



Fixed Income Group A Division of RJ O'Brien

**The Missile**

[www.fixedincomegroup.com](http://www.fixedincomegroup.com)

ECO <go>  
(All times are CST)

9 <GO> to Save as Default

1) Calendars 2) Alerts 3) Export 4) Settings Economic Calendars

United States Browse 15:12:18 08/01/17 - 08/02/17

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/01	07:30				Personal Income	Jun	0.4%	--	0.4%	--
22)	08/01	07:30				Personal Spending	Jun	0.1%	--	0.1%	--
23)	08/01	07:30				Real Personal Spending	Jun	0.1%	--	0.1%	--
24)	08/01	07:30				PCE Deflator MoM	Jun	0.0%	--	-0.1%	--
25)	08/01	07:30				PCE Deflator YoY	Jun	1.3%	--	1.4%	--
26)	08/01	07:30				PCE Core MoM	Jun	0.1%	--	0.1%	--
27)	08/01	07:30				PCE Core YoY	Jun	1.4%	--	1.4%	--
28)	08/01	08:45				Markit US Manufacturing PMI	Jul F	53.2	--	53.2	--
29)	08/01	09:00				ISM Manufacturing	Jul	56.4	--	57.8	--
30)	08/01	09:00				ISM Prices Paid	Jul	55.8	--	55.0	--
31)	08/01	09:00				ISM New Orders	Jul	--	--	63.5	--
32)	08/01	09:00				ISM Employment	Jul	--	--	57.2	--
33)	08/01	09:00				Construction Spending MoM	Jun	0.4%	--	0.0%	--
34)	08/01					Wards Total Vehicle Sales	Jul	16.80m	--	16.41m	--
35)	08/01					Wards Domestic Vehicle Sales	Jul	13.05m	--	12.79m	--
36)	08/02	06:00				MBA Mortgage Applications	Jul 28	--	--	0.4%	--
37)	08/02	07:15				ADP Employment Change	Jul	190k	--	158k	--

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2017 Bloomberg Finance L.P.  
SN 502240 CDT GMT-5:00 G601-1690-3 31-Jul-2017 15:12:19

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## Fed Speak Calendar

(All times are CST)

1) Calendars ▾		2) Alerts		3) Export ▾		4) Settings ▾		Economic Calendars			
	United States	Browse		15:01:46		07/29/17		- 08/31/17			
Central Banks		All Central Banks				View		Agenda		Weekly	
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/02	11:00				Fed's Mester Speaks to Community Banking Conference					
22)	08/02	14:30				Fed's Williams Speaks in Las Vegas on Monetary Policy					
23)	08/07	10:45				Fed's Bullard Speaks on U.S. Economy in Nashville, TN					
24)	08/07	12:25				Fed's Kashkari Speaks in Bloomington, MN					
25)	08/10	09:00				Fed's Dudley to Hold Press Briefing					
26)	08/11	08:40				Fed's Kaplan Speaks in Arlington, Texas					
27)	08/11	10:30				Fed's Kashkari Speaks to Independent Community Bankers of Minn					
28)	08/16	13:00				FOMC Meeting Minutes	Jul 26	--	--	--	--
29)	08/24-08/26					Kansas City Fed hosts annual Jackson Hole Policy Symposium					

## NI TRE <go>

	Next Offer	Next	Date	CUSIP	\$	Prior	Prior
<b>Bill Auctions</b>	Announcement	Auction	Settles	Numbers	R	Bil	Auction \$ Bln
<b>Cash mgmt</b>	TBA	TBA	TBA	TBA		TBA	TBA \$20
4-week	08/07/2017	08/01/2017	08/03/2017	912796LR8		\$45	07/25/2017 \$45
3-month	08/03/2017	08/07/2017	08/10/2017	912796KX6		TBA	07/31/2017 \$39
6-month	08/03/2017	08/07/2017	08/10/2017	912796NR6		TBA	07/31/2017 \$33
1-year	08/10/2017	08/15/2017	08/17/2017	TBA		TBA	07/18/2017 \$20
<b>Note Auctions</b>							
2-year	08/24/2017	08/28/2017	08/31/2017	TBA		TBA	07/25/2017 \$26
3-year	08/02/2017	08/08/2017	08/15/2017	9128282Q2		TBA	07/11/2017 \$24
5-year	08/24/2017	08/28/2017	08/31/2017	TBA		TBA	07/26/2017 \$34
7-year	08/24/2017	08/29/2017	08/31/2017	TBA		TBA	07/27/2017 \$28
10-year	08/02/2017	08/09/2017	08/15/2017	9128282R0		TBA	07/12/2017 \$20
<b>Bond Auctions</b>							
30-year	08/02/2017	08/10/2017	08/15/2017	912810RY6		TBA	07/13/2017 \$12
<b>TIPS Auctions</b>							
5-yr TIPS	08/17/2017	08/24/2017	08/31/2017	TBA	R	TBA	04/20/2017 \$16
10-yr TIPS	09/14/2017	09/21/2017	09/29/2017	TBA	R	TBA	07/20/2017 \$13
30-yr TIPS	10/12/2017	10/19/2017	10/31/2017	TBA	R	TBA	06/22/2017 \$5
<b>Floating Rate Note</b>							
2-year FRN	08/17/2017	08/23/2017	08/25/2017	TBA	R	TBA	07/26/2017 \$17
<b>Buyback Operation</b>							
Buyback	TBA	TBA	TBA	TBA		TBA	04/19/2017 \$.025

