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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 12:45:43 05/04/18 - 05/10/18

Economic Releases — All Economic Releases — View Agenda Weekly

	Date Time	Event	Period	Surv(M)	Actual	Prior	Revised
21)	05/04 07:30	Change in Nonfarm Payrolls	Apr	193k	--	103k	--
22)	05/04 07:30	Two-Month Payroll Net Revision	Apr	--	--	--	--
23)	05/04 07:30	Change in Private Payrolls	Apr	190k	--	102k	--
24)	05/04 07:30	Change in Manufact. Payrolls	Apr	20k	--	22k	--
25)	05/04 07:30	Unemployment Rate	Apr	4.0%	--	4.1%	--
26)	05/04 07:30	Underemployment Rate	Apr	--	--	8.0%	--
27)	05/04 07:30	Average Hourly Earnings MoM	Apr	0.2%	--	0.3%	--
28)	05/04 07:30	Average Hourly Earnings YoY	Apr	2.7%	--	2.7%	--
29)	05/04 07:30	Average Weekly Hours All Emplo	Apr	34.5	--	34.5	--
30)	05/04 07:30	Labor Force Participation Rate	Apr	62.9%	--	62.9%	--
31)	05/07 14:00	Consumer Credit	Mar	$16.000b	--	$10.601b	--
32)	05/07-05/11	Mortgage Delinquencies	1Q	--	--	5.17%	--
33)	05/07-05/11	MBA Mortgage Foreclosures	1Q	--	--	1.19%	--
34)	05/08 05:00	NFIB Small Business Optimism	Apr	105.0	--	104.7	--
35)	05/08 09:00	JOLTS Job Openings	Mar	--	--	6052	--
36)	05/09 06:00	MBA Mortgage Applications	May 4	--	--	-2.5%	--
37)	05/09 07:30	PPI Final Demand MoM	Apr	0.2%	--	0.3%	--
38)	05/09 07:30	PPI Ex Food and Energy MoM	Apr	0.2%	--	0.3%	--
39)	05/09 07:30	PPI Ex Food, Energy, Trade MoM	Apr	0.3%	--	0.4%	--

Fed Speak Calendar
(All times are CST)

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

United States 6) Browse 12:49:18 05/03/18 - 05/31/18

Central Banks All Central Banks View Agenda Weekly

	Date Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	05/04 11:45				Fed's Dudley Speaks with Bloomberg's Matthew Winkler					
22)	05/04 14:00				Fed's Williams Speaks at Hoover Institution Policy Conference					
23)	05/04 16:30				Fed's Quarles Speaks on Liquidity Regulation at Hoover Event					
24)	05/04 19:00				Fed's George, Bostic and Kaplan Speak at Hoover Institution Co					
25)	05/06 18:00				Fed's Quarles Speaks at Atlanta Fed's Financial Conference					
26)	05/07 07:25				Fed's Bostic Makes Welcome at Financial Markets Conference					
27)	05/07 13:00				Fed's Barkin Speaks in Moderated Q&A at GMU					
28)	05/07 14:30				Fed's Kaplan Speaks on Panel at Financial Conference					
29)	05/07 14:30				Fed's Evans Speaks At Atlanta Fed Financial Markets Conference					
30)	05/09 12:15				Fed's Bostic Speaks on Economic Outlook and Monetary Policy					
31)	05/14 01:45				Fed's Mester Speaks at Bank of France Conference					
32)	05/17 09:45				Fed's Kashkari Speaks at Moderated Q&A in Minneapolis					
33)	05/21 17:30				Fed's Kashkari Speaks at Moderated Q&A in Escanaba, MI					
34)	05/23 13:00			----	FOMC Meeting Minutes	May 2	--	--	--	--
35)	05/25 08:00				Fed's Powell Joins Riksbank's 350th Anniversary Conference					
36)	05/30 13:00				U.S. Federal Reserve Releases Beige Book					

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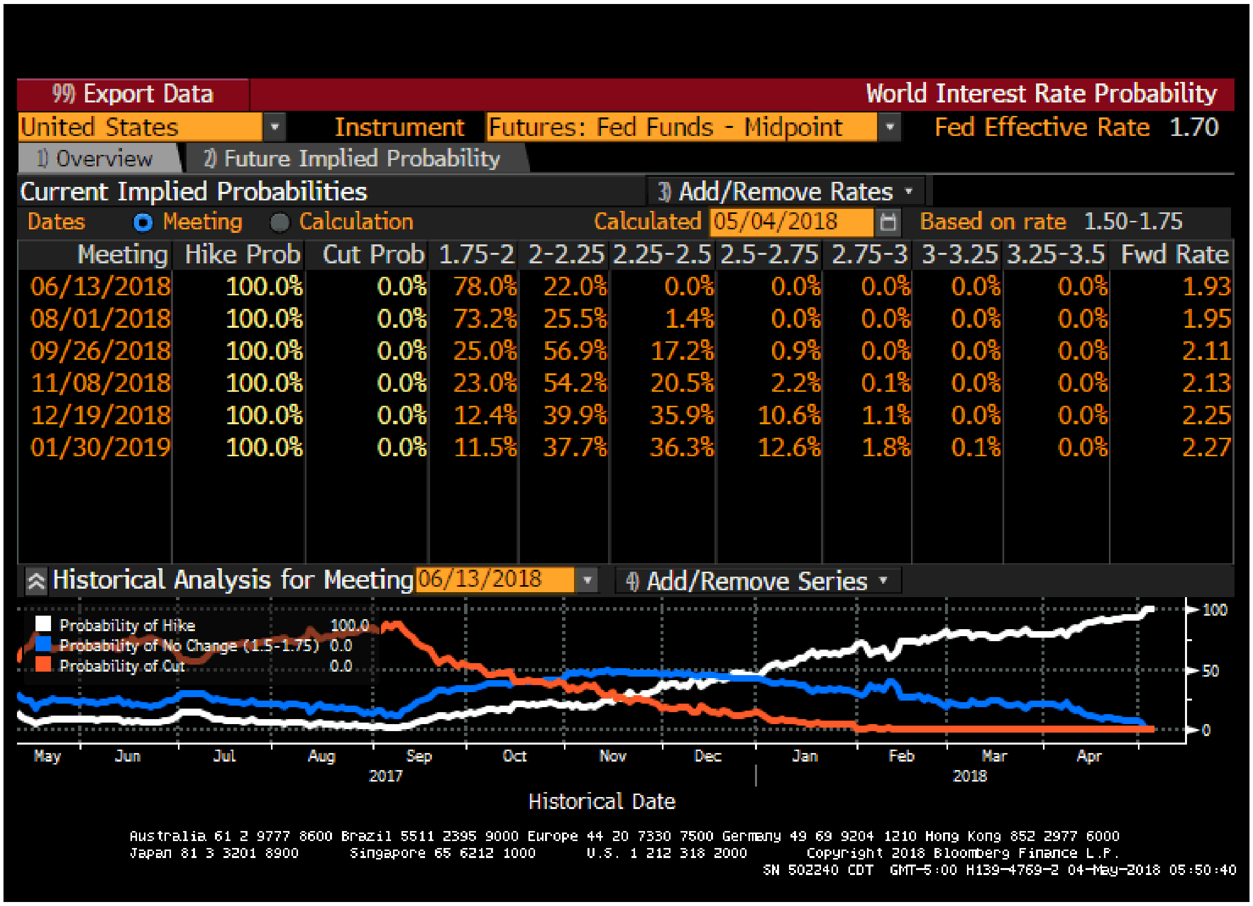
Bill Auctions	Next Offer Announcement	Next Auction	Date Settles	CUSIP Numbers	R	$ Bil	Prior Auction	Prior $ Bln
Cash mgmt	TBA	TBA	TBA	TBA		TBA	02/13/2018	$50
4-week	05/07/2018	05/08/2018	05/10/2018	TBA		TBA	05/01/2018	$45
3-month	05/03/2018	05/07/2018	05/10/2018	912796PU7		TBA	04/30/2018	$48
6-month	05/03/2018	05/07/2018	05/10/2018	912796PD5		TBA	04/30/2018	$42
1-year	05/17/2018	05/22/2018	05/24/2018	TBA		TBA	04/24/2018	$26
Note Auctions								
2-year	05/17/2018	05/22/2018	05/31/2018	TBA		TBA	04/24/2018	$32
3-year	05/02/2018	05/08/2018	05/15/2018	9128284P2		TBA	04/10/2018	$30
5-year	05/17/2018	05/23/2018	05/31/2018	TBA		TBA	04/25/2018	$35
7-year	05/17/2018	05/24/2018	05/31/2018	TBA		TBA	04/26/2018	$29
10-year	05/02/2018	05/09/2018	05/15/2018	9128284N7		TBA	04/11/2018	$21
Bond Auctions								
30-year	05/02/2018	05/10/2018	05/15/2018	912810SC3		TBA	04/12/2018	$13

