



Daily Futures Market Commentary

Financial Forecast

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STOCK INDEX FUTURES

Stock index futures are higher, as they look past geopolitical risks. There are hopes that the weekend U.S. led missile attack on Syria would not escalate into a broader conflict.

In addition, there is support from expectations of strong corporate earnings.

Investors are expecting tax cuts to help U.S. corporations show their biggest quarterly earnings growth in seven years.

Some analysts are predicting quarterly earnings for S&P 500 companies will increase 17% to 18.6% from a year ago.

Retail sales rose .6% in March from the previous month, after three preceding months of declines. Economists expected a .3% increase.

The general business conditions index in the Empire State manufacturing survey fell to 15.8 in April from 22.5 in March, according to the New York Federal Reserve. Consensus expectations had been for a reading of 18.2.

The 9:00 central time April housing market index is expected to be 70 and the 9:00 February business inventories report is anticipated to be up .6%.

Longer term, traders will probably gradually shift their focus of attention more toward earnings and the still accommodative global interest rate environment.

CURRENCY FUTURES

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The U.S. dollar is lower in spite of the recently increased probability that the Federal Open Market Committee will increase its fed funds rate in June.

The U.S. dollar is lower in spite of the bullish U.S. retail sales report, which should be viewed as a sign of weakness for the greenback.

The Canadian dollar and the Australian dollar are higher in spite of lower crude oil prices.

INTEREST RATE MARKET FUTURES

Futures are lower as flight to quality longs are liquidated as a result of reduced Mideast tensions.

Earlier today Minneapolis Federal Reserve President Neel Kashkari said recent steps by the federal government to spur economic growth have made him more confident the Federal Reserve will achieve its 2% inflation target soon, which would allow the central bank to push ahead with planned interest rate hikes.

Atlanta Federal Reserve Bank President Raphael Bostic will speak at 12:15.

The probability of a fed funds rate hike from the Federal Open Market Committee at the June 13 meeting is 95%, which is unchanged from Friday.

SUPPORT AND RESISTANCE

June 18 S&P 500

Support 2657.00 Resistance 2685.00

June 18 U.S. Dollar Index

Support 89.020 Resistance 89.640

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June 18 Euro Currency

Support 1.23730 Resistance 1.24660

June 18 Japanese Yen

Support .93210 Resistance .93770

June 18 Canadian Dollar

Support .79200 Resistance .79730

June 18 Australian Dollar

Support .7745 Resistance .7795

June 18 Thirty Year Treasury Bonds

Support 144^8 Resistance 145^16

June 18 Gold

Support 1339.0 Resistance 1355.0

May 18 Copper

Support 3.0400 Resistance 3.1100

June 18 Crude Oil

Support 66.01 Resistance 67.88

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