 650,000. The August report was revised to show an increase of 481,000 from a previously reported 428,000 gain.

The second quarter gross domestic product report showed a 31.4% decline, which compares to the anticipated down 31.7%.

The 9:00 central time August pending home sales index is estimated to be up 3.1%.

S&P 500, Dow and NASDAQ futures remain above downtrend lines that started in early September.

CURRENCY FUTURES

There was support for the euro currency on news that German jobless claims fell for the third consecutive month in September and beat expectations. Jobless claims declined by 8,000 in September after falling by 9,000 in August. Economists had forecast a decrease of 6,000.

In addition, the adjusted unemployment rate fell to 6.3% from 6.4% in August, which is below the 6.4% that was forecast.

European Central Bank President Christine Lagarde signaled a possible change to the ECB's strategy to align it with that of the U.S. Federal Reserve, which would probably allow the rate of inflation to overshoot after missing the central bank's target for years.

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INTEREST RATE MARKET FUTURES

Federal Reserve speakers today are Neel Kashkari at 8:30, Michelle Bowman at 12:40 and Robert Kaplan at 5:00 p.m.

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, which currently stands at zero to 25 basis points.

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, along with the potential for a global economic recovery.

Financial futures markets are predicting there is a 98.8% 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 3288.00 Resistance 3362.00

December 20 U.S. Dollar Index

Support 93.780 Resistance 94.260

December 20 Euro Currency

Support 1.17080 Resistance 1.17800

December 20 Japanese Yen

Support .94600 Resistance .95050

December 20 Canadian Dollar

Support .74480 Resistance .74940

December 20 Australian Dollar

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Support .7100 Resistance .7158

December 20 Thirty-Year Treasury Bonds

Support 176^8 Resistance 177^9

December 20 Gold

Support 1882.0 Resistance 1912.0

December 20 Copper

Support 2.9750 Resistance 3.0300

November 20 Crude Oil

Support 38.65 Resistance 39.87

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