



Fixed Income Group A Division of RJ O'Brien

The Missile

www.fixedincomegroup.com

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(All times are CST)

9 <GO> to Save as Default

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

United States Browse 15:31:55 11/22/17 - 11/28/17

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	11/22	06:00	40			MBA Mortgage Applications	Nov 17	--	--	3.1%	--
22)	11/22	07:30	40			Initial Jobless Claims	Nov 18	240k	--	249k	--
23)	11/22	07:30				Continuing Claims	Nov 11	1880k	--	1860k	--
24)	11/22	07:30	40			Durable Goods Orders	Oct P	0.3%	--	2.0%	--
25)	11/22	07:30				Durables Ex Transportation	Oct P	0.5%	--	0.7%	--
26)	11/22	07:30	40			Cap Goods Orders Nondef Ex Air	Oct P	0.5%	--	1.7%	--
27)	11/22	07:30	40			Cap Goods Ship Nondef Ex Air	Oct P	0.3%	--	0.9%	--
28)	11/22	08:45	40			Bloomberg Consumer Comfort	Nov 19	--	--	52.1	--
29)	11/22	09:00	40			U. of Mich. Sentiment	Nov F	98.0	--	97.8	--
30)	11/22	09:00				U. of Mich. Current Conditions	Nov F	--	--	113.6	--
31)	11/22	09:00				U. of Mich. Expectations	Nov F	--	--	87.6	--
32)	11/22	09:00				U. of Mich. 1 Yr Inflation	Nov F	--	--	2.6%	--
33)	11/22	09:00				U. of Mich. 5-10 Yr Inflation	Nov F	--	--	2.5%	--
34)	11/22	13:00				FOMC Meeting Minutes	Nov 1	--	--	--	--
35)	11/24	08:45	40			Markit US Manufacturing PMI	Nov P	55.0	--	54.6	--
36)	11/24	08:45	40			Markit US Services PMI	Nov P	55.3	--	55.3	--
37)	11/24	08:45	40			Markit US Composite PMI	Nov P	--	--	55.2	--
38)	11/27	09:00	40			New Home Sales	Oct	618k	--	667k	--
39)	11/27	09:00				New Home Sales MoM	Oct	-7.4%	--	18.9%	--

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 CST GMT-6:00 H139-3364-1 21-Nov-2017 15:31:55

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Fed Speak Calendar
 (All times are CST)

