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The Missile

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(All times are CST)

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

United States — 6) Browse — 05:58:33 — 11/20/17 - 11/27/17

Economic Releases — All Economic Releases — View Agenda Weekly

	Date Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	11/20 09:00				Leading Index	Oct	0.7%	--	-0.2%	--
22)	11/21 07:30				Chicago Fed Nat Activity Index	Oct	0.20	--	0.17	--
23)	11/21 09:00				Existing Home Sales	Oct	5.40m	--	5.39m	--
24)	11/21 09:00				Existing Home Sales MoM	Oct	0.2%	--	0.7%	--
25)	11/22 06:00				MBA Mortgage Applications	Nov 17	--	--	3.1%	--
26)	11/22 07:30				Initial Jobless Claims	Nov 18	240k	--	249k	--
27)	11/22 07:30				Continuing Claims	Nov 11	1879k	--	1860k	--
28)	11/22 07:30				Durable Goods Orders	Oct P	0.4%	--	2.0%	--
29)	11/22 07:30				Durables Ex Transportation	Oct P	0.5%	--	0.7%	--
30)	11/22 07:30				Cap Goods Orders Nondef Ex Air	Oct P	0.6%	--	1.7%	--
31)	11/22 07:30				Cap Goods Ship Nondef Ex Air	Oct P	0.3%	--	0.9%	--
32)	11/22 08:45				Bloomberg Consumer Comfort	Nov 19	--	--	52.1	--
33)	11/22 09:00				U. of Mich. Sentiment	Nov F	98.0	--	97.8	--
34)	11/22 09:00				U. of Mich. Current Conditions	Nov F	--	--	113.6	--
35)	11/22 09:00				U. of Mich. Expectations	Nov F	--	--	87.6	--
36)	11/22 09:00				U. of Mich. 1 Yr Inflation	Nov F	--	--	2.6%	--
37)	11/22 09:00				U. of Mich. 5-10 Yr Inflation	Nov F	--	--	2.5%	--
38)	11/22 13:00				FOMC Meeting Minutes	Nov 1	--	--	--	--
39)	11/24 08:45				Markit US Manufacturing PMI	Nov P	55.0	--	54.6	--

Fed Speak Calendar
(All times are CST)

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

United States 6) Browse 06:24:59 11/20/17 - 12/15/17

Central Banks All Central Banks View Agenda Weekly

	Date Time	A M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	11/21 17:00			Fed's Yellen Speaks at Stern Business School					
22)	11/22 13:00			FOMC Meeting Minutes	Nov 1	--	--	--	--
23)	11/27 18:00			Fed's Dudley Speaks on U.S. Economy: 10 Years After Crisis					
24)	11/28 09:00			Senate Banking Cmte Holds Hearing on Fed Chair Nominee Powell					
25)	11/29 07:30			Fed's Dudley speaks About U.S. Economy					
26)	11/29 09:00			Yellen Appears before Joint Economic Committee of Congress					
27)	11/29 11:45			Fed's Williams Speaks at Economic Forecast Luncheon in Phoenix					
28)	11/29 13:00			U.S. Federal Reserve Releases Beige Book					
29)	11/30 12:00			Fed's Kaplan Speaks in Dallas					
30)	12/01 08:30			Fed's Kaplan Speaks in McAllen, Texas					
31)	12/12			Alabama Special General Election - U.S. Senate					
32)	12/13 13:00			FOMC Rate Decision (Upper Bo...	Dec 13	1.50%	--	1.25%	--
33)	12/13 13:00			FOMC Rate Decision (Lower Bo...	Dec 13	1.25%	--	1.00%	--
34)	12/13 13:30			Yellen Holds Press Conference Following FOMC Meeting					

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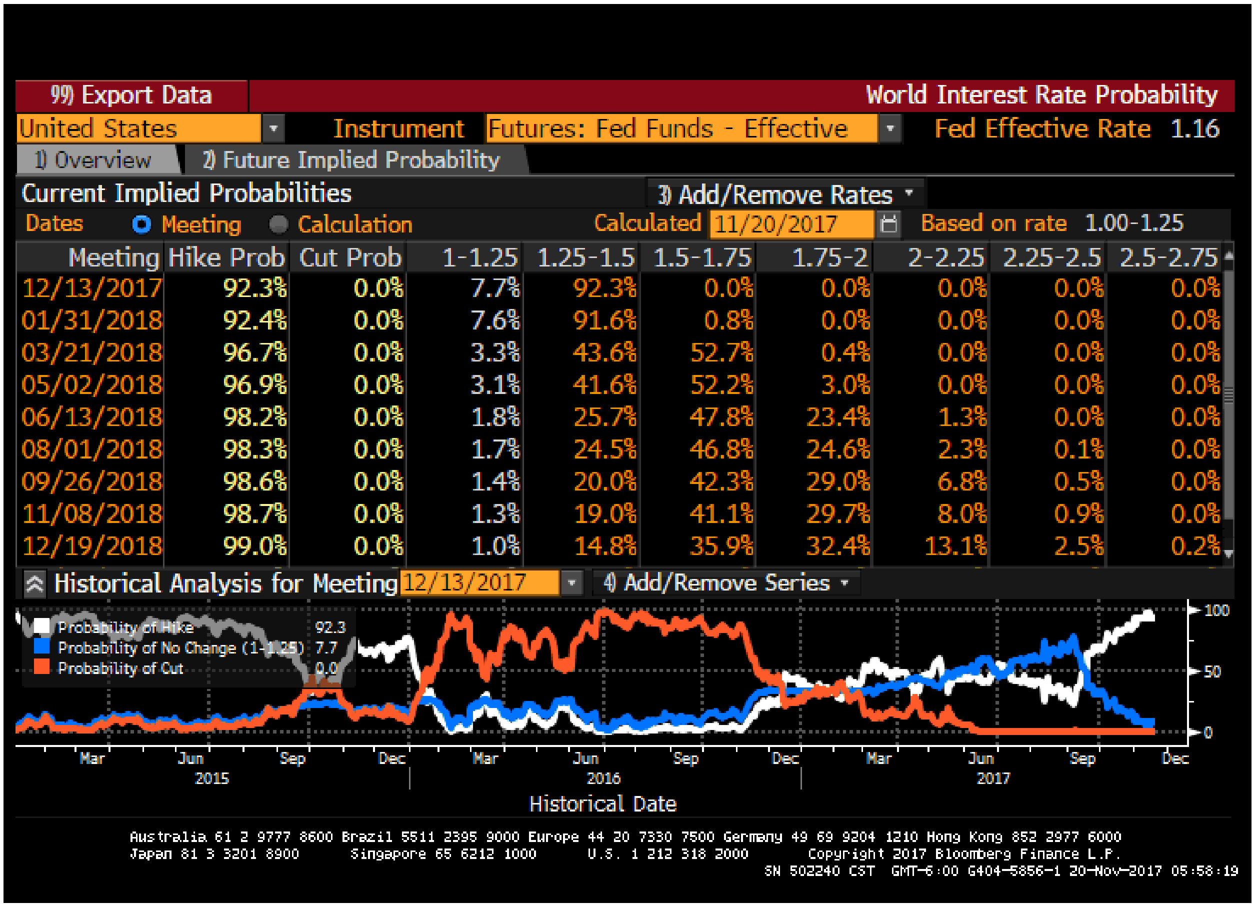
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	$ Bln
Cash mgmt	TBA	TBA	TBA	TBA		TBA	10/30/2017	$20
4-week	11/20/2017	11/21/2017	11/24/2017	912796MH9		TBA	11/14/2017	$50
3-month	11/22/2017	11/20/2017	11/24/2017	912796NT2		$42	11/13/2017	$42
6-month	11/22/2017	11/20/2017	11/24/2017	912796MB2		$36	11/13/2017	$36
1-year	11/30/2017	12/05/2017	12/07/2017	TBA		TBA	11/07/2017	$20
Note Auctions								
2-year	11/22/2017	11/27/2017	11/30/2017	9128283H1		TBA	10/24/2017	$26
3-year	12/07/2017	12/11/2017	12/15/2017	TBA		TBA	11/07/2017	$24
5-year	11/22/2017	11/27/2017	11/30/2017	9128283K4		TBA	10/25/2017	$34
7-year	11/22/2017	11/28/2017	11/30/2017	9128283J7		TBA	10/26/2017	$28
10-year	12/07/2017	12/11/2017	12/15/2017	TBA		TBA	11/08/2017	$23
Bond Auctions								
30-year	12/07/2017	12/12/2017	12/15/2017	TBA		TBA	11/09/2017	$15

