



ADM Investor  
Services, Inc.

## Daily Futures Market Commentary Financial Forecast

**by Alan Bush, Senior Financial Economist**

June 23, 2021

### **STOCK INDEX FUTURES**

Stock index futures are higher with the NASDAQ at new record highs after Federal Reserve Chairman Jerome Powell yesterday walked back a bit from the hawkish FOMC meeting last week.

Mr. Powell said it's highly unlikely that inflation will rise to levels seen in the 1970s but acknowledged there are significant uncertainties as the economy reopens.

Mortgage applications were up 2.1% in the week ending June 18, following a 4.2% increase in the previous week, data from the Mortgage Bankers Association showed. Applications to refinance a home loan were up 2.8% and purchases increased 0.6%.

The 8:45 central time U.S. June PMI composite flash is anticipated to be 67.9.

The 9:00 May new home sales report is estimated to show 881,000.

The fundamentals remain bullish on balance for stock index futures.

The NASDAQ is likely to be the leader on the upside.

### **CURRENCY FUTURES**

The U.S. dollar is lower today after Fed Chair Powell's testimony yesterday.

Flash PMI surveys for the U.S., U.K., euro zone, Japan and Australia are due this week. I anticipate that on balance these PMI numbers will come in mostly weaker than analysts' expectations.

The IHS Markit euro zone Services PMI increased to 58 in June from 55.2 in May, which is above forecasts of 57.8.

The IHS Markit France Services PMI rose to 57.4 in June of 2021 from 56.6 in the previous month but below market expectations of 59.4, a flash estimate showed.

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The IHS Markit/CIPS U.K. Services PMI fell to 61.7 in June 2021, from 62.9 in the previous month and missing market expectations of 63.0, a preliminary estimate showed.

The Australian dollar is higher in spite of news that Australia's IHS Markit Flash Composite Output Index was 56.1 in June, which compares to 58.0 in May

The Canadian dollar is higher despite news that retail sales in Canada declined 5.7% in April From March.

### **INTEREST RATE MARKET FUTURES**

Federal Reserve speakers today Michelle Bowman at 8:10, Raphael Bostic at 10:00 and Eric Rosengren at 3:30.

The Treasury will auction \$61 billion in 5-year notes.

The U.S. Treasury yield curve has flattened recently with shorter-dated yields increasing to reflect higher rate expectations, while longer-dated yields fell because higher interest rates in the near term would likely mean a slower rate of growth in the future.

A flattening yield curve suggests the **rate** of inflation has already peaked.

### **SUPPORT & RESISTANCE**

#### **September 21 S&P 500**

Support 4228.00      Resistance 4254.00

#### **September 21 U.S. Dollar Index**

Support 91.520      Resistance 91.920

#### **September 21 Euro Currency**

Support 1.19250      Resistance 1.19850

#### **September 21 Japanese Yen**

Support .90302      Resistance .90520

#### **September 21 Canadian Dollar**

Support .81080      Resistance .81600

#### **September 21 Australian Dollar**

Support .75360      Resistance .75950

#### **September 21 Thirty-Year Treasury Bonds**

Support 159^20      Resistance 160^10

#### **August 21 Gold**

Support 1773.0      Resistance 1795.0

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### **September 21 Copper**

Support 4.2150      Resistance 4.2950

### **September 21 Crude Oil**

Support 72.00      Resistance 73.13

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