



Fixed Income Group A Division of RJ O'Brien

The Missile

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 05:45:47 08/18/17 - 08/25/17

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/18	09:00	🔊	🔊	🔊	U. of Mich. Sentiment	Aug P	94.0	--	93.4	--
22)	08/18	09:00	🔊	🔊	🔊	U. of Mich. Current Conditions	Aug P	112.9	--	113.4	--
23)	08/18	09:00	🔊	🔊	🔊	U. of Mich. Expectations	Aug P	81.5	--	80.5	--
24)	08/18	09:00	🔊	🔊	🔊	U. of Mich. 1 Yr Inflation	Aug P	--	--	2.6%	--
25)	08/18	09:00	🔊	🔊	🔊	U. of Mich. 5-10 Yr Inflation	Aug P	--	--	2.6%	--
26)	08/21	07:30	🔊	🔊	🔊	Chicago Fed Nat Activity Index	Jul	--	--	0.13	--
27)	08/22	08:00	🔊	🔊	🔊	FHFA House Price Index MoM	Jun	--	--	0.4%	--
28)	08/22	08:00	🔊	🔊	🔊	House Price Purchase Index QoQ	2Q	--	--	1.4%	--
29)	08/22	09:00	🔊	🔊	🔊	Richmond Fed Manufact. Index	Aug	10	--	14	--
30)	08/23	06:00	🔊	🔊	🔊	MBA Mortgage Applications	Aug 18	--	--	0.1%	--
31)	08/23	08:45	🔊	🔊	🔊	Markit US Manufacturing PMI	Aug P	53.4	--	53.3	--
32)	08/23	08:45	🔊	🔊	🔊	Markit US Services PMI	Aug P	54.9	--	54.7	--
33)	08/23	08:45	🔊	🔊	🔊	Markit US Composite PMI	Aug P	--	--	54.6	--
34)	08/23	09:00	🔊	🔊	🔊	New Home Sales	Jul	610k	--	610k	--
35)	08/23	09:00	🔊	🔊	🔊	New Home Sales MoM	Jul	0.0%	--	0.8%	--
36)	08/24	07:30	🔊	🔊	🔊	Initial Jobless Claims	Aug 19	--	--	232k	--
37)	08/24	07:30	🔊	🔊	🔊	Continuing Claims	Aug 12	--	--	1953k	--
38)	08/24	08:45	🔊	🔊	🔊	Bloomberg Consumer Comfort	Aug 20	--	--	52.1	--
39)	08/24	09:00	🔊	🔊	🔊	Existing Home Sales	Jul	5.56m	--	5.52m	--

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 G722-2021-3 18-Aug-2017 05:45:47

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

Fed Speak Calendar

(All times are CST)

1) Calendars ▾		2) Alerts		3) Export ▾		4) Settings ▾		Economic Calendars			
	United States	Browse		05:46:57		08/18/17		- 09/30/17			
Central Banks		All Central Banks				View <input checked="" type="radio"/> Agenda <input type="radio"/> Weekly					
	Date	Time	AM	R	Event	Period	Surv(M)	Actual	Prior	Revised	
21)	08/18	09:15			Fed's Kaplan Speaks in Dallas						
22)	08/23	08:05			Fed's Kaplan Speaks to Oil Group in Midland, Texas						
23)	08/24-08/26				Kansas City Fed hosts annual Jackson Hole Policy Symposium						
24)	08/25	09:00			Yellen speaks at Fed Conference in Jackson Hole, Wyoming						
25)	09/05	06:30			Fed's Brainard Speaks to The Economic Club of New York						
26)	09/05	12:10			Fed's Kashkari Holds Townhall Event in Minneapolis						
27)	09/06	13:00			U.S. Federal Reserve Releases Beige Book						
28)	09/08	07:45			Fed's Harker Speaks on Consumer Finance in Philadelphia						
29)	09/20	13:00			FOMC Rate Decision (Upper Bo...	Sep 20	1.25%	--	1.25%	--	
30)	09/20	13:00			FOMC Rate Decision (Lower Bo...	Sep 20	1.00%	--	1.00%	--	
31)	09/26	08:30			Fed's Mester Moderates Session NABE						
32)	09/26	11:00			Fed Chair Janet Yellen Delivers Keynote at NABE Conference						
33)	09/26	11:30			Fed's Bostic Speaks to the Atlanta Press Club						

NI TRE <go>

	Next Offer	Next	Date	CUSIP	\$	Prior	Prior
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction
Cash mgmt	TBA	TBA	TBA	TBA		TBA	\$20
4-week	08/21/2017	08/22/2017	08/24/2017	TBA		TBA	\$35
3-month	08/17/2017	08/21/2017	08/24/2017	912796MD8		TBA	\$39
6-month	08/17/2017	08/21/2017	08/24/2017	912796NT2		TBA	\$33
1-year	09/07/2017	09/12/2017	09/14/2017	TBA		TBA	\$20
Note Auctions							
2-year	08/24/2017	08/28/2017	08/31/2017	TBA		TBA	\$26
3-year	09/07/2017	09/11/2017	09/15/2017	TBA		TBA	\$24
5-year	08/24/2017	08/28/2017	08/31/2017	TBA		TBA	\$34
7-year	08/24/2017	08/29/2017	08/31/2017	TBA		TBA	\$28
10-year	09/07/2017	09/12/2017	09/15/2017	TBA		TBA	\$23
Bond Auctions							
30-year	09/07/2017	09/13/2017	09/15/2017	TBA	R	TBA	\$15
TIPS Auctions							
5-yr TIPS	08/17/2017	08/24/2017	08/31/2017	TBA	R	TBA	\$16
10-yr TIPS	09/14/2017	09/21/2017	09/29/2017	TBA	R	TBA	\$13
30-yr TIPS	10/12/2017	10/19/2017	10/31/2017	TBA	R	TBA	\$5
Floating Rate Note							
2-year FRN	08/17/2017	08/23/2017	08/25/2017	TBA	R	TBA	\$17
Buyback Operation							
Buyback	TBA	TBA	TBA	TBA		TBA	\$0.025