TIPS Auctions								
5-yr TIPS	12/14/2017	12/21/2017	12/29/2017	TBA	R	TBA	08/24/2017	$14
10-yr TIPS	01/11/2018	01/18/2018	01/31/2018	TBA	R	TBA	11/16/2017	$11
30-yr TIPS	TBA	TBA	TBA	TBA		TBA	10/19/2017	$5
Floating Rate Note								
2-year FRN	12/21/2017	11/21/2017	11/24/2017	9128283B4	R	$13	10/25/2017	$15
Buyback Operation								
Buyback	TBA	TBA	TBA	TBA		TBA	11/15/2017	$.025

Implied Probability of Fed Rate Movement (Futures)



Meeting	Hike Prob	Cut Prob	1-1.25	1.25-1.5	1.5-1.75	1.75-2	2-2.25	2.25-2.5	2.5-2.75
12/13/2017	92.3%	0.0%	7.7%	92.3%	0.0%	0.0%	0.0%	0.0%	0.0%
01/31/2018	92.4%	0.0%	7.6%	91.6%	0.8%	0.0%	0.0%	0.0%	0.0%
03/21/2018	96.7%	0.0%	3.3%	43.6%	52.7%	0.4%	0.0%	0.0%	0.0%
05/02/2018	96.9%	0.0%	3.1%	41.6%	52.2%	3.0%	0.0%	0.0%	0.0%
06/13/2018	98.2%	0.0%	1.8%	25.7%	47.8%	23.4%	1.3%	0.0%	0.0%
08/01/2018	98.3%	0.0%	1.7%	24.5%	46.8%	24.6%	2.3%	0.1%	0.0%
09/26/2018	98.6%	0.0%	1.4%	20.0%	42.3%	29.0%	6.8%	0.5%	0.0%
11/08/2018	98.7%	0.0%	1.3%	19.0%	41.1%	29.7%	8.0%	0.9%	0.0%
12/19/2018	99.0%	0.0%	1.0%	14.8%	35.9%	32.4%	13.1%	2.5%	0.2%

Libor Set

1-Month Libor Set	**1.29418**	**+.00698**	**(98.70582)**
3-Month Libor Set	**1.44594**	**+.00594**	**(98.55406)**
6-Month Libor Set	**1.63489**	**+.00279**	**(98.32511)**
1-Year Libor Set	**1.90844**	**+.00200**	**(98.19156)**

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

Percent

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/fomcprojtabl20170920.pdf

THEY SAID IT

Japan's exports grew by double digits for a fourth straight month in October, continuing the best year-to-date performance since the global financial crisis.
https://www.bloomberg.com/news/articles/2017-11-19/japan-s-best-export-performance-since-2008-crisis-rolls-on
HIGHLIGHTS
The value of exports rose 14 percent from a year earlier (forecast +15.7 percent).
Imports increase 18.9 percent (forecast +20.2%).
The trade surplus was 285.4 billion yen ($2.6 billion), less than the forecast of 330 billion yen.

Economists' Views

- **"Japan's exports are on an increasing trend thanks to a solid global recovery," said Norio Miyagawa, senior economist at Mizuho Securities. "I think semiconductors related to the production of the new iPhone are one of key drivers."**
- **"We can count on exports as the engine driving Japan's economy in coming quarters," Miyagawa said, forecasting growth of 1 percent to 1.5 percent in the three months through December.**
- **"I do get the impression that the pace of growth in exports slowed down a little last month, but**

there's still a steady underlying expansion," said Atsushi Takeda, an economist at Itochu Corp. in Tokyo.

- **"Overall semiconductors and autos lead exports, and for the moment it looks like we don't need to be too worried about those sectors," Takeda said.**

Other Details

Japan's adjusted trade balance showed a surplus of 322.9 billion yen (forecast 206.7 billion yen).

Exports to China, Japan's largest trading partner, rose 26 percent from a year earlier.

Those to the U.S. rose 7.1 percent.

Shipments to the EU climbed 15.8 percent.

