



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 6) Browse 14:50:33 10/02/17 - 10/05/17

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	10/02	08:45	+	0	0	Markit US Manufacturing PMI	Sep F	53.0	--	53.0	--
22)	10/02	09:00	+	0	0	ISM Manufacturing	Sep	58.0	--	58.8	--
23)	10/02	09:00	+	0	0	ISM Prices Paid	Sep	64.0	--	62.0	--
24)	10/02	09:00	+	0	0	ISM New Orders	Sep	--	--	60.3	--
25)	10/02	09:00	+	0	0	ISM Employment	Sep	--	--	59.9	--
26)	10/02	09:00	+	0	0	Construction Spending MoM	Aug	0.4%	--	-0.6%	--
27)	10/03		+	0	0	Wards Total Vehicle Sales	Sep	17.00m	--	16.03m	--
28)	10/03		+	0	0	Wards Domestic Vehicle Sales	Sep	12.65m	--	12.48m	--
29)	10/04	06:00	+	0	0	MBA Mortgage Applications	Sep 29	--	--	-0.5%	--
30)	10/04	07:15	+	0	0	ADP Employment Change	Sep	140k	--	237k	--
31)	10/04	08:45	+	0	0	Markit US Services PMI	Sep F	55.1	--	55.1	--
32)	10/04	08:45	+	0	0	Markit US Composite PMI	Sep F	--	--	54.6	--
33)	10/04	09:00	+	0	0	ISM Non-Manf. Composite	Sep	55.5	--	55.3	--
34)	10/05	06:30	+	0	0	Challenger Job Cuts YoY	Sep	--	--	5.1%	--
35)	10/05	07:30	+	0	0	Initial Jobless Claims	Sep 30	260k	--	272k	--
36)	10/05	07:30	+	0	0	Continuing Claims	Sep 23	1949k	--	1934k	--
37)	10/05	07:30	+	0	0	Trade Balance	Aug	-\$42.7b	--	-\$43.7b	--
38)	10/05	08:45	+	0	0	Bloomberg Consumer Comfort	Oct 1	--	--	51.6	--
39)	10/05	09:00	+	0	0	Factory Orders	Aug	1.0%	--	-3.3%	--

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 6946-5435-3 29-Sep-2017 14:50:33

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Fed Speak Calendar (All times are CST)

1) Calendars		2) Alerts		3) Export		4) Settings		Economic Calendars			
United States		Browse		14:53:05		10/02/17		- 10/13/17			
Central Banks		All Central Banks						View		Agenda Weekly	
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	10/02	13:00				Fed's Kaplan Speaks in El Paso					
22)	10/04	14:15				Yellen Gives Welcoming Remarks at Community Banking Event					
23)	10/05	08:10				Fed's Powell Speaks on Treasury Markets and the TMPG					
24)	10/05	08:15				Fed's Williams Speaks at Community Banking Conference					
25)	10/05	09:00				Fed's Harker Speaks at Workforce Conference					
26)	10/05	15:30				Fed's George Speaks at Workforce Conference					
27)	10/06	08:15				Fed's Bostic Speaks at Workforce Conference					
28)	10/06	11:15				Fed's Dudley to Speak on Monetary Policy					
29)	10/06	11:45				Fed's Kaplan Speaks at Workforce Conference					
30)	10/06	12:00				Fed's Bullard Speaks on Economy in St. Louis					
31)	10/07	10:45				Fed's Rosengren Speaks in Montreal					
32)	10/10	09:00				Fed's Kashkari Speaks at Regional Economic Conference					
33)	10/10	19:00				Fed's Kaplan Speaks at Stanford Institute					
34)	10/11	06:15				Fed's Evans Speaks on Economy and Monetary Policy					
35)	10/11	13:00				FOMC Meeting Minutes	Sep 20	--	--	--	--
36)	10/12	09:15				ECB's Draghi, Fed's Brainard Speak on Monetary Policy Panel					
37)	10/12	09:30				Fed's Powell Speaks at IIF Conference in Washington					
38)	10/13	10:30				Fed's Kaplan Speaks in Boston					
39)	10/13	12:00				Fed's Powell Speaks at Boston Fed Economic Conference					

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	Next Offer	Next	Date	CUSIP	\$	Prior	Prior	
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	\$ Bln
Cash mgmt	TBA	TBA	TBA	TBA		TBA	09/08/2017	\$20
4-week	10/02/2017	10/03/2017	10/05/2017	912796MA4		TBA	09/26/2017	\$35
3-month	10/05/2017	10/02/2017	10/05/2017	912796ML0		\$42	09/25/2017	\$42
6-month	10/05/2017	10/02/2017	10/05/2017	912796PA1		\$36	09/25/2017	\$36
1-year	10/05/2017	10/10/2017	10/12/2017	912796NZ8		TBA	09/12/2017	\$20
Note Auctions								
2-year	10/19/2017	10/24/2017	10/31/2017	TBA		TBA	09/26/2017	\$26
3-year	10/05/2017	10/11/2017	10/16/2017	912828Z2		TBA	09/11/2017	\$24
5-year	10/19/2017	10/25/2017	10/31/2017	TBA		TBA	09/27/2017	\$34
7-year	10/19/2017	10/26/2017	10/31/2017	TBA		TBA	09/28/2017	\$28
10-year	10/05/2017	10/11/2017	10/16/2017	912828R0	R	TBA	09/12/2017	\$20
Bond Auctions								
30-year	10/05/2017	10/12/2017	10/16/2017	912810RY6	R	TBA	09/13/2017	\$12