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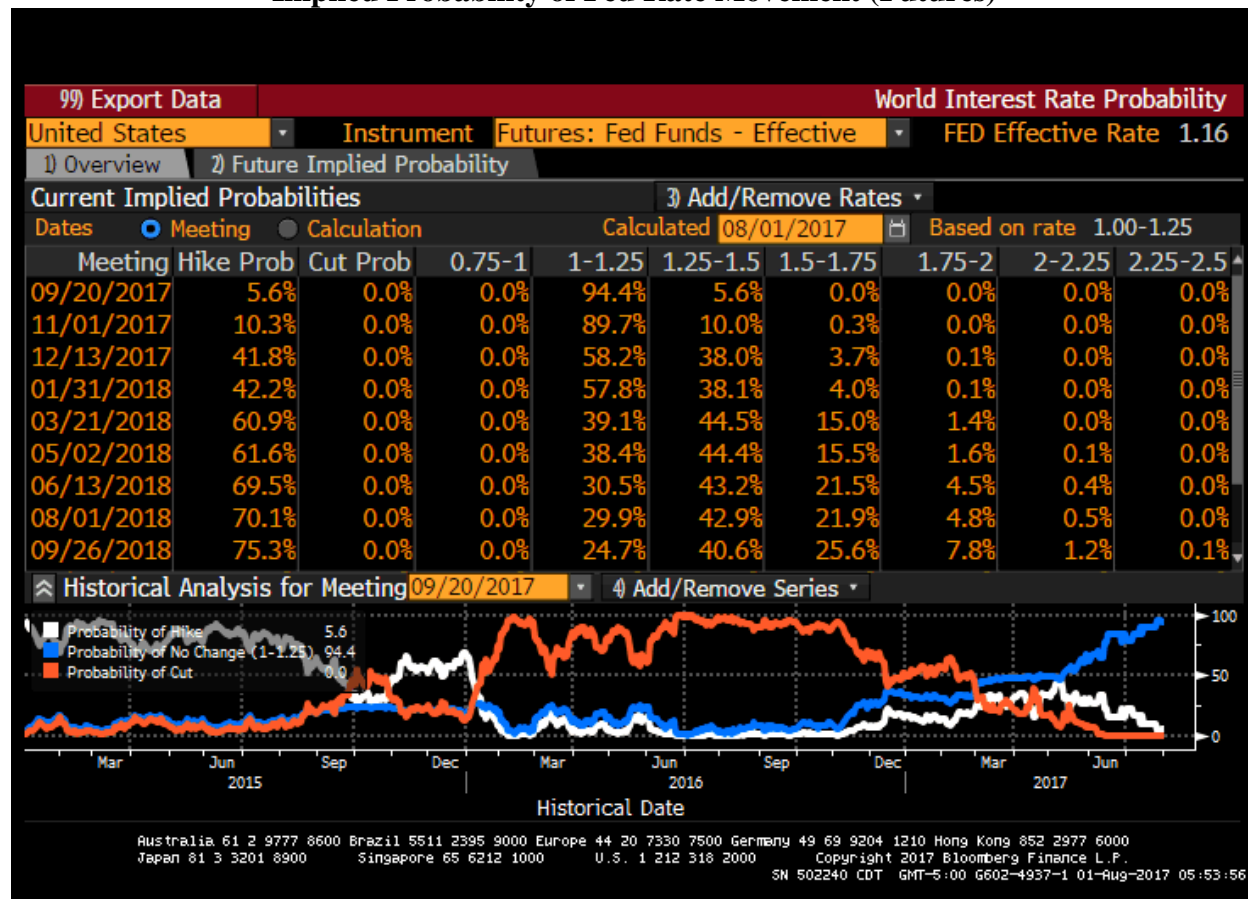
1-Month Libor Set	1.23167	+.00000	(98.76833)
3-Month Libor Set	1.31056	+.00000	(98.68944)
6-Month Libor Set	1.45167	-.00333	(98.54833)
1-Year Libor Set	1.72567	-.00166	(98.27433)

Federal Reserve Target Fed Fund Rate Projections (Median)				
Year Ending	2017	2018	2019	Longer
Rate	1.40	2.10	3.00	3.00

### Median Federal Reserve Projections

<http://www.federalreserve.gov/monetarypolicy/files/fomeprojitabl20170614.pdf>

### Implied Probability of Fed Rate Movement (Futures)



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## THEY SAID IT

Senator [Orrin Hatch](#), Republican chairman of the tax-writing Senate Finance Committee, told Reuters on Monday that bipartisanship may be necessary to ensure that tax reform succeeds but blamed Democrats for slowing down the legislative process.

In Tuesday's letter, Democrats said bipartisan tax reform should offer no relief for the wealthy, citing Treasury Secretary Steven Mnuchin's assertion last November that there would be no absolute tax cut for the upper class.

<https://www.cnn.com/2017/08/01/senate-democrats-offer-republicans-help-on-tax-reform--with-conditions.html>

"We hope you agree. Tax reform cannot be a cover story for delivering tax cuts to the wealthiest," the Democrats said.

The Democrats also demanded that Republicans abandon their strategy of passing tax legislation in the Senate with a simple majority under a parliamentary procedure called reconciliation.

Republicans control the Senate by a slim 52-48 margin and say they need reconciliation to avoid a Democratic filibuster. They were unable to pass healthcare legislation last week, even with a simple majority.

**“The ECB expects solid, broad-based growth in the period ahead, and it’s pretty likely this will happen,”** said Holger Sandte, chief European analyst at Nordea Markets in Copenhagen. **“They will welcome these numbers but the focus will be on core inflation -- whether it picks up and how fast.”**

<https://www.bloomberg.com/news/articles/2017-08-01/euro-area-economy-steam-ahead-as-ecb-awaits-inflation-to-follow>

Gross domestic product in the 19-country region rose 0.6 percent in the three months through June, after increasing 0.5 percent at the start of the year. That’s in line with the median estimate in a Bloomberg survey of economists.

Economic sentiment hit a decade-high in July, with manufacturers saying they’re working at a higher capacity and selling-price expectations increasing in all sectors, according to a European Commission report last week. The pass-through to consumer inflation has so far been muted though. The rate stayed at 1.3 percent in July, below the ECB’s goal of below, but close to, 2 percent.

While policy makers see enough progress to start a debate about winding down their 2.3 trillion-euro (\$2.7 trillion) bond-buying program in September, the International Monetary Fund is urging caution.

“Monetary policy should remain [firmly accommodative](#),” the Washington-based lender wrote in a report published last week. ““The improving near-term outlook is clouded by significant downside risks, especially in the medium and long term.”

**Robert Gardner, Nationwide’s chief economist, said while the relative stabilization in July “appears at odds with recent signs of cooling” -- transactions and demand have weakened - - values continue to get support from a lack of homes on the market.**

<https://www.bloomberg.com/news/articles/2017-08-01/u-k-house-price-growth-loses-pace-as-market-remains-subdued>

U.K. house-price gains slowed in July, dropping back below 3 percent again in what Nationwide Building Society says is a “subdued” market.

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The 2.9 percent annual increase followed a 3.1 percent gain in June. On the month, prices rose 0.3 percent to an average of 211,671 pounds (\$280,000).

**The flurry of excitement about a [Bank of England](#) rate hike is now looking a bit overcooked.**

<https://www.bloomberg.com/news/articles/2017-07-31/boe-rate-excitement-fizzles-as-increase-appears-further-away>

Three out of eight policy makers voted to tighten policy in June, and Governor Mark Carney and Chief Economist Andy Haldane said shortly afterward they may consider a rate increase soon. Prospects changed when inflation cooled and the economy slowed more than the bank was expecting in the first half of the year.