1) Calendars ▾										2) Alerts										3) Export ▾										4) Settings ▾										Economic Calendars																			
United States										Browse										15:33:05										11/22/17										- 12/13/17																			
Central Banks										All Central Banks										View										Agenda										Weekly										♀									
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised																																																	
21)	11/22	13:00			FOMC Meeting Minutes	Nov 1	--	--	--	--																																																	
22)	11/27	18:00			Fed's Dudley Speaks on U.S. Economy: 10 Years After Crisis																																																						
23)	11/28	09:00			Senate Banking Cmte Holds Hearing on Fed Chair Nominee Powell																																																						
24)	11/29	07:30			Fed's Dudley speaks About U.S. Economy																																																						
25)	11/29	09:00			Yellen Appears before Joint Economic Committee of Congress																																																						
26)	11/29	11:45			Fed's Williams Speaks at Economic Forecast Luncheon in Phoenix																																																						
27)	11/29	13:00			U.S. Federal Reserve Releases Beige Book																																																						
28)	11/30	12:00			Fed's Kaplan Speaks in Dallas																																																						
29)	12/01	08:05			Fed's Bullard Speaks in Little Rock, Arkansas																																																						
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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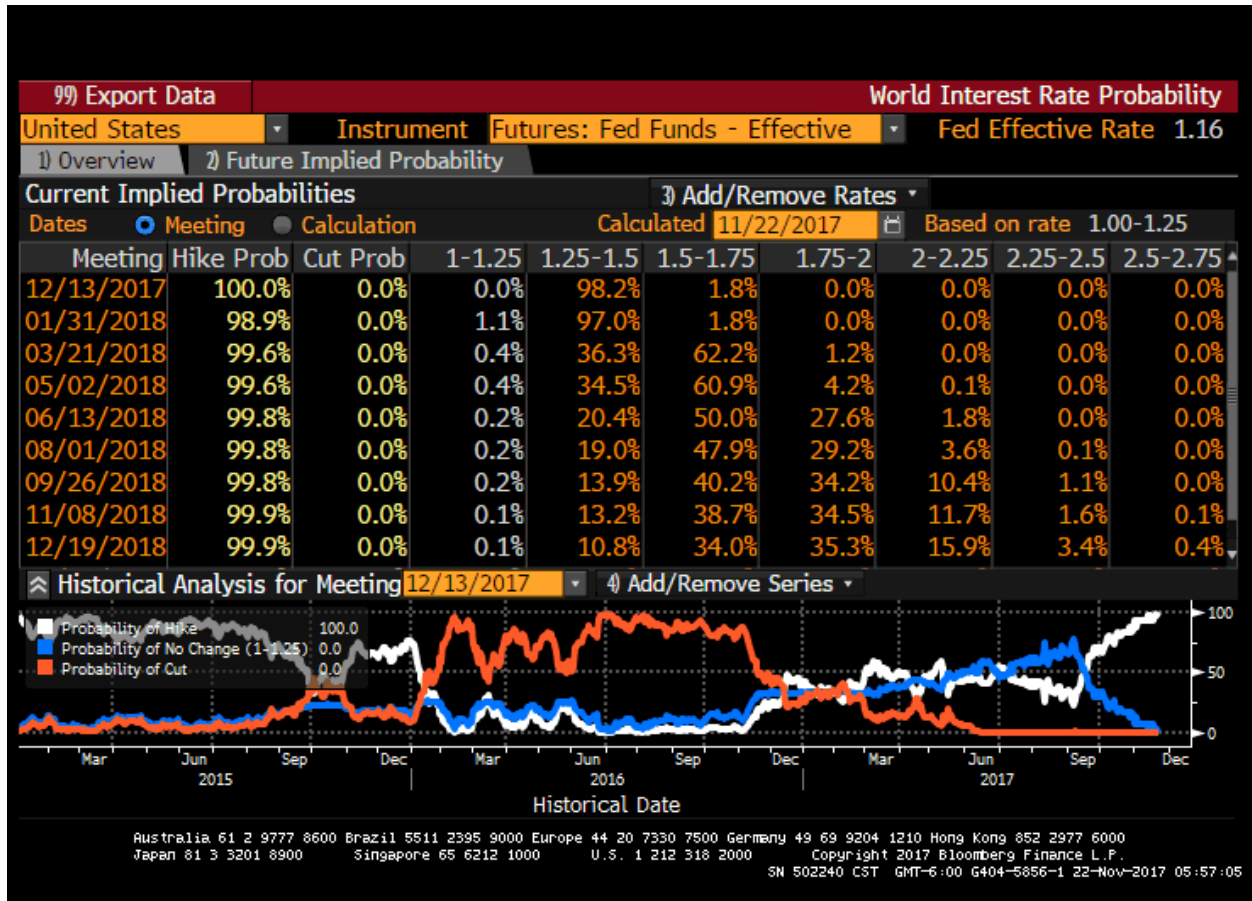
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	Next Offer	Next	Date	CUSIP		\$	Prior	Prior
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	\$ Bln
Cash mgmt	TBA	TBA	TBA	TBA		TBA	10/30/2017	\$20
4-week	11/27/2017	11/21/2017	11/24/2017	912796MH9		\$45	11/14/2017	\$45
3-month	11/22/2017	11/27/2017	11/30/2017	912796LN7		TBA	11/20/2017	\$42
6-month	11/22/2017	11/27/2017	11/30/2017	912796PH6		TBA	11/20/2017	\$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	\$13
Buyback Operation								
Buyback	TBA	TBA	TBA	TBA		TBA	11/15/2017	\$.025

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Implied Probability of Fed Rate Movement (Futures)



Libor Set

1-Month Libor Set	1.32750	+.01463	(98.67250)
3-Month Libor Set	1.46233	+.00833	(98.53767)
6-Month Libor Set	1.65211	+.00722	(98.34789)
1-Year Libor Set	1.93400	+.00667	(98.06600)

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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/fomcprojtabl20170920.pdf>

THEY SAID IT

“The decline in the unemployment rate seems to be weighing heavily in their thought process,” said Stephen Stanley, chief economist at Amherst Pierpont Securities in New York. **“The Fed views policy from a risk management perspective and the risk is going too slowly.”**

<https://www.bloomberg.com/news/articles/2017-11-22/fed-debate-over-rate-hike-pace-in-focus-amid-strong-job-market>

Investors see a higher than 90 percent chance of a rate increase next month, according to pricing in federal funds futures contracts, and the odds of a hike in March have climbed above 50 percent. The minutes could help to cement that expectation.

“I do think we could get a sense of their near-term expectations for a rate hike,” said JPMorgan Chase & Co.’s Chief U.S. Economist Michael Feroli in New York. While the wording might not be explicit, it could say “perhaps that a hike would be appropriate soon,” he said.

Dallas Fed President Robert Kaplan said Friday that “we are likely to overshoot maximum sustainable employment” and that needs to be taken into account in forming monetary policy. Philadelphia Fed chief Patrick Harker said last week that “with the labor market this tight, inflation is likely to reassert itself at some point.” Both are policy voters this year.