TIPS Auctions								
5-yr TIPS	TBA	TBA	TBA	TBA		TBA	04/19/2018	$16
10-yr TIPS	05/10/2018	05/17/2018	05/31/2018	TBA	R	TBA	03/22/2018	$11
30-yr TIPS	06/14/2018	06/21/2018	06/29/2018	TBA	R	TBA	02/15/2018	$7
Floating Rate Note								
2-year FRN	05/17/2018	04/25/2018	04/30/2018	9128284K3		$17	03/28/2018	$18
Buyback Operation								
Buyback	TBA	TBA	TBA	TBA		TBA	11/15/2017	$.025

Implied Probability of Fed Rate Movement (Futures)



Meeting	Hike Prob	Cut Prob	1.75-2	2-2.25	2.25-2.5	2.5-2.75	2.75-3	3-3.25	3.25-3.5	Fwd Rate
06/13/2018	100.0%	0.0%	78.0%	22.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.93
08/01/2018	100.0%	0.0%	73.2%	25.5%	1.4%	0.0%	0.0%	0.0%	0.0%	1.95
09/26/2018	100.0%	0.0%	25.0%	56.9%	17.2%	0.9%	0.0%	0.0%	0.0%	2.11
11/08/2018	100.0%	0.0%	23.0%	54.2%	20.5%	2.2%	0.1%	0.0%	0.0%	2.13
12/19/2018	100.0%	0.0%	12.4%	39.9%	35.9%	10.6%	1.1%	0.0%	0.0%	2.25
01/30/2019	100.0%	0.0%	11.5%	37.7%	36.3%	12.6%	1.8%	0.1%	0.0%	2.27

Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assessments of projected appropriate monetary policy, March 2018

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]			
	2018	2019	2020	Longer run	2018	2019	2020	Longer run	2018	2019	2020	Longer run
Change in real GDP	2.7	2.4	2.0	1.8	2.6 – 3.0	2.2 – 2.6	1.8 – 2.1	1.8 – 2.0	2.5 – 3.0	2.0 – 2.8	1.5 – 2.3	1.7 – 2.2
December projection	2.5	2.1	2.0	1.8	2.2 – 2.6	1.9 – 2.3	1.7 – 2.0	1.8 – 1.9	2.2 – 2.8	1.7 – 2.4	1.1 – 2.2	1.7 – 2.2
Unemployment rate	3.8	3.6	3.6	4.5	3.6 – 3.8	3.4 – 3.7	3.5 – 3.8	4.3 – 4.7	3.6 – 4.0	3.3 – 4.2	3.3 – 4.4	4.2 – 4.8
December projection	3.9	3.9	4.0	4.6	3.7 – 4.0	3.6 – 4.0	3.6 – 4.2	4.4 – 4.7	3.6 – 4.0	3.5 – 4.2	3.5 – 4.5	4.3 – 5.0
PCE inflation	1.9	2.0	2.1	2.0	1.8 – 2.0	2.0 – 2.2	2.1 – 2.2	2.0	1.8 – 2.1	1.9 – 2.3	2.0 – 2.3	2.0
December projection	1.9	2.0	2.0	2.0	1.7 – 1.9	2.0	2.0 – 2.1	2.0	1.7 – 2.1	1.8 – 2.3	1.9 – 2.2	2.0
Core PCE inflation[4]	1.9	2.1	2.1		1.8 – 2.0	2.0 – 2.2	2.1 – 2.2		1.8 – 2.1	1.9 – 2.3	2.0 – 2.3	
December projection	1.9	2.0	2.0		1.7 – 1.9	2.0	2.0 – 2.1		1.7 – 2.0	1.8 – 2.3	1.9 – 2.3	
Memo: Projected appropriate policy path												
Federal funds rate	2.1	2.9	3.4	2.9	2.1 – 2.4	2.8 – 3.4	3.1 – 3.6	2.8 – 3.0	1.6 – 2.6	1.6 – 3.9	1.6 – 4.9	2.3 – 3.5
December projection	2.1	2.7	3.1	2.8	1.9 – 2.4	2.4 – 3.1	2.6 – 3.1	2.8 – 3.0	1.1 – 2.6	1.4 – 3.6	1.4 – 4.1	2.3 – 3.0

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 December projections were made in conjunction with the meeting of the Federal Open Market Committee on December 12–13, 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 December 12–13, 2017, meeting, and one participant did not submit such projections in conjunction with the March 20–21, 2018, 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/fomcprojtabl20180321.pdf

Libor Set

1-Month Libor Set	**1.92770**	**+.00500**	**(98.07230)**
3-Month Libor Set	**2.36906**	**+.00593**	**(98.63094)**
6-Month Libor Set	**2.52019**	**+.00531**	**(97.47981)**
1-Year Libor Set	**2.77666**	**+.00393**	**(97.22334)**

THEY SAID IT

In a document entitled "Balancing the Trade Relationship," the U.S. government made a series of demands from China at the outset of meetings in Beijing this week to resolve a simmering trade dispute between the world's two biggest economies.
The document, seen by Bloomberg News, is divided into eight sections, ranging from trade-deficit reduction to tariff barriers to implementation. Here's a synopsis of its key points:
Trade Deficit Reduction:

- The U.S. wants China to cut the two nations' trade deficit by at least $200 billion by the end of 2020 from 2018 levels.
- Chinese purchases of U.S. goods will represent at least 75 percent of a commitment to a $100 billion increase in purchases of U.S. exports for the 12 months beginning June 1, 2018, and at least 50 percent of China's commitment to an additional $100 billion increase in purchases of U.S. exports in the 12 months beginning June 1, 2019.

