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The Missile

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

United States Browse 14:38:02 05/11/18 - 05/17/18

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	05/11	07:30	*			Import Price Index MoM	Apr	0.5%	--	0.0%	--
22)	05/11	07:30				Import Price Index ex Petrol	Apr	0.2%	--	0.1%	--
23)	05/11	07:30				Import Price Index YoY	Apr	3.9%	--	3.6%	--
24)	05/11	07:30	*			Export Price Index MoM	Apr	0.4%	--	0.3%	--
25)	05/11	07:30	*			Export Price Index YoY	Apr	--	--	3.4%	--
26)	05/11	09:00	*			U. of Mich. Sentiment	May P	98.3	--	98.8	--
27)	05/11	09:00				U. of Mich. Current Conditions	May P	--	--	114.9	--
28)	05/11	09:00				U. of Mich. Expectations	May P	--	--	88.4	--
29)	05/11	09:00				U. of Mich. 1 Yr Inflation	May P	--	--	2.7%	--
30)	05/11	09:00				U. of Mich. 5-10 Yr Inflation	May P	--	--	2.5%	--
31)	05/14-05/18					Mortgage Delinquencies	1Q	--	--	5.17%	--
32)	05/14-05/18					MBA Mortgage Foreclosures	1Q	--	--	1.19%	--
33)	05/15	07:30	*			Empire Manufacturing	May	15.0	--	15.8	--
34)	05/15	07:30	*			Retail Sales Advance MoM	Apr	0.4%	--	0.6%	--
35)	05/15	07:30				Retail Sales Ex Auto MoM	Apr	0.5%	--	0.2%	--
36)	05/15	07:30				Retail Sales Ex Auto and Gas	Apr	0.4%	--	0.3%	--
37)	05/15	07:30				Retail Sales Control Group	Apr	0.4%	--	0.4%	--
38)	05/15	09:00				Business Inventories	Mar	0.2%	--	0.6%	--
39)	05/15	09:00				NAHB Housing Market Index	May	70	--	69	--

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 2018 Bloomberg Finance L.P.
SN 502240 CDT GMT-5:00 H367-347-3 10-May-2018 14:38:02

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Fed Speak Calendar
 (All times are CST)

Calendars		Alerts		Export		Settings		Economic Calendars			
United States		Browse		15:00:12		05/10/18		-		05/31/18	
Central Banks		All Central Banks		View		Agenda		Weekly		🔍	
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	05/11	07:30				Fed's Bullard Speaks on U.S. Economy & Monetary Policy					
22)	05/14	01:45				Fed's Mester Speaks at Bank of France Conference					
23)	05/14	08:40				Fed's Bullard Speaks at Crypto Conference in New York					
24)	05/15	09:00				Fed Nominees Clarida and Bowman Testify Before Senate Panel					
25)	05/15	12:00				Fed's Williams to Speak at Economic Club of Minnesota					
26)	05/16	07:30				Fed's Bostic to Give Economic Update					
27)	05/16	16:30				Fed's Bullard Speaks to Media					
28)	05/17	09:45				Fed's Kashkari Speaks at Moderated Q&A in Minneapolis					
29)	05/18	02:00				Fed's Mester Speaks at ECB on Macroprudential, Monetary Policy					
30)	05/21	11:15				Fed's Bostic Speaks to Atlanta Economics Club					
31)	05/21	13:05				Fed's Harker Speaks in New York					
32)	05/21	16:30				Fed's Kashkari Speaks at Moderated Q&A in Escanaba, MI					
33)	05/23	13:00	🔔		FOMC Meeting Minutes	May 2	--	--	--	--
34)	05/24	13:00				Fed's Harker Speaks About Technology's Impact on Labor Market					
35)	05/25	08:00				Fed's Powell Joins Riksbank's 350th Anniversary Conference					
36)	05/25	10:45				Fed's Evans Speaks on Economic and Policy Outlook					
37)	05/30	13:00				U.S. Federal Reserve Releases Beige Book					