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

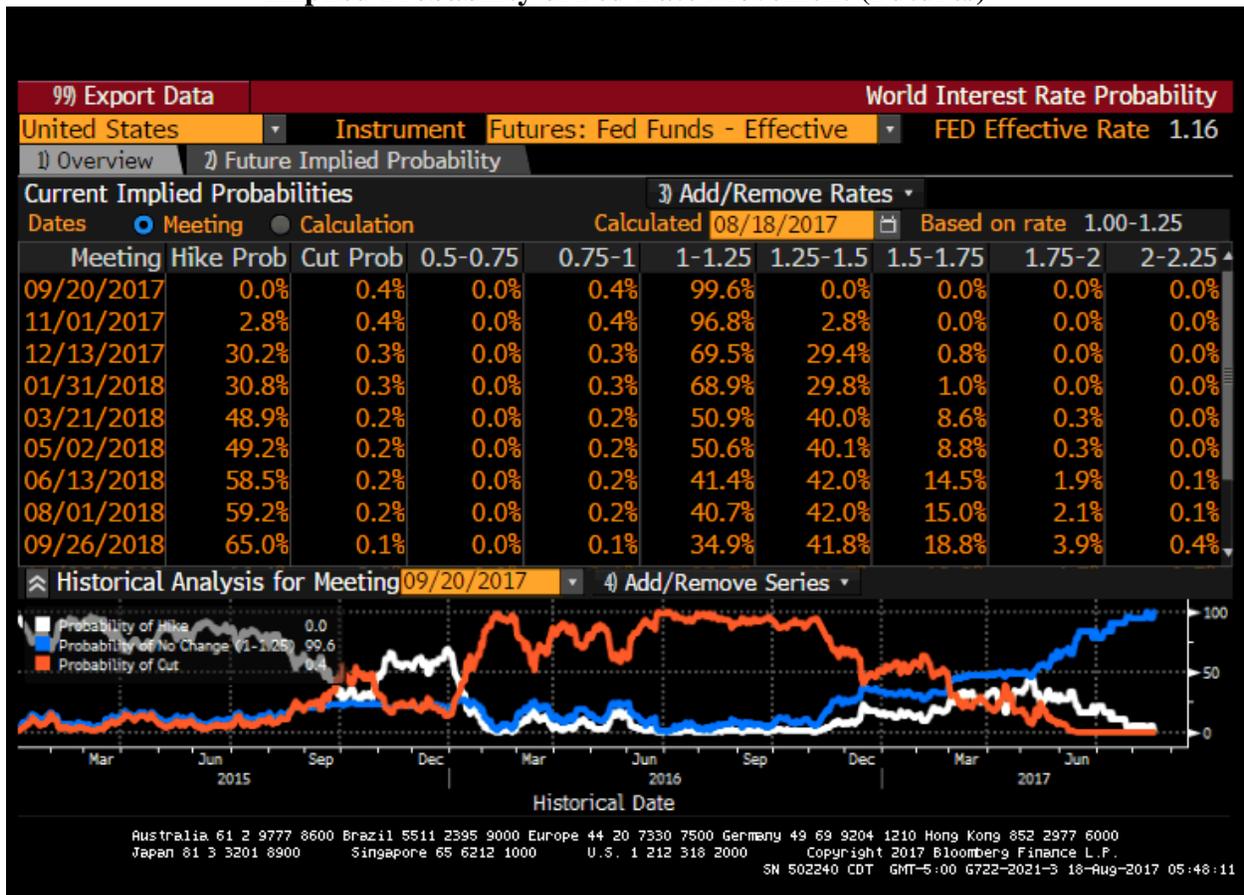
1-Month Libor Set	1.23500	+.00444	(98.76500)
3-Month Libor Set	1.31472	-.00167	(98.68528)
6-Month Libor Set	1.45639	-.00083	(98.54361)
1-Year Libor Set	1.72622	-.00667	(98.27378)

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/fomcproitabl20170614.pdf>

Implied Probability of Fed Rate Movement (Futures)



This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

THEY SAID IT

The trilateral trade agreement between [Canada](#) , the U.S. and [Mexico](#) is coming under the knife as renegotiation began this week between the countries.

<https://www.cnn.com/2017/08/17/trumps-nafta-talks-have-major-implications-for-countries-on-the-other-side-of-the-world.html>

Although those talks may seem a world away, they have major implications for countries like [South Korea](#), according to Deborah Elms, executive director of the Asian Trade Centre.

Full-year 2016 cash flow numbers are in for about 75% of loans securitized in CMBS deals with most borrowers reporting higher than the historical growth average for most property types, however the pace of growth is down slightly from record growth in 2015.

<http://www.costar.com/News/Article/CMBS-Full-Year-Analysis-Securitized-Properties-Continue-to-Post-Cash-Flow-Growth/193417>

The CMBS market experienced 3.4% net cash (NCF) flow growth in 2016, according to bond rating agency DBRS Inc. Although this is higher than the historical average of 1.1% since 2000, 2016 growth was a full 1% lower than the NCF growth rate in 2015.

Cash flow growth declines were observed in all major property types, except industrial and retail. Industrial NCF growth has been strong as a result of increased demand for space. The self-storage sector also posted the strong cash flow growth for 2016 -- running at close to 10% for three years in a row, although more recent anecdotal reports suggest self-storage has cooled. And although the retail sector has been under extreme duress recently, cash flow growth in 2016 still outperformed 2015 growth by 0.24%. After breaking down all retail properties to the DBRS retail sub-property type, DBRS observed that cash flow of the anchored retail, regional mall and weekly anchored sectors was growing faster in 2016 than 2015, the sole exception being unanchored retail.