Protection of American Technology and Intellectual Property

- China to immediately cease providing subsidies and government support that fuels excess capacity in industries targeted by the Made in China 2025 plan.
- Specific policies and practices linked to technology transfer are eliminated.
- A cessation of government-sponsored cyber intrusion and cyber theft.
- Strengthened intellectual property rights protection and enforcement.
- By Jan. 1, 2019, China will eliminate provisions of the Regulations on the Administration of the Import and Export of Technologies and the Regulations on the Implementation of the Law on Chinese-Foreign Equity Joint Ventures identified in the U.S.
- By July 1, 2018, China will withdraw its request for WTO consultations in United States – Tariff Measures on Certain Goods from China and take no further action on the matter
- The document also calls on China to take no retaliatory action in response to actions taken or to be taken by the U.S.

Restrictions on Investment in Sensitive Technology

- A demand that China does not "oppose, challenge, or otherwise retaliate against the United States' imposition of restrictions on investments from China in sensitive U.S. technology sectors or sectors critical to U.S. national security."

U.S. Investment in China

- A demand that China does not distort trade through investment restrictions and any restrictions are narrow and transparent
- U.S. investors in China to receive "fair, effective and non-discriminatory market access and treatment, including removal of the application of foreign investment restrictions and foreign ownership/shareholding requirements."
- China to issue an improved nationwide negative list for foreign investment by July 1, 2018. Within 90 days the U.S. will identify existing investment restrictions that deny U.S. investors market access. China is then to remove all identified investment restrictions on a timetable to be decided by both nations.

Tariff and non-tariff barriers

- By July 1, 2020, China will reduce tariffs on all products in non-critical sectors to levels that are no higher than the levels of the U.S.' corresponding tariffs
- China to remove specified non-tariff barriers and recognizes that the U.S. may impose import restrictions and tariffs on products in critical sectors, including sectors identified in the Made in China 2025 industrial plan.

U.S. Services and Services Suppliers

- A demand for China to improve market access in specified ways

U.S. Agricultural Products

- A demand for China to improve market access in specified ways

Implementation

- Both countries to meet quarterly to review targets and reforms
- If the U.S. declares China is not complying with the framework, the U.S. can impose tariffs or other restrictions on Chinese products or restrict supply of services
- A demand that China does not "oppose, challenge or take any form of action against the United States' imposition of additional tariffs or restrictions."
- China to withdraw its WTO complaints regarding designations of China as a non-market economy and will refrain from future challenges
- Within 15 days of receiving written notice of a prohibited product that may have been transshipped through one or more countries, China will provide full details of every shipment. Failure to do so will trigger tariffs.
- If China fails to uphold commitments the U.S. will impose tariffs on imports from China and will confiscate counterfeit and pirated goods or levy tariffs to compensate for lost technologies and intellectual property.
- A demand that China does not take any retaliatory action in response.

In Washington, the U.S.-China Business Council, which represents American companies doing business in China, said it was pleased the two governments were talking and urged a deal to end forced technology transfers and improve China's intellectual property protections.

https://www.cnbc.com/2018/05/03/mnuchin-leads-us-trade-delegation-in-beijing-china.html

"USCBC believes it is unlikely that the issues will be fully resolved in this meeting, but we hope the two sides will be able to lay out a path for continued negotiations that will lead to a solution and avoid tariffs and other commerce-slowing sanctions," the group said in a statement.

Chinese Foreign Ministry spokeswoman Hua Chunying said at a briefing in Beijing: "The outcome should be mutually beneficial and win-win."

In a commentary widely cited in Chinese media on Thursday, the official Xinhua news agency said if things went poorly and a trade war did break out, China would never yield and would hit back strongly.

"China will inevitably suffer losses, but China has the political advantage of a centralised and unified leadership and support of a massive domestic market," it said.

The official China Daily said in an editorial that China would "stand up to the U.S.' bullying as necessary."

"The U.S. wants greater access to China's market, but it should not use trade actions as a battering ram to force China to open its doors. It is already in the process of opening them wider," the English-language newspaper said.

In doing so, China expected Washington to reciprocate and open its market to Chinese investment and competition, it said.

Encouraged by a booming demand for construction equipment, Mike Haberman was planning in early February to hire at least 30 more workers for the manufacturing facility of his Gradall Industries in Ohio.

https://www.reuters.com/article/us-usa-trade-tariffs/as-trumps-tariffs-bite-small-u-s-

manufacturers-begin-to-tap-the-brakes-idUSKBN1I5108
"At this point, we really need more visibility before we would bring in more workers," he told Reuters.
That plan now is shelved, Haberman said, because the cost of steel used in Gradall's telescopic excavators and vacuum trucks shot up by one-third following President Donald Trump's crackdown on steel imports. As steel costs account for 35 percent of his cost of production, he fears rising prices would not only hurt his export sales, but also give an edge to foreign rivals at home.
The steel and aluminum import tariffs imposed in March were designed to protect the American industries and its workers from global overcapacity and unfair trade practices. Trump justified the measure saying protecting the industries was important to the country's national security. He argued that the tariffs would re-open closed mills, sustain a skilled workforce, and maintain or increase production.
But the tariffs, which came into effect on March 23, have driven up raw material costs and caused supply delays, rendering the manufacturers' "Made in the USA" products uncompetitive against their foreign rivals, according to these manufacturing company executives.
Mike Schmitt, president at The Metalworking Group in Ohio, said his metal fabrication company has lost around a thousand hours repricing and renegotiating contracts because it can't honor the old prices.
The company has delayed plans to spend around $500,000 on equipment this year and bring on new staff to expand.
"It's going to be 2019 before we buy anything because we don't have enough confidence to do it. There's just too much uncertainty out there right now," Schmitt said.
The Institute for Supply Management (ISM) survey on Tuesday showed how widespread that sentiment is: manufacturers slowed down hiring for a second straight month in April amid complaints that the tariffs have brought business planning to a standstill.

