



Fixed Income Group A Division of RJ O'Brien

**The Missile**

[www.fixedincomegroup.com](http://www.fixedincomegroup.com)

ECO <go>ok  
(All times are CST)

9 <GO> to Save as Default

Economic Calendars											
1) Calendars		2) Alerts		3) Export		4) Settings					
United States		Browse		05:53:39		09/26/18		10/03/18			
Economic Releases											
All Economic Releases											
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	09/26	06:00				MBA Mortgage Applications	Sep 21	--	--	1.6%	--
22)	09/26	09:00				New Home Sales	Aug	630k	--	627k	--
23)	09/26	09:00				New Home Sales MoM	Aug	0.5%	--	-1.7%	--
24)	09/26	13:00				FOMC Rate Decision (Upper Bou	Sep 26	2.25%	--	2.00%	--
25)	09/26	13:00				FOMC Rate Decision (Lower Bou	Sep 26	2.00%	--	1.75%	--
26)	09/26	13:00				Interest Rate on Excess Reserv	Sep 27	--	--	1.95%	--
27)	09/27	07:30				Advance Goods Trade Balance	Aug	-\$70.6b	--	-\$72.2b	-\$72.0b
28)	09/27	07:30				Wholesale Inventories MoM	Aug P	0.3%	--	0.6%	--
29)	09/27	07:30				Retail Inventories MoM	Aug	--	--	0.4%	0.5%
30)	09/27	07:30				GDP Annualized QoQ	2Q T	4.2%	--	4.2%	--
31)	09/27	07:30				Personal Consumption	2Q T	3.8%	--	3.8%	--
32)	09/27	07:30				GDP Price Index	2Q T	3.0%	--	3.0%	--
33)	09/27	07:30				Core PCE QoQ	2Q T	2.0%	--	2.0%	--
34)	09/27	07:30				Durable Goods Orders	Aug P	2.0%	--	-1.7%	--
35)	09/27	07:30				Durables Ex Transportation	Aug P	0.4%	--	0.1%	--
36)	09/27	07:30				Cap Goods Orders Nondef Ex Air	Aug P	0.4%	--	1.6%	--
37)	09/27	07:30				Cap Goods Ship Nondef Ex Air	Aug P	0.5%	--	1.0%	--
38)	09/27	07:30				Initial Jobless Claims	Sep 22	210k	--	201k	--
39)	09/27	07:30				Continuing Claims	Sep 15	1678k	--	1645k	--

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 6641-5312-2 26-Sep-2018 05:53:39

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## Fed Speak Calendar

(All times are CST)

Economic Calendars											
1) Calendars		2) Alerts		3) Export		4) Settings					
United States			Browse		12:23:48		09/21/18 - 10/24/18				
Central Banks			All Central Banks			View <input checked="" type="radio"/> Agenda <input type="radio"/> Weekly					
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	09/26	13:00				FOMC Rate Decision (Upper ...	Sep 26	2.25%	--	2.00%	--
22)	09/26	13:00				FOMC Rate Decision (Lower ...	Sep 26	2.00%	--	1.75%	--
23)	09/26	13:30				Fed's Powell Holds Press Conference Following FOMC Decision					
24)	09/27	11:30				Fed's Kaplan Speaks at Forum for Minority Banking					
25)	09/28	07:30				Fed's Barkin Speaks at Forum for Minorities in Banking					
26)	09/28	15:45				Fed's Williams Speaks in New York at Money Markets Conference					
27)	10/01	08:02				Fed's Bostic Speaks on Economic Development					
28)	10/01	11:15				Fed's Rosengren Speaks on the U.S. Outlook and Monetary Policy					
29)	10/02	09:00				Fed's Quarles Testifies to Senate Banking Committee					
30)	10/02	11:00				Fed's Chairman Powell Speaks at NABE Conference in Boston					
31)	10/03	05:30				Fed's Evans Speaks in London					
32)	10/03	07:05				Fed's Barkin Speaks at Economic Conference in West Virginia					
33)	10/03	13:15				Fed's Mester Speaks at Community Banking Conference					
34)	10/04	08:15				Fed's Quarles Speaks at Community Banking Conference					
35)	10/10	17:00				Fed's Bostic Speaks on Economic Outlook					
36)	10/12	11:30				Fed's Bostic Discusses Recruitment, Economics & Public Policy					
37)	10/17	13:00				FOMC Meeting Minutes	Sep 26	--	--	--	--
38)	10/19	08:00				Fed's Kaplan Speaks in New York					
39)	10/24	13:00				U.S. Federal Reserve Releases Beige Book					