**A [majority](#) of Germans is now in favor of banning diesel cars that don't live up to modern emission standards, and [most say](#) the car industry, until recently a pillar of national pride, is no longer trustworthy. On Wednesday, the car industry chiefs will attend a "diesel summit" called by the government to look for solutions. That's part of Merkel's pre-election strategy, though she's not scheduled to attend. Rivals, especially the Greens and the Social Democrats, are claiming she's been too cozy with the industry bosses over the years, which makes her culpable for the seemingly endless stream of scandals. The chancellor needs to show she's got things under control so she can hold on to her double-digit lead in the polls.**

<https://www.bloomberg.com/view/articles/2017-07-31/germany-s-auto-industry-is-built-on-collusion>

The nation's three big carmakers -- Volkswagen, Daimler and BMW -- are accused of colluding on dozens of technology-related matters. They allegedly agreed to make urea tanks too small for effective purification of diesel exhaust, among other moves that are helping to create a national furor.

A ban on old diesels -- rejecting industry calls for a software fix as an alternative -- now looks especially likely because of a Friday ruling by a Stuttgart court, which upheld an environmental group's demand for such a ban in the city. Other German municipalities are likely to follow if higher courts uphold the decision.

In 1942, Heinrich Kronstein, an eminent German legal scholar who had fled to the U.S. to escape Hitler's persecution, penned two [articles](#) on the development of cartels in Germany. He described the birth of cartels in conjunction with Otto von Bismarck's protectionist policies, introduced in the late 1870 and credited with the explosive development of German industry before World War I. Companies in most industries teamed up to create common sales structures, eliminating domestic competition and making German industries internationally competitive because of their ability to dump. In 1901, 450 of such cartels existed. They made Germany a globally dominant industrial power, not just because of the way they abused their market position but because of their ability to pool research.

**"The Chinese people treasure peace and we absolutely do not engage in invasion and expansion. However, we have the confidence to conquer all forms of invasion," Xi told government leaders and current and retired PLA members gathered at the hulking Great Hall of the People, the seat of the legislature that sits beside Tiananmen Square.**

<https://www.cnbc.com/2017/08/01/xi-says-china-will-never-permit-loss-of-any-piece-of-land.html>

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"We absolutely will not permit any person, any organization, any political party — at any time, in any form — to separate any piece of Chinese territory from China," Xi said to applause. "No one should expect us to swallow the bitter fruit of damage to our sovereignty, security and development interests."

Xi's declaration came during a nearly one-hour speech in Beijing marking the 90th anniversary of the founding of the People's Liberation Army, which has formed a key pillar of support for the ruling Communist Party since 1927 and is the world's largest standing military, with 2.3 million members.

**"Panelists widely commented on an improvement in market conditions and strong foreign demand. Notably, new export sales increased at the second-fastest rate since September 2014," the press release said.**

<https://www.cnbc.com/2017/07/31/caixin-ihs-markit-reports-china-pmi-after-official-gauge-falls-below-expectations.html>

Despite concerns about slowing growth in China, a survey focused on small and mid-size businesses topped expectations on Tuesday due to a solid upturn in new export orders, Caixin/IHS Markit said in a press release.

The Caixin China manufacturing PMI for July came in at the four-month high of 51.1, topping a Reuters analyst poll of 50.4.

In June, the Caixin manufacturing PMI came in at 50.4, up from May's 49.6, which was an 11-month low.

**Oil traded near \$53 a barrel on Tuesday, close to a two-month high, supported by signs that a persistent inventory glut is starting to ease and strong global demand, although stronger OPEC production kept a lid on gains.**

**U.S. inventory reports due on Tuesday and Wednesday are expected to show crude stocks fell by 2.9 million barrels last week, the fifth straight week of declines. [EIA/S] But OPEC production rose in July, a Reuters survey found, despite a deal to cut output.**

<http://www.reuters.com/article/us-global-oil-idUSKBN1AH2SJ>

The Organization of the Petroleum Exporting Countries, as part of a deal with Russia and other non-members, is reducing output by about 1.2 million bpd from Jan. 1, 2017 until March next year to get rid of excess supply.

OPEC's adherence to its supply cuts has been high but in recent months production has increased due in part to recovering output in countries exempt from the deal.

Oil output by OPEC rose last month by 90,000 bpd to a 2017 high, a Reuters survey found, led by a further recovery in supply from Libya, one of the exempt producers.

**Strong demand for steel on the back of increased spending on infrastructure and housing construction have prompted China's mills to ramp up output to record monthly levels.**

**The positive steel story has ensured that iron ore has come along for the ride, with the spot price jumping 7.2 percent on Monday to end at \$73.70 a ton.**

<http://www.reuters.com/article/us-column-russell-ironore-china-idUSKBN1AH35T>

But the rise in price is likely to result in a return to viability for iron ore mines that would not be profitable at prices closer to \$50 a ton, both inside and outside China.

While not all of this supply can be ramped up quickly, some can and there is evidence to suggest that this already starting to happen.

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## **EQUITIES**

The S&P is **+5** and the NASDAQ is **+28**.

Particulars for companies to make money (**low interest rates, positive growth and some wage inflation**) remain in place. I am dollar cost averaging into a mix of equities.

Currently 65% Equities, 20% Bonds and 15% Money Markets.

Earnings:

[www.moneycentral.msn.com/investor/market/earncalendar](http://www.moneycentral.msn.com/investor/market/earncalendar)

**On Bloomberg type in ACDR <GO>**

## **UK/EUROPE**

**In the UK the FTSE closed +0.73%.**

In the UK, yields are mixed with the yield curve flatter.

**BOE Rate +0.25%.**

**Next meeting 08/03/17**

## **On the European Continent**

**The CAC Index closed +0.49%.**

**The DAX Index closed +0.47%.**

On the Continent, yields are lower with the yield curve flatter.

**ECB Main Refinancing Operations Rate +0.00%**

**Deposit Facility Rate -.40%**

**Next meeting 09/07/17**

## **ASIA**

### **Japan:**

**The TOPIX closed +0.61%.**

**The NIKKEI closed +0.30%.**

In Japan yields are mixed with the yield curve largely unchanged.