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TIPS Auctions									
5-yr TIPS	12/14/2017	12/21/2017	12/29/2017	TBA	R	TBA	08/24/2017	\$14	
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	
Floating Rate Note									
2-year FRN	09/21/2017	09/27/2017	09/29/2017	TBA	R	TBA	08/23/2017	\$13	
Buyback Operation									
Buyback		TBA	TBA	TBA		TBA	TBA	04/19/2017	\$.025

1-Month Libor Set	1.23333	+.00111	(98.76667)
3-Month Libor Set	1.33389	+.00167	(98.66611)
6-Month Libor Set	1.50933	+.00333	(98.49067)
1-Year Libor Set	1.79067	+.00834	(98.20933)

Median Federal Reserve Projections

For release at 2:00 p.m., EDT, September 20, 2017

Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assessments of projected appropriate monetary policy, September 2017
Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Variable	Median ¹					Central tendency ²					Range ³				
	2017	2018	2019	2020	Longer run	2017	2018	2019	2020	Longer run	2017	2018	2019	2020	Longer run
Change in real GDP	2.4	2.1	2.0	1.8	1.8	2.2-2.5	2.0-2.3	1.7-2.1	1.6-2.0	1.8-2.0	2.2-2.7	1.7-2.6	1.4-2.3	1.4-2.0	1.5-2.2
June projection	2.2	2.1	1.9	n.a.	1.8	2.1-2.2	1.8-2.2	1.8-2.0	n.a.	1.8-2.0	2.0-2.5	1.7-2.3	1.4-2.3	n.a.	1.5-2.2
Unemployment rate	4.3	4.1	4.1	4.2	4.6	4.2-4.3	4.0-4.2	3.9-4.4	4.0-4.5	4.5-4.8	4.2-4.5	3.9-4.5	3.8-4.5	3.8-4.8	4.4-5.0
June projection	4.3	4.2	4.2	n.a.	4.6	4.2-4.3	4.0-4.3	4.1-4.4	n.a.	4.5-4.8	4.1-4.5	3.9-4.5	3.8-4.5	n.a.	4.5-5.0
PCE inflation	1.6	1.9	2.0	2.0	2.0	1.5-1.6	1.8-2.0	2.0	2.0-2.1	2.0	1.5-1.7	1.7-2.0	1.8-2.2	1.9-2.2	2.0
June projection	1.6	2.0	2.0	n.a.	2.0	1.6-1.7	1.8-2.0	2.0-2.1	n.a.	2.0	1.5-1.8	1.7-2.1	1.8-2.2	n.a.	2.0
Core PCE inflation ⁴	1.5	1.9	2.0	2.0		1.5-1.6	1.8-2.0	2.0	2.0-2.1		1.4-1.7	1.7-2.0	1.8-2.2	1.9-2.2	
June projection	1.7	2.0	2.0	n.a.		1.6-1.7	1.8-2.0	2.0-2.1	n.a.		1.6-1.8	1.7-2.1	1.8-2.2	n.a.	
Memo: Projected appropriate policy path															
Federal funds rate	1.4	2.1	2.7	2.9	2.8	1.1-1.4	1.9-2.4	2.4-3.1	2.5-3.5	2.5-3.0	1.1-1.6	1.1-2.6	1.1-3.4	1.1-3.9	2.3-3.5
June projection	1.4	2.1	2.9	n.a.	3.0	1.1-1.6	1.9-2.6	2.6-3.1	n.a.	2.8-3.0	1.1-1.6	1.1-3.1	1.1-4.1	n.a.	2.5-3.5

NOTE: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are percent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The projections for the federal funds rate are the value of the midpoint of the projected appropriate target range for the federal funds rate or the projected appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. The June projections were made in conjunction with the meeting of the Federal Open Market Committee on June 13-14, 2017. One participant did not submit longer-run projections for the change in real GDP, the unemployment rate, or the federal funds rate in conjunction with the June 13-14, 2017, meeting, and one participant did not submit such projections in conjunction with the September 19-20, 2017, meeting.

1. For each period, the median is the middle projection when the projections are arranged from lowest to highest. When the number of projections is even, the median is the average of the two middle projections.