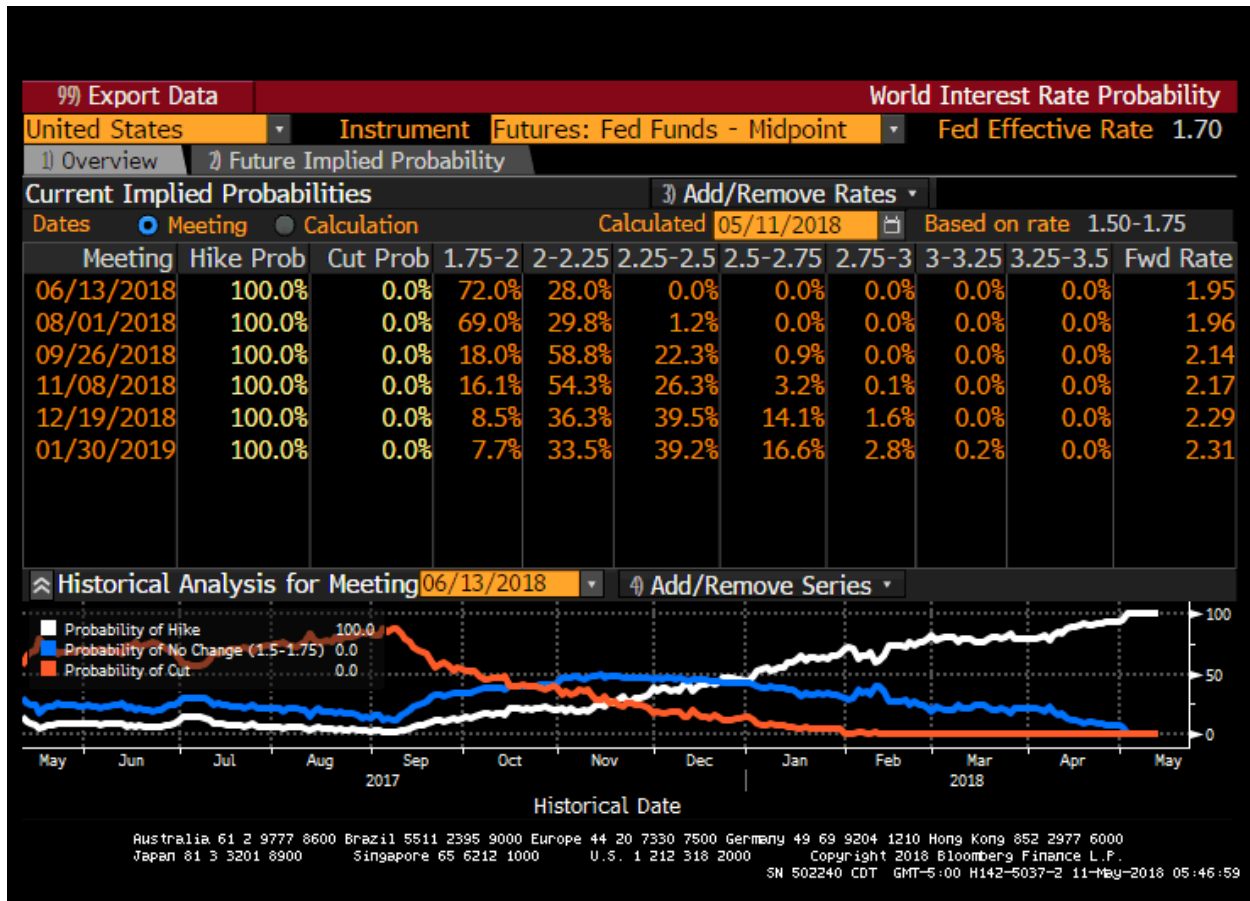
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Previous Next Send Actions				News: News Story				
05/10/2018 13:06:55 [BN]				Translate to...				
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	\$ Bln
Cash mgmt	TBA	TBA	TBA	TBA	TBA	02/13/2018	\$50	
4-week	05/14/2018	05/15/2018	05/17/2018	TBA	TBA	05/08/2018	\$45	
3-month	05/17/2018	05/14/2018	05/17/2018	912796NQ8	\$48	05/07/2018	\$48	
6-month	05/17/2018	05/14/2018	05/17/2018	912796QJ1	\$42	05/07/2018	\$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	06/07/2018	06/11/2018	06/15/2018	TBA	TBA	05/08/2018	\$31	
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	06/07/2018	06/11/2018	06/15/2018	TBA	R	TBA	05/09/2018	\$25
Bond Auctions								
30-year	06/07/2018	06/12/2018	06/15/2018	TBA	R	TBA	05/10/2018	\$17

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	

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Implied Probability of Fed Rate Movement (Futures)



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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, March 2018
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			
	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	1.91871	+.00032	(98.08129)
3-Month Libor Set	2.34250	-.01250	(97.65750)
6-Month Libor Set	2.51500	-.00188	(97.48500)
1-Year Libor Set	2.76579	-.00234	(97.23421)

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THEY SAID IT

Israeli Prime Minister Benjamin Netanyahu issued a statement Thursday saying: "Iran crossed a red line. We responded accordingly. The IDF carried out a very wide-ranging attack against Iranian targets in Syria." He added: "Whoever hurts us — we will hurt them sevenfold.

<https://www.cnbc.com/2018/05/11/could-israel-and-iran-go-to-war-in-syria.html>

Israel [bombed more than 35 sites in Syria](#) — both Iranian and Syrian — early Thursday in response to a rocket attack it said was launched by Iran just after midnight local time.

Amid a rapid escalation of regional tensions, the strikes have thrust a simmering shadow war out into the open.

The Israeli Defense Forces (IDF) claimed it struck nearly all of Iran's military infrastructure in Syria, dramatically ramping up hostilities between the two longtime adversaries that until now were largely fought out by proxies.

Ahmad Majidiyar, director of the IranObserved Project at the Middle East Institute, effectively summarized the new developments: "While neither side wants an all-out war, miscalculation and overreaction may culminate in a more dangerous situation, triggering a wider war between the two arch-enemies and thrusting the Levant region into more chaos and instability."

Israeli missiles targeted an Iran-linked army base south of Syria's capital of Damascus. Israeli strikes had killed at least seven Quds Force advisers in the weeks prior to Thursday's strike, but until this week Tehran was notably muted in its response — likely owing to the embarrassment of an Israeli blow to its forces, and a reluctance to trigger greater conflict. Now, however, analysts say Iran is less likely to hold back.

"We should be prepared for continued airstrikes and exchange of fire along the border," said Ryan Turner, senior risk analyst at PGI group, adding that both terrorist and cyber-attacks targeting Israeli interests cannot be discounted. Meanwhile, Israel, emboldened by the Trump administration and [tacit support from Gulf monarchies](#), will likely step up its aerial campaign against Iranian targets.

U.S. Ambassador James Dobbins, a senior fellow at RAND Corporation who served in crisis management posts for the Clinton, Bush and Obama administrations, agreed, adding that a full-scale war is still less probable. "Iran and Israel are likely to continue clashing in Syria," Dobbins told CNBC. "Strikes from Israel all the way to Iran or vice versa seem less likely, although possible if the local conflict becomes more intense."

