



Financial Forecast

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STOCK INDEX FUTURES

Stock index futures are holding up well in spite of a weak retail sales report as spending at U.S. retailers declined in June for the second consecutive month. Today's report was the first back-to-back sales drop since July and August of 2016.

Retail sales decreased a seasonally adjusted .2% in June from the prior month. Economists expected a .1% increase. Also, excluding autos, sales were down 0.2% last month when economists had predicted .2% gain.

The June consumer price index was unchanged from the prior month, which compares to the estimate of a .1% increase.

So once again it appears that we are in a situation where the bad news is the good news in that weak economic data will delay a fed funds rate hike.

The main trend for stock index futures is higher.

CURRENCY FUTURES

The U.S. dollar fell to a 10 month low after weaker than expected U.S. retail sales and consumer price index reports. Interest rate differentials remain unfavorable to the greenback.

Longer term it appears that lower prices are likely for the U.S. dollar.

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Most foreign currencies advanced against the greenback as a result of the weak U.S. economic data. The euro currency remains near 14 month highs.

Speculation remains that the European Central Bank could announce plans to wind down its quantitative easing program at its September 7 policy meeting.

The main trend for the euro currency is higher.

The Canadian dollar and the Australian dollar were also supported by advancing crude oil prices.

INTEREST RATE MARKET FUTURES

Futures quickly advanced when the weak retail sales and inflation reports were released.

The probability that the Federal Open Market Committee will increase its fed funds rate at the December 13 meeting is 48%, which compares to 57% yesterday.

The long term fundamentals for futures are mixed.

SUPPORT AND RESISTANCE

September 17 S&P 500

Support 2439.00 Resistance 2454.00

September 17 U.S. Dollar Index

Support 94.930 Resistance 95.660

September 17 Euro Currency

Support 1.14230 Resistance 1.15260

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September 17 Japanese Yen

Support .88220 Resistance .89440

September 17 Canadian Dollar

Support .78440 Resistance .78960

September 17 Australian Dollar

Support .7711 Resistance .7838

September 17 Thirty Year Treasury Bonds

Support 152^0 Resistance 153^20

August 17 Gold

Support 1214.0 Resistance 1235.0

September 17 Copper

Support 2.6600 Resistance 2.6950

August 17 Crude Oil

Support 45.78 Resistance 46.88

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