On the other hand, James Bullard of St. Louis has argued that the labor market has little impact on inflation and further hikes could lower inflation expectations. The Fed’s preferred measure of prices rose 1.6 percent in the 12 months through September and has been below target for most of the past five years.

“While growth is solid for now, the path of rate hikes next year is not set in stone,” said Chris Rupkey, chief financial economist with MUFG Union Bank in New York. **“We want to take a headcount over those wavering over inflation. Is it ‘many’ or ‘several’ or ‘some’ or**

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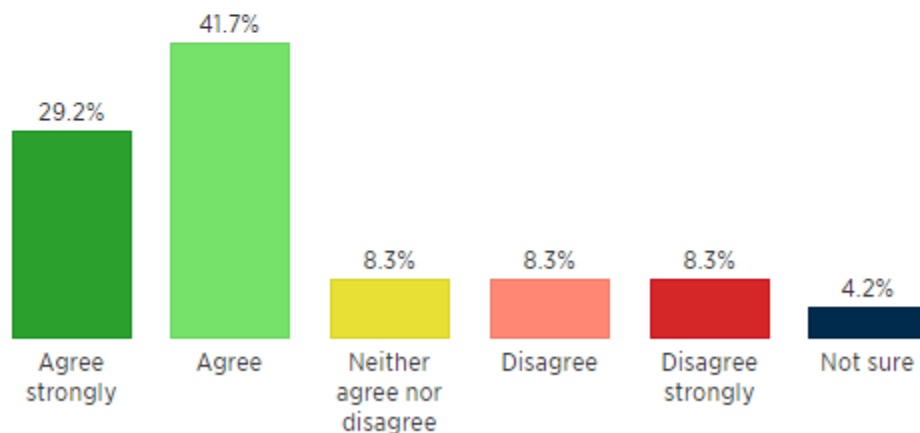
‘few’?”

“If inflation fails to move up, then either they will have to slow the pace of hikes, or change the message to relate the need for tightening to financial stability as well as inflation,” said Jonathan Wright, an economics professor at Johns Hopkins University in Baltimore.

A majority of North American CFOs (54.2 percent) say they support the passage of the [Tax Cuts and Jobs Act](#), which passed the House last week, while 20.8 percent oppose it. Regardless of support, CFOs seem to be confident that the bill's reforms will have a positive impact on U.S. economic conditions. In addition, 70.9 percent agree (29.2 percent strongly) that corporate tax reforms will create more U.S. jobs, while 83.3 percent agree (20.8 percent strongly) that corporate tax reforms will stimulate U.S. economic growth. They're less sure about wages. Only 33.4 percent say corporate tax reform will increase wages, while 45.8 percent either had no opinion or were uncertain of the bill's effect on wages.

Do you agree or disagree with the following statements about corporate tax reform, as outlined in the just-released Tax Cuts and Jobs Act:

Corporate tax reforms in the bill will create more US jobs



Source: CNBC Global CFO Council Survey, November 2017 (US Respondents only)

<https://www.cnbc.com/2017/11/22/cfos-say-corporate-tax-reform-will-create-jobs-but-may-not-help-wages.html>

“Uber’s announcement about a concealed data breach last October raises huge concerns around its data protection policies and ethics,” James Dipple-Johnstone, the Deputy Commissioner at the Information Commissioner’s Office, said in an emailed statement. “If U.K. citizens were affected then we should have been notified.”

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<https://www.bloomberg.com/news/articles/2017-11-22/uber-hack-raises-huge-concerns-with-u-k-data-regulator>

Hackers stole the personal data of 57 million customers and drivers from Uber, a breach that the company [concealed for more than a year](#).

Compromised data from the October 2016 attack included names, email addresses and phone numbers of 50 million Uber riders around the world, the company told Bloomberg on Tuesday. A spokesman for U.K. Prime Minister Theresa May said Uber [did not](#) tell U.K. government about the breach at the time, while the U.K.'s cyber security center said that it had not seen any evidence of financial details being compromised.

The ICO is now working with the National Cyber Security Centre and the National Crime Agency regarding the hack. "Deliberately concealing breaches from regulators and citizens could attract higher fines for companies," said Dipple-Johnstone.

UBER Paid Hackers \$100,000.00 to Keep Massive Cyber-attack Quiet

<https://www.bloomberg.com/asia>

"The U.S. and EU worry that increasing instability in Lebanon will further destabilize an already volatile region," said Marianne Knaevelsrud, Middle East analyst at Protection Group International.

"Lebanon hosts more refugees per capita than any other country, a huge economic burden and potential source of insecurity. The West is concerned that political uncertainty could exacerbate the refugee situation or allow militant groups to expand their influence."

Lebanon hosts nearly 2 million Syrian refugees.