**BOJ Basic Loan rate 0.30%**

**Next meeting 09/21/17**

### **China:**

**The Hang Seng closed +0.79%.**

**The Shanghai Composite closed +0.60%.**

### **PBOC**

**Deposit Rate: 1.50%**

**Lending Rate: 4.35%**

**Reserve Requirement Ratio: 17.00%**

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## THE TREND

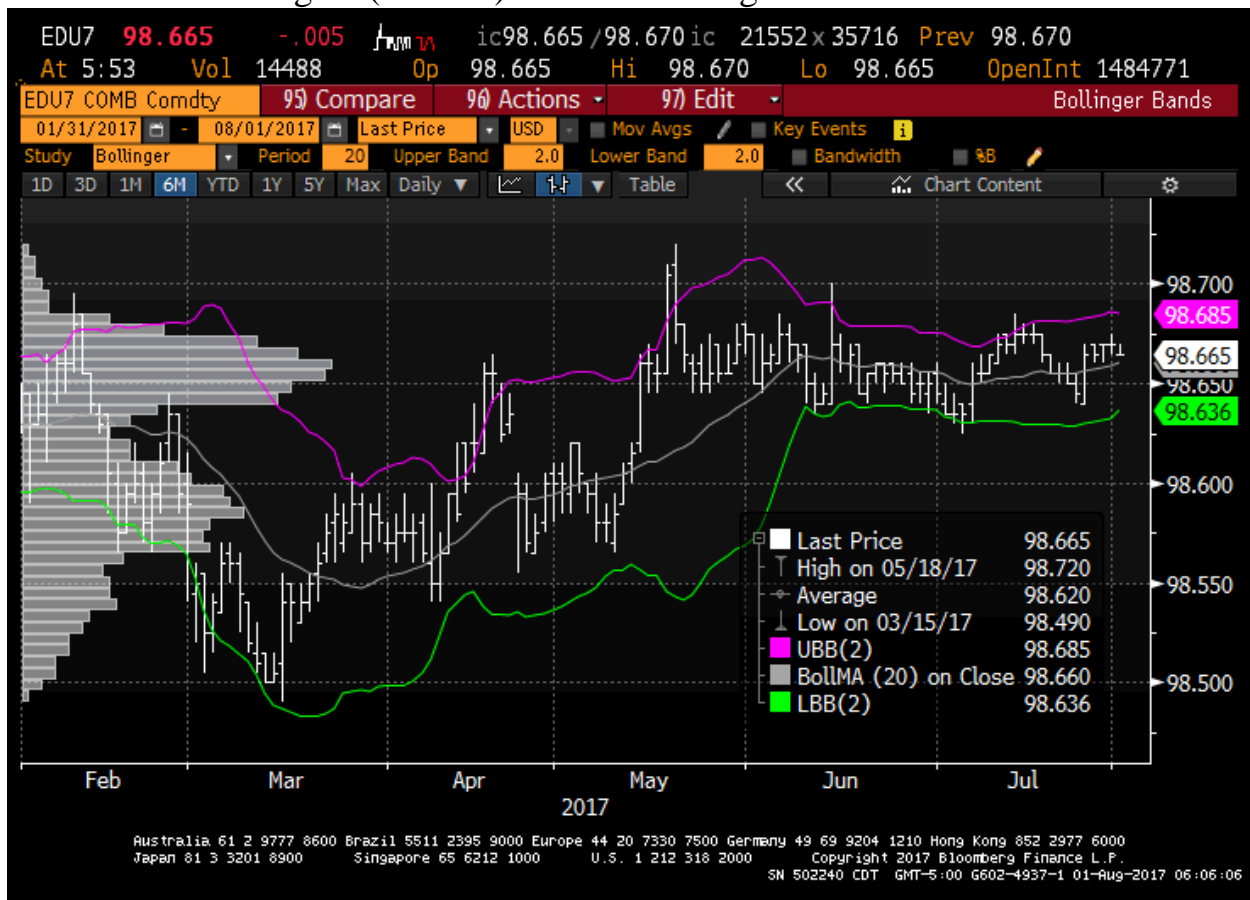
EDU7: 98-66.0 is the pivot. Below the pivot you should be short, above long. Support is at 98-66.0\* and 98-68.5\*\*.

Resistance is at 98-63.5\*.

\*Pivot Point is a simple 20-day moving average.

\*\* 2-STD Deviations from the pivot point.

Trend that had you long from 98.59 (5/2/17) has rolled over but, I have elected to over-ride the sell signal (6/19/17) and remain long.



**YTD -0.5 futures ticks (\$25 per tick) or -\$12.50 per 1 contract traded.**

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**10yr/TYU7: 125-21.5** is the pivot point. Above you should be long, below short.

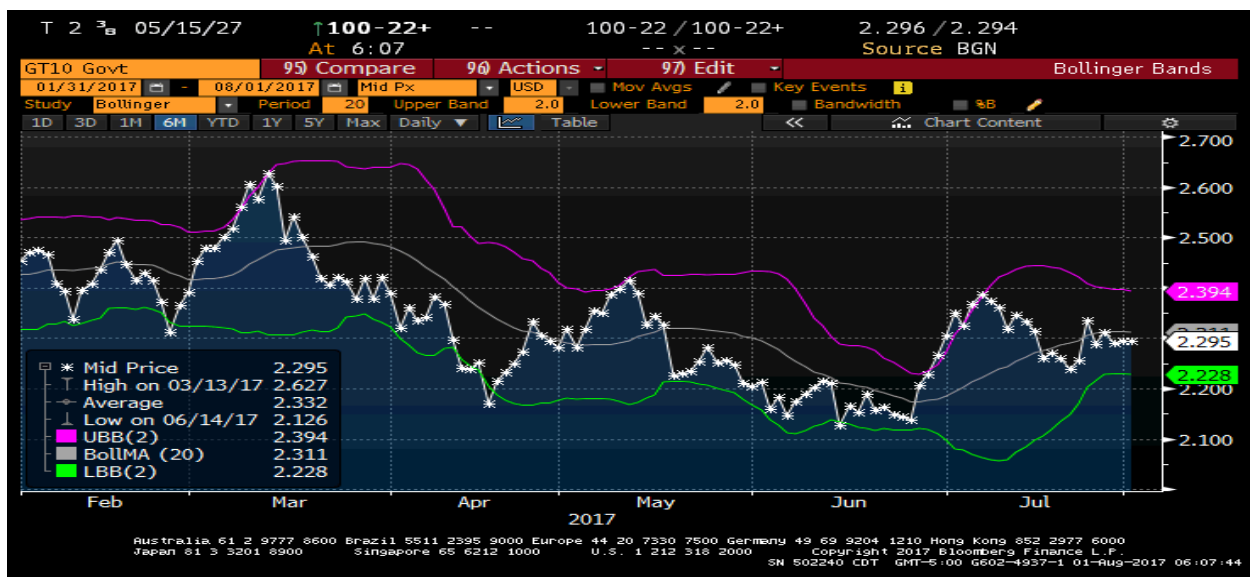
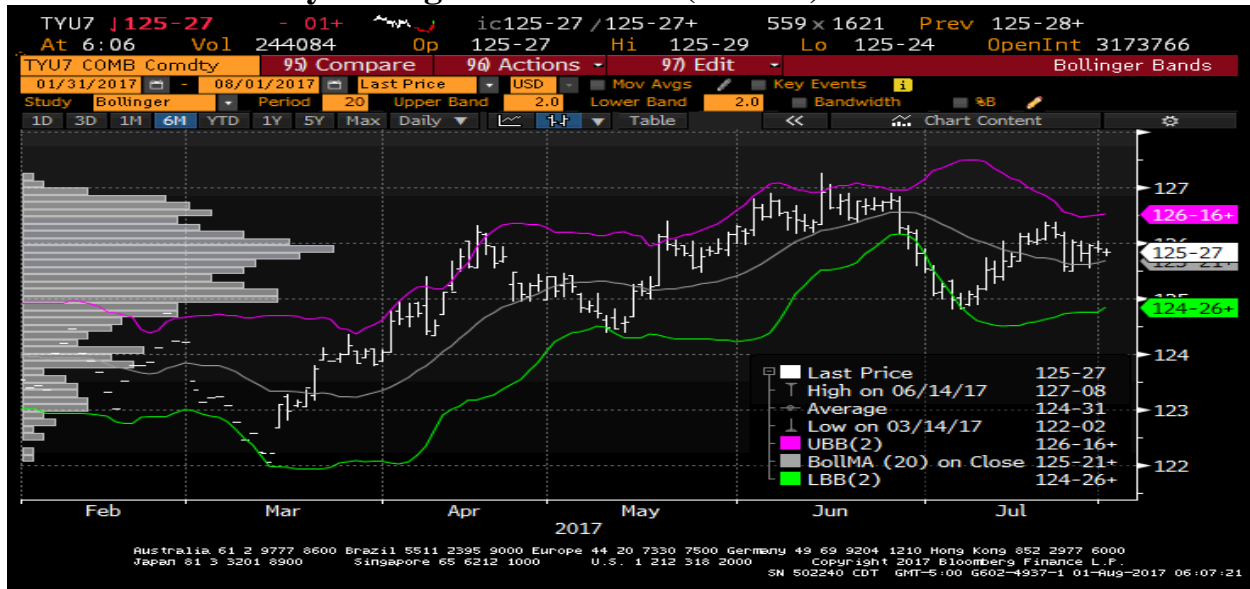
Support is at **125-21.5**, **124-26.5\*\***