The volume of exports grew 3.8 percent from last October.

While the value of exports has recovered to the levels of a decade ago, volumes are below those highs.

"We're actively looking to backfill for 2018 and 2019 starts, but my expectation is that given the opportunities, our pipeline will fall below the low end of that [range] for at least the next several quarters," Alcock said.
http://www.costar.com/News/Article/Major-Apt-Developers-Disclose-Plans-to-Slow-Pipelines-as-Multifamily-Deliveries-Expected-to-Peak-Next-Year/195910
In a reversal of current development trends that could help extend the run of increasing property values and rents in the multifamily sector, executives for several of the largest publicly traded apartment owners and developers said they are planning to trim back their construction pipelines in coming quarters.
UDR, Inc. said its development pipeline would end 2017 at a little over $800 million, below the REIT's strategic range of $900 million to $1.4 billion. UDR Chief Investment Officer Harry Alcock said he expects that trend will continue through next year.
Timothy J. Naughton, CEO of AvalonBay Communities, Inc. (NYSE:AVB), also said he expects the developer's current $3.2 billion construction pipeline targeted for projects over the next three and a half years is "probably going to trail off a bit."
"Even though the cycle is going longer, the economics are less compelling and less deals are making it through the screen," Naughton said noting the impact of rising construction costs and flattening rental rates.

Construction permits for new multifamily projects are expected to decrease in 2018 while office, retail, logistics and hotel construction starts will rise a modest 2%, continuing a deceleration from the sharp 21% hike in 2016, which signaled the cycle's peak year for commercial construction, according to the 2018 Dodge Construction Outlook.
"We're still seeing a slowdown both in terms of starts and deliveries in our markets, which has more than to with the overall tightening of money for developers and shortage of qualified construction workers," said John Williams, chairman and CEO of Preferred Apartment Communities, Inc. (NYSE:APTS).

Dodge forecasts that apartment and other multifamily housing starts will decline by 11%, or 425,000 units next year and retreat 8% in total construction spending volume. Apartment rent growth, occupancy and other fundamentals began to pull back slightly this year from the property type's 2016 peak amid concerns of oversupply in some markets and a more cautious lending stance by banks.
While future new apartment construction is projected to decline, the current supply wave has yet to crest. CoStar Portfolio Strategy's forecast calls for new apartment deliveries to peak in 2018, with more than 700,000 units added to stock over the next three years, averaging more than 50,000 per quarter.
Those totals, while the highest seen in a decade, still fall well below the supply booms of the 1960s through the 1980s during the height of the baby boom, when developers completed an average of more than 100,000 units per quarter. Michael Cohen, CoStar director of advisory services, noted there is more than enough renter demand to fill 50,000 new units each quarter.
"Outside of a few select markets such as Austin, Nashville and Washington, DC, the supply wave isn't having a dramatic effect on broader U.S. fundamentals," Cohen said during the company's latest multifamily update and forecast.

The Blackstone Group (NYSE:BX), which reportedly attempted to buy one cold storage warehouse operator earlier this year, has found a willing partner in another.
http://www.costar.com/News/Article/Cold-Storage-Becoming-a-Hot-Property-Investment/195878
Sioux City, IA-based Cloverleaf Cold Storage has agreed to a recapitalization that will see private equity funds affiliated with Blackstone make a majority investment in Cloverleaf alongside the firm's existing Feiges and Kaplan family shareholders, who will continue to operate the business post-closing. Terms of the transaction were not disclosed.
Meanwhile, Atlanta-based Americold Corp., the world's largest owner and operator of temperature-controlled warehouses, filed an initial public offering this week to form a new REIT called Americold Realty Trust. It was previously reported that Americold turned down a $3 billion buyout bid from Blackstone this past September, according to *Frozen & Refrigerated Buyer*magazine and other news reports.
Goldman Sachs is funding Blackstone's Cloverleaf investment. The Wall St. financial firm is well versed in the cold-storage real estate sector having partnered with JPMorgan earlier this yeat to sell a $1.3 billion CMBS offering backed by loans on 54 cold storage facilities operated by Lineage Logistics Holdings LLC.
The Global Cold Chain Alliance, an industry trade group, recently forecast that, beginning next year, owners and operators of U.S. temperature-controlled warehouses as a whole will see a five-year compounded annual growth rate in revenues of 4% based on the group's view that U.S. demand from food producers, distributors, retailers and e-tailers exceeds currently available temperature-controlled capacity in the U.S.
The alliance further posits that an owner with a large-scale network of high-quality temperature-controlled warehouses will be well-positioned to take advantage of these trends.
Market capitalization rates in the temperature-controlled warehouse sector for triple net leased temperature-controlled facilities have ranged from 6.25% to 7.25% and for owner operated temperature-controlled facilities ranged from 7.5% to 8.25%, according to a recent report on temperature-controlled warehouses by Cushman & Wakefield.
The Cushman report attributed the higher capitalization rates of owner-operated facilities to the net operating income derived from the handling and other services provided by the owner to

customers at the facility. The report further said that temperature-controlled facilities have benefited from the same capitalization rate compression that has helped drive values in the warehouse sector since the global financial crisis.

The White House says the true cost of the opioid drug epidemic in 2015 was $504 billion, or roughly half a trillion dollars.
https://www.cnbc.com/2017/11/20/the-true-cost-of-opioid-epidemic-tops-500-billion-white-house-says.htmlc
In an analysis to be released Monday, the Council of Economic Advisers says the figure is more than six times larger than the most recent estimate. The council said a 2016 private study estimated that prescription opioid overdoes, abuse and dependence in the U.S. in 2013 cost $78.5 billion. Most of that was attributed to health care and criminal justice spending, along with lost productivity.
The council said its estimate is significantly larger because the epidemic has worsened, with overdose deaths doubling in the past decade, and that some previous studies didn't reflect the number of fatalities blamed on opioids, a powerful but addictive category of painkillers.