Suburban office markets with emerging 'urban-style' live-work environments and good transportation access are gaining increasing cachet among investors and cost-conscious office users, according to a new survey of the nation's 25 largest suburban markets by CBRE Group, Inc.

<http://www.costar.com/News/Article/Office-Properties-in-Prime-Suburban-Districts-are-Getting-a-Second-Look/193425>

As office prices and rental rates rise in the nation's CBDs, certain "urban-suburban" districts may offer investors opportunities at lower prices, according to CBRE, noting examples in suburban Silicon Valley's Palo Alto, the New Jersey waterfront and even Philadelphia suburb King of Prussia.

CBRE's analysis found that office occupancy rates and asking rents in these urban-suburban districts are typically on par with surrounding suburban markets, but received a disproportionate share of tenant demand and construction activity. In more than half of the cases studied by CBRE, rents in these suburban submarkets actually outperformed properties in some rival downtown areas.

The California Public Employees' Retirement System (CalPERS) reported preliminary net returns of 7.6% for its real estate holdings - 43 basis points over its benchmark performance. CalPERS holds \$331.7 billion in total assets with real estate making up \$30.1 billion of that.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

<http://www.costar.com/News/Article/California-Pension-Funds-CRE-Portfolios-Outperform-but-for-How-Long-/193395>

The California State Teachers' Retirement System (CalSTRS) did a little better, posting an 8.1% return - 70 points over its benchmark. CalSTRS holds \$208.7 billion in total assets with real estate making up \$26.2 billion of that.

“I know mining inside and out,” said Dennis, a 41-year-old shift foreman from Wetzel County, adjusting the black Adidas cap on his head. But now, “I just want more doors to be open.”

He has earned a certificate in chemical and industrial operations, diligently searched job boards and filled out applications. So far, no luck.

<https://www.bloomberg.com/news/articles/2017-08-18/fracking-jobs-prove-elusive-for-coal-miners-looking-to-switch>

Dennis is learning a hard lesson of fracking: While it has created a bonanza of jobs, displaced coal miners and their communities are sometimes left out of the boom. That's because many of the jobs require highly technical skills and are often going to experienced workers brought in from out of state who then move on to the next job without sinking roots.

The breezy Caribbean island, best known by mainlanders as a vacation destination, filed for a record-setting bankruptcy on May 3. It's hoping to reduce \$123 billion in debt and pension obligations after years of economic decline and government borrowing to fill budget gaps. Affected will be dozens of hedge funds, bond insurers, mutual funds—and 3.5 million residents. They've struggled through a decade of recession and face years of economic uncertainty as the commonwealth tries to dig out from under.

<https://www.bloomberg.com/graphics/2017-puerto-rico-debt-crisis/>

Puerto Rico owes bondholders \$74 billion and current and retired government employees another \$49 billion in pension benefits. The \$74 billion is a web of securities sold by various agencies that promised to use everything from sales taxes to tolls to repay creditors. After the filing for bankruptcy protection, bondholders are fighting each other and the government over the revenues.

Hedge funds hold nearly one-third of the commonwealth's \$74 billion debt. They were lured to the debt by the bonds' relatively high returns. Hedge fund investors include Aurelius Capital Management, Whitebox Funds and Avenue Capital Management. Oppenheimer Funds Inc., Franklin Advisers Inc. and Goldman Sachs Asset Management are the biggest holders among mutual funds.

Who's suing whom?

U.S. District Judge Laura Taylor Swain must untangle a knot of conflicting legal claims creditors have made against each other and various parts of Puerto Rico's government. The disputes will determine how much each of the warring creditor groups collects.

General Obligation bondholders vs. Cofina bondholders

In confidential mediation sessions, GO bondholders claim Puerto Rico's constitution requires all sales-tax money be used to pay them instead of Cofina bondholders.

Creditors vs. government agencies

Hedge funds and bond insurers are competing for any cash the government collects, from rum taxes to vehicle fees to tolls.

Bond insurers vs. government agencies

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

Ambac Financial Group Inc., Assured Guaranty Municipal Corp. and MBIA's National Public Finance Guarantee Corp. allege that the island's 10-year fiscal plan is illegal.

Who's on the hook?

Bond-insurance companies guarantee a portion of Puerto Rico's debt in the event of a default. In bankruptcy, the law treats them just like creditors. The three biggest are Ambac Financial Group Inc., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corp., a unit of MBIA Inc.

It's no mystery why the stretch of America's heartland from Iowa to Texas became known as Tornado Alley. Every spring, twisters up to two-and-a-half miles wide—wider than Manhattan—churn across flat fields, open roads and, typically, sparsely populated towns, causing hundreds of millions of dollars of property damage each year.

<https://www.bloomberg.com/graphics/2017-dixie-alley-storms/>

In terms of the number of twisters, Tornado Alley is still dominant. But in recent decades, the bulk of the destruction inflicted by these storms has shifted to the southeast U.S., a swath of states from Louisiana to Georgia meteorologists have dubbed Dixie Alley.

Since 1997, on average, tornadoes in Dixie Alley have caused more than \$600 million in property damage annually (accounting for inflation) and killed more than 40 people a year, compared with \$470 million in damage and 13 deaths a year in Tornado Alley. And that's despite almost 3,000 more twisters touching down in Tornado Alley during that time.

The Ukrainian central bank said on Friday it had warned state-owned and private lenders of the appearance of new malware as security services said Ukraine faced cyber attacks like those that knocked out global systems in June.

<http://www.reuters.com/article/us-cyber-ukraine-banking-idUSKCN1AY0Y4>

Kiev's central bank has since been working with the government-backed Computer Emergency Response Team (CERT) and police to boost the defenses of the Ukrainian banking sector by quickly sharing information.

"Therefore on Aug. 11..., the central bank promptly informed banks about the appearance of new malicious code, its features, compromise indicators and the need to implement precautionary measures to prevent infection," the central bank told Reuters in emailed comments.