Resistance is at **126-16.5\*\***

\*Pivot Point is a simple 20-day moving average.

\*\* 2-STD Deviations from the pivot point

**Current trend has you long from 125-21.0 (7/26/17).**

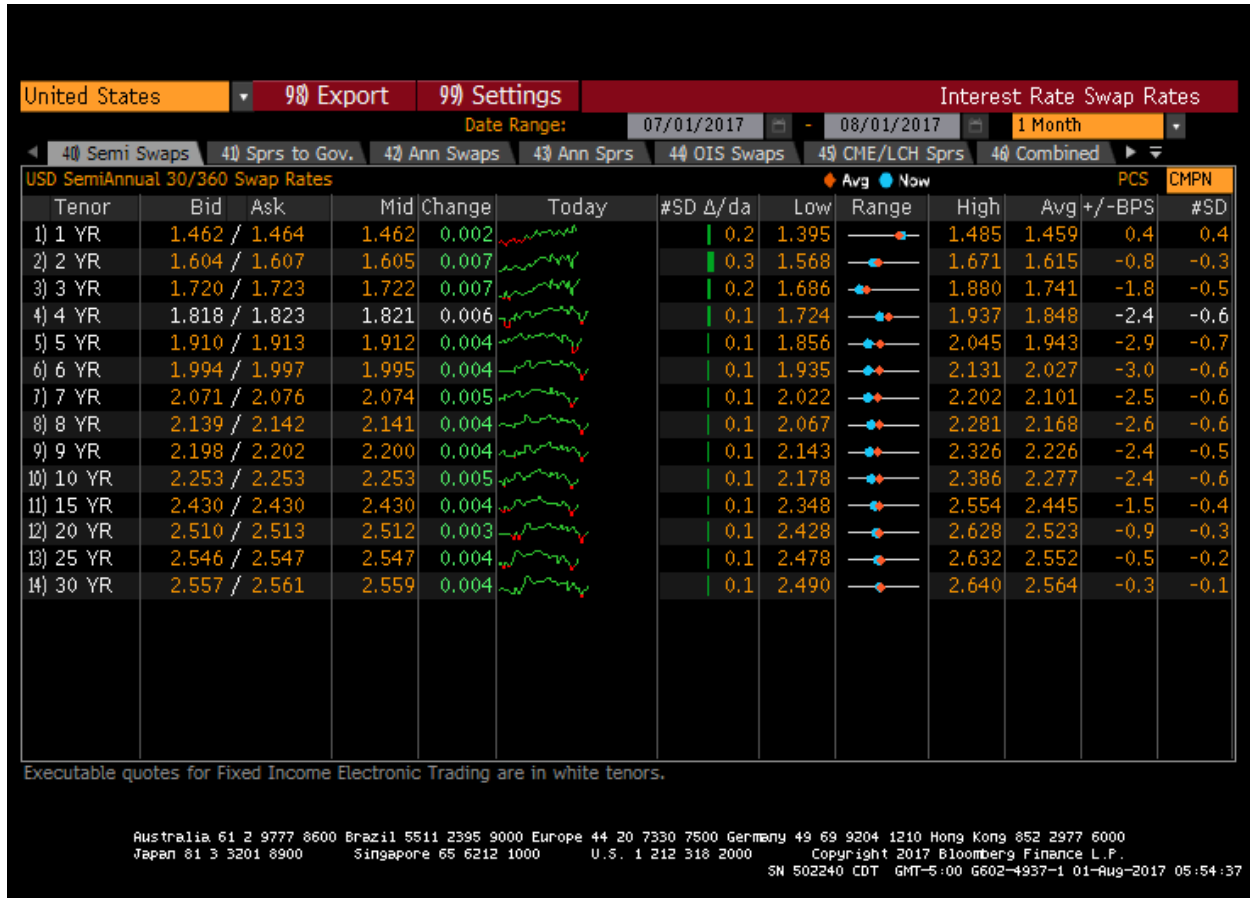


**YTD (2017) +50.5 futures ticks (\$31.25 per tick) or +1,703.13 per 1 contract traded.**

**YTD (2016) +377.5 futures ticks (\$31.25 per tick) or +\$11,796.88 per 1 contract traded.**

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# US-SWAPS IRSB <GO>



## The Option Lab

**Option Book 2017 YTD realized: -\$228.13 per 1 contract.**  
**Option Book 2016 YTD realized: +\$43.75 per 1 contract.**