While the May 12 deadline has been portrayed as a yes-or-no decision for Trump, it's not that simple. Under a law passed by Congress, Trump has to determine periodically whether to continue waiving sanctions linked to transactions with Iran's central bank. The 2015 accord required the U.S. to lift those sanctions. If they go back into effect, the U.S. will almost certainly be in violation of the agreement.
https://www.bloomberg.com/news/articles/2018-05-04/u-s-looks-beyond-iran-nuclear-deal-deadline-to-what-comes-next
One possible scenario: Trump declares he's backing out of the deal and reimposes sanctions but leaves time before those sanctions take effect. Such a grace period would put new pressure on European allies to make fresh concessions toward fixing what the U.S. considers the deal's biggest gaps.
"I don't think he's going to snap back sanctions," said Amir Handjani, a senior fellow with the Atlantic Council's South Asia Center. "I think he's going to give more time to see if the U.S. and Europeans can come up with a formula to present to Iran."
While new Secretary of State Mike Pompeo hasn't promised a grace period, he said at his Senate confirmation hearing in April that "even after May 12 there is still much diplomatic work to be done."
For weeks, U.S. negotiators have been meeting with allies France, the U.K. and Germany in an effort to reach a consensus on side agreements responding to U.S. concerns. They say they've made progress on some elements but haven't crossed the finish line on the "sunset clauses" in the

current deal -- under which many of the key provisions expire in coming years and Iran is allowed to start enriching uranium to high levels again.
“Let me make it absolutely clear once and for all: We will neither outsource our security, nor will we renegotiate or add on to a deal we have already implemented in good faith,” Foreign Minister Mohammad Javad Zarif said in a video message tweeted on his account.
The head of the International Monetary Fund’s Middle East and Central Asia operations said Monday that Tehran will need to to accelerate economic reforms, including plans to overhaul its banking system, if the U.S. quits the accord.
“When there’s imperfect clarity businesses hesitate and Iran loses,” said Maloney of the Brookings Institution.
“It took 13 years of a nuclear standoff with Iran to get a deal,” said Ali Vaez, Iran project director at the International Crisis Group. “It would be a pity to lose it as a result of something that could at the end of the day be considered a rough patch.”

Iran agreed to curbs on its nuclear program in exchange for the lifting of some sanctions. But the withdrawal of the United States will probably sink the deal. If that happens, Iran could retaliate by undermining the interests of Washington and its allies in the Middle East.
https://www.reuters.com/article/us-iran-nuclear-scenarios/what-could-iran-do-if-trump-pulls-out-of-nuclear-deal-idUSKBN1I427E
Here are some possible scenarios:
IRAQ
When Islamic State seized much of Iraq in 2014, Iran was quick to support Baghdad. Iran has since helped arm and train thousands of Shi’ite fighters in Iraq. These Popular Mobilization Forces (PMF) are also a significant political force.
If the deal falls through, Iran could encourage PMF factions who want the U.S. to leave Iraq to step up rhetorical, and maybe military, attacks against American forces.
These could be rocket, mortar and roadside bomb attacks not directly linked to a specific Shi’ite militia, which would allow Iran to deny it had changed its position of avoiding direct conflict with U.S. forces in Iraq.
SYRIA
Iran and paramilitary allies such as Lebanon’s Hezbollah have been involved in Syria’s war since 2012. Iran has armed and trained thousands of Shi’ite paramilitary fighters to shore up the government. Israel says Iran has recruited at least 80,000 Shi’ite fighters.
Iran’s presence in Syria has brought Tehran into direct conflict with Israel for the first time, with a series of high-profile clashes in recent months. Israeli officials say they will never let Tehran or Hezbollah establish a permanent military presence in neighboring Syria.
If the nuclear deal falls through, Iran will have little incentive to stop its Shi’ite militia allies in Syria from carrying out attacks against Israel.
Iran and the forces it controls in Syria could also cause trouble for about 2,000 U.S. troops deployed in northern and eastern Syria to support Kurdish-led fighters.
A top adviser to Iran’s Supreme Leader said in April he hoped Syria and its allies would drive U.S. troops out of eastern Syria.
LEBANON
In 2006, Hezbollah fought Israel to a standstill in a 34-day border war. According to Israeli and U.S. officials, Iran is now helping Hezbollah build factories to manufacture precision-guided missiles or refit longer-range missiles with precision guidance systems.

Israeli forces have repeatedly attacked Hezbollah in Syria where the group is leading many of Iran's Shi'ite militia allies. The rhetoric between Israel and Iran has ramped up in recent weeks. Though Hezbollah and Israel say they are not interested in conflict, the tensions could easily spill over into another Lebanon war.

Hezbollah said last year that any war waged by Israel against Syria and Lebanon could draw thousands of fighters from countries including Iran and Iraq, indicating that Shi'ite militias could come to Lebanon to help Hezbollah.

Hezbollah is also a major political force in Lebanon, and may strengthen its position at elections on May 6. For the moment, the group is working with its political opponents, notably Prime Minister Saad al-Hariri, who is backed by Western governments.

But if the nuclear deal falls through, Iran could pressure Hezbollah to isolate its opponents, a development experts believe could destabilize Lebanon.

"Hezbollah literally controls Lebanese politics," said Hilal Khashan, a professor of political studies at the American University of Beirut. "If they do that, it would be sheer harassment."

YEMEN

Iran has never acknowledged direct military involvement in Yemen. But U.S. and Saudi officials say it is supplying rebel Houthi fighters with missiles and other arms. The Houthis have fired missiles at Riyadh and Saudi oil facilities, saying they are retaliating against air raids on Yemen.

Iran and Saudi Arabia are locked in a regional power struggle. Supporters of the Iran nuclear deal say it has prevented the conflict from descending into open warfare. If the deal falls through, Iran could increase support for the Houthis, possibly provoking a military response from Saudi Arabia and Gulf allies such as the United Arab Emirates.

"I'm not ruling out Iranian support to the Houthis," said Khashan

TREATY

Iran also has options directly related to its nuclear program. Iranian officials have said that one option they are examining is to withdraw completely from the Non-Proliferation Treaty (NPT), an agreement designed to stop the spread of nuclear weapons. Supreme Leader Ayatollah Ali Khamenei says the country is not interested in developing nuclear weapons. But if Iran withdraws from the NPT, it will set off alarm bells globally.

"This would of course be a disastrous course for the Islamic Republic, as it will find itself isolated," said Ali Alfoneh, a senior fellow at the Atlantic Council.

Investor interest in building and acquiring warehouses in the age of Amazon.com Inc. is overheating, and there might be more distribution centers created than there will be tenants to fill them, billionaire Sam Zell said.

"My guess is it is getting too exciting and we are building too much industrial space," Zell said Monday in a Bloomberg Television interview from the Milken Institute Global Conference in Beverly Hills, California.

https://www.bloomberg.com/news/articles/2018-04-30/warehouses-getting-too-exciting-in-e-commerce-age-zell-says

Zell, chairman and founder of Chicago-based Equity Group Investments, made his comments on the day after Prologis Inc., the world's largest warehouse owner, agreed to acquire rival DCT Industrial Trust Inc. for $8.4 billion in stock and assumed debt. Zell's Equity International has invested in warehouse owners and developers in Asia, Mexico and Brazil, according to the firm's website.

Hong Kong property companies such as [Sun Hung Kai Properties Ltd.] and [CK Asset Holdings Ltd.] are bracing for the first increase in the city's prime rate in more than a decade. A higher prime rate, which sets the upper limits on mortgages, could damp surging housing prices in the world's least-affordable real estate market.