NI TRE <go>

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

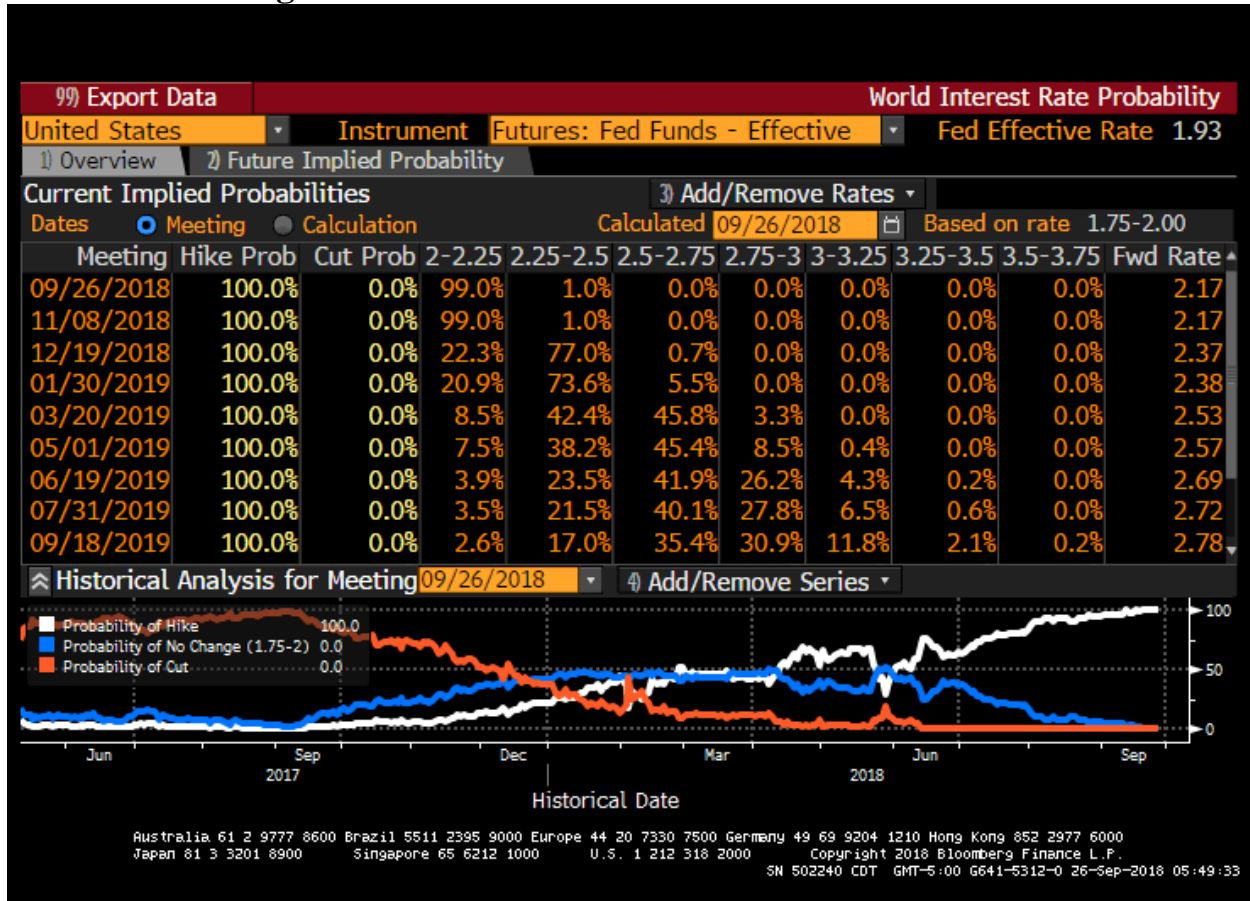
	Next Offer	Next	Date	CUSIP	\$	Prior	Prior	
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	\$ Bln
Cash mgmt	TBA	TBA	TBA	TBA		TBA	02/13/2018	\$50
4-week	10/01/2018	09/25/2018	09/27/2018	912796QE2		\$40	09/18/2018	\$40
8-week	10/15/2018	10/16/2018	10/18/2018	TBA		TBA	n/a	n/a
3-month	09/27/2018	10/01/2018	10/04/2018	912796PK9		TBA	09/24/2018	\$48
6-month	09/27/2018	10/01/2018	10/04/2018	912796PK9		TBA	09/24/2018	\$42
1-year	10/04/2018	10/09/2018	10/11/2018	TBA		TBA	09/11/2018	\$26
<b>Note Auctions</b>								
2-year	10/18/2018	10/23/2018	10/31/2018	TBA		TBA	09/24/2018	\$37
3-year	10/04/2018	10/10/2018	10/15/2018	TBA		TBA	09/11/2018	\$35
5-year	10/18/2018	09/25/2018	10/01/2018	9128285D8		\$38	08/28/2018	\$37
7-year	10/18/2018	09/27/2018	10/01/2018	9128285C0		\$31	08/29/2018	\$31
10-year	10/04/2018	10/10/2018	10/15/2018	TBA	R	TBA	09/12/2018	\$23
<b>Bond Auctions</b>								
30-year	10/04/2018	10/11/2018	10/15/2018	TBA	R	TBA	09/13/2018	\$15

<b>TIPS Auctions</b>								
5-yr TIPS	12/13/2018	12/20/2018	12/31/2018	TBA	R	TBA	08/23/2018	\$14
10-yr TIPS	09/13/2018	09/20/2018	09/28/2018	TBA	R	TBA	07/19/2018	\$13
30-yr TIPS	10/11/2018	10/18/2018	10/31/2018	TBA	R	TBA	06/21/2018	\$5
<b>Floating Rate Note</b>								
2-year FRN	09/20/2018	09/25/2018	09/28/2018	TBA	R	TBA	08/29/2018	\$18
<b>Buyback Operation</b>								
Buyback	TBA	TBA	TBA	TBA		TBA	11/15/2017	\$.025

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

# Current Implied Probability of Fed Rate Movement (Futures)

WIRP US FFE <go>



This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

**Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assessments of projected appropriate monetary policy, June 2018**  
Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Median <sup>1</sup>				Central tendency <sup>2</sup>				Range <sup>3</sup>			
	2018	2019	2020	Longer run	2018	2019	2020	Longer run	2018	2019	2020	Longer run
Change in real GDP	2.8	2.4	2.0	1.8	2.7-3.0	2.2-2.6	1.8-2.0	1.8-2.0	2.5-3.0	2.1-2.7	1.5-2.2	1.7-2.1
March projection	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
Unemployment rate	3.6	3.5	3.5	4.5	3.6-3.7	3.4-3.5	3.4-3.7	4.3-4.6	3.5-3.8	3.3-3.8	3.3-4.0	4.1-4.7
March projection	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
PCE inflation	2.1	2.1	2.1	2.0	2.0-2.1	2.0-2.2	2.1-2.2	2.0	2.0-2.2	1.9-2.3	2.0-2.3	2.0
March projection	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
Core PCE inflation <sup>4</sup>	2.0	2.1	2.1		1.9-2.0	2.0-2.2	2.1-2.2		1.9-2.1	2.0-2.3	2.0-2.3	
March projection	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	
Memo: Projected appropriate policy path												
Federal funds rate	2.4	3.1	3.4	2.9	2.1-2.4	2.9-3.4	3.1-3.6	2.8-3.0	1.9-2.6	1.9-3.6	1.9-4.1	2.3-3.5
March projection	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

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 March projections were made in conjunction with the meeting of the Federal Open Market Committee on March 20-21, 2018. 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 March 20-21, 2018, meeting, and one participant did not submit such projections in conjunction with the June 12-13, 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/fomeproitabl20180613.pdf>

## Libor Set

<b>1-Month Libor Set</b>	<b>2.24219</b>	<b>+0.01213</b>	<b>(97.75781)</b>
<b>3-Month Libor Set</b>	<b>2.38516</b>	<b>+0.00516</b>	<b>(97.61484)</b>
<b>6-Month Libor Set</b>	<b>2.59350</b>	<b>-0.00188</b>	<b>(97.40650)</b>
<b>1-Year Libor Set</b>	<b>2.91450</b>	<b>+0.00262</b>	<b>(97.08550)</b>

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## THEY SAID IT

### From Bill Sokolis at MNI

**FOMC: /PREVIEW: Multiple dealer opinions on today's FOMC annnc, .25bps universally expected, most with an additional hike in December; particular attn to forward guidance and addition of 2021 dot in SEP today.**

- TD Securities: Set to hike today w/total of four exp for 2018. "Later dots will show most support hiking beyond neutral, while median longer-run dot could drift down to 2.75% thanks to newly-added participants. This risks modifying the statement language to suggest "policy remains somewhat accommodative." Risks should remain balanced, with Chair Powell downplaying some of the downside risks that have preoccupied markets of late."