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## The Fundamentals

### LABOR

#### Bureau of Labor and Statistics

<http://www.bls.gov/news.release/>

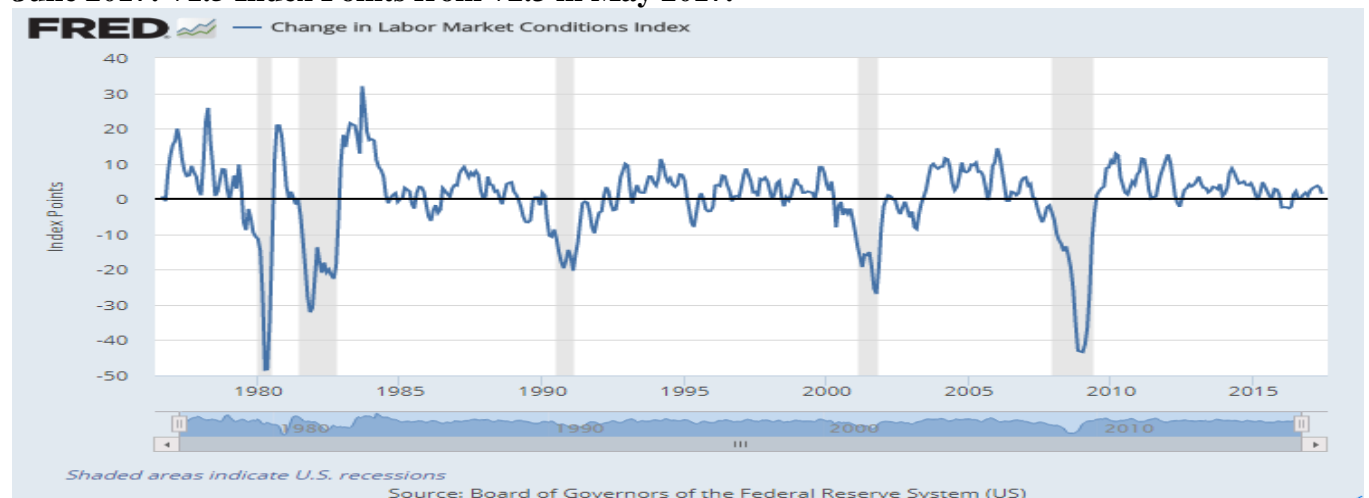
CPI, ECI, Employment situation PPI, CPI, Productivity and Costs, Real Earnings and US import/exports.

#### Labor Department (Weekly Unemployment Claims).

[http://www.doleta.gov/ETA\\_News\\_Releases/](http://www.doleta.gov/ETA_News_Releases/)

#### St. Louis Fed Labor Market Conditions Index

June 2017: +1.5 Index Points from +2.3 in May 2017.



<https://research.stlouisfed.org/fred2/series/FRBLMCI>

#### St. Louis Fed Agriculture Finance Monitor 1st quarter 2017

Farm income declined in the first quarter of 2017 from a year earlier.

Proportionately more bankers reported that farm households continued to trim household expenditures and capital spending in the first quarter.

Slightly more bankers reported that declines in farm incomes and farm household expenditures.

Quality farmland and rangeland or pastureland values rose sharply in the first quarter from a year earlier, your largest increase in three years.

However, the majority of bankers expect farmland values to decline in the second quarter. Cash rents for quality farmland and rangeland or pastureland declined slightly in the first quarter.

Interest rates on fixed rate loans secured by farm real estate have increased by only 10 basis points over the past four quarters (0.10 percentage points).

62% of Bankers polled, cited their top concern for 2017 was a possible further decline in farm incomes.

<https://files.stlouisfed.org/files/htdocs/publications/ag-finance/2017-05-11/2017-first-quarter.pdf>

#### How do Farm Incomes Compare to the average population

<https://www.ers.usda.gov/faqs/#Q4>

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## ENERGY

### Baker Hughes Rig Count

Area	Last Count	Count	Change from Prior Count	Date of Prior Count	Change from Last Year	Date of Last Year's Count
U.S.	28 July 2017	958	+8	21 July 2017	+495	29 July 2016
Canada	28 July 2017	220	+14	21 July 2017	+101	29 July 2016
International	June 2017	960	+3	May 2017	+33	June 2016

<http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsoverview>

### What is U.S. electricity generation by energy source?

In 2016, about 4.08 trillion kilowatt hours (kWh) of electricity<sup>1</sup> were generated at utility-scale facilities in the United States.<sup>2</sup> About 65% of this electricity generation was from fossil fuels (coal, natural gas, petroleum, and other gases), about 20% was from nuclear energy, and about 15% was from renewable energy sources. The U.S. Energy Information Administration (EIA) estimates that an additional 19 billion kWh (or about 0.02 trillion kWh) of electricity generation was from small-scale solar photovoltaic systems in 2016.<sup>3</sup>

### Major energy sources and percent shares of U.S. electricity generation at utility-scale facilities in 2016<sup>1</sup>

**Natural gas = 33.8%**

**Coal = 30.4%**

**Nuclear = 19.7%**

**Renewables (total) = 14.9%**

**Hydropower = 6.5%**

**Wind = 5.6%**

**Biomass = 1.5%**

**Solar = 0.9%**

**Geothermal = 0.4%**

**Petroleum = 0.6%**

**Other gases = 0.3%**

**Other nonrenewable sources = 0.3%**

**Pumped storage hydroelectricity = -0.2%<sup>4</sup>**

<https://www.eia.gov/tools/faqs/faq.php?id=427&t=3>

### Renewable Fuels Association

<http://www.ethanolrfa.org/>

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## TRANSPORTS

### Association of American Railroads Rail Traffic Report.

For this week, total U.S. weekly rail traffic was 534,152 carloads and intermodal units, up 1.1 percent compared with the same week last year.

Total carloads for the week ending July 22 were 256,863 carloads, down 2 percent compared with the same week in 2016, while U.S. weekly intermodal volume was 277,289 containers and trailers, up 4.1 percent compared to 2016.

Three of the 10 carload commodity groups posted an increase compared with the same week in 2016. They were coal, up 5.3 percent to 88,304 carloads; nonmetallic minerals, up 2.9 percent to 38,630 carloads; and forest products, up 1.9 percent to 10,388 carloads. Commodity groups that posted decreases compared with the same week in 2016 included grain, down 15.8 percent to 20,316 carloads; miscellaneous carloads, down 15.2 percent to 9,258 carloads; and motor vehicles and parts, down 13.2 percent to 12,696 carloads.

<https://www.aar.org/newsandevents/Press-Releases/Pages/2017-07-26-railtraffic.aspx>

### Weekly Rail Traffic Report and Charts.

For the first 29 weeks of 2017, U.S. railroads reported cumulative volume of 7,448,686 carloads, up 5.7 percent from the same point last year; and 7,670,677 intermodal units, up 2.9 percent from last year. Total combined U.S. traffic for the first 29 weeks of 2017 was 15,119,363 carloads and intermodal units, an increase of 4.3 percent compared to last year.