2. The central tendency excludes the three highest and three lowest projections for each variable in each year.

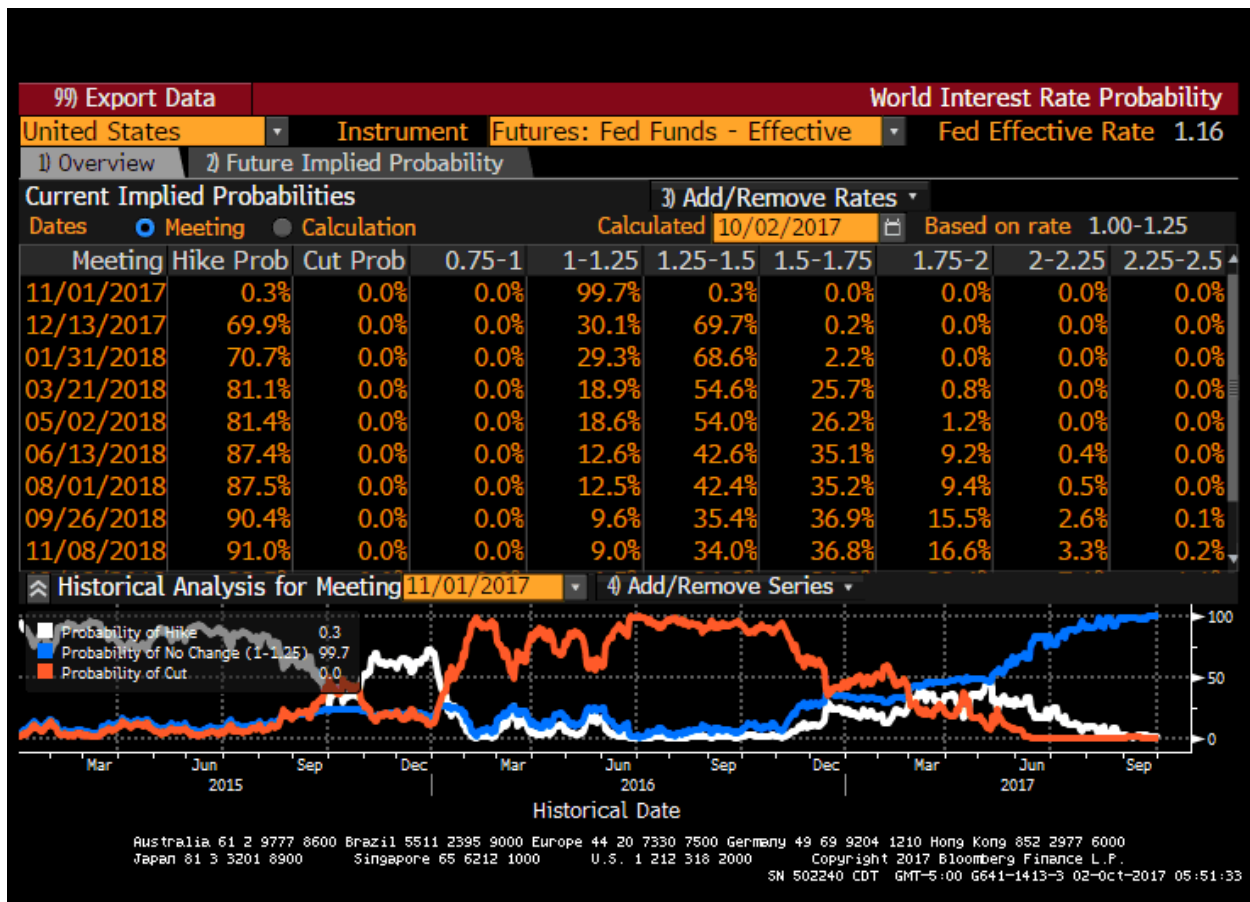
3. The range for a variable in a given year includes all participants' projections, from lowest to highest, for that variable in that year.

4. Longer-run projections for core PCE inflation are not collected.

<http://www.federalreserve.gov/monetarypolicy/files/fomeproitabl20170920.pdf>

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Implied Probability of Fed Rate Movement (Futures)



THEY SAID IT

Nevada sheriff says at least 50 people dead and at least 200 injured in Las Vegas concert shooting.

<https://www.bloomberg.com/news/articles/2017-10-02/ap-newsalert-nevada-sheriff-says-at-least-50-people-dead-and-at-least-200-injured-in-las-vegas-concert-shooting>

Clark County Sheriff Joseph Lombardo says the attack happened at the Route 91 Harvest Music Festival on the Strip. Authorities have identified the suspected gunman as Las Vegas resident Stephen Paddock.

Lombardo says officers confronted Paddock on the 32nd floor of the Mandalay Bay Hotel and Casino across the street from the concert. Paddock is dead.

“We have always said that we would use all the force of the law and all the mechanisms that the constitution and laws grant to the government,” Rafael Catala told broadcaster TVE in an interview. While images of police violence provoked alarmed reactions from some European government officials, Catala praised the security force for their “measured” response.

<https://www.bloomberg.com/news/articles/2017-10-02/spain-vows-to-enforce-law-in-rebel-catalonia-as-standoff-worsens>

Prime Minister Mariano Rajoy looks to be doubling down on his response to a still-escalating 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.

crisis after secessionist leaders in Barcelona signaled they may declare independence within days for the region that constitutes about a fifth of Spain's economic output. Asked if he would consider activating a constitutional clause to suspend Catalonia's regional autonomy, Catala said the government's duty was to "fix problems" and ensure the rule of law prevails.