**- SocGen: Expects FOMC annnc 25bps hike today, particular attn to forward guidance. "In our view, the dot plot will continue to project another hike in December, three more next year, one in 2020, and it will add one in 2021. We anticipate minimal changes to the statement."**

- BofAML: Fed is set to hike "bringing the Fed funds rate to a range of 2.0-2.25%." On inaugural 2021 dot: BofAML expects it to "be a bit above 2020. The long-run dot threatens to move up to 3.0%. Fed communications should support flatter curve over time, USD expecting hawkish Fed. We think it is likely to communicate that policy is no longer accommodative by revising or simply removing that language in the statement."

**- BNP Paribas: "From "'gradual' to 'nimble'". Rate hike "likely...with few changes in the statement and near-term forecasts. The press conference should hint at a December hike." While "economy continues to hum" and "inflation moves towards the Fed's 2% target...China tariffs pose downside risks to Fed forecasts for growth and upside risks to inflation in 2019."**

- RBC: Fed is set to hike rates today and again in December with additional four hikes in 2019. RBC doesn't have an "official forecast" beyond 2019, but can "easily see the Fed continuing the hiking cycle into 2020 before it (likely) comes to an end." RBC posits the Fed "expects slightly more than one additional hike in '20 but our sense is, with several doves seemingly becoming 'centrists' of late, w/relatively low hurdle to get median up a bit" from 3.4% to 3.6% possible, allowing Fed to "show rates on hold in 2021 at that level."

**- RBS NatWest: Expect Fed to hike while signaling "further gradual rate hikes ahead (including December). More important is what happens with policy once rates reach the neutral level. Unfortunately, we expect little clarity with respect to that question at this time." RBC expects "risks to the economic outlook to again be characterized as 'roughly balanced'" while the Fed "could acknowledge the potential impact of Hurricane Florence."**

- JP Morgan: Expect Fed to hike "with a similar increase in the IOER rate", followed by three more in 2019 and one in 2020. "For the new 2021 forecast we look for midpoint of the funds rate target to be about unchanged at 3.375%. The median longer-run dot, 2.875% in June, we anticipate to be either unchanged or drift up to 3.0%."

**- BNY Melon: Fed hike a "foregone conclusion" on the back of "strong economic data". On dots, the current "2.375% median (four hikes) for this year has a**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

central tendency," while the "median 2019 projection calls for three additional hikes, with one additional hike in 2020 that will bring the funds rate to 3.375% by the end of the current hiking cycle."

**In the latest sign of the growing divide between Washington and its allies, the [European Union's](#) foreign policy chief announced Monday that the bloc was creating a new payment mechanism to allow countries to transact with Iran while avoiding U.S. sanctions.**

<https://www.cnbc.com/2018/09/25/eu-russia-and-china-join-forces-to-dodge-iran-sanctions.html>

Called the "special purpose vehicle" (SPV), this mechanism would aim to "assist and reassure economic operators pursuing legitimate business with Iran," according to a joint statement released by the remaining members of the [Iran nuclear deal](#) — France, Britain, Germany, Russia and China.

"This will mean that EU member states will set up a legal entity to facilitate legitimate financial transactions with Iran and this will allow European companies to continue to trade with Iran in accordance with European Union law and could be open to other partners in the world," Federica Mogherini, the EU's high representative for foreign affairs, told the UN General Assembly on Tuesday.

The technical details will be worked on by experts in future meetings, she said.

**The Office of the United States Trade Representative issued a [comprehensive list of Chinese products](#) that the U.S. plans to target. The list includes everything from vegetables and seafood to chemical elements and construction materials.**

<https://www.cnbc.com/2018/09/25/with-trumps-250-billion-in-china-tariffs-heres-what-will-cost-more.html>

Including these latest additions, tariffs will cost the [average American family \\$127 per year](#), according to an analysis from Kirill Borusyak, a postdoctoral associate at Princeton University, and Xavier Jaravel, an economics professor at the London School of Economics. The effect on you will vary based on what you buy, and the extra amount you'll pay could increase significantly if you make more substantial purchases.

The intent of a tariff, or a tax placed on imported goods, is to benefit domestic companies by making their product more affordable than a foreign alternative. If a car manufacturer suddenly needs to pay a 25 percent tax to import steel, in theory, it will purchase steel from an American supplier instead, and that will benefit the American economy and job market overall.

**China's state cabinet said on Wednesday the government will cut import tariffs for products including machinery, electrical equipment and textile products beginning on Nov. 1, as the country braces for an escalating trade war with the United States.**

<https://www.reuters.com/article/us-china-economy-tariffs/china-announces-fresh-import-tariff-cuts-amid-brewing-trade-war-idUSKCN1M61EH?il=0>

The cuts are expected to lower costs for consumers and companies by about 60 billion yuan this year, the state cabinet said in a meeting chaired by Premier Li Keqiang, according to the state radio.

The overall tariff level will be reduced to 7.5 percent in 2018 from 9.8 percent in 2017 as a result, the state cabinet said.

**"China has accelerated the opening up of its capital markets this year to mitigate the negative impact (of the trade war)," said Hu Yifan, China economist at UBS Wealth**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## Management.

<https://www.reuters.com/article/us-china-markets-opening/as-trade-war-rumbles-china-steps-up-opening-of-financial-markets-idUSKCN1M60KF?il=0>

Overseas holdings of China stocks have jumped nearly 50 percent over the past year, but still account for less than 3 percent of total market capitalization.

However, Wang Xiaojian, Chairman of Shanghai Yaozhi Asset Management Co, expects foreign bond ownership to double over the next five years. His group plans to launch a bond fund in Hong Kong to help foreign institutions invest in mainland Chinese debt.

Beijing has also relaxed capital flow rules, and awarded local fund management licenses to several global managers.

“That’s seen as a very strong signal that the opening of the market is actually going ahead, regardless of the trade war,” said Stephane Loiseau, Asia Pacific Head of Cash Equities & Global Execution Services at Societe Generale.

## **Chinese non-financial corporate debt is rising again as a percentage of gross domestic product following a year and a half of deleveraging from its mid-2016 record, according to new data from the Bank for International Settlements.**

<https://www.bloomberg.com/news/articles/2018-09-26/china-s-deleveraging-is-going-into-reverse-new-bis-data-show>

The ratio jumped to 164.1 percent in the first quarter of 2018 from 160.3 percent in the final three months of 2017, erasing more than half of the progress Chinese companies had made in reducing debt loads since the ratio topped out at 166.9 percent in the second quarter of 2016, the BIS [data](#), published September 23, show.

The releveraging of the Chinese economy this year is being driven both by an acceleration in the pace of debt accumulation and a slowdown in economic growth, which will cause the debt ratio to rise.

In 2017, "faster GDP growth allowed the authorities space to operate tight monetary policy. As a result, debt growth slowed," Freya Beamish and Miguel Chanco, economists at the independent research firm Pantheon Macroeconomics Ltd, wrote in a report published Wednesday.

