



ADM Investor
Services, Inc.



Financial Forecast

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STOCK INDEX FUTURES

S&P 500 futures advanced to new record highs.

Global equity markets were getting a boost on a renewed commitment by the U.S. and China to their “phase one” trade deal following a phone call between the two sides late Monday. The U.S. statement included details including protection of intellectual property rights, while the Chinese statement kept to broad generalities.

Chinese Vice Premier Liu He, U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin participated in the discussions.

There are three 9:00 central time economic reports. The August consumer confidence index is expected to be 93. July new home sales are anticipated to total 774,000 and the July Richmond Federal Reserve manufacturing index is predicted to be 10.

Traders will be closely watching the U.S. Federal Reserve’s annual Jackson Hole meeting later in the week.

U.S. stock index futures continue to have upside momentum.

CURRENCY FUTURES

The U.S. dollar is lower.

Some of the bears on the greenback are speculating that the Federal Reserve may loosen its approach to inflation, which could happen at its next policy meeting in September.

The U.S. dollar is likely to trend lower.

The euro currency is higher after a report showed German business sentiment improved in August, beating forecasts and increasing for the fourth consecutive month, according to the Ifo Institute. The Ifo business-climate index came in at 92.6 in August when economists had forecast it to be 92.0.

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Daily Futures Market Commentary

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The German gross domestic product in the second quarter contracted 9.7% compared with the previous quarter. Economists had forecast a 10.1% contraction.

The British pound is higher despite news that retail sales in the U.K. contracted in August. The Confederation of British Industry's distributive trade survey declined into negative territory in August with a -6% showing after a +4% reading in July.

INTEREST RATE MARKET FUTURES

The yield on the benchmark 10-year U.S. Treasury note ticked up to 0.690% from 0.645% yesterday.

Mary Daly of the Federal Reserve will speak at 2:25.

The Kansas City Federal Reserve will hold its 44th Annual Economic Policy Symposium later this week. "Navigating the Decade Ahead: Implications for Monetary Policy" is the theme.

Thursday is the first day of the two-day virtual event that will include international central bankers, Federal Reserve officials, academics and private sector economists participating via an online, live-streamed format.

Federal Reserve Chairman Jerome Powell is anticipated to outline the central bank's inflation strategy. Bank of England Governor Andrew Bailey also will address the conference.

The 30-year Treasury bond futures are lower due to a more optimistic outlook for the global economy in light of a renewed commitment by the U.S. and China to their "phase one" trade deal.

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.

The next Federal Open Market Committee meeting is scheduled for September 16. Financial futures markets are predicting there is an 88% probability that the FOMC will maintain its fed funds target rate at zero to 25 basis points.

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SUPPORT & RESISTANCE

September 20 S&P 500

Support 3422.00 Resistance 3452.00

September 20 U.S. Dollar Index

Support 92.850 Resistance 93.380

September 20 Euro Currency

Support 1.17840 Resistance 1.18600

September 20 Japanese Yen

Support .93850 Resistance .94550

September 20 Canadian Dollar

Support .75330 Resistance .76000

September 20 Australian Dollar

Support .7148 Resistance .7200

September 20 Thirty-Year Treasury Bonds

Support 177[^]16 Resistance 179[^]12

December 20 Gold

Support 1923.0 Resistance 1948.0

December 20 Copper

Support 2.9300 Resistance 2.9600

October 20 Crude Oil

Support 42.21 Resistance 43.88

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