



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

U.S. stock index futures are higher for a second day as tech shares continued to climb after a flurry of merger and acquisition activity in the sector.

In addition, there is renewed optimism for a bipartisan economic stimulus package.

The September Empire State manufacturing index was 17 when 6.5 was expected.

August industrial production increased 0.4% when a gain of 1.2% was anticipated and August capacity utilization was 71.4%, which compares to the estimated 71.6%.

Traders are awaiting the conclusion of the Federal Reserve's two-day monetary policy meeting that starts today.

I am expecting the statement from the FOMC on Wednesday will be dovish on balance.

CURRENCY FUTURES

The U.S. dollar index is lower, and the euro currency is higher.

The euro advanced on news that German economic expectations have improved again in September after being up strongly in August, according to the ZEW economic research institute.

The measure of economic expectations went up to 77.4 in September from 71.5 in August, which is above economists' forecast of 70.0.

The assessment of the current economic situation in Germany has also improved, increasing to minus 66.2 in September from 81.3 in August, which is better than economists' forecast of minus 72.0 points.

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Canadian manufacturing sales increased for a third straight month in July, although below market expectations and at a slower rate after a record performance in June. Canadian factory sales increased 7.0% in July from the previous month. Market expectations were for an 8.7% increase.

INTEREST RATE MARKET FUTURES

The FOMC's policy announcement on Wednesday is the major event for this week. The Fed's two-day meeting, beginning today, and concludes Wednesday with a policy statement at 1:00 p.m. and Powell's press conference at 1:30 p.m.

The FOMC will likely elaborate on its recently announced "average inflation targeting" framework. The Fed's policy suggests it will seek inflation exceeding 2.0% for a period of time to offset recent inflation undershoots.

Financial futures markets are predicting there is a 98% probability that the FOMC will maintain its fed funds target rate at zero to 25 basis points.

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. Some analysts believe it will be several years 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.

SUPPORT & RESISTANCE

September 20 S&P 500

Support 3373.00 Resistance 3425.00

December 20 U.S. Dollar Index

Support 92.700 Resistance 93.150

December 20 Euro Currency

Support 1.18770 Resistance 1.19340

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December 20 Japanese Yen

Support .94570 Resistance .95120

December 20 Canadian Dollar

Support .75820 Resistance .76200

December 20 Australian Dollar

Support .7265 Resistance .7355

December 20 Thirty-Year Treasury Bonds

Support 176^0 Resistance 176^26

December 20 Gold

Support 1960.0 Resistance 1990.0

December 20 Copper

Support 3.0550 Resistance 3.0950

October 20 Crude Oil

Support 37.00 Resistance 38.13

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