"Whenever a prime rate hike happens, it will cause the property market to rethink the sanity of paying HK$10 million ($1.3 million) for 200 square-foot apartments," said CLSA Ltd. analyst Nicole Wong.

Rising U.S. rates are putting pressure on banks to raise, as they also face a domestic squeeze from the monetary authority draining liquidity to defend the Hong Kong dollar.

Here are some possible trigger points to gauge the timing of a possible increase in the prime rate, which the city's major banks have held at 5 percent since November 2008.

https://www.bloomberg.com/news/articles/2018-05-02/what-could-end-hong-kong-s-property-boom-here-are-some-triggers

Ronald Man, a strategist at Bank of America Merrill Lynch in Hong Kong, says higher prime rates could end the bull run on house prices. "Our house view is Hong Kong home prices will grow 5 percent this year, followed by a 15 percent correction in 2019-2020," he said

The Hong Kong Monetary Authority last month was forced to intervene after the currency breached HK$7.85, the lower end of its trading band, for the first time since 2005. The wave of buying has mopped up some of the abundant liquidity that has fueled the housing boom. It also put pressure on borrowing costs with the three-month interbank rate known as Hibor gaining for 13 days through May 2 to the highest since 2008. For now liquidity remains robust with the aggregate balance of the city's banking system at almost HK$130 billion. Pressure remains on the territory's currency and any further intervention could send liquidity much lower and prompt banks to act on prime. "The threshold is HK$100 billion to trigger banks to raise prime," said Raymond Cheng, a property analyst at CIMB Securities.

Tighter liquidity will provide "a more conducive environment for Hong Kong interest rate normalization," said HKMA Chief Executive Norman Chan after the Federal Reserve kept rates on hold yesterday. "The HKMA reminds the public to manage risks prudently to prepare for possible volatility in local interest rates and asset markets."

EQUITIES

The S&P is -6 and the NASDAQ is -17.
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 70% Equities, 20% Bonds and 10% Money Markets.
Earnings:
www.moneycentral.msn.com/investor/market/earncalendar
On Bloomberg type in ACDR <GO>

UK/EUROPE
In the UK the FTSE closed +0.48%.
In the UK, the swap curve is flatter with yields mixed.
BOE Rate +0.50%. (No change)
Next meeting 05/10/18

On the European Continent
The CAC Index closed -0.01%.
The DAX Index closed +0.45%.
On the Continent, the swap curve is flatter with yields mixed.
ECB Main Refinancing Operations Rate +0.00% (No change)
Deposit Facility Rate -.40%
Next meeting 06/14/18

ASIA
Japan:
The TOPIX closed -0.15%.
The NIKKEI closed -0.16%.
In Japan, the swap curve is steeper with yields slightly higher.
BOJ Policy Balance Rate -0.10% (No change)
Next meeting 06/15/18

China:
The Hang Seng closed -1.28%.
The Shanghai Composite closed -0.32%.
PBOC
Deposit Rate: 1.50%
Lending Rate: 4.35%
7-Day Repo Rate: 2.7603%
Reserve Requirement Ratio: 17.00%

THE TREND

EDM8: 97-63.5 is the pivot. Below the pivot, you should be short, above long.
Support is at 97-59.5**.
Resistance is at 97-63.5^ and 97-67.5**.
^Pivot Point is a simple 20-day moving average.
** 2-STD Deviations from the pivot point.

Current trend has you short from 97-66.5 (4/11/18).

YTD (per contract)
2018 +34.5 ticks (+$862.50)
2017 +33.0 ticks (+$825.00)

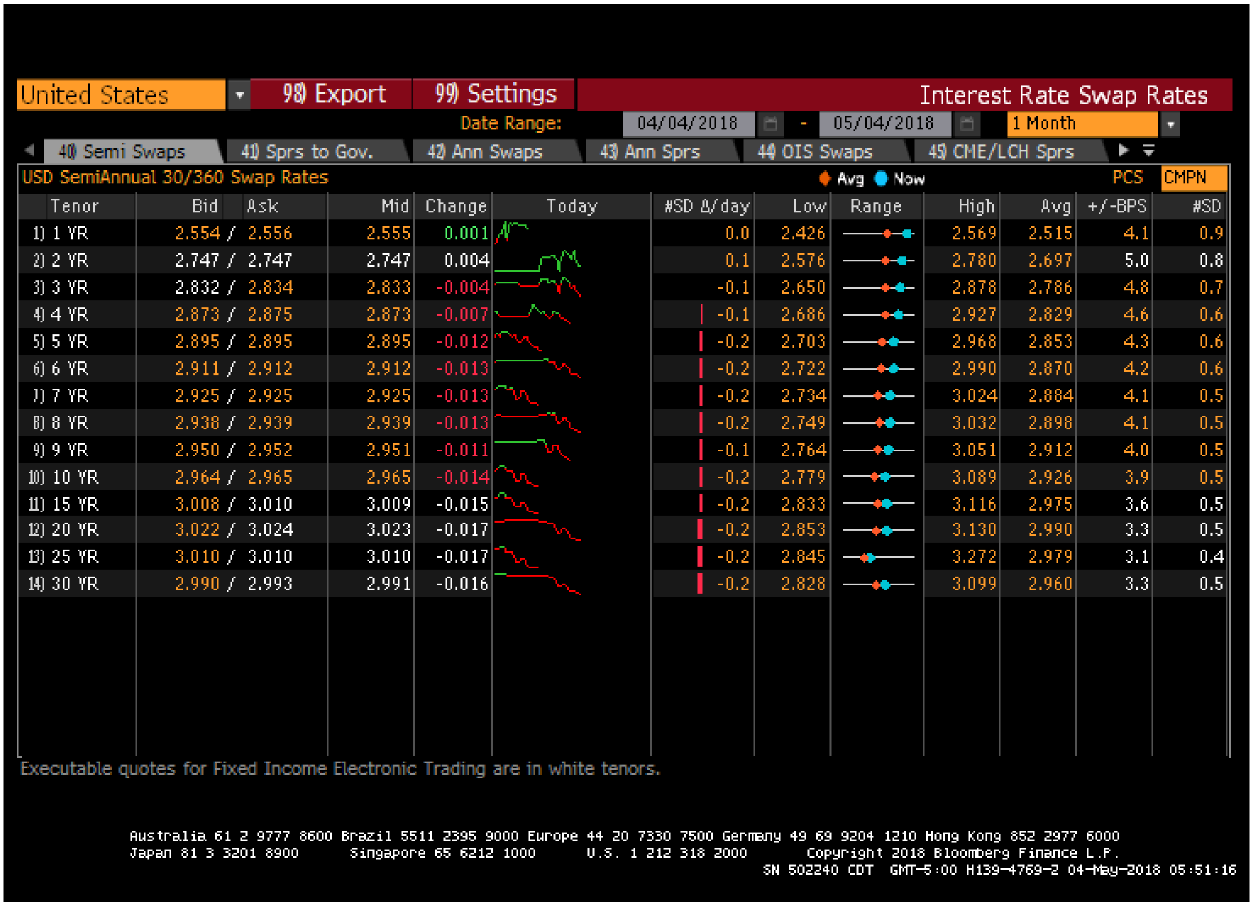
10yr/TYM8: **119-29.5** is the pivot point. Above you should be long, below short.
Support is at **118-25.0****
Resistance is at **119-29.5^** and **121-02.5****
^Pivot Point is a simple 20-day moving average**.**
** 2-STD Deviations from the pivot point

Current Trend has you short TYM8 from 120-19.0 (4/12/18).