"The nature of this malicious code, its mass distribution, and the fact that at the time of its distribution it was not detected by any anti-virus software, suggest that this attack is preparation for a mass cyber-attack on the corporate networks of Ukrainian businesses," the letter said.

This year, the U.S. Department of Agriculture does not expect Illinois to set new yield records. Last week, the agency pegged the state's corn and soybean yields at 188 and 58 bushels per acre, respectively.

<http://www.reuters.com/article/us-usa-corn-braun-idUSKCN1AX2G2>

For corn, this falls below both the 197 bpa in 2016 and the record 200 bpa set in 2014. For soybeans, the forecast is just shy of 2016's record of 59 bpa. Illinois is the leading soybean state and is second to Iowa in corn.

Based on a crop tour conducted this week in Illinois agricultural districts 50 and 70, district 50 – in the east-central part of the state – might weigh down the state average corn yield just a touch based on irreversible impacts from heat and dryness this summer. The outcome for soybeans could still be very good here, but that all rides on rainfall within the next two weeks.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

EQUITIES

The S&P is +1 and the NASDAQ is +15.

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

On Bloomberg type in ACDR <GO>

UK/EUROPE

In the UK the FTSE closed -0.98%.

In the UK, yields are higher with the yield curve steeper.

BOE Rate +0.25%.

Next meeting 09/14/17

On the European Continent

The CAC Index closed -1.11%.

The DAX Index closed -0.55%.

On the Continent, yields are higher with the yield curve slightly steeper.

ECB Main Refinancing Operations Rate +0.00%

Deposit Facility Rate -.40%

Next meeting 09/07/17

ASIA

Japan:

The TOPIX closed -1.08%.

The NIKKEI closed -1.18%.

In Japan yields are lower with the yield flatter.

BOJ Basic Loan rate 0.30%

Next meeting 09/21/17

China:

The Hang Seng closed -1.08%.

The Shanghai Composite closed +0.01%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

Reserve Requirement Ratio: 17.00%

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

THE TREND

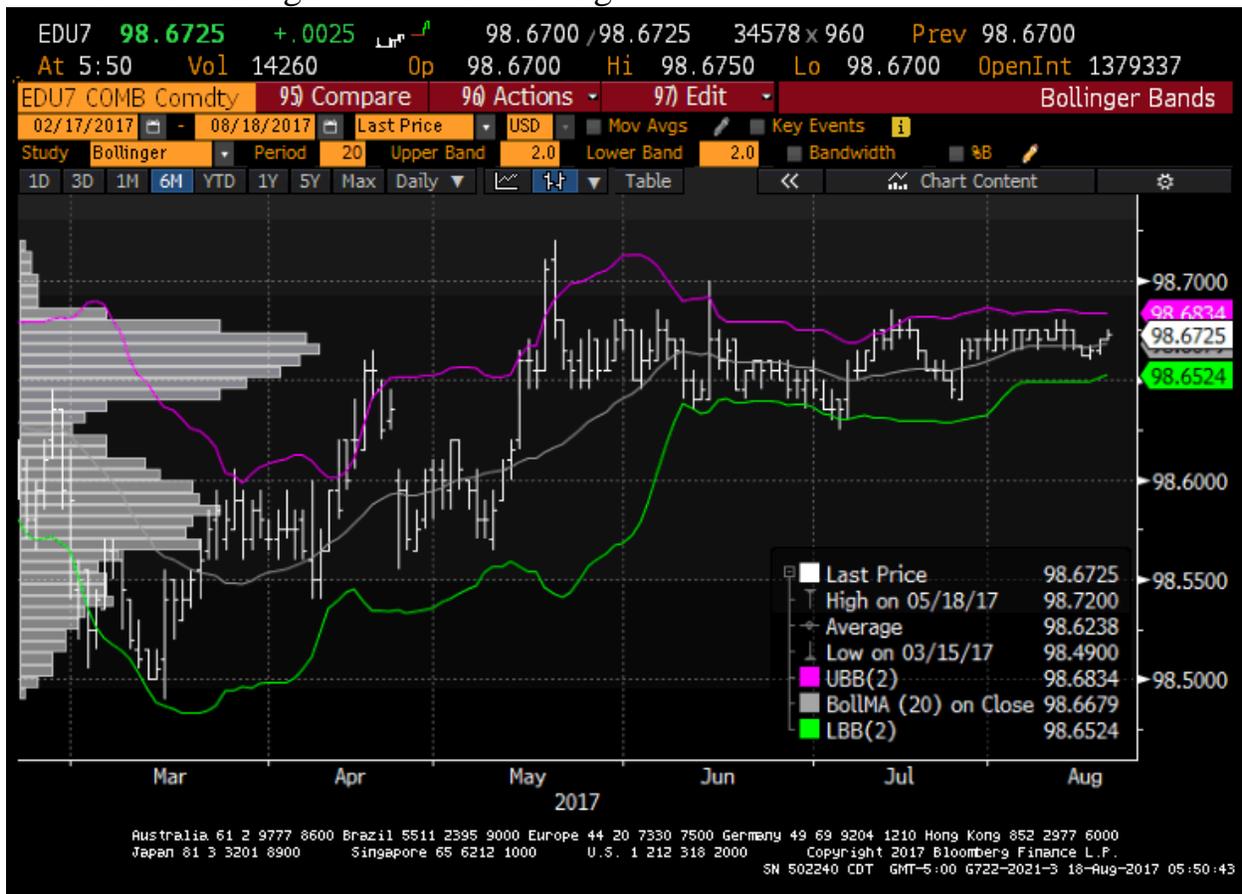
EDU7: 98-67.0 is the pivot. Below the pivot you should be short, above long. Support is at 98-67.0* and 98-68.5**.

Resistance is at 98-65.0*.

*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 all sell signals and remain long.