"That benign backdrop has now dissolved," they said. "As a result, the authorities are withdrawing from their tight stance."

A majority of analysts now expect China’s central bank to inject additional liquidity into the financial system in the final months of the year to support the economy as the outlook darkens, according to a Bloomberg [survey](#).

The government is also preparing measures on the fiscal side to boost domestic consumption and investment in the face of rising external risks, including tax cuts and infrastructure spending, Chinese officials told reporters Tuesday in Beijing. Lian Weiliang, vice minister of the National Development and Reform Commission, said "China is fully capable of hedging the impact by expanding domestic demand."

**“The Chinese Government did not approve a request for a U.S. port visit to Hong Kong by the USS Wasp,” Darragh Paradiso, a spokeswoman for the U.S. Consulate in Hong Kong, said in an email. “We have a long track record of successful port visits to Hong Kong, and we expect that will continue.”**

<https://www.bloomberg.com/news/articles/2018-09-26/china-denies-u-s-warship-a-port-call-pushing-back-at-trump?srnd=premium>

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.



Beijing's move came after the U.S. last Thursday [penalized](#) China's Equipment Development Department -- the agency that oversees the country's defense technology -- and its director Li Shangfu for allegedly engaging in the purchase of Russian combat aircraft and S-400 surface-to-air missiles, which it called a violation of American sanctions.

**The U.S. president and Canadian prime minister attended the same luncheon at the United Nations General Assembly in New York on Tuesday, but it was hardly a warm encounter. The two mingled near each other but didn't speak before Trump sat down for lunch. Trudeau then approached Trump, standing behind him without the president appearing to acknowledge him. Trudeau tapped him on the shoulder and the men shook hands in a brief exchange. Trump didn't stand up.**

<https://www.bloomberg.com/news/articles/2018-09-25/trump-s-un-handshake-with-trudeau-suggests-lingering-resentment>

Later, Trump's other Nafta partner, Mexico's Enrique Pena Nieto, came by and the U.S. president stood to shake his hand. Trump also stood to greet Egyptian President Abdel Fattah El-Sisi. Trump spoke to both for longer than he did Trudeau.

The UN encounter comes as the countries bear down on a [U.S. deadline](#) for a new Nafta pact, but they remain divided on a handful of core issues. Trump and Trudeau initially had a warm relationship, before the [Group of Seven summit](#) in June where Trump erupted after a Trudeau press conference.

**Turkish President Tayyip Erdogan said a Turkish court, not politicians, will decide the fate of an American pastor whose detention on terrorism charges has hit relations between Ankara and Washington.**

<https://www.reuters.com/article/us-turkey-usa-erdogan-exclusive/exclusive-turkeys-erdogan-says-court-not-politicians-to-decide-pastors-fate-idUSKCN1M60EP>

In an interview with Reuters late on Tuesday while he was in New York for the United Nations General Assembly meetings, Erdogan said any decision on Brunson would be made by the court. "This is a judiciary matter. Brunson has been detained on terrorism charges ... On Oct. 12 there will be another hearing and we don't know what the court will decide and politicians will have no say on the verdict," Erdogan said.

If found guilty, Brunson could be jailed for up to 35 years. He denies the charges. "As the president, I don't have the right to order his release. Our judiciary is independent. Let's wait and see what the court will decide," Erdogan said.

**The United States is pulling some of its anti-aircraft and missile batteries out of the Middle East, the Wall Street Journal reported on Wednesday, citing U.S. military officials.**

<https://www.reuters.com/article/us-usa-middle-east-diplomacy/u-s-removing-some-missile-systems-from-middle-east-wsj-idUSKCN1M617L?il=0>

The Pentagon will pull out four Patriot missile systems from Jordan, Kuwait and Bahrain next month, the report said, adding that the realignment step marks a shift of focus away from long-lasting conflicts in the Middle East and Afghanistan to tensions with China, Russia and Iran. Two Patriot missile systems will be redeployed from Kuwait, and one each from Jordan and Bahrain, the report said. Patriots are mobile missile systems capable of shooting down missiles and planes.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## EQUITIES

The S&P is +7 and the NASDAQ is +20.

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](http://www.moneycentral.msn.com/investor/market/earncalendar)

**On Bloomberg type in ACDR <GO>**

### UK/EUROPE

**In the UK the FTSE closed +0.18%.**

In the UK, the 2s/10s swap curve is flatter with yields lower.

**BOE Rate +0.50%. (No change).**

**Next meeting 11/01/18**

### On the European Continent

**The CAC Index closed +0.36%.**

**The DAX Index closed -0.09%.**

In the Continent, the 2s/10s swap curve is flatter with yields lower.

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

**Deposit Facility Rate -.40%**

**Next meeting 10/25/18**

### Japan:

**The TOPIX closed -0.04%.**

**The NIKKEI closed +0.39%.**

In Japan, the 2s/10s swap curve is flatter with yields lower.

**BOJ Policy Balance Rate -0.10% (No change).**

**Next meeting 10/31/18**

### China:

**The Hang Seng closed +1.15%.**

**The Shanghai Composite closed +0.92%.**

### PBOC

**Deposit Rate: 1.50%**

**Lending Rate: 4.35%**

**7-Day Repo Rate: 2.7603%**

**Reserve Requirement Ratio: 17.00%**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## THE TREND

EDZ8: 97-35.50 is the pivot. Below the pivot, you should be short, above long. Support is at 97-31.50\*\*.

Resistance is at 97-35.50^ and 97-40.00\*\*.

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

\*\* 2-STD Deviations from the pivot point.

Current trend would have you short from 97-36.0 (9/07/18). I have elected to remain flat.



