



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary

## Financial Forecast

**Alan Bush**

July 28, 2020

### STOCK INDEX FUTURES

This week is the busiest week of the corporate earnings season.

Traders will be closely monitoring the Federal Open Market Committee monetary policy meeting and the heavy slate of economic reports this week.

In addition, investors will be watching for developments on a highly anticipated U.S. stimulus package.

The 9:00 central time July consumer confidence index is expected to be 95.7.

The July Richmond Federal Reserve manufacturing index will be released at 9:00. Last month the index was at zero.

U.S. stock index futures continue perform well on the news and I would not be surprised to see a move to higher on the day from the morning lower levels.

### CURRENCY FUTURES

Yesterday the U.S. dollar dropped to its lowest level in nearly two years against a basket of major currencies, as investors believe the Federal Reserve will continue to keep interest rates low. However, there was some recovery today.

The euro currency traded near a two-year high against the U.S. dollar yesterday. Strength in the euro took place after the E.U. reached an agreement on the terms for a EUR750 billion (\$881 billion) recovery fund earlier this month. Under that deal, the 27 member nations will jointly raise hundreds of billions of euros through the sale of common bonds and disburse grants and loans to the hardest-hit countries in the region.

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The British pound is higher after a report showed U.K. retail sales were flat in the year to July after three months of sharp declines, according to the Confederation of British Industry's monthly Distributive Trades Survey.

#### **INTEREST RATE MARKET FUTURES**

The Federal Reserve will begin its two-day meeting today. The central bank could offer clues on how monetary policy might change in the coming months. Although the central bank is not expected to make any major changes in its benchmark interest rate, Federal Reserve Chairman Jerome Powell could offer guidance on monetary policy at the post-meeting press conference.

I believe the FOMC statement and comments from Fed Chair Powell will be at least slightly dovish on balance.

According to financial futures markets there is a 94.5% probability that the Federal Open Market Committee will leave its fed funds rate unchanged at zero to 25 basis points.

My analysis suggests there will be no change in the fed funds rate at this meeting.

The Treasury will auction seven-year notes today.

#### **SUPPORT & RESISTANCE**

##### **September 20 S&P 500**

Support 3211.00    Resistance 3248.00

##### **September 20 U.S. Dollar Index**

Support 93.400    Resistance 93.980

##### **September 20 Euro Currency**

Support 1.17050    Resistance 1.17900

##### **September 20 Japanese Yen**

Support .94620    Resistance .95280

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### **September 20 Canadian Dollar**

Support .74550      Resistance .75080

### **September 20 Australian Dollar**

Support .7108      Resistance .7185

### **September 20 Thirty-Year Treasury Bonds**

Support 179^26      Resistance 181^16

### **August 20 Gold**

Support 1900.0      Resistance 1978.0

### **September 20 Copper**

Support 2.8750      Resistance 2.9400

### **September 20 Crude Oil**

Support 40.78      Resistance 42.00

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