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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

10yr/TYU7: 126-07.5 is the pivot point. Above you should be long, below short.

Support is at 126-07.5, 125-19.0**

Resistance is at 126-28.5**

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

** 2-STD Deviations from the pivot point

Current trend has you long from 126-08.0 (8/16/17).

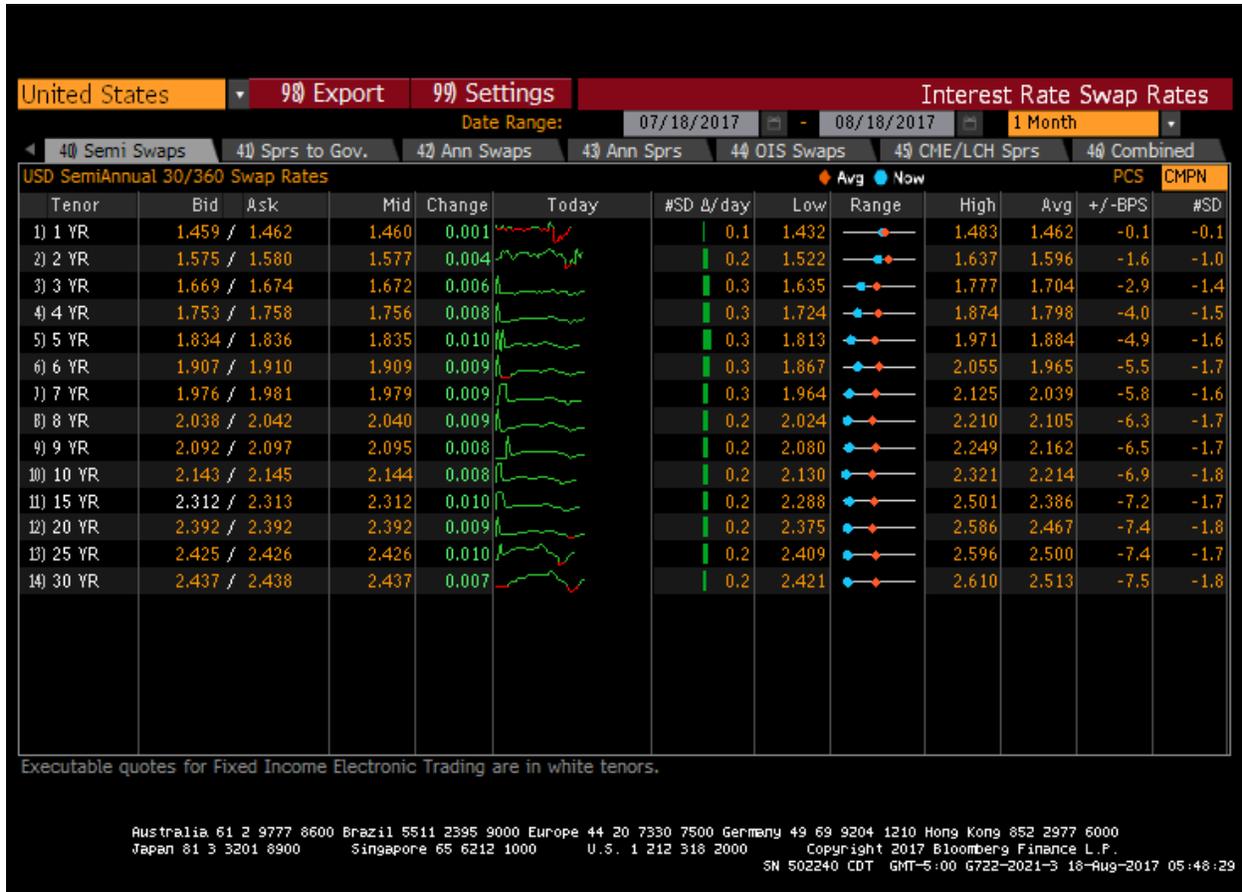


YTD (2017) +56.5 futures ticks (\$31.25 per tick) or +1,765.63 per 1 contract traded.

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

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.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

The Fundamentals

LABOR

Bureau of Labor and Statistics

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

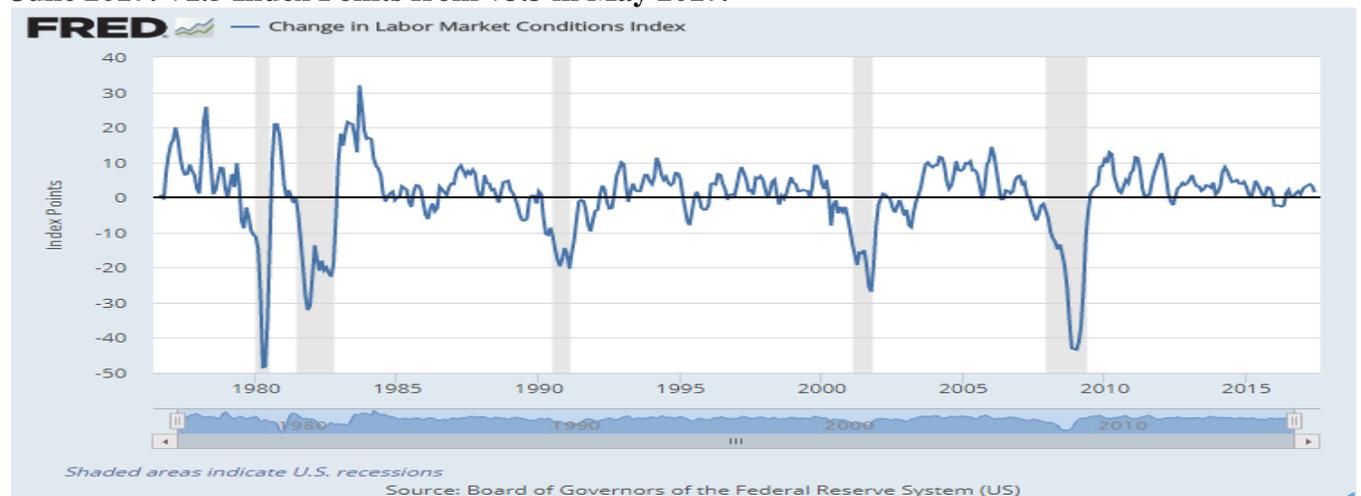
CPI, ECI, Employment situation PPI, CPI, Productivity and Costs, Real Earnings and US import/exports.