Spanish Prime Minister Mariano Rajoy's efforts to thwart the Oct. 1 ballot triggered incidents of riot police storming polling stations and beating up voters. The crackdown [provoked outrage](#) on social media and condemnations of the violence, which injured hundreds of people. While turnout was less than 50 percent, 2 million Catalans backed the breakaway out of a total of 2.3 million votes cast, with the region's leaders signaling they may be moving toward a unilateral declaration of independence. Rajoy has been embroiled in persistent clashes with the Catalan separatists, who have sought to foment a backlash against control from Madrid by arguing their region gets a raw deal from the Spanish tax system. Support for the movement has slipped over the past few years, though Rajoy may have boosted support for independence with his heavy-handed approach. In a Catalan government poll in July, 35 percent of respondents said the territory should be independent. The tug of war has periodically [rattled the market](#) for Spanish and Catalan government [bonds](#), as the restive region has 16 percent of Spain's population, or 7.5 million people, and makes up a fifth of its economy.
<https://www.bloomberg.com/quicktake/catalonia>

Spain's Regional Disparities



Puigdemont's time frame could see him announce the formation of a Catalan republic on Oct. 6, exactly 83 years since his predecessor as regional president, Lluís Companys, also declared independence. Companys was executed by the dictatorship of Francisco Franco. Rajoy is wrestling with his country's biggest constitutional crisis since Franco's death in 1975. The political settlement gave regional administrations control of areas such as health, education and, in Catalonia's case, the police, within a centralized system for collecting and distributing tax revenue. Many Catalans complain they get a raw deal from that system.

On the last page of a nine-page tax plan that calls for slashing business rates, President Donald Trump and congressional Republicans proposed a little-noticed, brand-new tax that may hit companies like [Apple Inc.](#) and [Pfizer Inc.](#)

It's contained in one sentence: "To prevent companies from shifting profits to tax havens, the framework includes rules to protect the U.S. tax base by taxing at a reduced rate and on a global basis the foreign profits of U.S. multinational corporations." The rate and

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formula aren't specified, but that lone sentence carries multibillion-dollar implications for multinationals. Their lobbyists are noticing.

<https://www.bloomberg.com/news/articles/2017-10-02/trump-plan-aims-new-foreign-tax-at-apple-other-multinationals>

It's also unclear from the brief description in the framework how the tax would work. But here's a general idea: Congress would set a low tax rate -- say 15 percent -- that would serve as a minimum rate for companies on their offshore subsidiaries' earnings. Any multinational that paid more than that minimum to foreign governments would not owe the tax in the U.S. But if a company's overseas taxes fell below the minimum -- a sign that it made heavy use of tax havens -- the company would pay the U.S. the difference.

"I think it's a real step in the right direction," Scott Hodge, president of the non-partisan tax policy research Tax Foundation told CNBC's On the Money recently. "Not only in just simplifying the tax system, but in creating a more dynamic tax system, one that is more conducive to economic growth."

Founded in 1937, The Tax Foundation is an independent, non-partisan tax policy research organization.

The tax overhaul promises a simpler tax code. For individual taxpayers, the current seven income tax brackets would be reduced to just three: 35 percent, 25 percent and 12 percent.

<https://www.cnbc.com/2017/10/01/how-the-trump-tax-plan-will-make-most-people-better-off-tax-foundation-president-says.html>

However, another "bracket" is zero percent, which [represents those who don't pay any income tax at all](#). The standard deduction will double to \$12,000 for single taxpayers and \$24,000 for married couples filing jointly.

"That's the real balance here, is how far we can reduce tax rates to make up for some of the deductions that we're going to lose," Hodge said.

Another major provision of the GOP tax reform plan is the elimination of [deductions for state and local taxes](#) – a change that could hit middle and upper-income taxpayers.

British manufacturing growth cooled last month as cost pressures lurched higher, according to a survey that could put the Bank of England a step closer to raising interest rates, despite a murky outlook ahead of Brexit.

<http://www.reuters.com/article/us-britain-economy-pmi/uk-factory-growth-slows-price-pressures-rocket-again-markit-pmi-idUSKCN1C7198?il=0>

Monday's IHS Markit/CIPS UK Manufacturing Purchasing Managers' Index (PMI) fell to 55.9 from a downwardly revised 56.7 in August, undershooting the consensus of 56.4 in a Reuters poll of economists.

By contrast, euro zone factories had their best month since early 2011.

Nissan Motor Co Ltd ([7201.T](#)) plans to recall 1.2 million cars in Japan after it discovered final vehicle inspections were not performed by authorized technicians, it said on Monday.

<http://www.reuters.com/article/us-nissan-safety-checks/nissan-to-recall-1-2-million-cars-in-japan-over-unauthorized-checks-idUSKCN1C7160?il=0>

Japan's second-biggest automaker said the recall would cost it around 25 billion yen (\$222 million) to re-inspect cars produced for the domestic market between October 2014 and September 2017, which include top sellers the Serena minivan and the Note compact hatchback.

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EQUITIES

The S&P is +5 and the NASDAQ is +13.

Particulars for companies to make money (**low interest rates, 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 +0.54%.

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

BOE Rate +0.25%.

Next meeting 11/02/17

On the European Continent

The CAC Index closed +0.10%.

The DAX Index closed +0.30%.

In the Continent, the yield curve is flatter with yields lower.

ECB Main Refinancing Operations Rate +0.00%

Deposit Facility Rate -.40%

Next meeting 10/26/17

ASIA

Japan:

The TOPIX closed -0.07%.

The NIKKEI closed +0.22%.

In Japan, the yield curve is steeper with yields higher.

BOJ Basic Loan rate 0.30%

Next meeting 10/31/17

China:

The Hang Seng closed +0.48%.