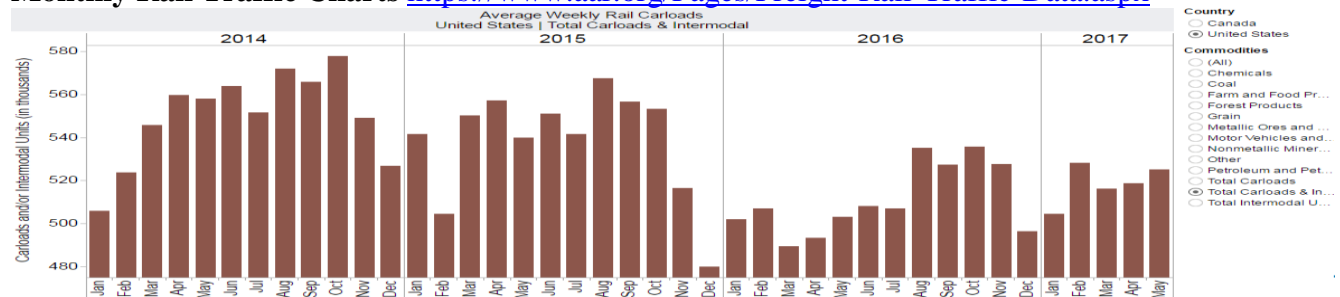
North American rail volume for the week ending July 22, 2017, on 13 reporting U.S., Canadian and Mexican railroads totaled 348,537 carloads, up 0.1 percent compared with the same week last year, and 356,487 intermodal units, up 5.5 percent compared with last year. Total combined weekly rail traffic in North America was 705,024 carloads and intermodal units, up 2.8 percent. North American rail volume for the first 29 weeks of 2017 was 20,030,682 carloads and intermodal units, up 5.5 percent compared with 2016.

Canadian railroads reported 74,663 carloads for the week, up 6.5 percent, and 67,374 intermodal units, up 9.3 percent compared with the same week in 2016. For the first 29 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 4,127,599 carloads, containers and trailers, up 11.5 percent.

Mexican railroads reported 17,011 carloads for the week, up 6.9 percent compared with the same week last year, and 11,824 intermodal units, up 19.4 percent. Cumulative volume on Mexican railroads for the first 29 weeks of 2017 was 783,720 carloads and intermodal containers and trailers, down 1 percent from the same point last year.

<https://www.aar.org/newsandevents/Freight-Rail-Traffic/Documents/2017-07-26-railtraffic.pdf>

### Monthly Rail Traffic Charts <https://www.aar.org/Pages/Freight-Rail-Traffic-Data.aspx>



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## Trailer Truck Demand

(Bloomberg Intelligence) – 07/31/17

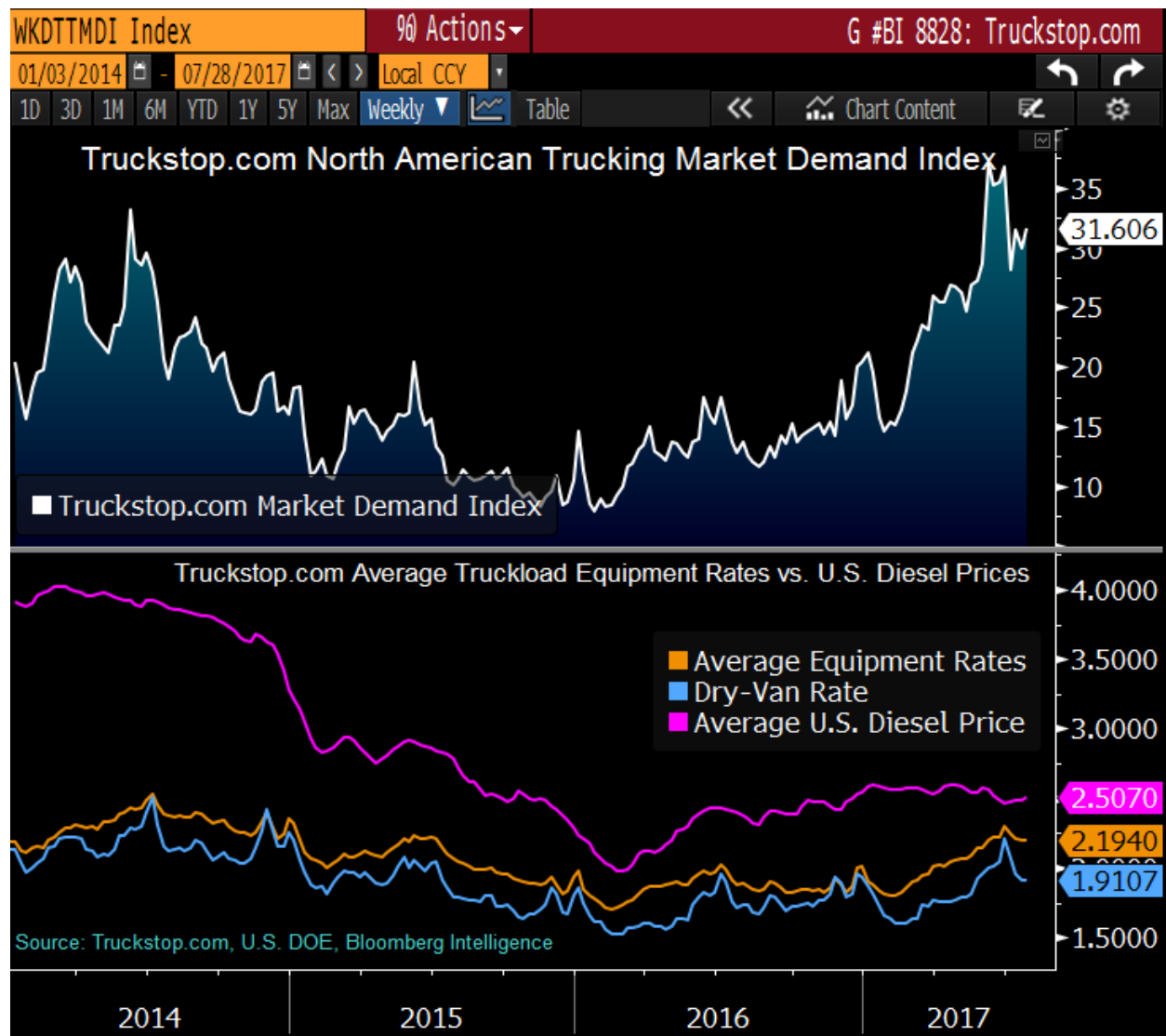
Truckstop.com Market Demand Index, Average Rates

(Bloomberg Intelligence) -- Relative North American spot trucking demand rose 5.7% sequentially to 31.6 in the week ended July 28, as measured by Truckstop.com's Market Demand Index. Capacity tightened as the number of available trucks fell 5.3%, while available loads remained flat. Average spot rates flattened after three weeks of decelerating declines, with temperature-controlled loads (up 2.5%) showing the most strength. Rates had support from fuel surcharges (up 1%), which have inched higher in four straight weeks.

The Market Demand Index has climbed 100% on average vs. last year. Total rates have increased 9%, driven by 31% higher fuel surcharges. USA Truck and Knight are the truckload carriers most exposed to the spot market. Swift, Werner, J.B. Hunt and Marten have little exposure.