Labor Department (Weekly Unemployment Claims).

http://www.doleta.gov/ETA_News_Releases/

St. Louis Fed Labor Market Conditions Index

June 2017: +1.5 Index Points from +3.3 in May 2017.



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

St. Louis Fed Agriculture Finance Monitor 2ndt quarter 2017

According to the latest survey of agricultural bankers in the Eighth Federal Reserve District, farm income during the second quarter of 2017 declined relative to the second quarter of last year. Respondents have consistently reported lower year-over-year levels of income since the fourth quarter of 2013. This period correlates with an extended period of declining prices for commodities. Both survey results and comments from bankers indicate the long-term effect has had a negative impact on the financial condition of their borrowers. For the second-quarter 2017 survey, the impact of lower income shows up in lower household spending and lower capital spending compared with the same quarter a year ago. Furthermore, a majority of respondents feel these trends will continue into the third quarter of 2017, with lower income and spending relative to the same period last year. Values for quality farmland and levels of cash rents for farmland also declined over the past year

<https://files.stlouisfed.org/files/htdocs/publications/ag-finance/2017-08-10/2017-first-quarter.pdf>

How do Farm Incomes Compare to the average population

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

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.	11 August 2017	949	-5	4 August 2017	+468	12 August 2016
Canada	11 August 2017	220	+3	4 August 2017	+94	12 August 2016
International	July 2017	959	-1	June 2017	+21	July 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 electricity¹ were generated at utility-scale facilities in the United States.² 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 2016.³

Major energy sources and percent shares of U.S. electricity generation at utility-scale facilities in 2016¹

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%⁴

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

Renewable Fuels Association

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

TRANSPORTS

Association of American Railroads Rail Traffic Report.

For the first 32 weeks of 2017, U.S. railroads reported cumulative volume of 8,260,255 carloads, up 5.1 percent from the same point last year; and 8,513,076 intermodal units, up 3.2 percent from last year. Total combined U.S. traffic for the first 32 weeks of 2017 was 16,773,331 carloads and intermodal units, an increase of 4.2 percent compared to last year.

North American rail volume for the week ending August 12, 2017, on 13 reporting U.S., Canadian and Mexican railroads totaled 359,244 carloads, up 2 percent compared with the same week last year, and 363,979 intermodal units, up 7.1 percent compared with last year. Total combined weekly rail traffic in North America was 723,223 carloads and intermodal units, up 4.5 percent. North American rail volume for the first 32 weeks of 2017 was 22,206,631 carloads and intermodal units, up 5.4 percent compared with 2016.

Canadian railroads reported 74,885 carloads for the week, up 8 percent, and 70,969 intermodal units, up 14.6 percent compared with the same week in 2016. For the first 32 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 4,568,779 carloads, containers and trailers, up 11.5 percent.

Mexican railroads reported 15,995 carloads for the week, up 4.5 percent compared with the same week last year, and 12,584 intermodal units, up 15 percent. Cumulative volume on Mexican railroads for the first 32 weeks of 2017 was 864,521 carloads and intermodal containers and trailers, essentially flat compared to the same point last year.

<https://www.aar.org/newsandevents/Press-Releases/Pages/2017-08-16-railtraffic.aspx>

Weekly Rail Traffic Report and Charts.

For this week, total U.S. weekly rail traffic was 548,790 carloads and intermodal units, up 2.7 percent compared with the same week last year.

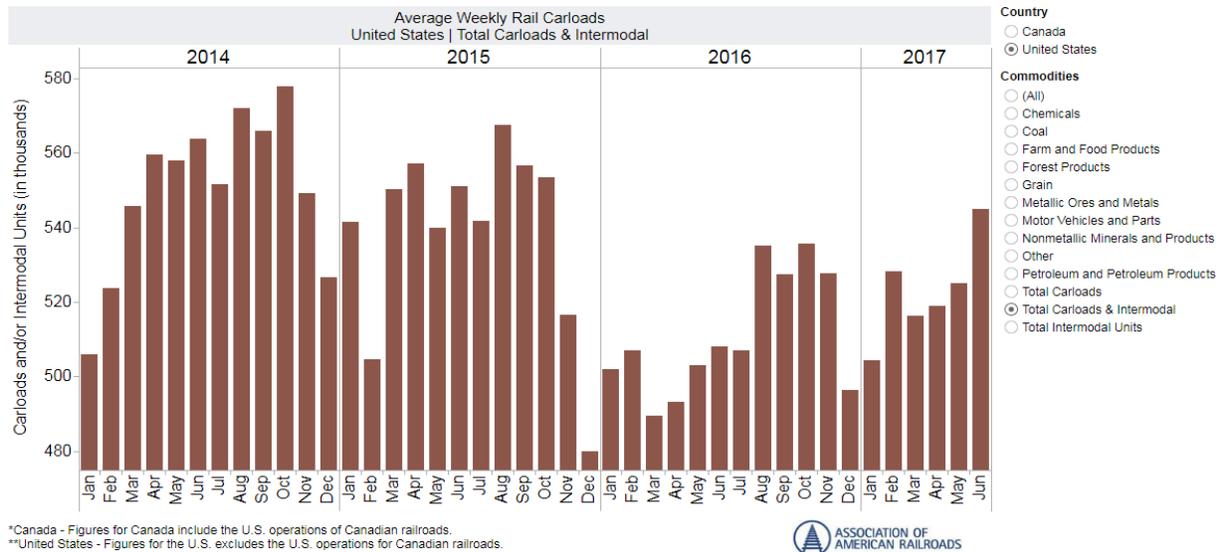
Total carloads for the week ending August 12 were 268,364 carloads, up 0.3 percent compared with the same week in 2016, while U.S. weekly intermodal volume was 280,426 containers and trailers, up 5.1 percent compared to 2016.