The Shanghai Composite closed +0.28%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

Reserve Requirement Ratio: 17.00%

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THE TREND

EDZ7: 98-54.5 is the pivot. Below the pivot you should be short, above long.
Support is at 98-46.5**.

Resistance is at 98.54.5 and 98-63.0*.

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

** 2-STD Deviations from the pivot point.

Trend has us short from 98.550 (9/14/17).



YTD +8.0 futures ticks (\$25 per tick) or +\$200.00 per one contract traded.

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10yr/TYZ7: 126-08.0 is the pivot point. Above you should be long, below short.

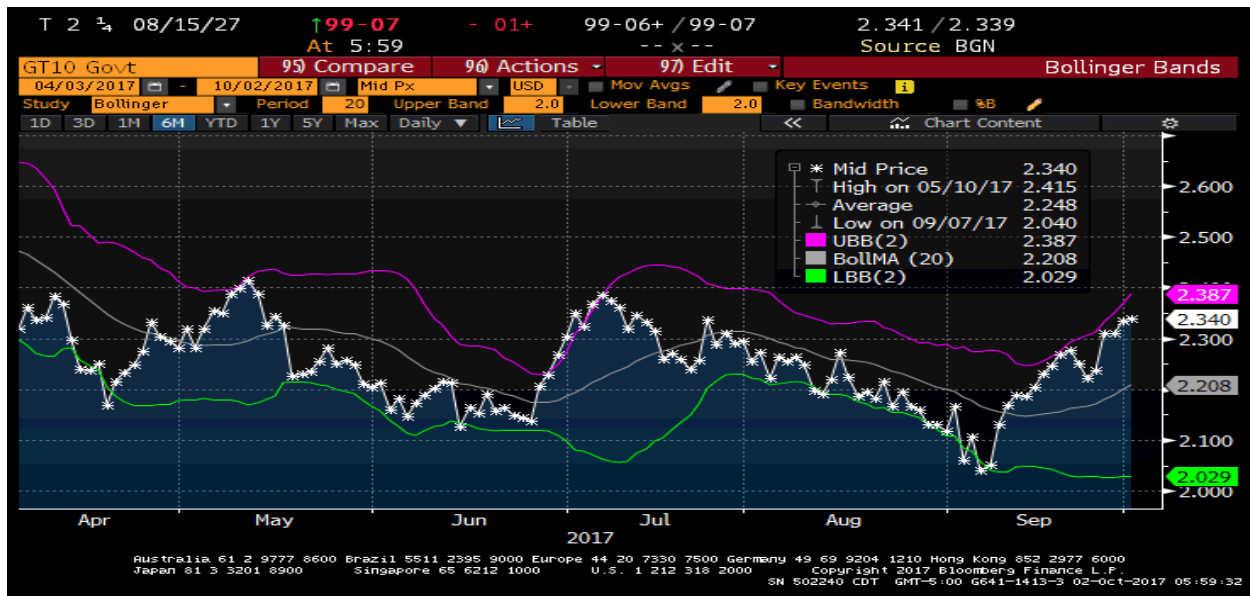
Support is at 124-26.0**

Resistance is at 126-08.0 and 127-22.0**

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

** 2-STD Deviations from the pivot point

Current trend has you short from 126-21.5 (9/12/17).



YTD (2017) +80.0 futures ticks (\$31.25 per tick) or +2500.00 per one contract traded.

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

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US-SWAPS IRSB <GO>

United States		98 Export		99 Settings		Interest Rate Swap Rates										
						Date Range:		09/02/2017 - 10/02/2017		1 Month						
40 Semi Swaps		41 Sprs to Gov.		42 Ann Swaps		43 Ann Sprs		44 OIS Swaps		45 CME/LCH Sprs						
USD SemiAnnual 30/360 Swap Rates													Avg	Now	PCS	CMPN
Tenor	Bid	Ask	Mid	Change	Today	#SD	Δ/da	Low	Range	High	Avg	+/-BPS	#SD			
1) 1 YR	1.569 / 1.571	1.570	0.005			0.1	1.393	1.580	1.503	6.8	1.2					
2) 2 YR	1.745 / 1.747	1.746	0.005			0.1	1.485	1.762	1.635	11.3	1.3					
3) 3 YR	1.859 / 1.860	1.859	0.002			0.0	1.554	1.881	1.730	13.0	1.4					
4) 4 YR	1.944 / 1.945	1.944	0.004			0.0	1.619	1.969	1.809	13.6	1.4					
5) 5 YR	2.018 / 2.019	2.019	0.015			0.2	1.683	2.048	1.879	14.0	1.4					
6) 6 YR	2.087 / 2.087	2.087	0.004			0.0	1.749	2.116	1.948	13.9	1.4					
7) 7 YR	2.147 / 2.149	2.148	0.006			0.1	1.813	2.178	2.011	13.8	1.4					
8) 8 YR	2.204 / 2.205	2.204	0.010			0.1	1.872	2.233	2.071	13.4	1.4					
9) 9 YR	2.253 / 2.253	2.253	0.008			0.1	1.926	2.283	2.121	13.2	1.4					
10) 10 YR	2.294 / 2.296	2.295	0.004			0.0	1.976	2.327	2.167	12.9	1.4					
11) 15 YR	2.438 / 2.438	2.438	0.007			0.1	2.151	2.465	2.326	11.2	1.4					
12) 20 YR	2.506 / 2.507	2.506	0.012			0.2	2.236	2.534	2.405	10.2	1.4					
13) 25 YR	2.532 / 2.532	2.532	0.011			0.2	2.274	2.562	2.435	9.7	1.4					
14) 30 YR	2.538 / 2.540	2.539	0.005			0.1	2.289	2.571	2.448	9.2	1.4					

Executable quotes for Fixed Income Electronic Trading are in white tenors.

