



ADM Investor
Services, Inc.



Daily Futures Market Commentary

Financial Forecast

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November 17, 2020

STOCK INDEX FUTURES

U.S. stock index futures are lower today, paring back yesterday's gains.

October retail sales increased 0.3% when a gain of 0.4% was expected and retail sales excluding vehicles were up 0.2% when a gain of 0.5% was anticipated.

October Industrial production increased 1.1%, which compares to the predicted 1.0% gain and October capacity utilization was 72.8% when 72.2% was estimated.

The 9:00 central time November housing market index is expected to be 85 and the 9:00 September business inventories report is anticipated to show a 0.5% increase.

The technical picture remains positive for stock index futures.

CURRENCY FUTURES

The U.S. dollar is lower for a fourth day.

The greenback has been weakening since May due to rising debt levels coupled with expectations for an extended period of low interest rates.

Longer term, the U.S. dollar is likely to drift lower.

The euro currency is higher and hit a seven-day high.

The British pound is higher after Britain's chief negotiator David Frost told Prime Minister Boris Johnson to expect a trade agreement with the E.U. as soon as early next week. The E.U. summit on November 19 is seen as the final deadline for a draft Brexit deal.

The flight to quality currencies, the Japanese yen and the Swiss franc are higher in light of lower stock index futures.

Canada's housing starts increased less than expected. Housing starts in Canada increased 3.0% from a month earlier to 214,875 units in October of 2020, missing market expectations of 222,000 units.

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The Reserve Bank of Australia indicated it may roll out additional stimulus if needed, according to the minutes its November policy meeting.

INTEREST RATE MARKET FUTURES

Flight to quality longs are being established in light of lower stock index futures.

Federal Reserve Chair Jerome Powell will speak at 12:00 at a Bay Area Council Business Hall of Fame awards event, in a conversation with former San Francisco Federal Reserve chief Alex Mehran.

Other Federal Reserve speakers today are Raphael Bostic at 12:00, Mary Daly at 12:25, John Williams at 1:00, Mary Daly at 1:35, Raphael Bostic at 1:35, Eric Rosengren at 1:35, Mary Daly at 1:50, Eric Rosengren at 1:50 and Thomas Barkin at 2:00.

Financial futures markets are predicting there is almost a 100% probability that the Federal Open Market Committee will keep its fed funds rate unchanged at the December 16 policy meeting.

In the months ahead the yield curve is likely to steepen, which should put pressure on futures at the long end of the curve, especially the 30-year Treasury bond futures, while futures at the short end of the curve are likely to hold steady.

SUPPORT & RESISTANCE

December 20 S&P 500

Support 3588.00 Resistance 3635.00

December 20 U.S. Dollar Index

Support 92.160 Resistance 92.620

December 20 Euro Currency

Support 1.18440 Resistance 1.19110

December 20 Japanese Yen

Support .95600 Resistance .96200

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December 20 Canadian Dollar

Support .76200 Resistance .76590

December 20 Australian Dollar

Support .7300 Resistance .7350

December 20 Thirty-Year Treasury Bonds

Support 171^{^16} Resistance 172^{^28}

December 20 Gold

Support 1878.0 Resistance 1900.0

December 20 Copper

Support 3.1750 Resistance 3.2450

December 20 Crude Oil

Support 40.34 Resistance 41.88

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