



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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October 28, 2020

STOCK INDEX FUTURES

Global stock markets sold off sharply due to reduced confidence in the global economic recovery. In addition, in the U.S., it is more likely that an economic relief package will not come until after the November 3 election.

Mortgage applications in the U.S. increased 1.7% in the week ended October 23, according to the Mortgage Bankers Association. Home mortgage applications increased 0.2% and applications to refinance a home advanced 2.5%.

Third quarter corporate earnings reports have been mostly stronger than estimated.

Approximately a third of the companies in the S&P 500 are reporting quarterly results this week.

Increased volatility, in light of the uncertainties of the U.S. November election, is a good reason to reduce trading size or stand aside.

CURRENCY FUTURES

The U.S. dollar is higher in a flight to quality move due to concerns about the global economic recovery, rising stock market volatility ahead of the U.S. presidential election and likely no further fiscal stimulus from Washington before November 3.

The British pound is lower due to a lack of progress on a Brexit deal. Investors hope that some kind of free trade agreement between the U.K. and the E.U. can be made after talks have been extended until today.

The Swiss franc is lower after a report showed Swiss investor sentiment dropped 23.9 points from the prior month to 2.3 in October 2020, which is the lowest since March.

The Australian dollar is lower despite news that Australian inflation increased 0.7% year-on-year in the third quarter after a 0.3% decline in the second quarter.

INTEREST RATE MARKET FUTURES

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Safe-haven buying is coming into the interest rate futures markets in light of concerns over the state of the global economy and the uncertainties surrounding the U.S. November elections.

The Treasury will auction five-year notes today.

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.

Political markets are the most difficult to trade, which is a reason to reduce trading size.

SUPPORT & RESISTANCE

December 20 S&P 500

Support 3305.00 Resistance 3373.00

December 20 U.S. Dollar Index

Support 93.000 Resistance 93.720

December 20 Euro Currency

Support 1.17180 Resistance 1.18050

December 20 Japanese Yen

Support .95640 Resistance .96150

December 20 Canadian Dollar

Support .75160 Resistance .75950

December 20 Australian Dollar

Support .7045 Resistance .7164

December 20 Thirty-Year Treasury Bonds

Support 174^6 Resistance 174^30

December 20 Gold

Support 1872.0 Resistance 1914.0

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December 20 Copper

Support 3.0400 Resistance 3.1100

December 20 Crude Oil

Support 37.05 Resistance 39.13

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