### YTD (per contract)

**2018 +36.5 ticks (+\$912.50)**

**2017 +33.0 ticks (+\$825.00)**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

**10yr/UXYZ8: 126-24.0 is the pivot point. Above you should be long, below short.**

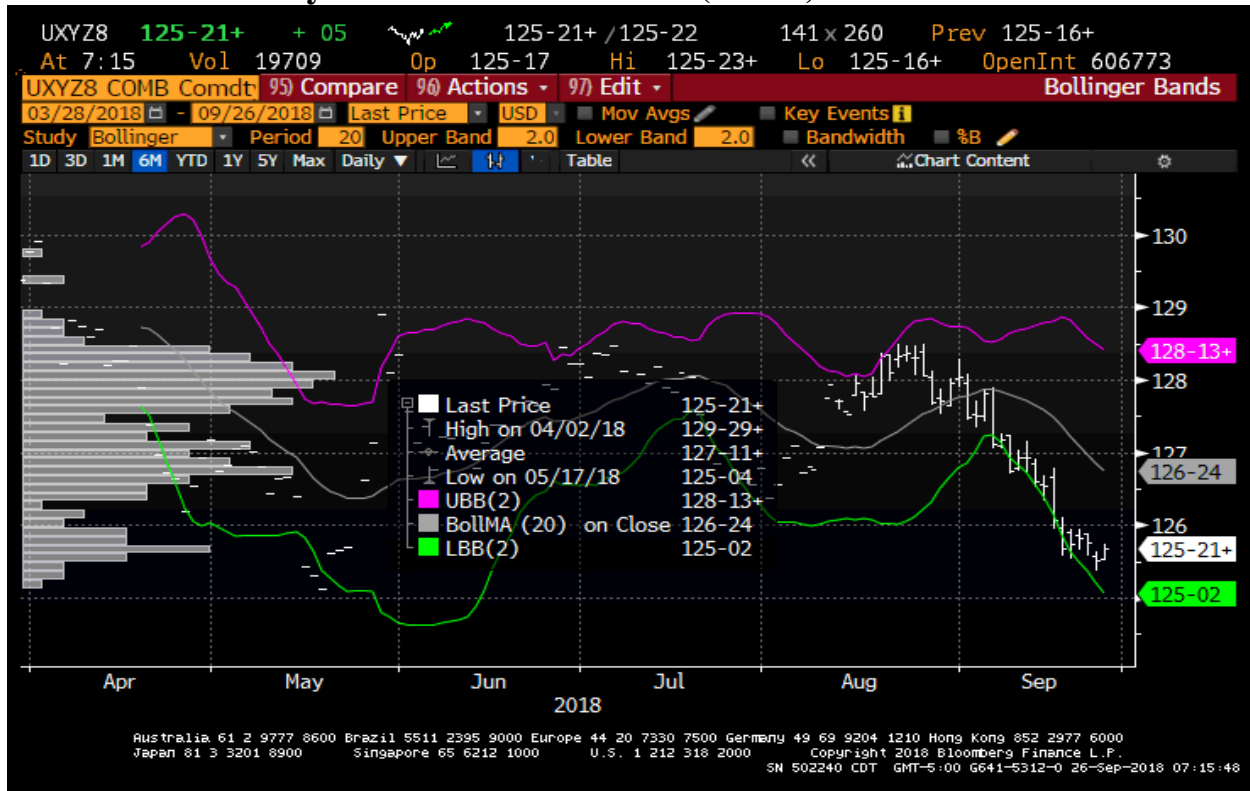
**Support is at 125-02.0\*\***

**Resistance is at 126-24.0^ and 128-13.5\*\***

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

\*\* 2-STD Deviations from the pivot point

**Current trend has you short from 127-23.0 (9/4/18).**



**YTD (per contract)**

**(2018) +108.0 futures ticks (\$31.25 per tick) or +\$3,375.00.**

**(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.**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

# US-SWAPS IRSB <GO>

United States		90 Export		99 Settings		Interest Rate Swap Rates							
		Date Range:		08/26/2018 - 09/26/2018		1 Month							
40 Semi Swaps		41 Sprs to Gov.		42 Ann Swaps		43 Ann Sprs		44 OIS Swaps		45 CME/LCH Sprs		46 Combined	
USD SemiAnnual 30/360 Swap Rates													
Tenor	Bid	Ask	Mid	Change	Today	#SD	Δ/da.	Low	Range	High	Avg +/-BP...	PCS	CMPN
1) 1 YR	2.789 / 2.792	2.790	0.000			0.0		2.640	—●—	2.796	2.718	7.3	1.6
2) 2 YR	2.999 / 3.002	3.001	-0.006			-0.1		2.802	—●—	3.010	2.910	9.1	1.4
3) 3 YR	3.067 / 3.069	3.068	-0.008			-0.1		2.842	—●—	3.081	2.963	10.6	1.4
4) 4 YR	3.087 / 3.088	3.088	-0.010			-0.1		2.845	—●—	3.106	2.977	11.2	1.4
5) 5 YR	3.093 / 3.094	3.094	-0.012			-0.1		2.827	—●—	3.132	2.981	11.3	1.4
6) 6 YR	3.100 / 3.101	3.101	-0.011			-0.1		2.851	—●—	3.125	2.987	11.4	1.4
7) 7 YR	3.108 / 3.109	3.108	-0.013			-0.2		2.843	—●—	3.150	2.994	11.4	1.4
8) 8 YR	3.117 / 3.118	3.117	-0.012			-0.1		2.864	—●—	3.144	3.005	11.4	1.4
9) 9 YR	3.128 / 3.130	3.128	-0.012			-0.2		2.874	—●—	3.156	3.017	11.3	1.4
10) 10 YR	3.139 / 3.141	3.140	-0.013			-0.2		2.859	—●—	3.169	3.029	11.1	1.4
11) 15 YR	3.174 / 3.176	3.175	-0.011			-0.1		2.929	—●—	3.205	3.068	10.8	1.4
12) 20 YR	3.178 / 3.179	3.179	-0.012			-0.2		2.935	—●—	3.209	3.075	10.4	1.4
13) 25 YR	3.164 / 3.165	3.164	-0.012			-0.2		2.923	—●—	3.196	3.063	10.2	1.4
14) 30 YR	3.147 / 3.149	3.148	-0.011			-0.1		2.912	—●—	3.177	3.048	10.0	1.4

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 6641-5312-0 26-Sep-2018 05:49:53

## The Option Lab

### Trade Log:

2. Bought the TY Week-2 120.00 put (at the money).

Paid 8/64ths (\$125) per contract (3/9/2018).

The 120-00.00 strike price on the option equates to a TY yield of ~2.895%.

On March 9, the put was sold at 7/64ths for a \$15.63 loss.

1. Bought 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.

On February 2, the put fly was sold at 1.25 ticks for a \$31.25 win.

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.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## 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 2nd quarter 2018

The results of this quarter's survey reflect agricultural finance conditions in the Eighth Federal Reserve District during the second quarter of 2018. **For the eighteenth consecutive quarter bankers who responded to the survey on net reported a decline in farm income when compared with the same period a year ago.** Similar to the previous survey, the results of this survey reflect some expectations of improving levels for farm income for the next quarter. While a majority of bankers still expect income to decline next quarter when compared with the third quarter of last year, slightly fewer bankers report that assessment. Bankers reported a similar assessment and outlook for capital spending. Responses about household spending also indicate a decline in that category when compared with responses a year ago. Bankers have reported lower comparative income levels since the fourth quarter of 2013, reaching a low point in the second quarter of 2016. This period correlates with an extended period of depressed prices for commodities. Survey responses indicate that the value of quality farm land fell during the second quarter of 2018 compared with a year ago but that cash rents for that property slightly improved. In contrast, the value for rangeland or pastureland rose during the second quarter while cash rents for that property fell. Responses to bank-related activities indicated that loan demand and available funds increased during the second quarter of 2018 as compared with a year ago. The

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

rate of loan repayment slowed during the second quarter of 2018 on a comparative basis as reported by a majority of bankers. Both fixed and variable interest rates on all categories of loans rose during the quarter, relative to the previous quarter. This quarter's survey asked two special questions. Results of the first question indicate that a significant majority of respondents feel that the University of Missouri's projections that farm income will fall in 2018 by about 6.5 percent is about right. The second question asked about the impact lenders expected the new tax law will have on borrowers: Over 71 percent felt it would be either somewhat positive or significantly positive, while only 29 percent felt there would be either no effect or a somewhat negative effect.