<https://www.cnbc.com/2017/11/21/whats-happening-in-lebanon-and-why-its-stability-matters.html>

Lebanese Prime Minister Saad Hariri returned home late Tuesday night following a confounding few weeks that began with his shock resignation from Riyadh, Saudi Arabia, where many Lebanese officials believe Hariri was "held hostage".

On Saturday, Hariri traveled to Paris, France, where he was [hosted by](#) French President Emmanuel Macron and promised to "clarify" his position on return to Beirut.

After more than a week of silence, Hariri gave a tense televised interview suggesting he may not resign if Hezbollah, the most powerful wing of the Lebanese government, agreed to disarm and withdraw from regional conflicts.

This appeared to mark the manifestation of [Saudi foreign policy](#) objectives through coercion — through Hariri, it aims to isolate Hezbollah and push it out of war zones like Syria and Yemen where the Islamic kingdom has its own interests.

In Syria, for instance, Iranian-backed Hezbollah militants fight alongside President Bashar al Assad's forces against a myriad of Sunni militant groups, some of which are funded by the Saudis.

"Lebanese politics has always been defined by competition and cooperation between sects," said Faysal Itani, a senior fellow at the Atlantic Council's Rafik Hariri Center for the Middle East.

"The fault line today is Sunni-Shia, centered on the status of Hezbollah and its militia specifically."

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(Do you Have a Phased Plasma Rifle in a 40-watt range?)

Bruce Blair, a Princeton specialist on nuclear disarmament who once served as an ICBM launch control officer, says the president would have at most 10 minutes to decide whether to fire America's own land-based ICBMs at Russia.

"It is a case of use or lose them," Blair says.

<https://www.reuters.com/article/us-usa-nuclear-icbm-specialreport/special-report-nuclear-strategists-call-for-bold-move-scrap-icbm-arsenal-idUSKBN1DM1D2>

Of all weapons in the U.S. nuclear arsenal, the ICBM is the one most likely to cause accidental nuclear war, arms-control specialists say. It is for this reason that a growing number of former defense officials, scholars of military strategy and some members of Congress have begun calling for the elimination of ICBMs.

They say that in the event of an apparent enemy attack, a president's decision to launch must be made so fast that there would not be time to verify the threat. False warnings could arise from human error, malfunctioning early warning satellites or hacking by third parties.

Once launched, America's current generation of ICBM missiles, the Minuteman III, cannot be recalled: They have no communication equipment because the United States fears on-board gear would be vulnerable to electronic interference by an enemy.

These critics recommend relying instead on the other two legs of the U.S. nuclear "triad": submarine-launched ballistic missiles, and heavy bombers armed with hydrogen bombs or nuclear-warhead cruise missiles. The president would have more time to decide whether to use subs or bombers.

Leon Panetta, who served as defense secretary during the Barack Obama administration, defended the triad while in office. But in a recent interview he said he has reconsidered.

"There is no question that out of the three elements of the triad, the Minuteman missiles are at a stage now where they're probably the most antiquated of the triad," he said.

Sitting out a flight delay in a congested airport terminal can inspire some [Walter Mitty](#)-style dreaming about a better way to travel. It's fair to wonder why we don't fly any faster now than six decades ago, when the [Boeing Co. 707](#) was the pinnacle of aviation technology. From 1976 to [2003](#), the deep-pocketed could fly the Atlantic at twice the speed of sound on a Concorde. But costs and [noise complaints](#) killed off that first supersonic jet.

Now [NASA](#), [Lockheed Martin Corp.](#), [General Electric Co.](#) and a number of startups see new designs and technology that could make supersonic flight a commercial reality.

<https://www.bloomberg.com/news/articles/2017-11-22/why-am-i-not-flying-on-a-supersonic-jet-quicktake-q-a>

- 1. How fast do these new supersonic planes fly?**
- 2. Would these be supersonic airlines or private jets?**
- 3. Are these just Concorde updated with new technology?**
- 4. Won't those sonic booms produce complaints on the ground?**
- 5. How do you tamp down the boom?**
- 6. Does flying supersonic feel any different?**
- 7. Will supersonic flying be atrociously expensive?**
- 8. Why would supersonic flight work financially this time?**
- 9. Who's bankrolling these plans?**
- 10. When do we take off?**

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EQUITIES

The S&P is **+10** and the NASDAQ is **+19**.

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 +0.40%.

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

BOE Rate +0.50%.

Next meeting 12/14/17

On the European Continent

The CAC Index closed +0.04%.

The DAX Index closed -0.29%.

On the Continent, the yield curve is steeper with yields higher.

ECB Main Refinancing Operations Rate +0.00%

Deposit Facility Rate -.40%

Next meeting 12/14/17

ASIA

Japan:

The TOPIX closed +0.34%.

The NIKKEI closed +0.48%.

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

BOJ Basic Loan rate 0.30%

Next meeting 12/21/17

China:

The Hang Seng closed +0.62%.