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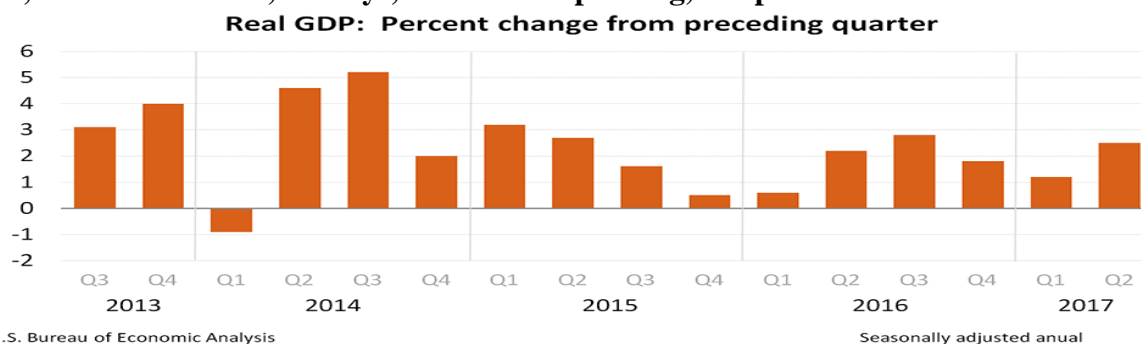
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GDP (2Q running around 2.40% as of July 27)

U.S. Department of Commerce, Bureau of economic analysis

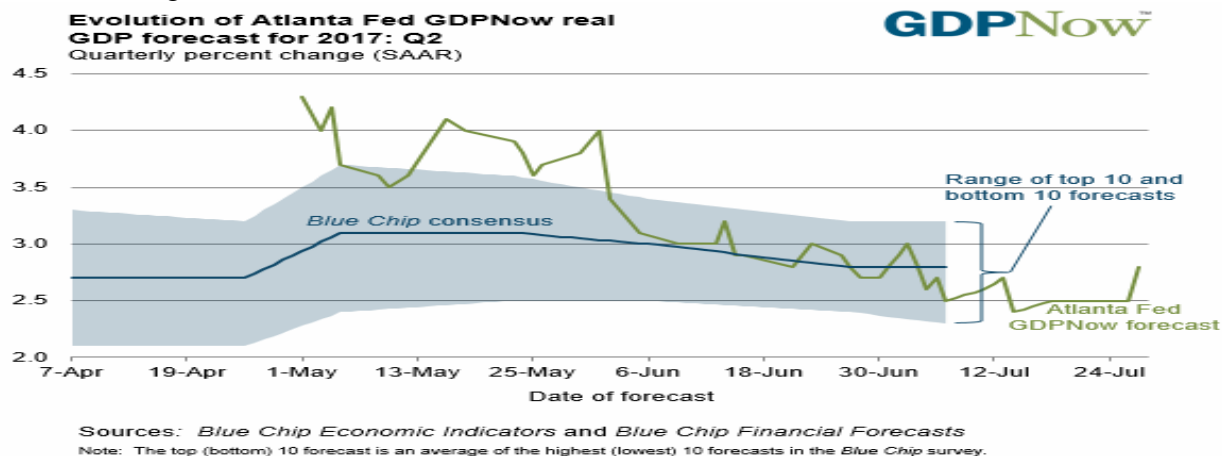
<http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

GDP, Personal Income, Outlays, Consumer Spending, Corporate Profits and Fixed Assets



Atlanta Fed GDPNowcast Latest forecast... 2.8 percent... July 27, 2017

The final GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2017 is **2.8 percent** on July 27, up from 2.5 percent on July 19. The forecast of the contribution of inventory investment to second-quarter growth increased from 0.54 percentage points to 0.82 percentage points after this morning's advance reports on durable manufacturing and wholesale and retail inventories from the U.S. Census Bureau.



<https://www.frbatlanta.org/cqer/research/gdpnow.aspx?panel=1>

New York Fed Nowcast...Q2 stands at 2.0%...July 21, 2017

Q3 stands at 1.8%.

[https://www.newyorkfed.org/medialibrary/media/research/policy/nowcast/nowcast\\_2017\\_0721.pdf?la=en](https://www.newyorkfed.org/medialibrary/media/research/policy/nowcast/nowcast_2017_0721.pdf?la=en)

St. Louis Fed Real GDP Nowcast... Q2 2017: 2.39%...July 27, 2017

<https://fred.stlouisfed.org/series/STLENI>

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## MANUFACTURING AT A GLANCE

June 2017

Index	Series Index June	Series Index May	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	57.8	54.9	+2.9	Growing	Faster	10
New Orders	63.5	59.5	+4.0	Growing	Faster	10
Production	62.4	57.1	+5.3	Growing	Faster	10
Employment	57.2	53.5	+3.7	Growing	Faster	9
Supplier Deliveries	57.0	53.1	+3.9	Slowing	Faster	14
Inventories	49.0	51.5	-2.5	Contracting	From Growing	1
Customers' Inventories	50.5	49.5	+1.0	Too High	From Too Low	1
Prices	55.0	60.5	-5.5	Increasing	Slower	16
Backlog of Orders	57.0	55.0	+2.0	Growing	Faster	5
New Export Orders	59.5	57.5	+2.0	Growing	Faster	16
Imports	54.0	53.5	+0.5	Growing	Faster	5
<b>OVERALL ECONOMY</b>				<b>Growing</b>	<b>Faster</b>	<b>97</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>10</b>

### THE LAST 12 MONTHS

Month	PMI®		Month	PMI®
Jun 2017	57.8		Dec 2016	54.5
May 2017	54.9		Nov 2016	53.5
Apr 2017	54.8		Oct 2016	52.0
Mar 2017	57.2		Sep 2016	51.7
Feb 2017	57.7		Aug 2016	49.4
Jan 2017	56.0		Jul 2016	52.3

Average for 2017 – 56.4  
 Average for 12 months – 54.3  
 High – 57.8  
 Low – 49.4

<https://www.instituteforsupplymanagement.org/ismreport/mfgrob.cfm>

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**US Census Bureau (Manufacturers' Shipments, Inventories and Orders).**

**<http://www.census.gov/manufacturing/m3/>**

**Our Nation in numbers**

**The Constitution gives us four missions...**

- 1. Establish Justice and Ensure Domestic Tranquility.**
- 2. Provide for the Common Defense.**
- 3. Promote the General welfare.**
- 4. Secure the Blessings of Liberty to Ourselves and Our Posterity.**

**[www.usafacts.org](http://www.usafacts.org)**

**US Foreign Assistance**

**<http://foreignassistance.gov/>**

**CBOT Non-Commercial Net Total – Futures Only**

**<http://www.cmegroup.com/trading/interest-rates/cftc-tff/main.html>**

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