Russia is not in talks with the Syrian government about supplying advanced S-300 ground-to-air missiles and does not think they are needed, the Izvestia daily cited a top Kremlin aide as saying on Friday, in an apparent U-turn by Moscow.

The comments, by Vladimir Kozhin, an aide to President Vladimir Putin who oversees Russian military assistance to other countries, follow a visit to Moscow by Israeli Prime Minister Benjamin Netanyahu this week, who has been lobbying Putin hard not to transfer the missiles.

<https://www.reuters.com/article/us-mideast-crisis-syria-russia/russia-after-netanyahu-visit-backs-off-syria-s-300-missile-supplies-idUSKBN1IC0SW>

Russia last month hinted it would supply the weapons to President Bashar al-Assad, over Israeli objections, after Western military strikes on Syria. Foreign Minister Sergei Lavrov said the strikes had removed any moral obligation Russia had to withhold the missiles and Russia's

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Kommersant daily cited unnamed military sources as saying deliveries might begin imminently. The missile system, originally developed by the Soviet military, but since modernized and available in several versions with significantly different capabilities, fires missiles from trucks and is designed to shoot down military aircraft and short and medium-range ballistic missiles. Though since been superseded by the more modern S-400 system, the S-300s are still regarded as highly potent and outstrip anything that the Syrian government currently has. Syria currently relies on a mixture of less advanced Russian-made anti-aircraft systems to defend its air space.

Arthur Berman, a former Amoco scientist who now works as an industry consultant near Houston, said the Permian region of Texas and New Mexico that currently pumps more oil than any other North American field won't last for long. And the Eagle Ford shale about 350 miles (560 kilometers) away in South Texas isn't looking good either.

<https://www.bloomberg.com/news/articles/2018-05-10/shale-s-public-enemy-no-1-says-short-the-permian-and-eagle-ford>

The geologist who earned the [wrath](#) of shale drillers a decade ago with forecasts that natural gas was about to run out is now warning that the Permian Basin has just seven years of proven oil reserves left.

Berman's grim outlook, based on analyses of reserves and production data from more than a dozen prominent shale drillers, flies in the face predictions from the U.S. Energy Department, [Chevron Corp.](#) and others that the Permian is becoming one of the dominant forces in global crude markets.

"The best years are behind us," Berman told a gathering of engineers, geologists, lawyers and financiers at the [Texas Energy Council's](#) annual gathering in Dallas on Thursday. "The growth is done."

Berman came to prominence as a shale skeptic and peak-oil advocate during the first decade of the new century, when intensive fracking and sideways drilling techniques were just beginning to unlock vast reserves of gas from shale fields in Texas and Louisiana. At the time, his dire warnings that shale gas was mostly hype drew the ire of fracking pioneers including Devon Energy Corp. and Chesapeake Energy Corp.

In 2009, Devon's exploration chief Dave Hager -- who has since risen to CEO -- published an op-ed piece in an Oklahoma City newspaper to refute Berman's thesis. In it, Hager likened shale to a World Series-winning home run and said Berman "is in the stands speculating on whether the slugger is on steroids."

Europe has sent just over half the plastic waste it used to ship to China to other parts of Asia since Beijing's environmental crackdown closed the world's biggest recycling market in January. The knotty problem is what to do with the rest.

<https://www.reuters.com/article/us-environment-plastics-insight/plastics-mines-europe-struggles-as-pollution-piles-up-idUSKBN11C0FY>

Some of the surplus is piled up in places from building sites to ports, officials say, waiting for new markets to open up. Recycling closer to home is held back by the fact that the plastic is often dirty and unsorted, the same reasons China turned it away.

Countries led by Malaysia and Vietnam and India imported far more of Europe's plastic waste in early 2018 than before, European Union data show, but unless they or others take more, the only options will be to either bury or burn it.

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In an overcrowded continent where landfills are much more restricted than elsewhere, burning is the obvious option to help generate electricity or heat from hundreds of thousands of tonnes of surplus waste.

But more radical ideas, such as putting oil derived plastic back underground to “mine” back when recycling becomes more sophisticated, are being aired as Europe tries to work out what to do.

European waste policies “need to become much more nuanced, because some landfill might actually be quite good,” professor Ian Boyd, chief scientific adviser for the British government’s department of environment, food and rural affairs, told Reuters.

“I’m putting out a challenge to the current system,” he said, referring to the fact that waste policies in Europe either ban or limit landfill but do little to restrict what has been dubbed “skyfill” - the release of pollutants into the air.

Residents on the Big Island of Hawaii were alerted on Thursday to rising levels of toxic gas from lava-oozing fissures, and geologists warned that new areas east of the erupting Kilauea volcano may be at risk of molten rock bursting from the ground.

<https://www.reuters.com/article/us-hawaii-volcano-plant/toxic-gas-alert-for-hawaii-volcano-eruption-new-areas-at-risk-idUSKBN1IB2CA>

Hawaii County authorities sent a text message to residents of the southeast corner of the island warning them of a wind change that would bring rising levels of sulfur dioxide gas, which can be fatal if inhaled in large quantities.

“It’s just horrible. You can’t breathe in there,” said evacuated resident Robynn Stagg, 58, who drove through the thick, orange sulfur dioxide haze earlier this week in a failed attempt to check on her home.

Hawaii’s governor has warned that mass evacuations may be required as more fissures open in the ground and spew lava and gas into semi-rural residential areas on the east flank of Kilauea, one of the world’s most active volcanoes.