The Shanghai Composite closed +0.59%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

Reserve Requirement Ratio: 17.00%

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THE TREND

EDZ7: 98-47.0 is the pivot. Below the pivot you should be short, above long.
Support is at 98-44.25**.

Resistance is at 98.47.0 and 98-49.75*.

*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.

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10yr/TYZ7: 124-29.0 is the pivot point. Above you should be long, below short.

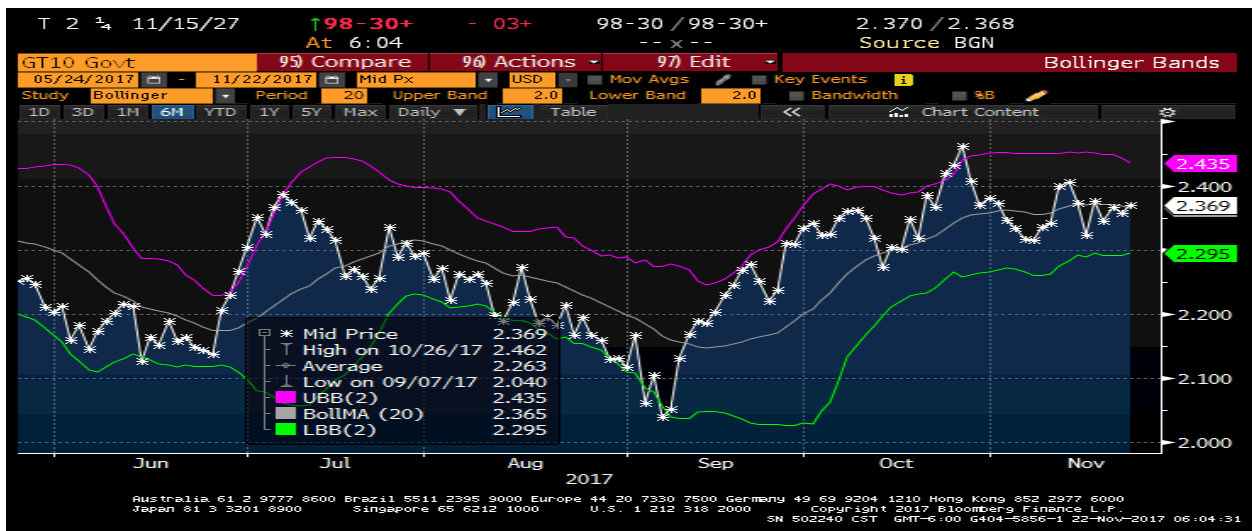
Support is at **124-11.5****

Resistance is at **124-29.0** and **125-15.0****

*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.