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

### 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.	21 Sept 2018	1,053	-2	14 Sept 2018	+118	22 Sept 2017
Canada	21 Sept 2018	197	-29	14 Sept 2018	-23	22 Sept 2017
International	August 2018	1008	+11	July 2018	+56	August 2017

<http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=iro-l-rigcountsoverview>

### EV Outlook 2018

#### Executive summary:

Sales of new electric cars worldwide surpassed 1 million units in 2017 – a record volume. This represents a growth in new electric car sales of 54% compared with 2016. Electric cars accounted for 39% of new car sales in Norway in 2017 – the world's most advanced market of electric cars in terms of sales share. 2 Iceland and Sweden, the next two most successful markets, achieved 11.7% and 6.3% electric car sales share, respectively, in 2017. 3 More than half of global sales of electric cars were in the People's Republic of China (hereafter, "China"), where electric cars had a market share of 2.2% in 2017. Electric cars sold in the Chinese market more than doubled the amount delivered in the United States, the second-largest electric car

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

market globally. Electrification of other transport modes is also developing quickly, especially for two-wheelers and buses. In 2017, sales of electric buses were about 100 000 and sales of two-wheelers are estimated at 30 million; for both modes, the vast majority was in China.

<https://www.iea.org/gevo2018/>

### **What is U.S. electricity generation by energy source?**

In 2017, about 4,015 billion kilowatthours (kWh) (or 4.01 trillion kWh) of electricity were generated at utility-scale facilities in the United States.<sup>1</sup> About 63% of this electricity generation was from fossil fuels (coal, natural gas, petroleum, and other gases). About 20% was from nuclear energy, and about 17% was from renewable energy sources. The U.S. Energy Information Administration estimates that an additional 24 billion kWh of electricity generation

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.



was from small-scale solar photovoltaic systems in 2017.<sup>2</sup>

<b>U.S. electricity generation by source, amount, and share of total in 2017<sup>1</sup></b>		
<b>Energy source</b>	<b>Billion kWh</b>	<b>Share of total</b>
<b>Total - all sources</b>	4,015	
<b>Fossil fuels (total)</b>	2,495	62.7%
Natural gas	1,273	31.7%
Coal	1,208	30.1%
Petroleum (total)	21	0.5%
Petroleum liquids	13	0.3%
Petroleum coke	9	0.2%
Other gases	14	0.4%
<b>Nuclear</b>	805	20.0%
<b>Renewables (total)</b>	687	17.1%
Hydropower	300	7.5%
Wind	254	6.3%
Biomass (total)	64	1.6%
Wood	43	1.1%
Landfill gas	11	0.3%
Municipal solid waste (biogenic)	7	0.2%
Other biomass waste	3	0.1%
Solar (total)	53	1.3%
Photovoltaic	50	1.2%
Solar thermal	3	0.1%
Geothermal	16	0.4%
Pumped storage hydropower <sup>3</sup>	-6	-0.2%
<b>Other sources</b>	13	0.3%

**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 553,003 carloads and intermodal units, up 4.8 percent compared with the same week last year.

Total carloads for the week ending September 15 were 268,612 carloads, up 3.1 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 284,391 containers and trailers, up 6.5 percent compared to 2017.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

Nine of the 10-carload commodity groups posted an increase compared with the same week in 2017. They included petroleum and petroleum products, up 4,253 carloads, to 13,335; chemicals, up 2,153 carloads, to 32,650; and farm products excl. grain, and food, up 1,986 carloads, to 16,583. One commodity group posted a decrease compared with the same week in 2017: coal, down 3,457 carloads, to 85,562.

For the first 37 weeks of 2018, U.S. railroads reported cumulative volume of 9,703,638 carloads, up 2 percent from the same point last year; and 10,237,925 intermodal units, up 6 percent from last year. Total combined U.S. traffic for the first 37 weeks of 2018 was 19,941,563 carloads and intermodal units, an increase of 4 percent compared to last year.

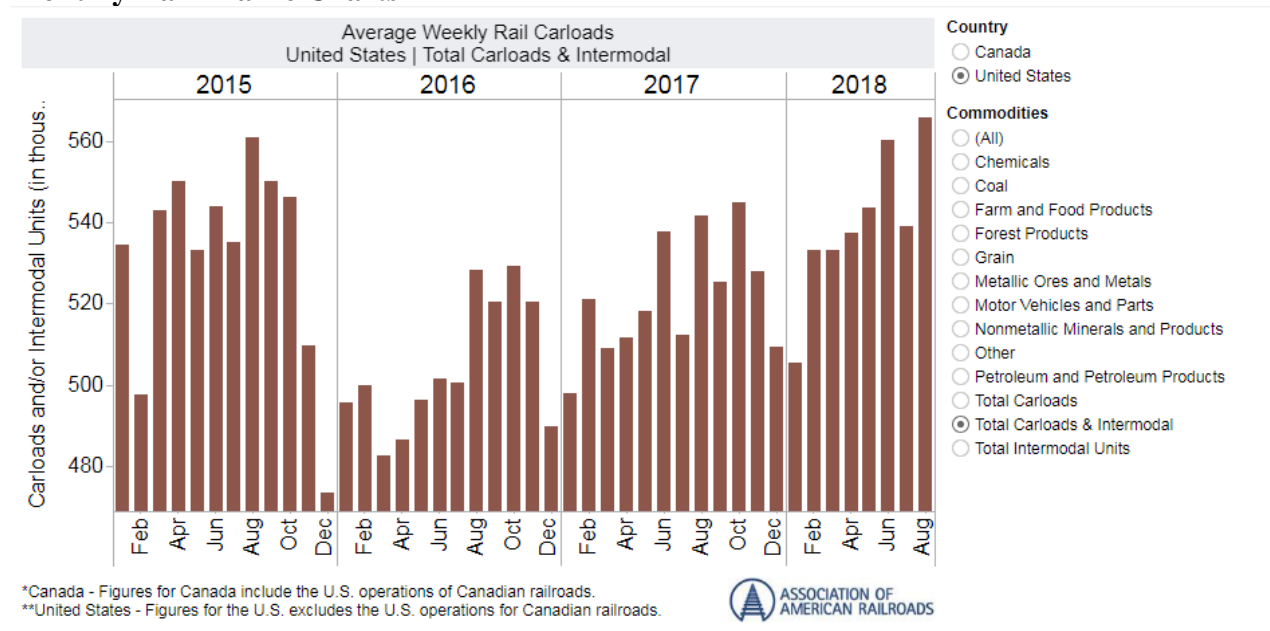
North American rail volume for the week ending September 15, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 371,432 carloads, up 1.4 percent compared with the same week last year, and 376,921 intermodal units, up 6.1 percent compared with last year. Total combined weekly rail traffic in North America was 748,353 carloads and intermodal units, up 3.7 percent. North American rail volume for the first 37 weeks of 2018 was 26,891,746 carloads and intermodal units, up 3.6 percent compared with 2017.