In the late 18th century, French philosopher Jean-Jacques Rousseau wrote about the existence of a "social contract" between citizens and the government. A similarly unwritten set of rules exists between generations: Children promise they’ll take care of their parents, because they expect to be treated the same in the future.

<https://www.bloomberg.com/view/articles/2018-05-11/millennials-can-t-get-by-on-10-000-pounds>

A [new report](#) by the Intergenerational Commission, a group of experts organized by the Resolution Foundation thinktank, shows that this second contract has broken down in the U.K. For the first time in decades, young people don’t expect to be richer than their parents. The analysis is spot on, and would apply to plenty of other European countries. Yet many of the proposed remedies, including a 10,000 pound (\$13,484) “citizens’ inheritance” for cash-strapped young adults, fall short – and could prove counterproductive.

The most striking difference setting apart British millennials from earlier cohorts is pay growth. While in the past, each generation had higher real earnings than their predecessors, people born in the 1980s haven’t enjoyed similar. They’re grappling too with problems that their parents never had to face, from expensive housing to uncertain pensions.

These problems are even worse in places in Europe that can’t match Britain’s healthy labor market. During the financial crisis, youth unemployment in the U.K. rose by less than in

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previous recessions. Jobs have recovered strongly since. Millennials in other countries, from Greece and Italy to France and Spain, haven't been that lucky. According to [a recent](#) study by the International Monetary Fund, one in four youths in Southern Europe is at risk of poverty. Unfortunately, the suggested remedies for the U.K. from the Intergenerational Commission are disappointing. Take, for example, that idea of giving all 25-year-olds 10,000 pounds. This subsidy could be spent only on a limited range of items, including paying back student debt, investing in training or buying a house.

For a start, such lump-sum payments would go to all younger people, regardless of income and wealth. That would be a poor use of state money, which is better targeted on the disadvantaged. Second, these subsidies typically end up increasing the price of the items they can be spent on. Universities would no doubt bump up fees for graduate courses, knowing there's an extra 10,000 pounds to squeeze from students.

First came Brexit, then Donald Trump, and now the rebellion by angry voters has landed its biggest blow on continental Europe.

<https://www.bloomberg.com/news/articles/2018-05-11/italy-finally-falls-to-the-forces-of-populism>

Italy, the most indebted member of the euro region to avoid a bailout during the European debt crisis, has succumbed to the forces of nationalism and protectionism that emerged over the past two years as the biggest threat to the political order.

Efforts to form a broad coalition to dilute the power of the anti-establishment Five Star Movement floundered this week and the party's 31-year-old leader Luigi Di Maio spent Thursday morning drawing up plans for a governing alliance with fellow college dropout Matteo Salvini, 45, of the anti-immigrant League.

Salvini and Di Maio are now taking till Monday to finish their plan to form a government in Rome.

They still have to reconcile the League's promise of a flat tax at 15 percent for people and businesses, while Five Star has offered a citizens' income to poorer Italians. Both want to scrap the pension reform that helped weather the debt crisis but upset many voters.

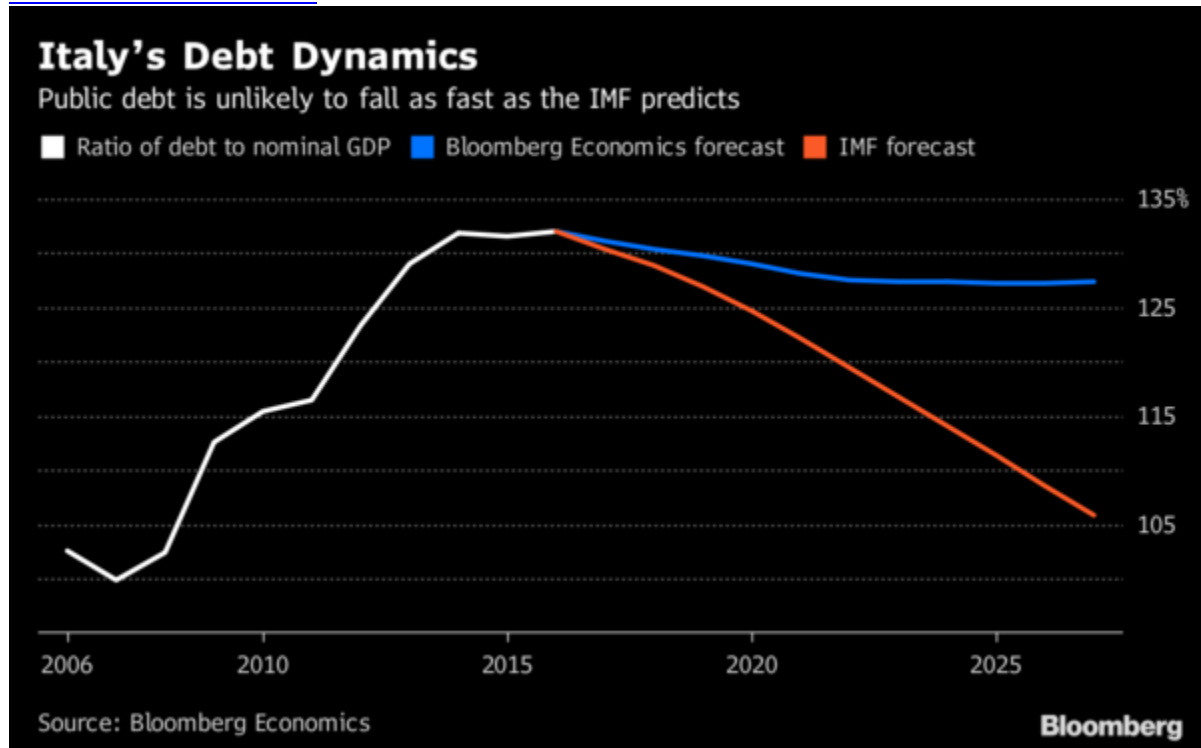
League lawmaker Guglielmo Picchi said he expects curbs on immigration, tax cuts and "a more assertive stand" towards the EU as his party's key issues in talks with Five Star.

