



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

### Alan Bush

July 15, 2020

#### STOCK INDEX FUTURES

Late afternoon gains yesterday were linked to news that Federal Reserve Governor Lael Brainard said “fiscal support will remain vital” to the economic rebound.

In addition, Dallas Federal Reserve President Robert Kaplan yesterday said U.S. economic growth will accelerate next year.

Applications to refinance a home loan jumped 12% for the week and were 107% higher than a year ago.

The July Empire State manufacturing survey was 17.2 when 8.9 was expected.

June industrial production was up 5.4% when an increase of 4.4% was anticipated and June capacity utilization was 68.6% when 68.1% was predicted.

On the S&P 500 and Dow daily charts there are breakaway gaps to the upside.

Stock index futures continue to have upside momentum.

#### CURRENCY FUTURES

The U.S. dollar is lower as flight to quality longs are liquidated.

Employment in the German industrial sector at the end of May fell 2.1% from the previous year, representing 122,000 fewer workers.

The European Central Bank will hold its regularly scheduled policy meeting on Thursday. No change in policy is expected.

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The European Union summit will be held on July 17-18 where leaders need to bridge the gaps on a long-term budget. Investors will also watch whether an agreement on a proposed 750 billion euro recovery fund emerges.

The British pound is higher after news of an unexpected increase in U.K. inflation in June to 0.6% year to year from 0.5% in May. Analysts had predicted a dip to 0.4%.

The Japanese yen is higher after Bank of Japan Governor Haruhiko Kuroda said there have been some signs of recovery in the Japanese economy, including improvements in production and the consumption of goods.

The Bank of Canada will hold its policy meeting today. The central bank is expected to retain the current policy.

### **INTEREST RATE MARKET FUTURES**

Patrick Harker of the Federal Reserve will speak at 11:00 central time.

At 1:00 the Federal Reserve will release its Beige Book. This book is produced approximately two weeks before the monetary policy meetings of the Federal Open Market Committee. On each occasion a different Federal Reserve district bank compiles anecdotal evidence on economic conditions from each of the 12 Federal Reserve districts.

According to financial futures markets there is a 95.6% probability that the Federal Open Market Committee will leave its fed funds rate unchanged at zero to 25 basis points at its July 29 policy meeting.

Futures appear to be caught between the bearish influence of more government stimulus and the bullish influence of ongoing historically accommodative central bank policies.

### **SUPPORT & RESISTANCE**

#### **September 20 S&P 500**

Support 3193.00    Resistance 3238.00

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### September 20 U.S. Dollar Index

Support 95.700      Resistance 96.280

### September 20 Euro Currency

Support 1.14000      Resistance 1.14700

### September 20 Japanese Yen

Support .93200      Resistance .93800

### September 20 Canadian Dollar

Support .73380      Resistance .73820

### September 20 Australian Dollar

Support .6970      Resistance .7035

### September 20 Thirty-Year Treasury Bonds

Support 179^0      Resistance 180^8

### August 20 Gold

Support 1803.0      Resistance 1822.0

### September 20 Copper

Support 2.9100      Resistance 2.9800

### September 20 Crude Oil

Support 40.21      Resistance 41.34

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