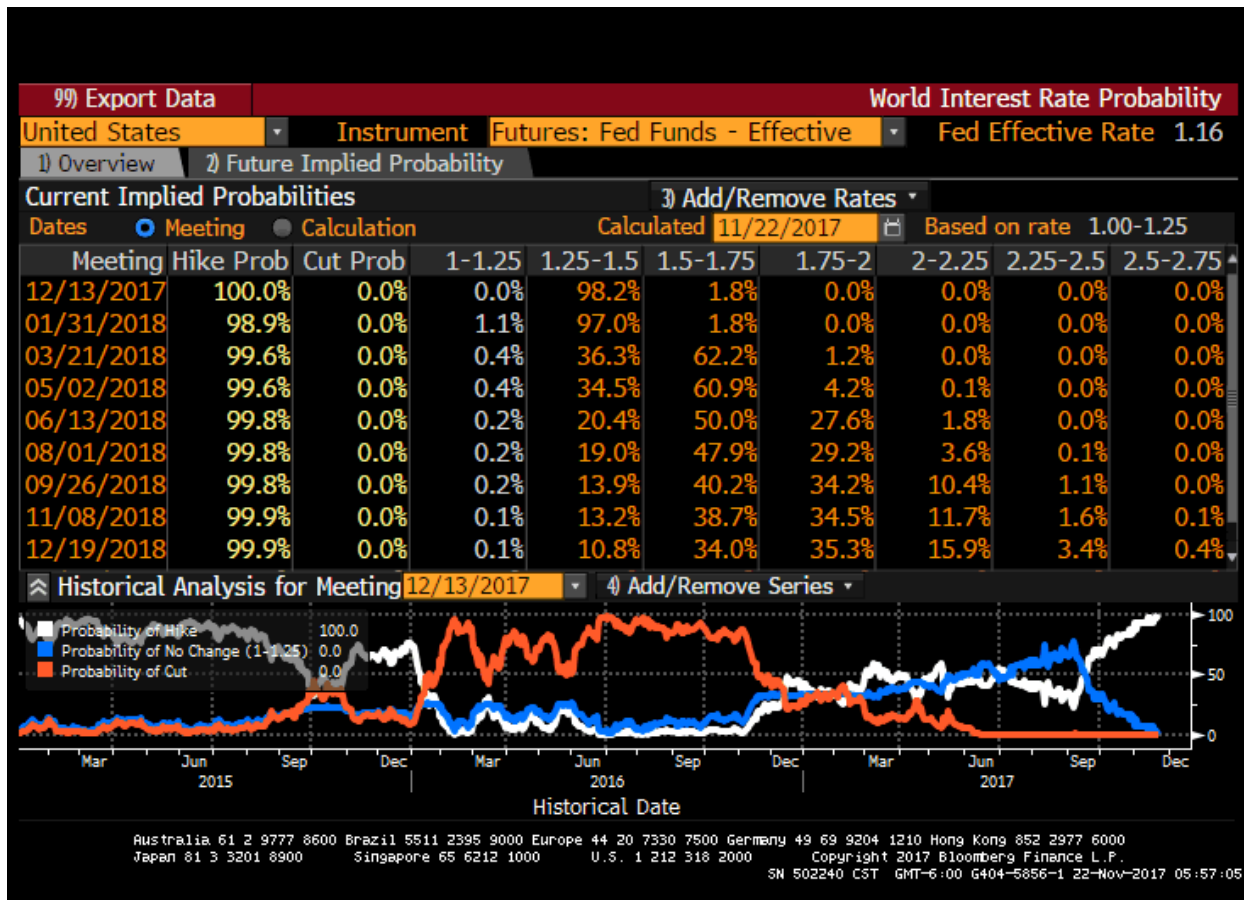


YTD (2017) +93.0 futures ticks (\$31.25 per tick) or +2906.25 per one contract traded.

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

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US-SWAPS IRSB <GO>



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

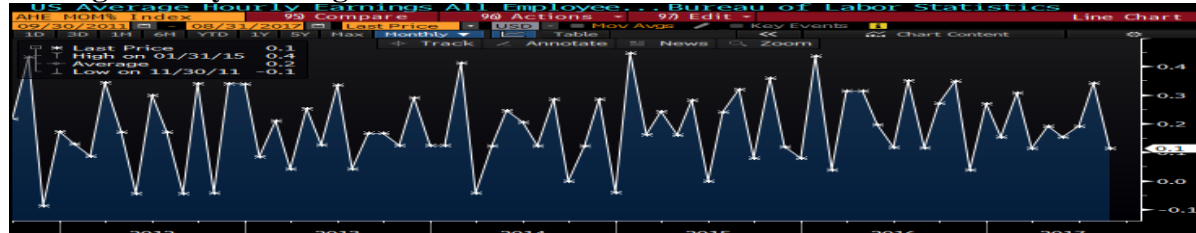
LABOR

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.

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>

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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.	17 November 2017	915	+8	10 November 2017	+327	18 November 2016
Canada	17 November 2017	208	+5	10 November 2017	+24	18 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 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 45 weeks of 2017, U.S. railroads reported cumulative volume of 11,702,354 carloads, up 3.1 percent from the same point last year; and 12,133,011 intermodal units, up 3.7 percent from last year. Total combined U.S. traffic for the first 45 weeks of 2017 was 23,835,365 carloads and intermodal units, an increase of 3.4 percent compared to last year.

North American rail volume for the week ending November 11, 2017, on 13 reporting U.S., Canadian and Mexican railroads totaled 361,402 carloads, down 1.8 percent compared with the same week last year, and 365,749 intermodal units, up 7.7 percent compared with last year. Total combined weekly rail traffic in North America was 727,151 carloads and intermodal units, up 2.8 percent. North American rail volume for the first 45 weeks of 2017 was 31,627,694 carloads and intermodal units, up 4.8 percent compared with 2016.

Canadian railroads reported 81,073 carloads for the week, up 0.2 percent, and 69,896 intermodal units, up 16.1 percent compared with the same week in 2016. For the first 45 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 6,556,429 carloads, containers and trailers, up 11 percent.

Mexican railroads reported 17,064 carloads for the week, up 14.6 percent compared with the same week last year, and 11,638 intermodal units, up 10.9 percent. Cumulative volume on Mexican railroads for the first 45 weeks of 2017 was 1,235,900 carloads and intermodal containers and trailers, up 1.2 percent from the same point last year.

