

March 8, 2010

Author Alan Bush, Senior Financial Analyst

### STOCK INDEX FUTURES

Global equity prices are mostly higher due to reports that French President Sarkozy promised support for Greece. He said the euro zone is ready to rescue Greece if the government needs additional assistance in an effort to limit the massive Greek budget deficit. Last week the government of Greece passed an additional round of austerity measures and many analysts believe that Greece is doing as much as they are able to do now.

In addition, there are reports that Dubai is getting closer to restructuring their debt. It now appears that many of the bearish aspects of sovereign debt problems are fully priced into the market.

There are no major economic reports scheduled for today.

Last week, the S&P500, the Dow and NASDAQ futures all traded higher for the year, with S&P500 futures advancing approximately 70%, since the lows of March 2009.

Our research continues to tell us that the main trend for futures is higher and that all of the major U.S. stock indexes will make new highs for the move in 2010.

We also expect this bull market to continue all through 2010.

### CURRENCIES

The U.S. dollar is lower due to the belief that the euro zone is ready to bail out Greece financially, if needed and on the lessened perceived risk of holding euro zone sovereign debt. Weakness in the greenback is directly linked to the belief that Greece is living up to their pledge to do what is needed to reduce their budget deficit.

The Canadian dollar is higher due to the relative stability of Canada's banking system, higher commodity prices and the feeling that the Bank of Canada will increase their benchmark interest rate in the second half of 2010. Recently the World Economic Forum in Geneva said Canada's financial system is the soundest in the world.

The Australian dollar is higher and at its highest level since January 20. Of the ten most heavily traded currencies, the Australian dollar was the best performer against the U.S. dollar in 2009. Our analysis tells us that there will be a repeat performance. The Australian currency is likely to be the strongest currency again this year, followed by the Canadian dollar.

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT Archer Daniels Midland Company. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.

## INTEREST RATES

Prices are mostly lower amidst renewed supply concerns. The Treasury will auction \$74 billion of three and ten year notes, and thirty-year bonds this week. They will sell \$40 billion in three-year notes tomorrow, \$21 billion in ten-year notes on Wednesday and \$13 billion in thirty-year bonds on March 11.

There are no major Federal Reserve or Treasury speakers scheduled for today.

The probability that the Federal Open Market Committee will increase their fed funds target by 25 basis points to 50 basis points at or before their November 3<sup>rd</sup> meeting is 81%, according to the financial futures markets. Our analysis of Fed policy suggests that the U.S. central bank will not raise interest rates until 2011.

We believe that the main trend for the longer dated Treasury issues is lower. We are in the early stages of a new bear market for Treasury futures.

**Phone** – 1-877-690-7303

**Email** – [Marketing@archerfinancials.com](mailto:Marketing@archerfinancials.com)

***Follow ADMIS on Twitter, Fan us on Facebook and Join our group Commodities Daily on LinkedIn for additional Futures Related Information Daily!***



Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. The views and opinions expressed in this letter are those of the author and do not reflect the views of ADM Investor Services, Inc. or its staff. The information provided is designed to assist in your analysis and evaluation of the futures and options markets. However, any decisions you may make to buy, sell or hold a futures or options position on such research are entirely your own and not in any way deemed to be endorsed by or attributed to ADMIS. Copyright © ADM Investor Services, Inc

The information and comments contained herein is provided by ADM Investor Services, Inc. (“ADMIS”) and NOT Archer Daniels Midland Company. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by Archer Daniels Midland Company. Copyright © ADM Investor Services, Inc.