“It’s bad news for Europe that the government in Germany will take a little longer,” new Dutch Foreign Minister Halbe Zijlstra said on arrival for talks with EU peers in Brussels. “Germany is a very influential country within the EU so if they don’t have a government and therefore don’t have a mandate it’ll be very hard for them to take positions.”
https://www.reuters.com/article/us-germany-politics-eu/german-coalition-talks-collapse-is-bad-news-for-europe-dutch-minister-idUSKBN1DK0TQ?il=0
The collapse of German Chancellor Angela Merkel’s talks to form a three-way coalition government is “bad news for Europe” given the leading role of the European Union’s biggest member state, the Dutch foreign minister said on Monday.
Germany’s political crisis was weighing on the euro and European shares after the pro-business Free Democrats (FDP) unexpectedly pulled out on Sunday from weeks of talks with Merkel’s conservatives and the ecologist Greens.

Germany's problem, at the moment, is caused by attempts to create a stable governing coalition. The block formed by the Christian Democrat Union (CDU) and the Bavarian Christian Social Union (CSU), the two "sister parties," called the Union, now commands only 246 parliamentary seats, far short of the 355 seats required for the majority in the lower house of the German Parliament. Hence the exploratory coalition talks with the Green Party and the Free Democratic Party (FDP).
https://www.cnbc.com/2017/11/19/germanys-withering-stability-is-a-local-issue-commentary.html
But those talks apparently collapsed in the last day as the FDP walked away from the table.
The fraying unity within the Union is being glossed over, but the fact is that the CDU and CSU sisterly love has been rudely tested ever since CDU leader Merkel unilaterally decided on an open door immigration policy in 2015. The CSU's boss, Bavarian Minister President Horst Seehofer, has severely criticized that decision. He also remains opposed to many aspects of a much more restrictive immigration regime Merkel was forced to introduce over the last two years.

Still, Seehofer's conservative Bavarian constituency seems to believe that he was not strict enough. As a result, the Bavarians gave the CSU only 38 percent of the vote in last September elections, down from 47.7 percent in 2013 elections, marking the party's worst electoral showing on its home turf in the post-WWII period.
Seehofer, therefore, wants a rightward shift on immigration and security to fight a strong upsurge in Bavaria of the right-wing Alternative for Germany (AfD), which got 19.17 percent of that state's vote and 13 percent in the nationwide poll.
Bavarians are blaming Seehofer for all that. His job is on the line. If he yields any ground on Merkel's immigration policy he could lose the CSU leadership during the party's congress next month.
The fury is directed at the Greens, but there were also serious negotiating difficulties within the Union. The CSU, for example, took an uncompromising stand on the Green Party's liberal immigration platform. The CDU and CSU also rejected the Greens' proposals of very strict environmental regulations.
Immigration, security and, to a lesser extent, environmental problems are now seen as serious blemishes on Merkel's governance. They are thought to be largely responsible for the fact that, under Merkel leadership, the Union got only 32.9 percent of the popular vote in the last September elections, a sharp drop from 41.4 percent in 2013, and the worst election score since 1949.

"If we can repeal part of Obamacare as part of a tax bill ... that can pass, that's great," White House budget director Mick Mulvaney said on CNN's "State of the Union" on Sunday. "If it becomes an impediment to getting the best tax bill we can, then we are OK with taking it out."
https://www.cnbc.com/2017/11/20/trump-open-to-dropping-health-care-provision-in-senate-tax-bill-aide-says.html
It was too soon to say whether eliminating the repeal of the so-called individual mandate would increase the bill's chances of passing. The provision was not an impediment now, Mulvaney said.

Following a backlash, the Senate Finance Committee has decided a proposal to prevent investors from minimizing taxes will no longer apply to mutual funds, as first proposed — but it will still hit individuals, the Wall Street Journal reported Saturday.
https://www.cnbc.com/2017/11/20/senate-plan-lets-mutual-funds-skip-a-tax-change-that-hurts-individual-investors.html
The provision in the U.S. Senate plan will alter tax rules on some securities sales by barring investors from choosing which stock shares they want to unload when selling part of an equity position, the Journal reported. Instead, investors will have to sell off their oldest shares first, the report said.
The change was originally meant to apply to both fund firms and individuals. However, senators exempted mutual funds from the provision after protests by some of the largest firms, including Vanguard Group and Eaton Vance, according to the Journal.

EQUITIES

The S&P is **+1** and the NASDAQ is **+4**.
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 +0.13%.
In the UK, the yield curve is steeper with yields lower.
BOE Rate +0.25%.
Next meeting 12/14/17

On the European Continent
The CAC Index closed +0.29%.
The DAX Index closed +0.28%.
On the Continent, the yield curve is flatter with yields lower.
ECB Main Refinancing Operations Rate +0.00%
Deposit Facility Rate -.40%
Next meeting 12/14/17