<https://www.aar.org/newsandevents/Press-Releases/Pages/2017-11-15-railtraffic.aspx>

Weekly Rail Traffic Report and Charts

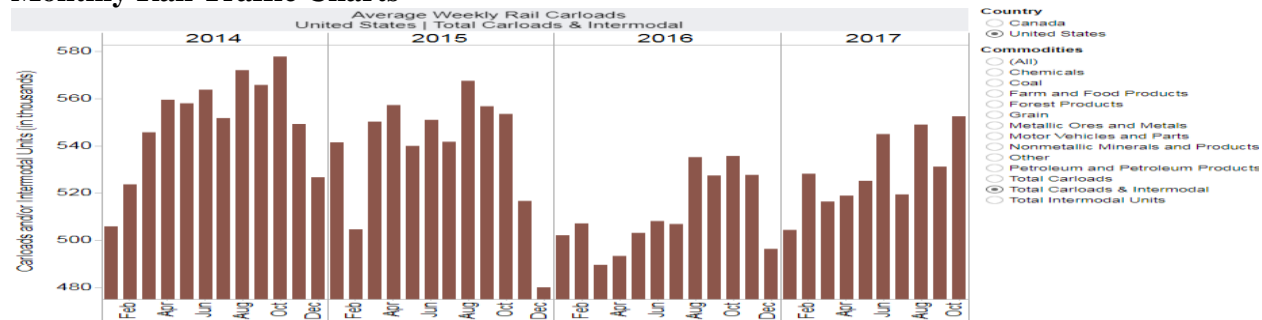
For this week, total U.S. weekly rail traffic was 547,480 carloads and intermodal units, up 1.2 percent compared with the same week last year.

Total carloads for the week ending November 11 were 263,265 carloads, down 3.3 percent compared with the same week in 2016, while U.S. weekly intermodal volume was 284,215 containers and trailers, up 5.6 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 1,450 carloads, to 38,318; chemicals, up 1,058 carloads, to 30,662; and metallic ores and metals, up 892 carloads, to 22,673. Commodity groups that posted decreases compared with the same week in 2016 included coal, down 6,740 carloads, to 85,378; grain, down 3,973 carloads, to 22,845; and petroleum and petroleum products, down 865 carloads, to 10,284.

<https://www.aar.org/newsandevents/Freight-Rail-Traffic/Documents/2017-11-15-railtraffic.pdf>