YTD (per contract)

(2018) +52.0 futures ticks ($31.25 per tick) or +$1.625.00.
(2017) +93.0 futures ticks ($31.25 per tick) or +$2,906.25.
(2016) +377.5 futures ticks ($31.25 per tick) or +$11,796.88.

US-SWAPS
IRSB <GO>



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

Date Range: 04/04/2018 - 05/04/2018 | 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/day	Low	Range	High	Avg	+/-BPS	#SD
1) 1 YR	2.554 /	2.556	2.555	0.001		0.0	2.426		2.569	2.515	4.1	0.9
2) 2 YR	2.747 /	2.747	2.747	0.004		0.1	2.576		2.780	2.697	5.0	0.8
3) 3 YR	2.832 /	2.834	2.833	-0.004		-0.1	2.650		2.878	2.786	4.8	0.7
4) 4 YR	2.873 /	2.875	2.873	-0.007		-0.1	2.686		2.927	2.829	4.6	0.6
5) 5 YR	2.895 /	2.895	2.895	-0.012		-0.2	2.703		2.968	2.853	4.3	0.6
6) 6 YR	2.911 /	2.912	2.912	-0.013		-0.2	2.722		2.990	2.870	4.2	0.6
7) 7 YR	2.925 /	2.925	2.925	-0.013		-0.2	2.734		3.024	2.884	4.1	0.5
8) 8 YR	2.938 /	2.939	2.939	-0.013		-0.2	2.749		3.032	2.898	4.1	0.5
9) 9 YR	2.950 /	2.952	2.951	-0.011		-0.1	2.764		3.051	2.912	4.0	0.5
10) 10 YR	2.964 /	2.965	2.965	-0.014		-0.2	2.779		3.089	2.926	3.9	0.5
11) 15 YR	3.008 /	3.010	3.009	-0.015		-0.2	2.833		3.116	2.975	3.6	0.5
12) 20 YR	3.022 /	3.024	3.023	-0.017		-0.2	2.853		3.130	2.990	3.3	0.5
13) 25 YR	3.010 /	3.010	3.010	-0.017		-0.2	2.845		3.272	2.979	3.1	0.4
14) 30 YR	2.990 /	2.993	2.991	-0.016		-0.2	2.828		3.099	2.960	3.3	0.5

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

The Option Lab

Trade Log:
2. Long the TY Week-2 120.00 put (at the money) from 8/64ths (3/9/2018).
$1/64^{th}$ = $15.625
8/64ths = $125 per contract purchased.
120-00.00 strike price on the option equates to a TY yield of ~2.895%.
TY Week-2 in March expire today (3/9/18). Sold option back out at 7/64ths for a $15.63 loss.

1.Long the Short Feb. 97.75/97.625/97.50 put fly. Paid 2.0 ticks ($50) per contract (12/07/17).
Short Feb. has an underlying contract of EDH9 but expires Feb. 16, 2018.
The put fly was sold on 2/7/18 for a 1.25 tick ($31.25) winner.

Option Book 2018 YTD realized: +$15.62 per contract.
Option Book 2017 YTD realized: -$228.13 per contract.
Option Book 2016 YTD realized: +$43.75 per 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 y/y Department of Labor Department.

St. Louis Fed Agriculture Finance Monitor 4th quarter 2017
A majority of agricultural bankers in the Eighth Federal Reserve District reported that farm income declined during the fourth quarter of 2017 compared with a year earlier. This finding is consistent with the past several surveys. Although bankers were modestly more optimistic about the near-term prospects for farm income, they still expect income in the first quarter of 2018 to fall below year-earlier levels.
Actual and expected farm household spending and capital expenditures also remain below year-earlier levels. Quality farmland and ranch and pastureland values posted solid increases in the fourth quarter from a year earlier. Quality farmland values rose 5 percent in the fourth quarter, while ranchland and pastureland values surged nearly 15 percent. Cash rents for both land categories also increased in the fourth quarter from a year earlier.
Compared with three months earlier, a slightly larger percentage of bankers reported that the demand for bank loans increased in the fourth quarter relative to a year earlier. Some further strengthening in loan demand is expected in the first quarter of 2018. Proportionately more bankers reported an erosion in loan repayment rates between the third and fourth quarters of 2017. Except for interest rates on loans secured by farm real estate, rates on most fixed- and variable-rate loan products were little changed in the fourth quarter compared with the previous quarter.
https://research.stlouisfed.org/publications/regional/ag-finance/2018/02/08/2017-fourth-quarter/

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

Rig Count Overview & Summary 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.	27 April 2018	1,021	+8	20 April 2018	+151	28 April 2017
Canada	27 April 2018	85	-8	20 April 2018	0	28 April 2017
International	March 2018	972	-7	February 2018	+29	March 2017

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.

U.S. railroads originated 1,051,026 carloads in April 2018, up 3.3 percent, or 34,020 carloads, from April 2017. U.S. railroads also originated 1,099,000 containers and trailers in April 2018, up 6.8 percent, or 69,630 units, from the same month last year. Combined U.S. carload and intermodal originations in April 2018 were 2,150,026, up 5.1 percent, or 103,650 carloads and intermodal units from April 2017.

In April 2018, 15 of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with April 2017. These included: crushed stone, sand & gravel, up 8,466 carloads or 8.6 percent; coal, up 7,337 carloads or 2.4 percent; and grain, up 5,305 carloads or 5.7 percent. Commodities that saw declines in April 2018 from April 2017 included: nonmetallic minerals, down 2,513 carloads or 13 percent; waste & nonferrous scrap, down 1,056 carloads or 7.1 percent; and primary forest products, down 651 carloads or 14.6 percent.

"Total U.S. rail traffic so far this year is a shade below where it was in 2015, but otherwise is higher than it's been in the last ten years" said AAR Senior Vice President of Policy and Economics John T. Gray. "Additionally, 15 of the 20 commodity categories we track had higher carloads in April 2018 than in April 2017, the most since January 2015. That's good news for railroads and good news for the economy."

Excluding coal, carloads were up 26,683 carloads, or 3.8 percent, in April 2018 from April 2017. Excluding coal and grain, carloads were up 21,378 carloads, or 3.5 percent.

Total U.S. carload traffic for the first four months of 2018 was 4,347,225 carloads, up 0.6 percent, or 24,993 carloads, from the same period last year; and 4,595,381 intermodal units, up 5.8 percent, or 250,934 containers and trailers, from last year.

Total combined U.S. traffic for the first 17 weeks of 2018 was 8,942,606 carloads and intermodal units, an increase of 3.2 percent compared to last year.