"The difficulty in the talks is not so much who does what, as agreeing on the priorities," Picchi, 45, a former Barclays Capital investment banker, said in an interview. "We need to be careful about Five Star's citizen's income, Italy can't just shower money on people."

Investors can't ignore debt arithmetic forever, according to research by [Bloomberg Economics](#). The International Monetary Fund may have Italy's public debt stock falling from this year, but that's only on the assumption that the country will quickly attain a primary budget surplus of 3.6 percent of output, more than double what it was in 2017. BE's forecast for Italy's public finances is much less rosy, and that's before the expensive spending plans a populist government is likely to introduce.

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<https://www.bloomberg.com/news/articles/2018-05-11/investors-can-t-ignore-italy-s-debt-arithmetic-forever-chart>



"We're not calling for Medicare negotiation in a way that Democrats have called for," one official said. "We clearly want to make important changes that will dramatically improve the way negotiation takes place inside the Medicare program.

<https://www.cnbc.com/2018/05/10/trump-to-propose-medicare-drug-plans-share-some-rebates-with-patients.html>

The government program is currently prohibited from doing this. Democrats have pushed to change this, and Trump supported the idea on the campaign trail. His Health and Human Services Secretary [Alex Azar](#), though, has rejected [the idea](#).

The plan, set to be released Friday, will require Medicare Part D plans share a portion of discounts they receive from drug manufacturers with patients, the officials said. It will include ways to allow the government to better negotiate, they said, though it will stop short of allowing Medicare to directly work with manufacturers on prices.

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EQUITIES

The S&P is +5 and the NASDAQ is +10.

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 -0.00%.

In the UK, the swap curve is steeper with yields higher.

BOE Rate +0.50%. (No change)

Next meeting 05/10/18

On the European Continent

The CAC Index closed -0.25%.

The DAX Index closed -0.20%.

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

ECB Main Refinancing Operations Rate +0.00% (No change)

Deposit Facility Rate -.40%

Next meeting 06/14/18

ASIA

Japan:

The TOPIX closed +0.98%.

The NIKKEI closed +1.16%.

In Japan, the swap curve is slightly flatter with yields mixed.

BOJ Policy Balance Rate -0.10% (No change)

Next meeting 06/15/18

China:

The Hang Seng closed +1.02%.

The Shanghai Composite closed -0.35%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

7-Day Repo Rate: 2.7603%

Reserve Requirement Ratio: 17.00%

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THE TREND

EDM8: 97-62.5 is the pivot. Below the pivot, you should be short, above long.
Support is at 97-60.5**.

Resistance is at 97-62.5^ and 97-65.0**.

^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)

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10yr/TYM8: 119-19.5 is the pivot point. Above you should be long, below short.

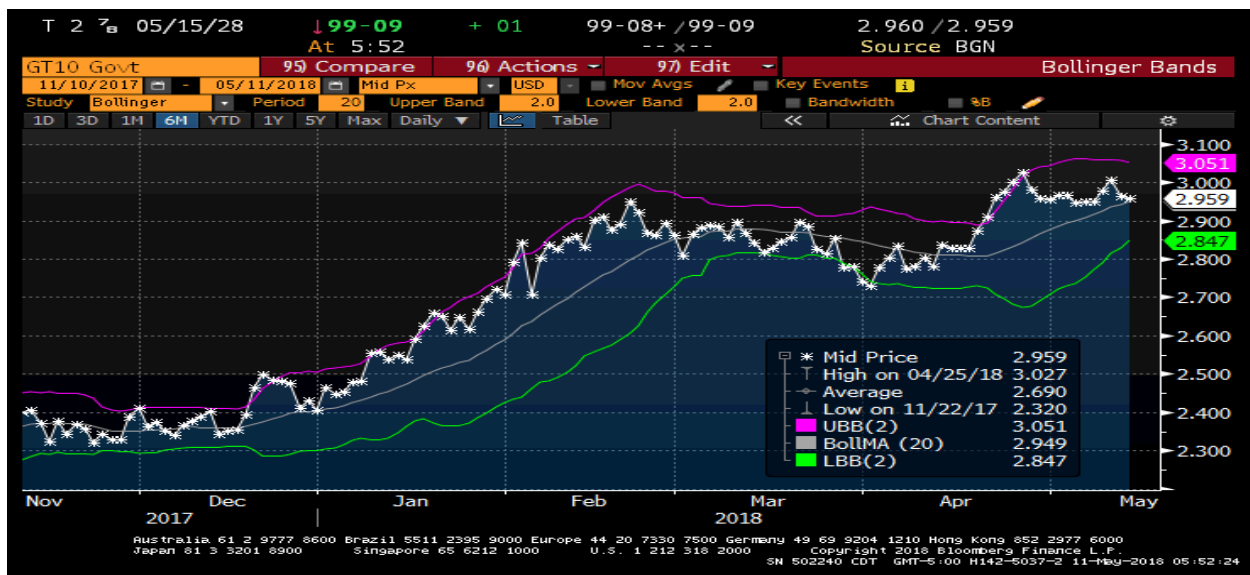
Support is at 118-27.5**

Resistance is at 119-19.5^ and 120-11.5**

^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.