Monthly Rail Traffic Charts



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

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Trailer Truck Demand

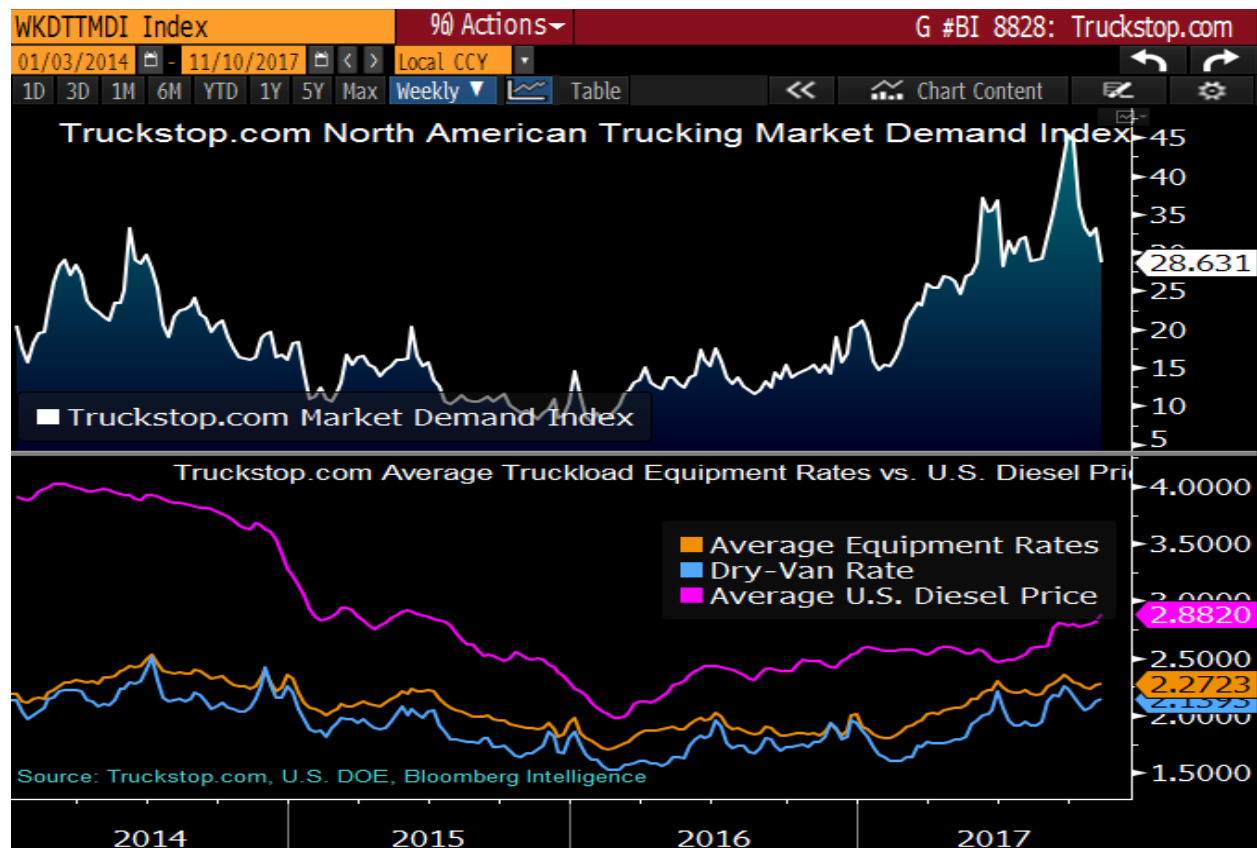
(Bloomberg Intelligence) – 11/20/17

Truckstop.com Market Demand Index, Average Rates

(Bloomberg Intelligence) -- Relative North American spot trucking demand rose 12% sequentially to 32 in the week ended Nov. 17, as measured by Truckstop.com's Market Demand Index. Capacity tightened as the 12% gain in available loads outpaced the 0.2% decline in available trucks. Spot rates, excluding fuel surcharges, rose 1.4%. Capacity constraints from the electronic logging device deadline on Dec. 18 and seasonal demand could tighten the market further, keeping upward pressure on spot rates.

The Market Demand Index has climbed 120% on average vs. last year. Total rates, excluding fuel surcharges, increased 12%. 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. (11/20/17)

To contact the analyst for this research:
Lee A Klaskow at klaskow1@bloomberg.net



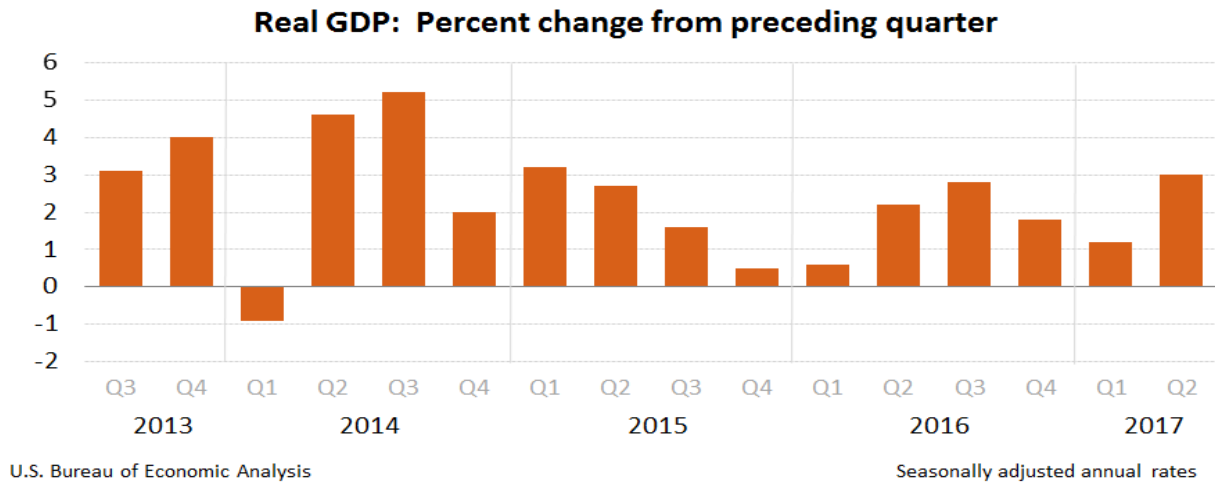
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GDP

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



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 3.60% on November 10, up from 3.26% on November 10

Atlanta Fed GDPNow...Latest forecast Q4: 3.4 percent — November 17, 2017

The GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2017 is **3.4 percent** on November 17, up from 3.2 percent on November 15. The forecast of real GDP growth increased 0.3 percentage points to 3.5 percent after yesterday's industrial production release from the Federal Reserve Board of Governors. The forecast of real residential investment growth declined from 4.6 percent to 2.2 percent after this morning's new residential construction report from the U.S. Census Bureau.

*The next GDPNow update is **Wednesday, November 22**. 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: 3.8%...November 17, 2017

News from this week's data releases increased the nowcast for Q4 by 0.6 percentage point. Industrial production and housing data drove the increase.

<https://www.newyorkfed.org/research/policy/nowcast>

St. Louis Fed Real GDP Nowcast... Q4 2017: 3.42%...November 17, 2017

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

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MANUFACTURING AT A GLANCE

October 2017

Percentage

Index	Series Index	Series Index	Point	Direction	Rate of Change	Trend* (Months)
	Oct	Sep	Change			
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

<i>Month</i>	<i>PMI®</i>	<i>Month</i>	<i>PMI®</i>
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>

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

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

Our Nation in numbers

The Constitution gives us four missions...

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

www.usafacts.org

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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