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 6641-1413-3 02-Oct-2017 05:53:28

The Option Lab

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

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The Fundamentals

LABOR

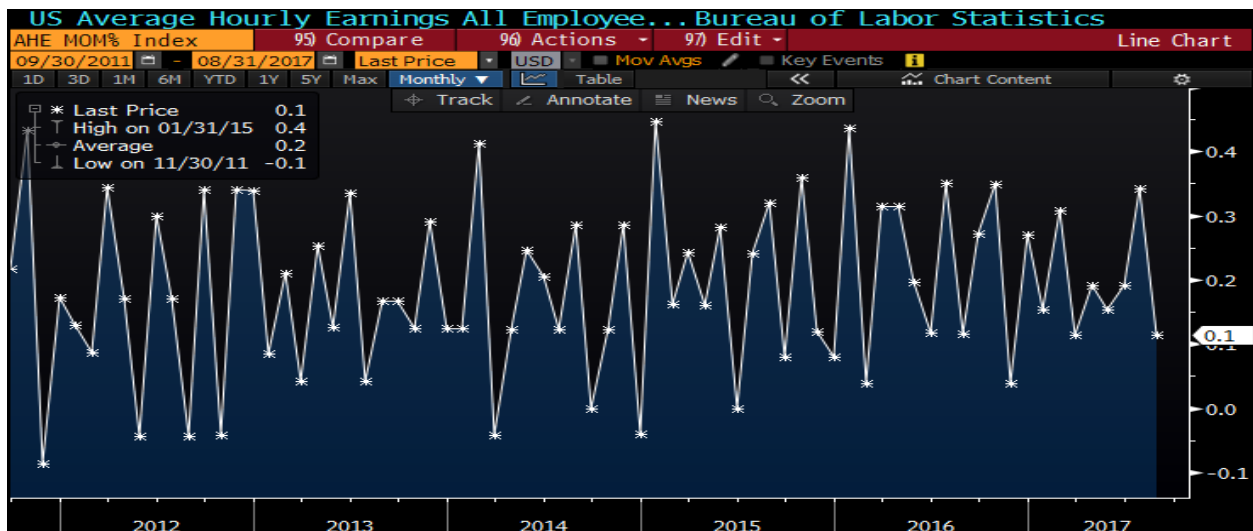
Bureau of Labor and Statistics

<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/



St. Louis Fed Agriculture Finance Monitor 2nd 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>

Charge-off Delinquency Rates on Loans and Leases at Commercial Banks

<https://www.federalreserve.gov/releases/chargeoff/delallsa.htm>

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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.	29 September 2017	940	+5	22 September 2017	+418	30 September 2016
Canada	29 September 2017	213	-7	22 September 2017	+51	30 September 2016
International	August 2017	952	-7	July 2017	+15	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/>

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TRANSPORTS

Association of American Railroads Rail Traffic Report.

For the first 38 weeks of 2017, U.S. railroads reported cumulative volume of 9,833,998 carloads, up 4 percent from the same point last year; and 10,145,659 intermodal units, up 3.4 percent from last year. Total combined U.S. traffic for the first 38 weeks of 2017 was 19,979,657 carloads and intermodal units, an increase of 3.7 percent compared to last year.

North American rail volume for the week ending September 23, 2017, on 13 reporting U.S., Canadian and Mexican railroads totaled 360,341 carloads, down 1.2 percent compared with the same week last year, and 370,902 intermodal units, up 7.2 percent compared with last year. Total combined weekly rail traffic in North America was 731,243 carloads and intermodal units, up 2.9 percent. North American rail volume for the first 38 weeks of 2017 was 26,492,241 carloads and intermodal units, up 5.1 percent compared with 2016.

Canadian railroads reported 81,470 carloads for the week, up 1.2 percent, and 73,056 intermodal units, up 18.2 percent compared with the same week in 2016. For the first 38 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 5,480,066 carloads, containers and trailers, up 11.5 percent.

Mexican railroads reported 15,671 carloads for the week, down 0.6 percent compared with the same week last year, and 12,842 intermodal units, down 2.6 percent. Cumulative volume on Mexican railroads for the first 38 weeks of 2017 was 1,032,518 carloads and intermodal containers and trailers, up 0.6 percent from the same point last year.