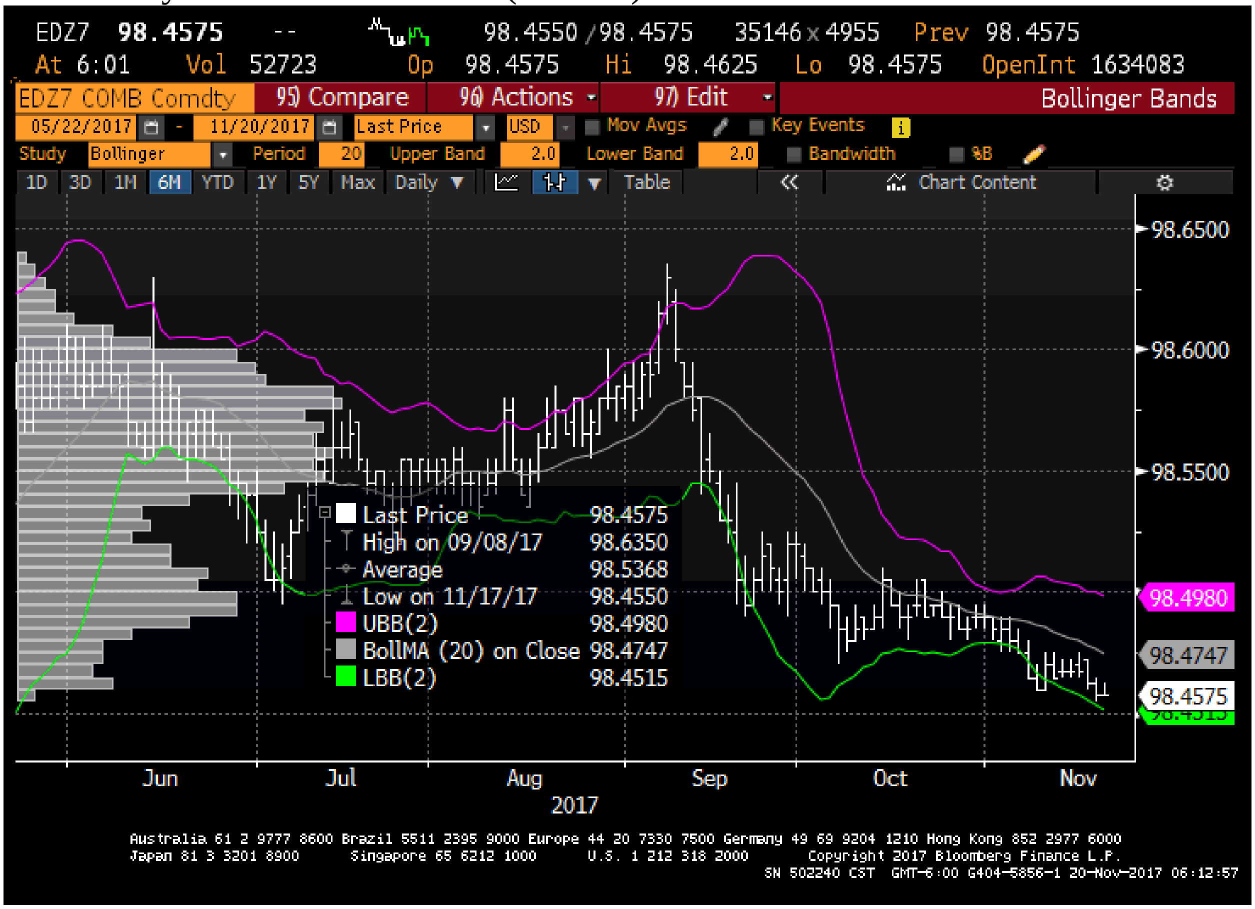
ASIA
Japan:
The TOPIX closed -0.23%.
The NIKKEI closed -0.60%.
In Japan, the yield curve is flatter with yields lower.
BOJ Basic Loan rate 0.30%
Next meeting 12/21/17

China:
The Hang Seng closed +0.21%.
The Shanghai Composite closed +0.28%.
PBOC
Deposit Rate: 1.50%
Lending Rate: 4.35%
Reserve Requirement Ratio: 17.00%

THE TREND

EDZ7: 98-47.5 is the pivot. Below the pivot you should be short, above long.
Support is at 98-42.25**.
Resistance is at 98.47.5 and 98-50.0*.
*Pivot Point is a simple 20-day moving average.
** 2-STD Deviations from the pivot point.

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



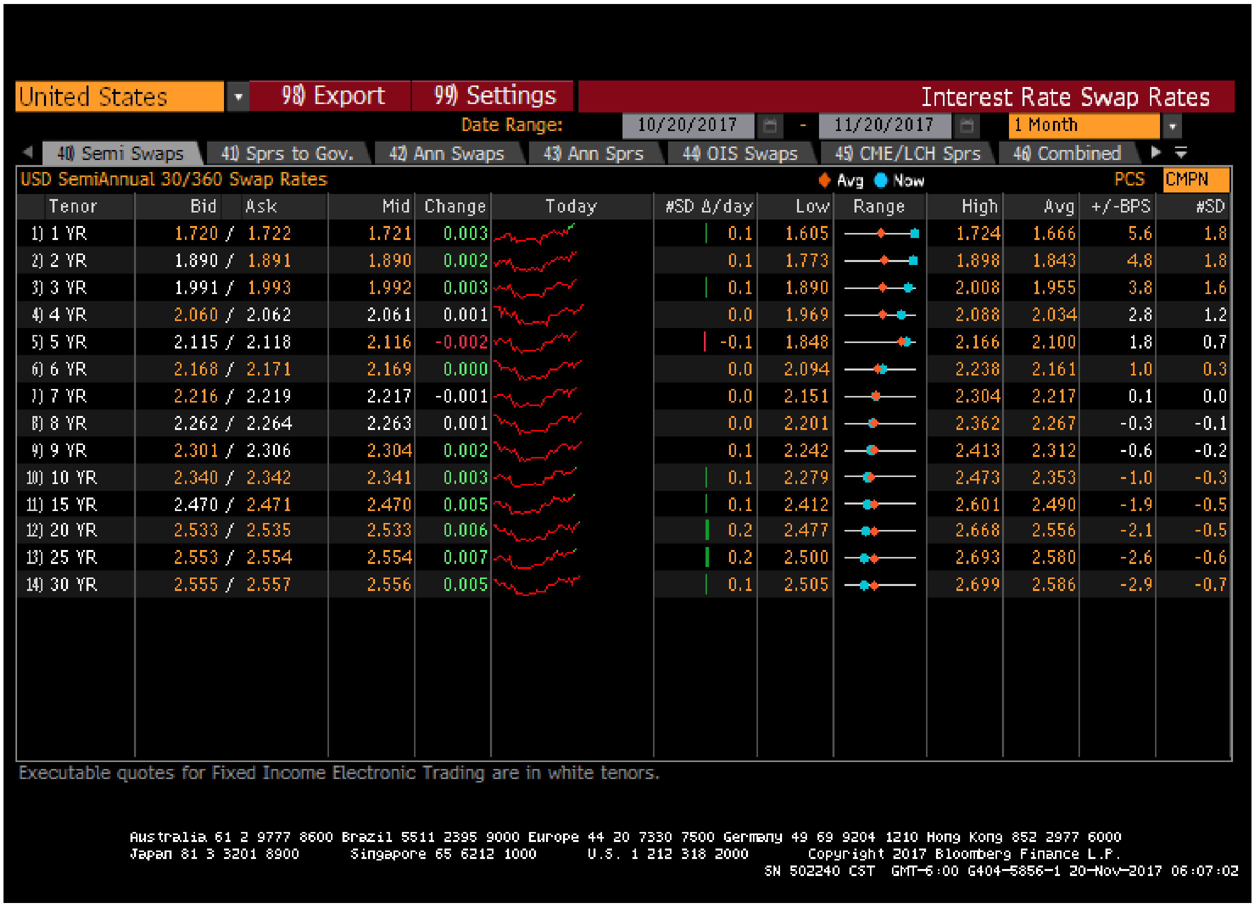
YTD +8.0 futures ticks ($25 per tick) or +$200.00 per one contract traded.