Canadian railroads reported 83,028 carloads for the week, down 4.2 percent, and 74,452 intermodal units, up 3.2 percent compared with the same week in 2017. For the first 37 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 5,521,091 carloads, containers and trailers, up 3.8 percent.

Mexican railroads reported 19,792 carloads for the week, up 3.4 percent compared with the same week last year, and 18,078 intermodal units, up 12.9 percent. Cumulative volume on Mexican railroads for the first 37 weeks of 2018 was 1,429,092 carloads and intermodal containers and trailers.

<https://www.aar.org/news/rail-traffic-for-august-and-the-week-ending-september-15-2018/>

## Monthly Rail Traffic Charts



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

## Trailer Truck Demand (Bloomberg Intelligence) – 09/17/18

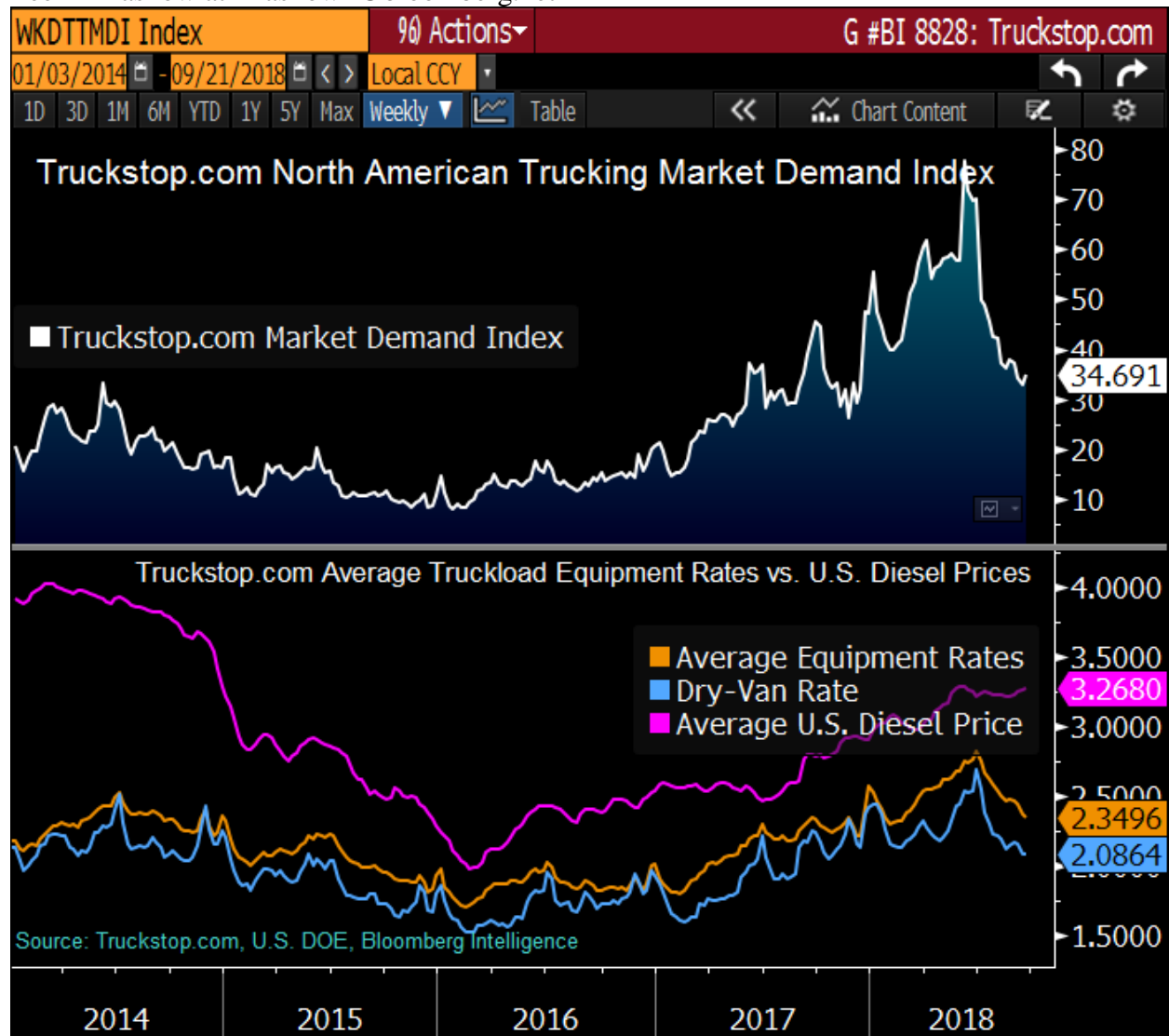
Relative North American spot-trucking demand increased 5.1% sequentially to 34.7 for the week ended Sept. 21, based on Truckstop.com's Market Demand Index. Capacity moved to the Southeast to help with relief and rebuilding efforts in the wake of Hurricane Florence, which made landfall on Sept. 14. This resulted in tighter capacity in the Northeast, south central and Midwest regions in the U.S. Rates have been slow to react to Florence's impact, which should

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

see them climb as affected areas start to rebuild. Rates face difficult comparisons after a spike from Hurricane Harvey in August 2017. However, excluding fuel surcharges they remain up 19% year-to-date.

Companies Impacted: USA Truck, Knight-Swift, J.B. Hunt, Werner and other publicly traded carriers operate mostly in the contract market, with varying spot exposure.