<https://www.aar.org/newsandevents/Press-Releases/Pages/2017-09-27-railtraffic.aspx>

Weekly Rail Traffic Report and Charts

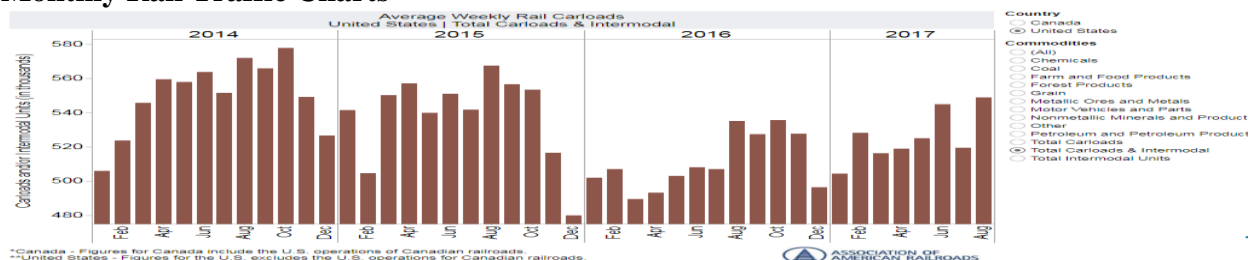
For this week, total U.S. weekly rail traffic was 548,204 carloads and intermodal units, up 1.6 percent compared with the same week last year.

Total carloads for the week ending September 23 were 263,200 carloads, down 2 percent compared with the same week in 2016, while U.S. weekly intermodal volume was 285,004 containers and trailers, up 5.1 percent compared to 2016.

Five of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included nonmetallic minerals, up 3,166 carloads, to 40,718; metallic ores and metals, up 2,528 carloads, to 25,392; and chemicals, up 487 carloads, to 30,669. Commodity groups that posted decreases compared with the same week in 2016 included grain, down 5,517 carloads, to 19,612; coal, down 3,120 carloads, to 84,389; and petroleum and petroleum products, down 1,189 carloads, to 9,188.

<https://www.aar.org/newsandevents/Freight-Rail-Traffic/Documents/2017-09-27-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) – 09/25/17

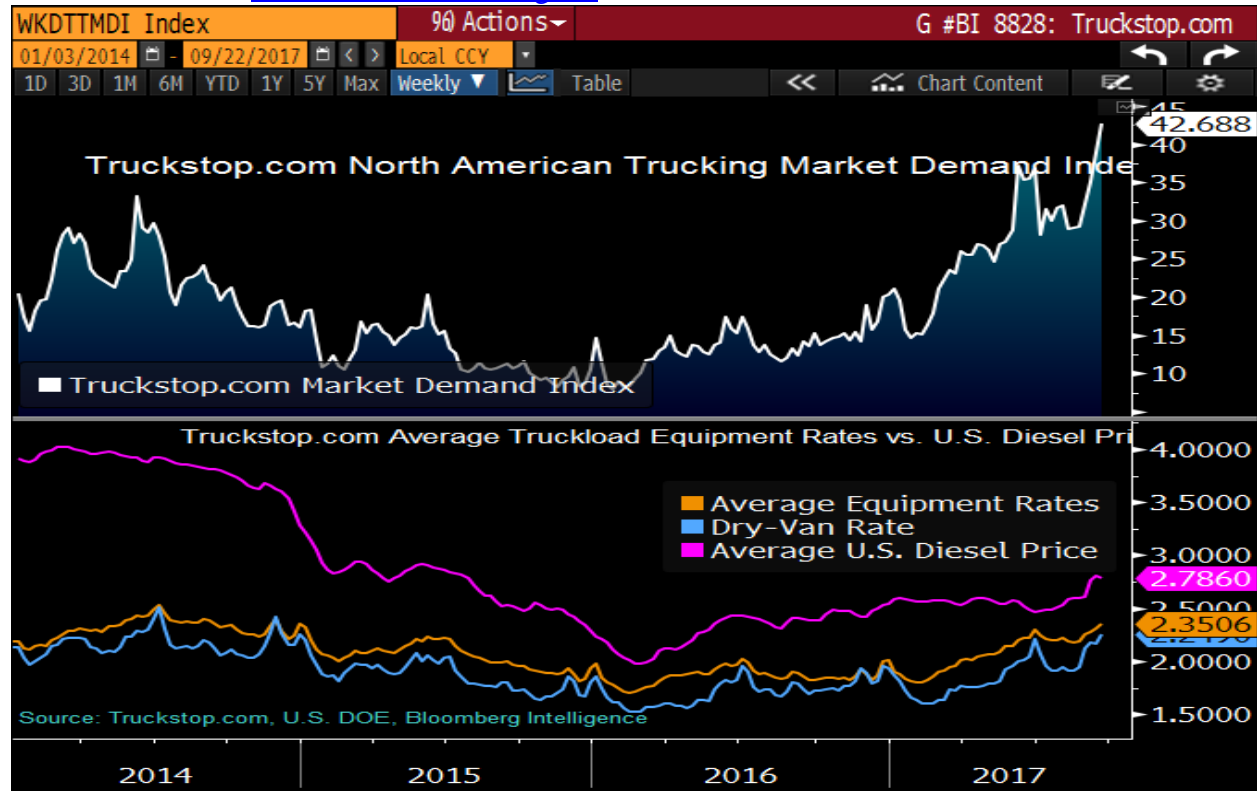
Truckstop.com Market Demand Index, Average Rates

(Bloomberg Intelligence) --Relative North American spot trucking demand jumped 10% sequentially to 42.7 in the week ended Sept. 22, as measured by Truckstop.com's Market Demand Index. Capacity tightened, as a 7% jump in available loads outpaced a 2% decline in available trucks. Average spot rates (up 1.6%) remain boosted by hurricane-driven demand. Emergency relief shipments, which typically compensate for return-trip deadhead miles and lure carriers from other regions, should continue to keep rates elevated.