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US-SWAPS IRSB <GO>

United States		98 Export		99 Settings		Interest Rate Swap Rates							
Date Range:		04/11/2018		-		05/11/2018		1 Month					
40 Semi Swaps		41 Sprs to Gov.		42 Ann Swaps		43 Ann Sprs		44 OIS Swaps		49 CME/LCH Sprs			
USD SemiAnnual 30/360 Swap Rates													
Tenor	Bid	Ask	Mid	Change	Today	#SD	Δ/da	Low	Range	High	Avg +/-BPS	PCS	CMPN
1) 1 YR	2,563 / 2,565	2,564	-0.004				-0.1	2,441	2,583	2,543	2.2	0.8	
2) 2 YR	2,773 / 2,777	2,776	-0.002				-0.1	2,591	2,791	2,736	4.2	1.0	
3) 3 YR	2,871 / 2,872	2,871	-0.004				-0.1	2,664	2,888	2,828	4.5	0.9	
4) 4 YR	2,913 / 2,915	2,914	-0.005				-0.1	2,700	2,936	2,871	4.4	0.8	
5) 5 YR	2,936 / 2,938	2,937	-0.006				-0.1	2,718	2,974	2,895	4.3	0.8	
6) 6 YR	2,952 / 2,953	2,952	-0.006				-0.1	2,734	2,990	2,912	4.1	0.7	
7) 7 YR	2,962 / 2,969	2,966	-0.006				-0.1	2,746	3,024	2,926	4.3	0.7	
8) 8 YR	2,976 / 2,980	2,979	-0.006				-0.1	2,760	3,032	2,940	4.0	0.6	
9) 9 YR	2,989 / 2,993	2,992	-0.006				-0.1	2,774	3,051	2,953	4.0	0.6	
10) 10 YR	3,004 / 3,007	3,005	-0.006				-0.1	2,789	3,089	2,967	4.0	0.6	
11) 15 YR	3,045 / 3,046	3,046	-0.007				-0.1	2,843	3,116	3,012	3.4	0.5	
12) 20 YR	3,056 / 3,058	3,057	-0.006				-0.1	2,861	3,130	3,026	3.2	0.5	
13) 25 YR	3,039 / 3,045	3,042	-0.008				-0.1	2,851	3,272	3,014	3.1	0.5	
14) 30 YR	3,022 / 3,024	3,023	-0.006				-0.1	2,835	3,099	2,994	2.9	0.5	

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

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2018 Bloomberg Finance L.P.
 SN 502340 CDT GMT-5:00 H142-5037-2 11-May-2018 05:47:19

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The Option Lab

Trade Log:

2. Long the TY Week-2 120.00 put (at the money) from 8/64ths (3/9/2018).

1/64th = \$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.

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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 y/y Department of Labor Department.



St. Louis Fed Agriculture Finance Monitor 1st quarter 2018

For the seventeenth consecutive quarter, agricultural bankers in the Eighth Federal Reserve District, on net, reported that farm income had declined compared with a year earlier. This quarter's survey assesses agricultural finance conditions during the first quarter of 2018. Bankers also reported that farm household spending and capital expenditures remained below year-earlier levels in the first quarter. Compared with the previous survey, slightly more bankers were more optimistic about the prospects for farm income, household income, and capital expenditures over the next three months. Quality farmland values fell slightly in the first quarter from a year earlier, as did cash rents on quality farmland. By contrast, ranchland or pastureland values rose sharply in the first quarter, as did cash rents on this type of land. Judging from the expectations for several farm-related metrics reported last quarter, respondents generally believe that economic conditions in the farm economy in the first quarter of 2018 were modestly better than anticipated three months earlier. Interest rates on four of the six fixed- and variable-rate loan categories rose slightly in the first quarter. There were three special questions in this quarter's survey. Results from the first question indicated that nearly all bankers made loans to row crop farmers, while roughly three-quarters made loans to farmers with cattle operations. The second and third special questions looked at off-farm income for farmers. Nearly four of five bankers reported that half or less of the farmers they lend to have full- or part-time off-farm jobs. A similar percentage

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indicated that half or less of the farmers they lend to would have difficulty servicing their farm-related debt without off-farm income.

<https://research.stlouisfed.org/publications/regional/ag-finance/2018/05/10/2017-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

Area	Last Count	Count	Change from Prior Count	Date of Prior Count	Change from Last Year	Date of Last Year's Count
U.S.	4 May 2018	1,032	+11	27 April 2018	+155	5 May 2017
Canada	4 May 2018	86	+1	27 April 2018	+4	5 May 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 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%

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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 this week, total U.S. weekly rail traffic was 545,937 carloads and intermodal units, up 7.5 percent compared with the same week last year.

Total carloads for the week ending May 5 were 265,563 carloads, up 6.4 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 280,374 containers and trailers, up 8.5 percent compared to 2017.

Nine of the 10-carload commodity groups posted an increase compared with the same week in 2017.

They included nonmetallic minerals, up 4,192 carloads, to 41,092; coal, up 4,023 carloads, to 77,468; and grain, up 3,250 carloads, to 25,100. One commodity group posted a decrease compared with the same week in 2017: miscellaneous carloads, down 2,575 carloads, to 8,201.

For the first 18 weeks of 2018, U.S. railroads reported cumulative volume of 4,612,788 carloads, up 0.9 percent from the same point last year; and 4,875,755 intermodal units, up 5.9 percent from last year. Total combined U.S. traffic for the first 18 weeks of 2018 was 9,488,543 carloads and intermodal units, an increase of 3.4 percent compared to last year.