10yr/TYZ7: **125-01.0** is the pivot point. Above you should be long, below short.
Support is at 125-01.0 and **124-00.0****
Resistance is at **125-17.5****
*Pivot Point is a simple 20-day moving average**.**
**** 2-STD Deviations from the pivot point

Current trend has you short from 125-00.5 (11/17/17). I have gone flat ahead of the tax vote.

YTD (2017) +93.0 futures ticks ($31.25 per tick) or +2906.25 per one contract traded.
YTD (2016) +377.5 futures ticks ($31.25 per tick) or +$11,796.88 per one contract traded.

US-SWAPS
IRSB <GO>



United States | 98) Export | 99) Settings | Interest Rate Swap Rates

Date Range: 10/20/2017 - 11/20/2017 | 1 Month

40) Semi Swaps | 41) Sprs to Gov. | 42) Ann Swaps | 43) Ann Sprs | 44) OIS Swaps | 45) CME/LCH Sprs | 46) Combined

USD SemiAnnual 30/360 Swap Rates | Avg | Now | PCS | CMPN

Tenor	Bid / Ask	Mid	Change	Today	#SD Δ/day	Low	Range	High	Avg	+/-BPS	#SD
1) 1 YR	1.720 / 1.722	1.721	0.003		0.1	1.605		1.724	1.666	5.6	1.8
2) 2 YR	1.890 / 1.891	1.890	0.002		0.1	1.773		1.898	1.843	4.8	1.8
3) 3 YR	1.991 / 1.993	1.992	0.003		0.1	1.890		2.008	1.955	3.8	1.6
4) 4 YR	2.060 / 2.062	2.061	0.001		0.0	1.969		2.088	2.034	2.8	1.2
5) 5 YR	2.115 / 2.118	2.116	-0.002		-0.1	1.848		2.166	2.100	1.8	0.7
6) 6 YR	2.168 / 2.171	2.169	0.000		0.0	2.094		2.238	2.161	1.0	0.3
7) 7 YR	2.216 / 2.219	2.217	-0.001		0.0	2.151		2.304	2.217	0.1	0.0
8) 8 YR	2.262 / 2.264	2.263	0.001		0.0	2.201		2.362	2.267	-0.3	-0.1
9) 9 YR	2.301 / 2.306	2.304	0.002		0.1	2.242		2.413	2.312	-0.6	-0.2
10) 10 YR	2.340 / 2.342	2.341	0.003		0.1	2.279		2.473	2.353	-1.0	-0.3
11) 15 YR	2.470 / 2.471	2.470	0.005		0.1	2.412		2.601	2.490	-1.9	-0.5
12) 20 YR	2.533 / 2.535	2.533	0.006		0.2	2.477		2.668	2.556	-2.1	-0.5
13) 25 YR	2.553 / 2.554	2.554	0.007		0.2	2.500		2.693	2.580	-2.6	-0.6
14) 30 YR	2.555 / 2.557	2.556	0.005		0.1	2.505		2.699	2.586	-2.9	-0.7

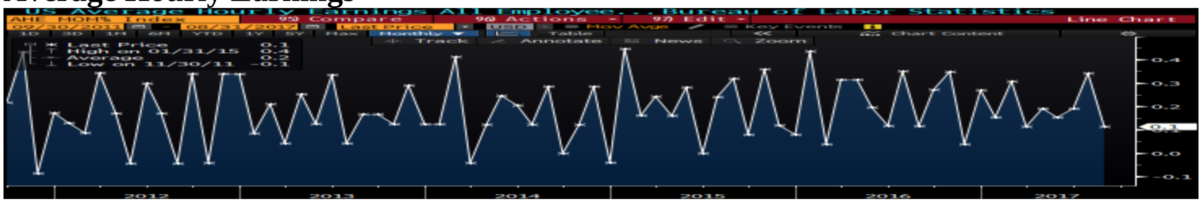
Executable quotes for Fixed Income Electronic Trading are in white tenors.

The Option Lab

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

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.

Average Hourly Earnings


Department of Labor Department.
http://www.doleta.gov/ETA_News_Releases/

St. Louis Fed Agriculture Finance Monitor 3Rd quarter 2017
According to the latest survey of agricultural bankers in the Eighth Federal Reserve District, farm income declined during the third quarter of 2017 compared with a year earlier. Bankers were modestly more optimistic when asked about the prospects for farm income in the fourth quarter. Compared with their expectations registered in the second-quarter survey, proportionately MORE BANKERS REPORTED AT THE DEMAND FOR LOANS, the rate of loan repayment, and farm income were stronger than they initially expected.
Quality farmland values rose 1.1 percent in the third quarter from a year earlier, while ranchland and pastureland values increased by slightly more, 4 percent. By contrast, cash rents fell in the third quarter. In the third quarter of 2017, proportionately more bankers reported an increased demand for loans. However, proportionately more bankers also reported a decline in the availability of funds and in the rate of loan repayment. Compared with the second-quarter averages, interest rates were modestly higher among most loan categories in the third quarter, regardless of whether the loans were fixed rate or variable rate. This issue contained three special questions. The first question asked about loan repayment problems. Nearly 60 percent of bankers reported that operating loans (lines of credit) were expected to have the largest repayment problems, while nearly a quarter of respondents reported no expected increase in repayment problems. The second question asked about the performance of loans that have been restructured in the past year. Nearly 70 percent of respondents reported that the restructuring has been in line with expectations.
https://files.stlouisfed.org/files/htdocs/publications/ag-finance/2017-11-09/2017-third-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

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.	10 November 2017	907	+9	3 November 2017	+339	11 November 2016
Canada	10 November 2017	203	+11	3 November 2017	+27	11 November 2016
International	October 2017	951	+20	September 2017	+31	October 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[1] 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 2016[1]
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/

TRANSPORTS

Association of American Railroads Rail Traffic Report.

For the first 44 weeks of 2017, U.S. railroads reported cumulative volume of 11,439,089 carloads, up 3.3 percent from the same point last year; and 11,848,796 intermodal units, up 3.6 percent from last year. Total combined U.S. traffic for the first 44 weeks of 2017 was 23,287,885 carloads and intermodal units, an increase of 3.5 percent compared to last year.

