



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

**Alan Bush**

**January 13, 2021**

### **STOCK INDEX FUTURES**

U.S. stock index futures are lower due to political uncertainties.

The December consumer price index increased 0.4% as expected.

The Atlanta Federal Reserve business inflation expectations report will be released at 9:00 central time. In December it was 2.0%.

At 1:00 the Federal Open Market Committee will release its Beige Book on the economy. 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 evidence on economic conditions from each of the 12 Federal Reserve districts.

Stock index futures are performing well for the news.

### **CURRENCY FUTURES**

Flight to quality buying is supporting the U.S. dollar index today.

However, longer term, the U.S. dollar is likely to trend lower on the belief that an increase in fiscal spending would raise the budget and current account deficits. Also undermining the greenback are expectations for an extended period of low interest rates.

The euro currency is lower despite news that industrial production in the euro area increased 2.5% in November, which is the seventh consecutive month of growth and compared with market expectations of a 0.2% increase.

Interest rate differential expectations suggest higher prices for the euro longer term.

### **INTEREST RATE MARKET FUTURES**

Yesterday, the 30-year Treasury bond futures fell to the lowest level since March 2020.

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Yesterday, Fed officials James Bullard and Eric Rosengren said monetary support will still be needed for some time.

Federal Reserve speakers today are James Bullard at 8:30, Lael Brainard at 12:00 and Richard Clarida at 2:00.

The Treasury will auction 30-year bonds.

Financial futures markets are predicting there is a 95.2% probability that the Federal Open Market Committee will keep its key fed funds rate unchanged at 0 to 25 basis points at its January 27, 2021 policy meeting.

In the months ahead the yield curve is likely to steepen, which would 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

#### March 21 S&P 500

Support 3772.00 Resistance 3810.00

#### March 21 U.S. Dollar Index

Support 89.830 Resistance 90.38

#### March 21 Euro Currency

Support 1.21660 Resistance 1.22450

#### March 21 Japanese Yen

Support .96150 Resistance .96730

#### March 21 Canadian Dollar

Support .78440 Resistance .78800

#### March 21 Australian Dollar

Support .77280 Resistance .77920

#### March 21 Thirty-Year Treasury Bonds

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Support 168^4      Resistance 168^30

### **February 21 Gold**

Support 1847.0      Resistance 1877.0

### **March 21 Copper**

Support 3.6050      Resistance 3.6500

### **February 21 Crude Oil**

Support 53.01      Resistance 54.34

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