North American rail volume for the week ending May 5, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 371,260 carloads, up 6.4 percent compared with the same week last year, and 366,970 intermodal units, up 7.4 percent compared with last year. Total combined weekly rail traffic in North America was 738,230 carloads and intermodal units, up 6.9 percent. North American rail volume for the first 18 weeks of 2018 was 12,792,179 carloads and intermodal units, up 3 percent compared with 2017.

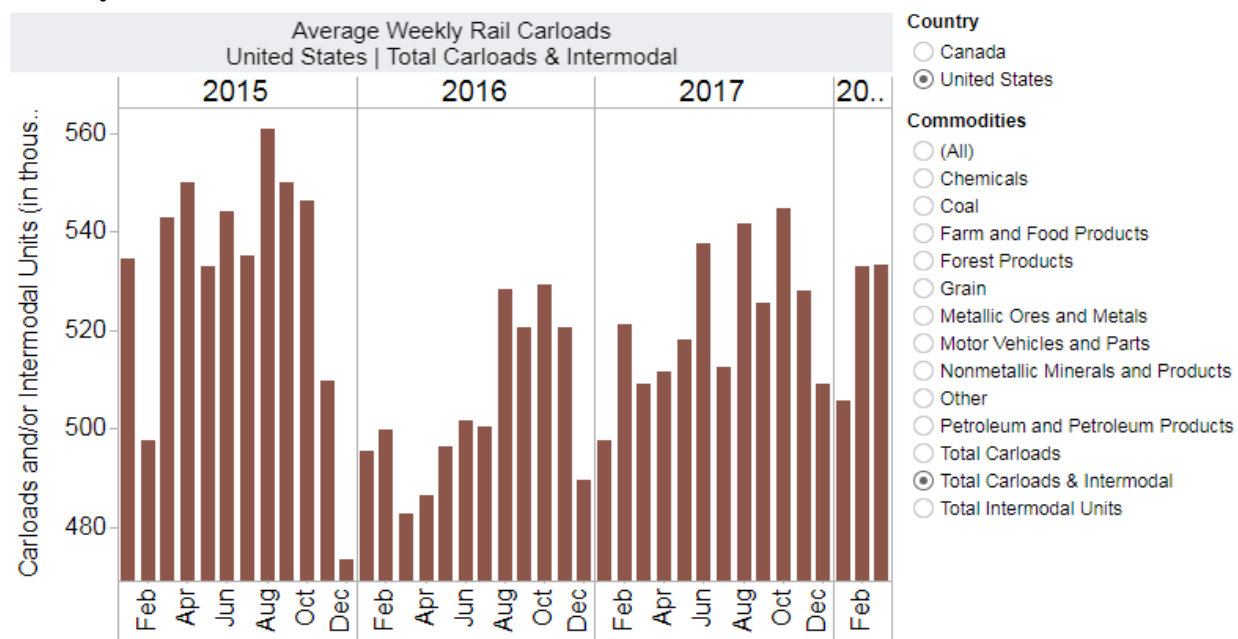
Canadian railroads reported 86,114 carloads for the week, up 5.8 percent, and 71,685 intermodal units, up 7 percent compared with the same week in 2017. For the first 18 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 2,622,890 carloads, containers and trailers, up 2.9 percent.

Mexican railroads reported 19,583 carloads for the week and 14,911 intermodal units. Cumulative volume on Mexican railroads for the first 18 weeks of 2018 was 680,746 carloads and intermodal containers and trailers.

<https://www.aar.org/news/rail-traffic-for-the-week-ending-may-5-2018/>

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Monthly Rail Traffic Charts



*Canada - Figures for Canada include the U.S. operations of Canadian railroads.