Four of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included coal, up 5,689 carloads, to 94,593; nonmetallic minerals, up 3,779 carloads, to 40,794; and chemicals, up 1,169 carloads, to 31,621. Commodity groups that posted decreases compared with the same week in 2016 included grain, down 6,161 carloads, to 19,080; petroleum and petroleum products, down 1,807 carloads, to 8,692; and motor vehicles and parts, down 1,277 carloads, to 16,166.

<https://www.aar.org/newsandevents/Freight-Rail-Traffic/Documents/2017-08-16-railtraffic.pdf>

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

Monthly Rail Traffic Charts



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

Trailer Truck Demand (Bloomberg Intelligence) – 08/07/17

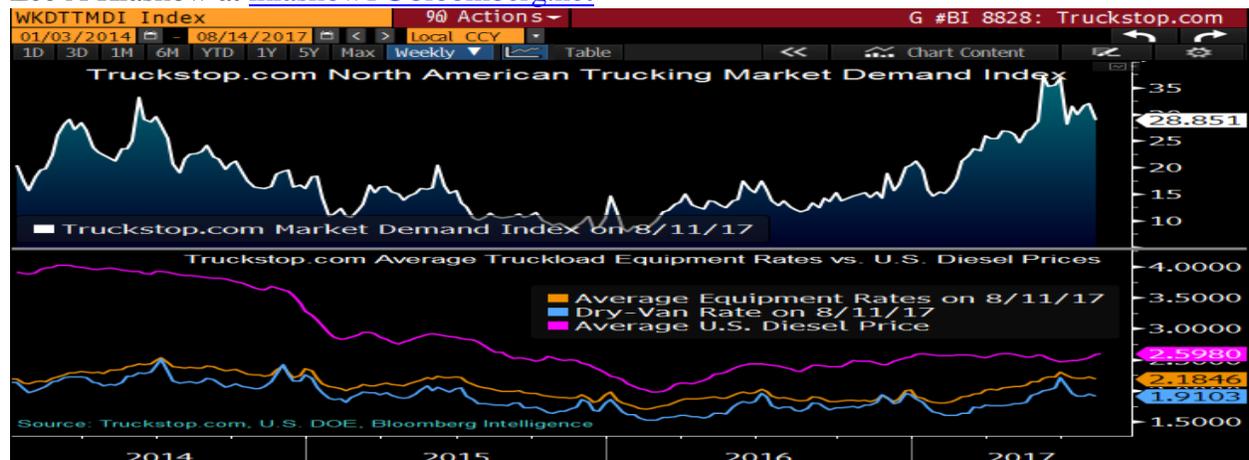
Truckstop.com Market Demand Index, Average Rates

(Bloomberg Intelligence) -- Relative North American spot trucking demand rose 1.2% sequentially to 32 in the week ended Aug. 4, as measured by Truckstop.com's Market Demand Index. Capacity tightened as the decline in available trucks (1.5%) outpaced the fall in available loads (down 0.2%). Average spot rates ticked higher for the first time in five weeks, led by gains in temperature-controlled (up 4.4%) and dry-van (1.5% higher). Rates were supported by higher fuel surcharges (up 1.6%) that rose for the fifth straight week.

The Market Demand Index has climbed 102% on average vs. last year. Total rates have increased 10%, driven by 30% 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.

To contact the analyst for this research:

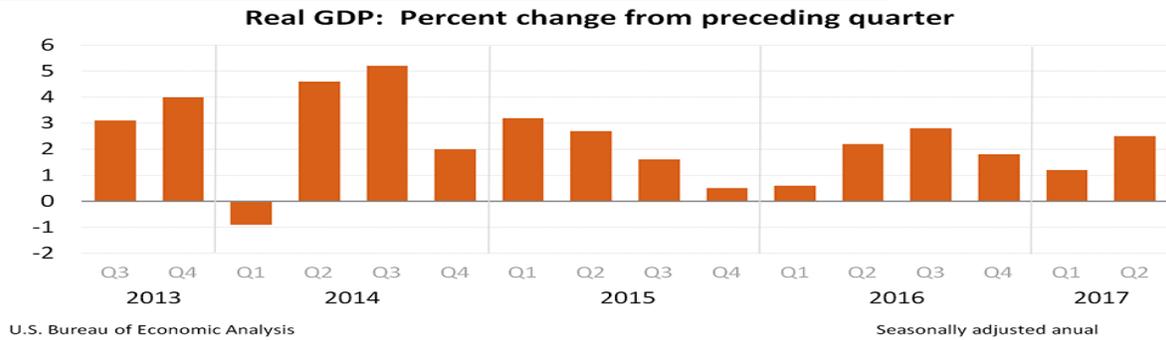
Lee A Klaskow at klaskowl@bloomberg.net



This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

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

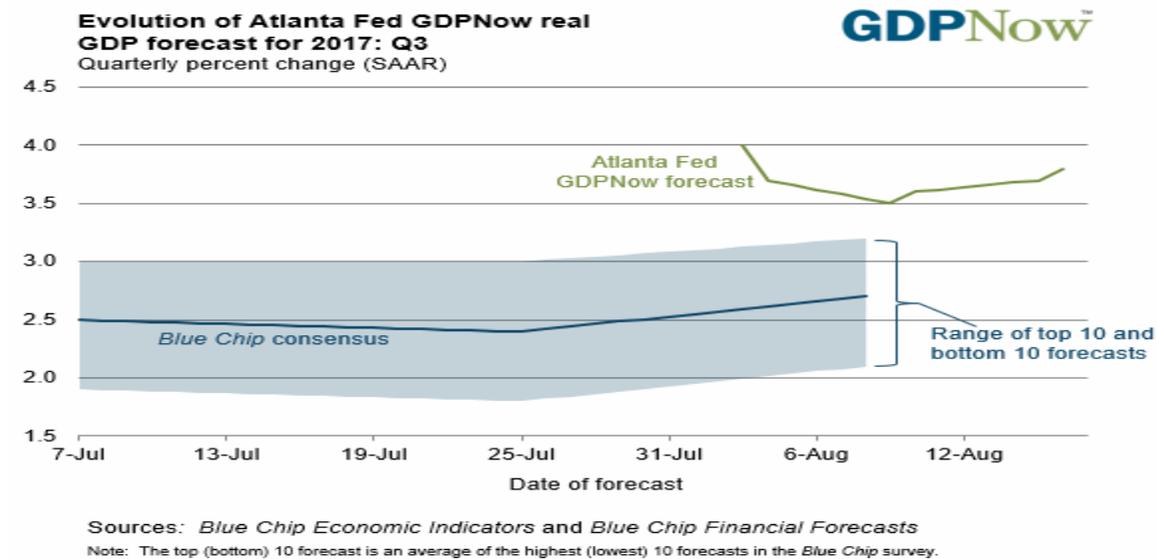
<http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>



GDP (3Q running around 3.16% as of August 17, up from 3.02 on August 11.

Atlanta Fed GDPNowcast Latest forecast...August 16, 2017

The GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2017 is **3.8 percent** on August 16, up from 3.7 percent on August 15. The forecast of third-quarter real residential investment growth increased from -0.5 percent to 3.7 percent after this morning's new residential construction report from the U.S. Census Bureau.



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

New York Fed Nowcast...Q3 stands at 2.0%...August 11 2017

https://www.newyorkfed.org/medialibrary/media/research/policy/nowcast/nowcast_2017_0804.pdf?la=en

St. Louis Fed Real GDP Nowcast... Q3 2017: 3.68%...August 17, 2017

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

MANUFACTURING AT A GLANCE**July 2017**

Index	Series Index Jul	Series Index Jun	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	56.3	57.8	-1.5	Growing	Slower	11
New Orders	60.4	63.5	-3.1	Growing	Slower	11
Production	60.6	62.4	-1.8	Growing	Slower	11
Employment	55.2	57.2	-2.0	Growing	Slower	10
Supplier Deliveries	55.4	57.0	-1.6	Slowing	Slower	15
Inventories	50.0	49.0	+1.0	Unchanged	From Contracting	1
Customers' Inventories	49.0	50.5	-1.5	Too Low	From Too High	1
Prices	62.0	55.0	+7.0	Increasing	Faster	17
Backlog of Orders	55.0	57.0	-2.0	Growing	Slower	6
New Export Orders	57.5	59.5	-2.0	Growing	Slower	17
Imports	56.0	54.0	+2.0	Growing	Faster	6
OVERALL ECONOMY				Growing	Slower	98
Manufacturing Sector				Growing	Slower	11

THE LAST 12 MONTHS

Month	PMI®		Month	PMI®
Jul 2017	56.3		Jan 2017	56.0
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
Average for 2017 – 56.4 PMI®				
Average for 12 months – 54.7 PMI®				
High – 57.8				
Low – 49.4				

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J. O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

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

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

US Foreign Assistance

<http://foreignassistance.gov/>

CBOT Non-Commercial Net Total – Futures Only

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

The Fixed Income Group at R.J. O'Brien

John Coleman
312-373-5190
800-367-3349
© 312-515-3067

johncoleman@bloomberg.net

Rob Powell
312-373-5197
800-367-3349
© 312-560-7112

robpowell@bloomberg.net

Jeff Bauman
312-286-0491

jeffbau@bloomberg.net

Rich Goldblatt
312-373-5450
800-367-3650
© 312-515-6019

futuristic@bloomberg.net

Rocco Chierici
312-373-5439
800-367-3650
© 312-515-3069

rocco1@bloomberg.net

Brian Rachwalski
312-373-5191
800-367-3349
© 312-515-3066

brachwalski@bloomberg.net

Dan Sobolewski
312-373-5191
800-367-3349
© 312-505-6364

dsobolewski@bloomberg.net

Evan Vollman
312-373-5452
800-367-3650

evollman@bloomberg.net

Corrine Abele
312-373-4847
800-367-3349

cabele@rjobrien.com

DISCLAIMER

This material has been prepared by a sales or trading employee or agent of R.J. O'Brien and is, or is in the nature of, a solicitation. This material is not a research report prepared by R.J. O'Brien's Research Department. By accepting this communication, you agree that you are an experienced user of the futures markets, capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.

DISTRIBUTION IN SOME JURISDICTIONS MAY BE PROHIBITED OR RESTRICTED BY LAW. PERSONS IN POSSESSION OF THIS COMMUNICATION INDIRECTLY SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH PROHIBITION OR RESTRICTIONS. TO THE EXTENT THAT YOU HAVE RECEIVED THIS COMMUNICATION INDIRECTLY AND SOLICITATIONS ARE PROHIBITED IN YOUR JURISDICTION WITHOUT REGISTRATION, THE MARKET COMMENTARY IN THIS COMMUNICATION SHOULD NOT BE CONSIDERED A SOLICITATION.

The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. Past performance, whether actual or indicated by simulated historical tests of strategies, is not indicative of future results. Trading advice is based on information taken from trades and statistical services and other sources that R.J. O'Brien believes are reliable. We do not guarantee that such information is accurate or complete and it should not be relied upon as such. Trading advice reflects our good faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice we give will result in profitable trades.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J. O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.