North American rail volume for the week ending November 4, 2017, on 13 reporting U.S., Canadian and Mexican railroads totaled 363,969 carloads, down 1.1 percent compared with the same week last year, and 354,947 intermodal units, up 3.7 percent compared with last year. Total combined weekly rail traffic in North America was 718,916 carloads and intermodal units, up 1.2 percent. North American rail volume for the first 44 weeks of 2017 was 30,900,543 carloads and intermodal units, up 4.9 percent compared with 2016.

Canadian railroads reported 81,942 carloads for the week, up 0.9 percent, and 71,119 intermodal units, up 23.1 percent compared with the same week in 2016. For the first 44 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 6,405,460 carloads, containers and trailers, up 11.1 percent.

Mexican railroads reported 15,375 carloads for the week, down 2.7 percent compared with the same week last year, and 11,741 intermodal units, down 4.9 percent. Cumulative volume on Mexican railroads for the first 44 weeks of 2017 was 1,207,198 carloads and intermodal containers and trailers, up 1 percent from the same point last year.

https://www.aar.org/newsandevents/Press-Releases/Pages/2017-11-08-railtraffic.aspx

Weekly Rail Traffic Report and Charts

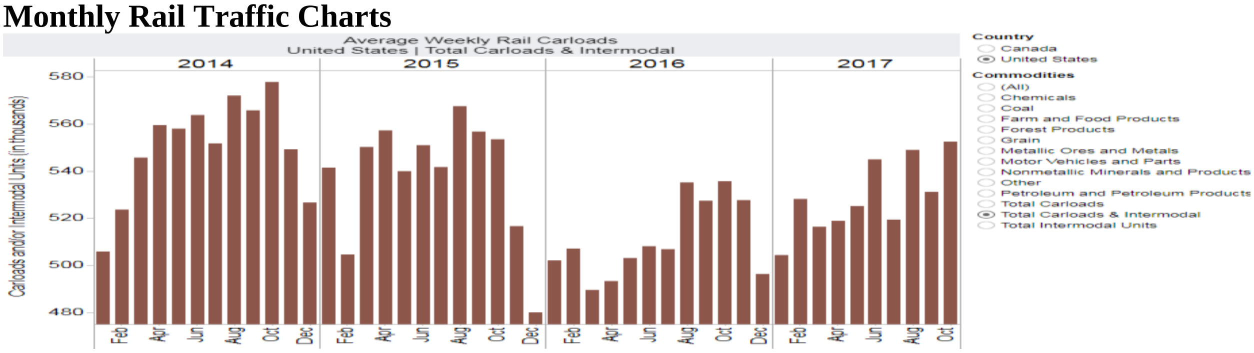
For this week, total U.S. weekly rail traffic was 538,739 carloads and intermodal units, down 0.8 percent compared with the same week last year.

Total carloads for the week ending November 4 were 266,652 carloads, down 1.7 percent compared with the same week in 2016, while U.S. weekly intermodal volume was 272,087 containers and trailers, up 0.01 percent compared to 2016.

Five of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included metallic ores and metals, up 4,176 carloads, to 22,716; nonmetallic minerals, up 2,411 carloads, to 38,980; and chemicals, up 1,797 carloads, to 31,552. Commodity groups that posted decreases compared with the same week in 2016 included coal, down 6,003 carloads, to 86,843; grain, down 5,376 carloads, to 23,281; and petroleum and petroleum products, down 1,216 carloads, to 9,665.

https://www.aar.org/newsandevents/Freight-Rail-Traffic/Documents/2017-11-08-railtraffic.pdf

Monthly Rail Traffic Charts



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

Trailer Truck Demand
(Bloomberg Intelligence) – 11/13/17

Truckstop.com Market Demand Index, Average Rates

(Bloomberg Intelligence) –Relative North American spot trucking demand fell 13% sequentially to 28.6 in the week ended Nov. 12, as measured by Truckstop.com's Market Demand Index. Hurricane-related demand has subsided. Trucking capacity remains tight even as the index fell to the lowest level since early July. Capacity loosened as the 5.7% gain in available trucks outpaced the 8.5% drop in available loads. Average spot rates, excluding fuel surcharges, slipped 0.5% lower. Regulations and seasonal demand could tighten the market further.

The Market Demand Index has climbed 119% on average vs. last year. Total rates, excluding fuel surcharges, increased 11%. USA Truck and Knight-Swift traditionally have more exposure to the spot market vs. other truckload carriers such as Werner, J.B. Hunt and Marten.

To contact the analyst for this research:

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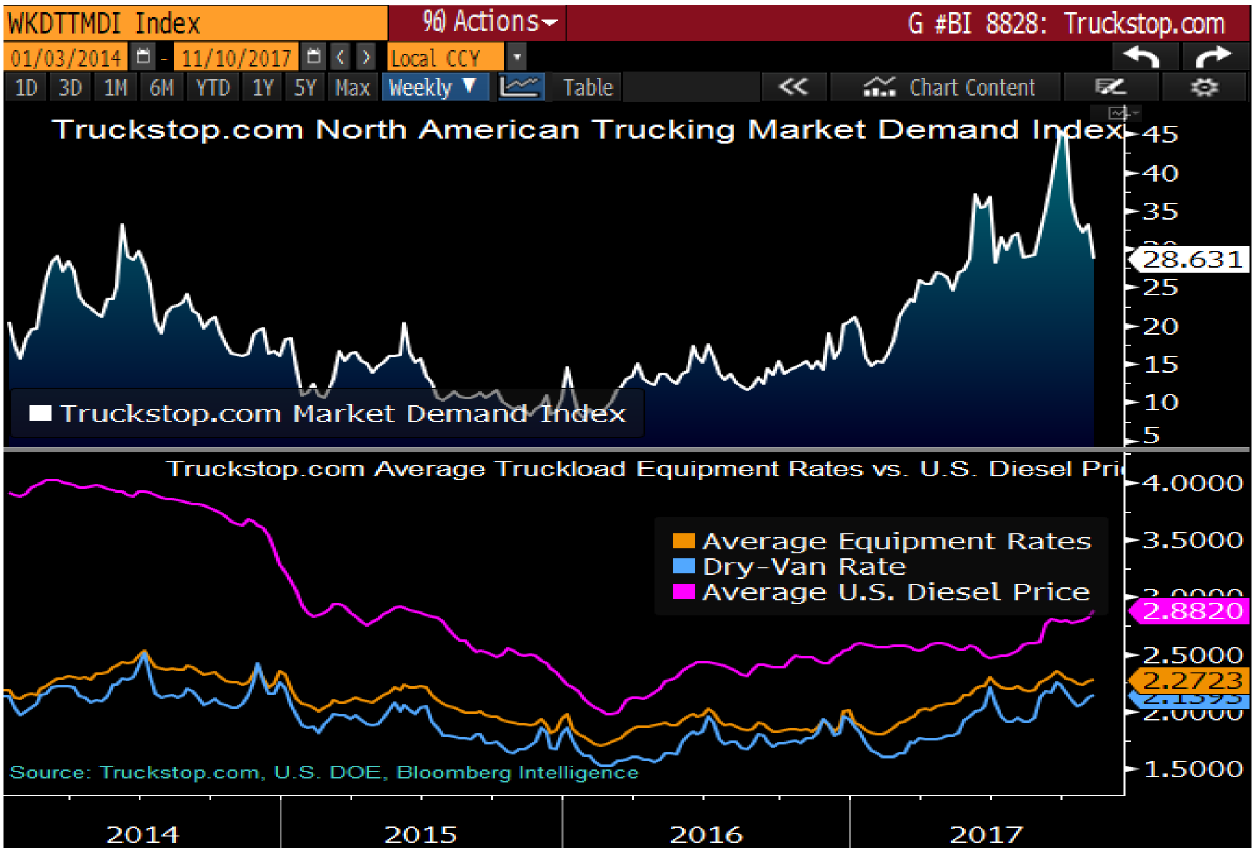
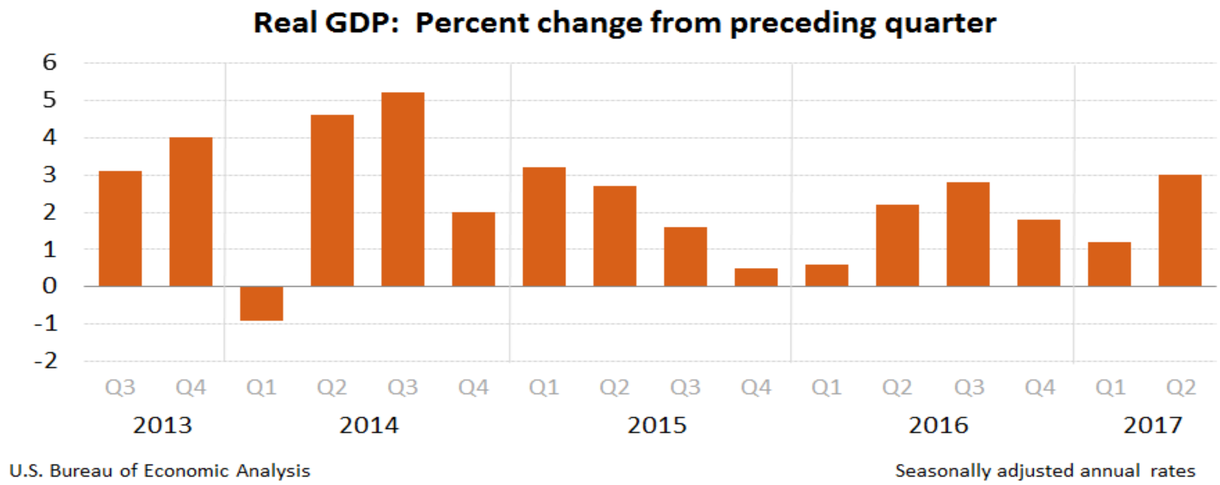


GDP
U.S. Department of Commerce, Bureau of economic analysis
http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm
GDP, Personal Income, Outlays, Consumer Spending, Corporate Profits and Fixed Assets



My 3Q-GDP finished 2.38% v. the 3.0% GDP Advance release on October 27...let the revisions begin.

GDP-4Q is running at 3.26% on November 10, down from 3.66% on November 3

Atlanta Fed GDPNow…Latest forecast Q4: 3.3 percent — November 9, 2017
The GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2017 is **3.3 percent** on November 9, unchanged from November 3. The forecast of the contribution of inventory investment to fourth-quarter real GDP growth inched down from -0.03 percentage points to -0.06 percentage points after this morning's wholesale trade report from the U.S. Census Bureau.
*The next GDPNow update is **Wednesday, November 15**. 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...Q4 2017: 3.2%...November 10, 2017
The New York Fed Staff Nowcast for 2017:Q4 stands at 3.2%.
News from this week's data releases left the nowcast broadly unchanged.
https://www.newyorkfed.org/medialibrary/media/research/policy/nowcast/nowcast_2017_1103.pdf?la=en

St. Louis Fed Real GDP Nowcast… Q4 2017: 3.28%…November 9, 2017
https://fred.stlouisfed.org/series/GDPNOW

Index	Series Index Oct	Series Index Sep	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	58.7	60.8	-2.1	Growing	Slower	14
New Orders	63.4	64.6	-1.2	Growing	Slower	14
Production	61.0	62.2	-1.2	Growing	Slower	14
Employment	59.8	60.3	-0.5	Growing	Slower	13
Supplier Deliveries	61.4	64.4	-3.0	Slowing	Slower	18
Inventories	48.0	52.5	-4.5	Contracting	From Growing	1
Customers' Inventories	43.5	42.0	+1.5	Too Low	Slower	4
Prices	68.5	71.5	-3.0	Increasing	Slower	20
Backlog of Orders	55.0	58.0	-3.0	Growing	Slower	9
New Export Orders	56.5	57.0	-0.5	Growing	Slower	20
Imports	54.0	54.0	0.0	Growing	Same	9
OVERALL ECONOMY				Growing	Slower	101
Manufacturing Sector				Growing	Slower	14

MANUFACTURING AT A GLANCE

October 2017

Month	***PMI®***	***Month***	***PMI®***
Oct 2017	58.7	Apr 2017	54.8
Sep 2017	60.8	Mar 2017	57.2
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

Average for 2017 – 57.3

Average for 12 months – 56.8

High – 60.8

Low – 53.5

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

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

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