**United States - Figures for the U.S. exclude the U.S. operations for Canadian railroads.



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

Trailer Truck Demand

(Bloomberg Intelligence) – 05/07/18

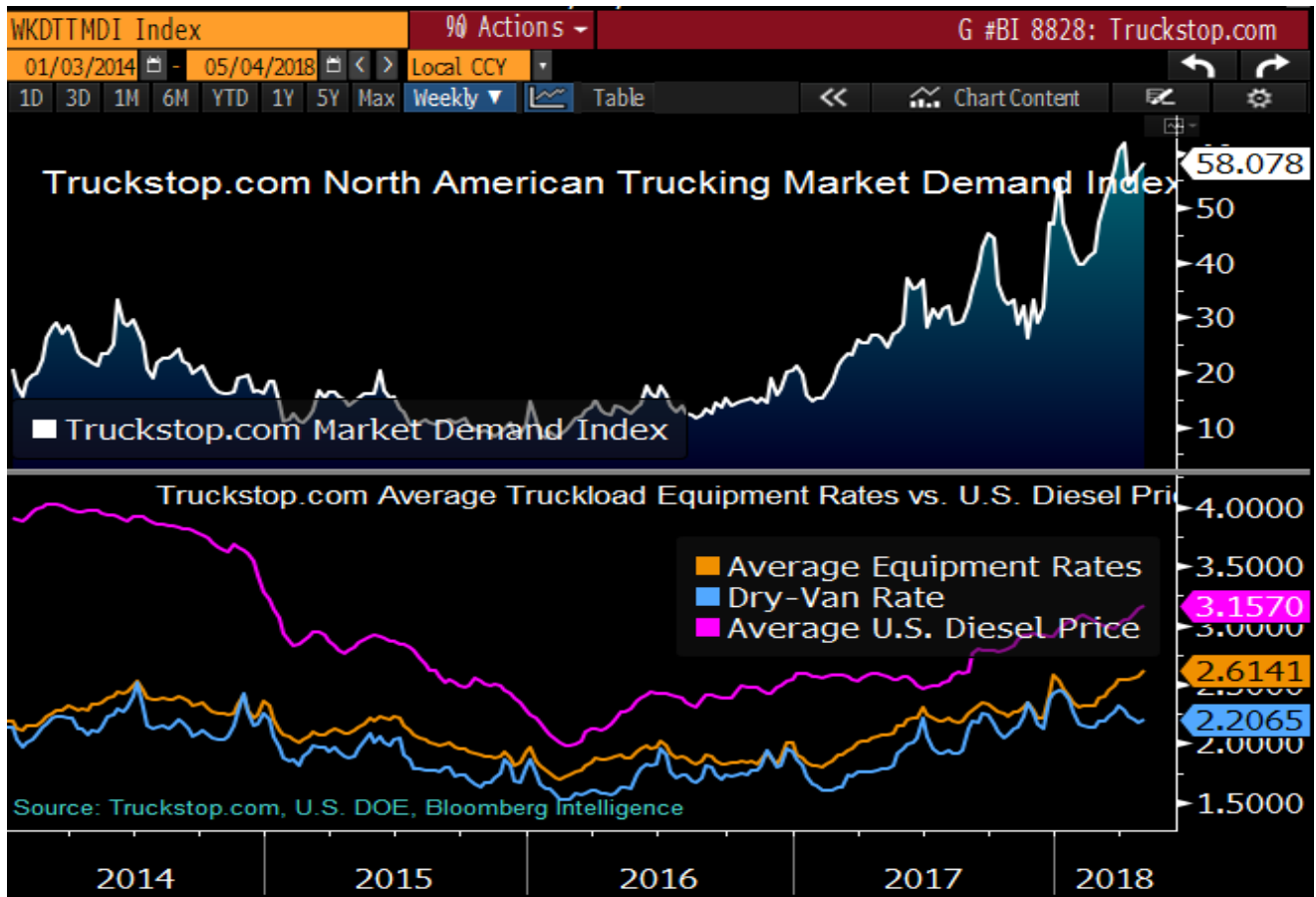
Relative North American spot-trucking demand rose 2.1% sequentially to 58.1 in the week ended April 27, based on Truckstop.com's Market Demand Index. Capacity tightened as available loads increased 1.9% and available trucks remained relatively flat (down 0.1%). Average spot rates, excluding fuel surcharges, rose 1.7% for the 13th 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 klaskow1@bloomberg.net

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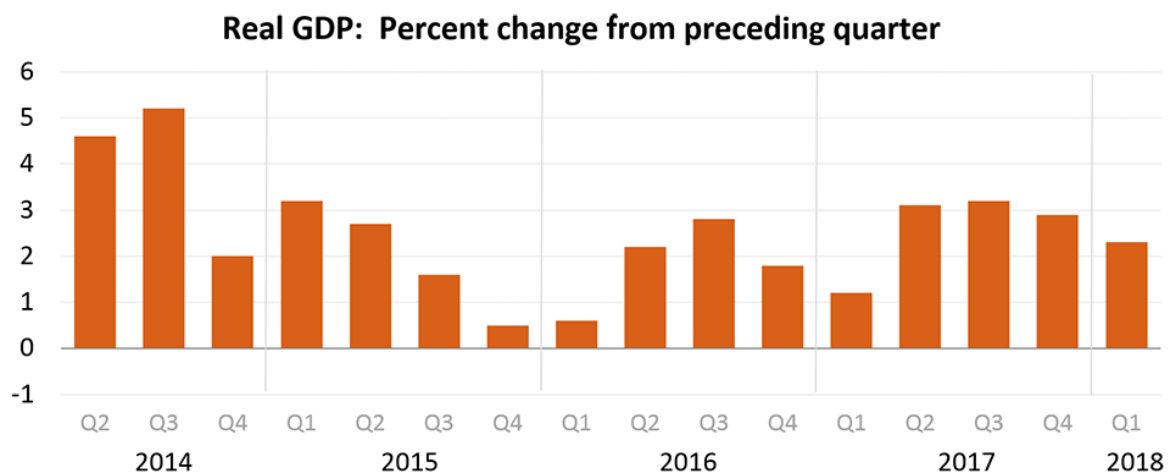


GDP

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



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

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GDP-2Q is running at *3.68% as of 5/09/18 v. *3.66% as of 5/07/18

***simple average of the three regionals.**

Atlanta Fed GDPNow...Latest forecast Q2 2018: 4.0% —May 9, 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 9, unchanged from May 3. The nowcasts of second-quarter real consumer spending growth and second-quarter real private fixed investment growth inched down from 3.1 percent and 5.6 percent, respectively, to 3.0 percent and 5.4 percent, respectively, after Friday's employment report from the U.S. Bureau of Labor Statistics. The nowcast of the contribution of inventory investment to second-quarter real GDP growth increased from 0.67 percentage points to 0.78 percentage points after this morning's wholesale trade release from the U.S. Census Bureau.*

*The next GDPNow update is **Tuesday, 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: 3.0%...May 4, 2018

The New York Fed Staff Nowcast stands at 3.0% for 2018:Q2.

News from this week's data releases decreased the nowcast for 2018:Q2 by 0.2 percentage point.

News from lower-than-expected construction data, survey data, and imports account.

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

St. Louis Fed Real GDP Nowcast... Q2 2018: 4.03%...May 9, 2018

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

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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>

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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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