Week Ending April 28, 2018

Total U.S. weekly rail traffic was 551,498 carloads and intermodal units, up 5.9 percent compared with the same week last year.

Total carloads for the week ending April 28 were 266,453 carloads, up 3.7 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 285,045 containers and trailers, up 8.1 percent compared to 2017.

Nine of the 10 carload commodity groups posted an increase compared with the same week in 2017. They included coal, up 3,183 carloads, to 78,970; nonmetallic minerals, up 1,866 carloads, to 41,113; and petroleum and petroleum products, up 1,265 carloads, to 10,893. One commodity group posted a decrease compared with the same week in 2017: metallic ores and metals, down 199 carloads, to 24,454.

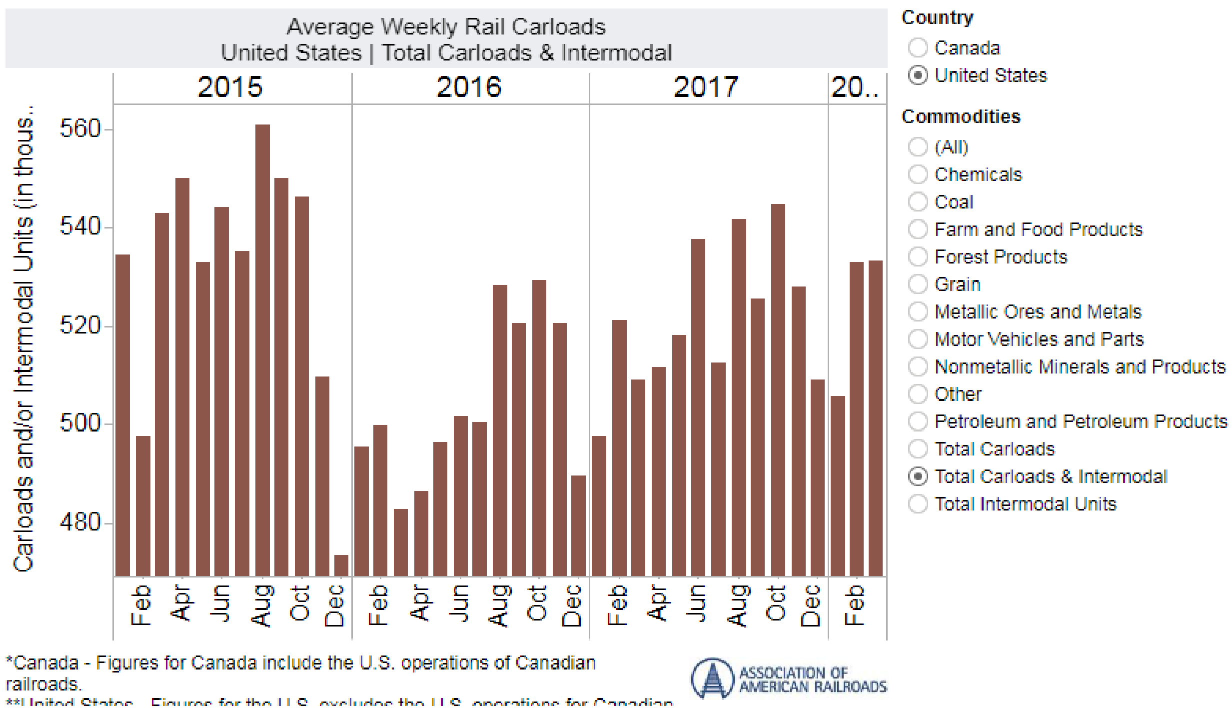
North American rail volume for the week ending April 28, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 372,452 carloads, up 2.7 percent compared with the same week last year, and 370,863 intermodal units, up 6.3 percent compared with last year. Total combined weekly rail traffic in North America was 743,315 carloads and intermodal units, up 4.5 percent. North American rail volume for the first 17 weeks of 2018 was 12,053,949 carloads and intermodal units, up 2.8 percent compared with 2017.

Canadian railroads reported 84,115 carloads for the week, up 1.1 percent, and 68,512 intermodal units, up 3.5 percent compared with the same week in 2017. For the first 17 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 2,465,091 carloads, containers and trailers, up 2.7 percent.

Mexican railroads reported 21,884 carloads for the week and 17,306 intermodal units. Cumulative volume on Mexican railroads for the first 17 weeks of 2018 was 646,252 carloads and intermodal containers and trailers.

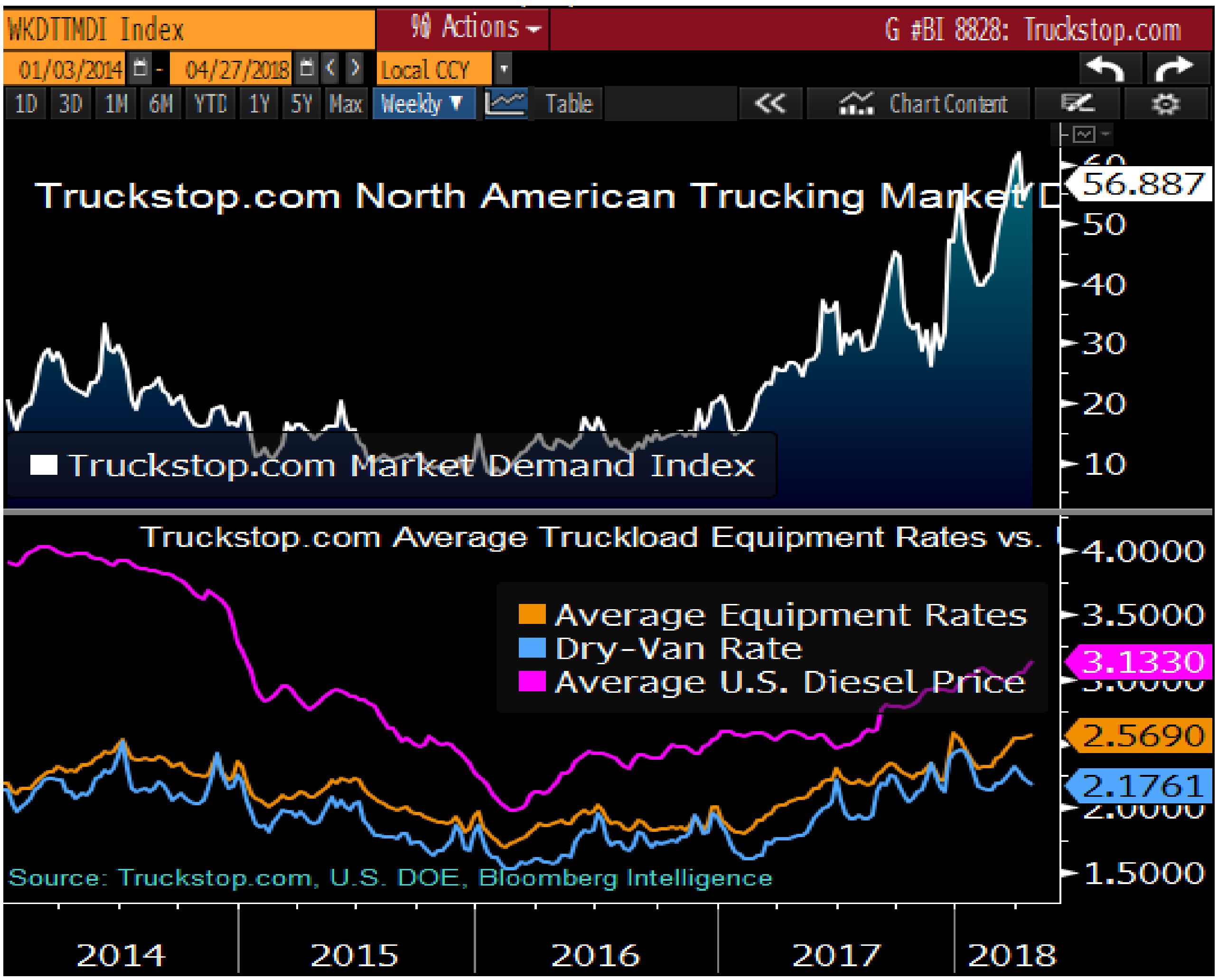
lhttps://www.aar.org/news/rail-traffic-for-the-week-ending-april-28-2018/