Lee A Klaskow at lklaskow1@bloomberg.net



## GDP

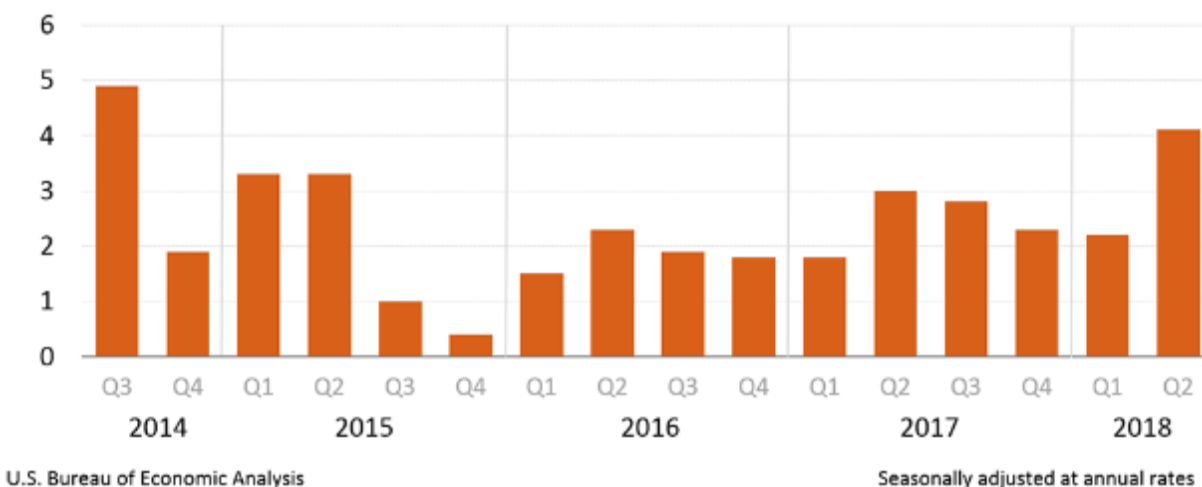
U.S. Department of Commerce, Bureau of economic analysis

<http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

**GDP, Personal Income, Outlays, Consumer Spending, Corporate Profits and Fixed Assets**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

## Real GDP: Percent change from preceding quarter



**GDP-2Q is running at \*3.72% as of 09/21/18 v. \*3.68% on 09/19/18**  
**\*simple average of the three regionals.**

### **Atlanta Fed GDPNow...Q3 2018: 4.4% ...September 19, 2018**

The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2018 is **4.4 percent** on September 19, unchanged from September 14. After this morning's new residential construction release from the U.S. Census Bureau, the nowcast of third-quarter real residential investment growth inched up from -0.7 percent to -0.2 percent. *The next GDPNow update is Thursday, September 27. 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...Q3 2018: 2.3%...September 21, 2018**

The New York Fed Staff Nowcast stands at 2.3% for 2018:Q3 and 2.7% for 2018:Q4.

News from this week's data releases left the nowcast for 2018:Q3 broadly unchanged and decreased the nowcast for 2018:Q4 by 0.1 percentage point.

A negative surprise from the Empire State Manufacturing Survey accounted for most of the decrease. Housing data had little net impact.

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

### **St. Louis Fed Real GDP Nowcast... Q3 2018: 4.45 %...September 19, 2018**

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

**MANUFACTURING AT A GLANCE**  
AUGUST 2018

Index	Series Index Aug	Series Index Jul	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	61.3	58.1	+3.2	Growing	Faster	24
New Orders	65.1	60.2	+4.9	Growing	Faster	32
Production	63.3	58.5	+4.8	Growing	Faster	24
Employment	58.5	56.5	+2.0	Growing	Faster	23
Supplier Deliveries	64.5	62.1	+2.4	Slowing	Faster	23
Inventories	55.4	53.3	+2.1	Growing	Faster	8
Customers' Inventories	41.0	39.4	+1.6	Too Low	Faster	23
Prices	72.1	73.2	-1.1	Increasing	Slower	30
Backlog of Orders	57.5	54.7	+2.8	Growing	Faster	19
New Export Orders	55.2	55.3	-0.1	Growing	Slower	30
Imports	53.9	54.7	-0.8	Growing	Slower	19
<b>OVERALL ECONOMY</b>				Growing	Faster	112
<b>Manufacturing Sector</b>				Growing	Faster	24

Average for 12 months - 59.3

High - 61.3

Low - 57.3

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

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

**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](http://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>**

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.

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

John Coleman  
312-373-5190  
800-367-3349  
© 312-515-3067

[johncoleman@bloomberg.net](mailto:johncoleman@bloomberg.net)

Rob Powell  
312-373-5197  
800-367-3349  
© 312-560-7112

[robpowell@bloomberg.net](mailto:robpowell@bloomberg.net)

Jeff Bauman  
312-286-0491  
[jeffbau@bloomberg.net](mailto:jeffbau@bloomberg.net)

Rich Goldblatt  
312-373-5450  
800-367-3650  
© 312-515-6019  
[futuristic@bloomberg.net](mailto:futuristic@bloomberg.net)

Rocco Chierici  
312-373-5439  
800-367-3650  
© 312-515-3069  
[rocco1@bloomberg.net](mailto:rocco1@bloomberg.net)

Brian Rachwalski  
312-373-5191  
800-367-3349  
© 312-515-3066

[brachwalski@bloomberg.net](mailto:brachwalski@bloomberg.net)

Dan Sobolewski  
312-373-5191  
800-367-3349  
© 312-505-6364

[dsobolewski@bloomberg.net](mailto:dsobolewski@bloomberg.net)

Evan Vollman  
312-373-5452  
800-367-3650  
[evollman@bloomberg.net](mailto:evollman@bloomberg.net)

Corrine Abele  
312-373-4847  
800-367-3349  
[cabele@rjobrien.com](mailto:cabele@rjobrien.com)

Matthew Surwillo  
312-373-4958  
800-367-3349  
[msurwillo@rjobrien.com](mailto:msurwillo@rjobrien.com)

### DISCLAIMER

**This material has been prepared by a sales or trading employee or agent of R.J. O'Brien and is, or is in the nature of, a solicitation.** This material is not a research report prepared by R.J. O'Brien's Research Department. By accepting this communication, you agree that you are an experienced user of the futures markets, capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.

DISTRIBUTION IN SOME JURISDICTIONS MAY BE PROHIBITED OR RESTRICTED BY LAW. PERSONS IN POSSESSION OF THIS COMMUNICATION INDIRECTLY SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH PROHIBITION OR RESTRICTIONS. TO THE EXTENT THAT YOU HAVE RECEIVED THIS COMMUNICATION INDIRECTLY AND SOLICITATIONS ARE PROHIBITED IN YOUR JURISDICTION WITHOUT REGISTRATION, THE MARKET COMMENTARY IN THIS COMMUNICATION SHOULD NOT BE CONSIDERED A SOLICITATION.

The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. Past performance, whether actual or indicated by simulated historical tests of strategies, is not indicative of future results. Trading advice is based on information taken from trades and statistical services and other sources that R.J. O'Brien believes are reliable. We do not guarantee that such information is accurate or complete and it should not be relied upon as such. Trading advice reflects our good faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice we give will result in profitable trades.

This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, and is not to be construed as representation by R.J. O'Brien & Associates. The risk of trading futures and options can be substantial. Each investor must consider whether this is a suitable investment. Past performance is not indicative of future results.