The Market Demand Index has climbed 113% on average vs. last year. Total rates have increased 12%, driven by 29% 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 lklaskow1@bloomberg.net



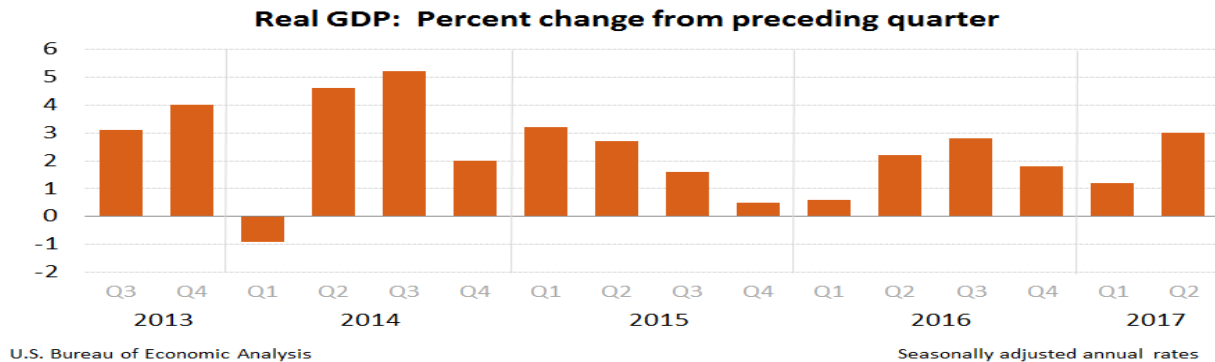
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GDP

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

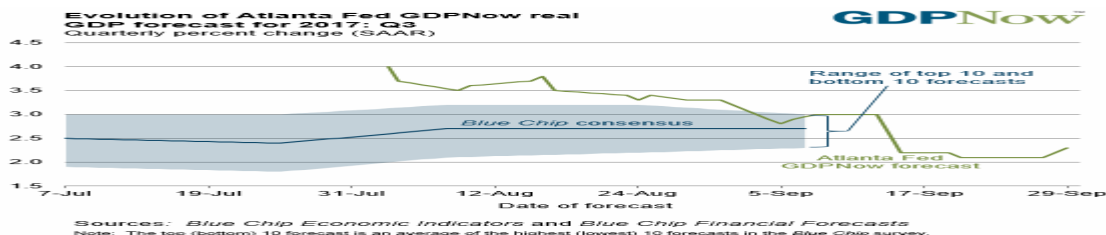


GDP-3Q running around 2.16% as of September 27, up from 2.06% on September 22.

Atlanta Fed GDPNowcast Latest forecast...September 27, 2017

The GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2017 is **2.3 percent** on September 29, up from 2.1 percent on September 27. Since the previous GDPNow update on Wednesday, the forecasts of the contributions of net exports and inventory investment to third-quarter GDP growth increased from -0.16 percentage points and 0.90 percentage points, respectively, to -0.01 percentage points and 1.13 percentage points, respectively. The forecasts of real consumer spending growth and real nonresidential equipment investment growth declined from 2.0 percent and 5.7 percent, respectively, to 1.8 percent and 4.0 percent, respectively.

*The next GDPNow update is **Monday, October 2**. Please see the "Release Dates" tab below for a full list of upcoming releases.*



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

New York Fed Nowcast...Q3 stands at 1.6%...September 22, 2017

News from this week's data releases increased the nowcast for both quarters by 0.2 percentage point.

Positive surprises from housing data accounted for the increase.

https://www.newyorkfed.org/medialibrary/media/research/policy/nowcast/nowcast_2017_0915.pdf?la=en

St. Louis Fed Real GDP Nowcast... Q3 2017: 2.14%...September 27, 2017

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

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MANUFACTURING AT A GLANCE

August 2017

Index	Series Index Aug	Series Index Jul	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	58.8	56.3	+2.5	Growing	Faster	12
New Orders	60.3	60.4	-0.1	Growing	Slower	12
Production	61.0	60.6	+0.4	Growing	Faster	12
Employment	59.9	55.2	+4.7	Growing	Faster	11
Supplier Deliveries	57.1	55.4	+1.7	Slowing	Faster	16
Inventories	55.5	50.0	+5.5	Growing	From Unchanged	1
Customers' Inventories	41.0	49.0	-8.0	Too Low	Slower	2
Prices	62.0	62.0	0	Increasing	Same	18
Backlog of Orders	57.5	55.0	+2.5	Growing	Faster	7
New Export Orders	55.5	57.5	-2.0	Growing	Slower	18
Imports	54.5	56.0	-1.5	Growing	Slower	7
OVERALL ECONOMY				Growing	Faster	99
Manufacturing Sector				Growing	Faster	12

<i>Month</i>	<i>PMI®</i>		<i>Month</i>	<i>PMI®</i>
Aug 2017	58.8		Feb 2017	57.7
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
Average for 2017 – 56.7 Average for 12 months – 55.4 High – 58.8 Low – 51.7				

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<https://www.instituteforsupplymanagement.org/ISMReport/MfgROB.cfm?SSO=1>

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>

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