Monthly Rail Traffic Charts

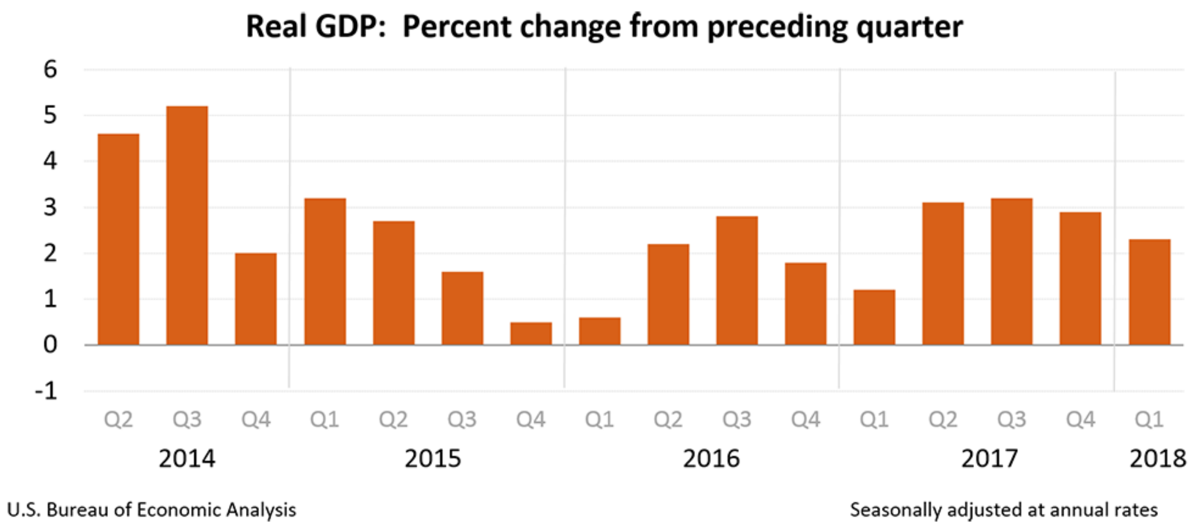


https://www.aar.org/data-center/rail-traffic-data/

Trailer Truck Demand
(Bloomberg Intelligence) – 04/30/18
Relative North American spot-trucking demand rose 1.4% sequentially to 56.9 in the week ended April 27, based on Truckstop.com's Market Demand Index. Capacity tightened as available loads remained relatively flat (down 0.1%) and available trucks fell 1.4%. Average spot rates, excluding fuel surcharges, inched up 44 bps for the 12th straight weekly gain and are up 27% this year. Dry-van rates top all equipment types in 2018 (up 32%), which could translate into high-single digit to mid-teens contractual rate increases.
Companies Impacted: USA Truck, Knight-Swift, J.B. Hunt, Werner, Schneider, Marten and other publicly traded carriers operate mostly in the contract market with varying spot exposure. Spot can be a leading indicator of contractual pricing. Some carriers are raising spot exposure to take advantage of higher rates.
To contact the analyst for this research:
Lee A Klaskow at lklaskow1@bloomberg.net



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-2Q is running at *3.73% as of 5/03/18 v. *3.81% as of 5/01/18
***simple average of the three regionals.**

Atlanta Fed GDPNow…Latest forecast Q2 2018: 4.0% —May 3, 2018
The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2018 is ***4.0 percent*** *on May 3, down from 4.1 percent on May 1. After yesterday's light vehicle sales release from the U.S. Bureau of Economic Analysis (BEA), the nowcasts for second-quarter real consumer spending growth and real nonresidential equipment investment growth declined from 3.3 percent and 9.2 percent, respectively, to 3.0 percent and 8.1 percent respectively. The nowcasts inched back up to 3.1 percent and 8.7 percent after this morning's international trade release from the BEA and U.S. Census Bureau and this morning's manufacturing release from the Census Bureau.*
The next GDPNow update is ***Wednesday, May 9****. Please see the "Release Dates" tab below for a full list of upcoming releases.*
https://www.frbatlanta.org/cqer/research/gdpnow.aspx

New York Fed Nowcast...Q1 2018: 3.2%...April 27, 2018
The New York Fed Staff Nowcast stands at 3.2% for 2018: Q2.
This week's data releases increased the Nowcast for 2018: Q2 by 0.2 percentage point.
Positive surprises from manufacturing data and the positive impact of data revisions accounted for most of the increase.
https://www.newyorkfed.org/research/policy/nowcast

St. Louis Fed Real GDP Nowcast… Q2 2018: 3.99%…May 3, 2018
https://fred.stlouisfed.org/series/GDPNOW

MANUFACTURING AT A GLANCE

APRIL 2018

Index	Series Index Apr	Series Index Mar	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	57.3	59.3	-2.0	Growing	Slower	20
New Orders	61.2	61.9	-0.7	Growing	Slower	28
Production	57.2	61.0	-3.8	Growing	Slower	20
Employment	54.2	57.3	-3.1	Growing	Slower	19
Supplier Deliveries	61.1	60.6	+0.5	Slowing	Faster	19
Inventories	52.9	55.5	-2.6	Growing	Slower	4
Customers' Inventories	44.3	42.0	+2.3	Too Low	Slower	19
Prices	79.3	78.1	+1.2	Increasing	Faster	26
Backlog of Orders	62.0	59.8	+2.2	Growing	Faster	15
New Export Orders	57.7	58.7	-1.0	Growing	Slower	26
Imports	57.8	59.7	-1.9	Growing	Slower	15
OVERALL ECONOMY				Growing	Slower	108
Manufacturing Sector				Growing	Slower	20

Average for 12 months - 58.4

High - 60.8

Low - 55.5

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

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