



Fixed Income Group A Division of RJ O'Brien

The Missile

www.fixedincomegroup.com

WECO <go>
(All times are CST)

9 <G0> to Save as Default

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

United States Browse 15:26:20 11/27/18 - 12/16/18

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	11/27	08:00				FHFA House Price Index MoM	Sep	0.4%	--	0.3%	--
22)	11/27	08:00				House Price Purchase Index Qo	3Q	--	--	1.1%	--
23)	11/27	08:00				S&P CoreLogic CS 20-City MoM	Sep	0.20%	--	0.09%	--
24)	11/27	08:00				S&P CoreLogic CS 20-City YoY N	Sep	5.20%	--	5.49%	--
25)	11/27	08:00				S&P CoreLogic CS 20-City NSA I	Sep	--	--	213.72	--
26)	11/27	08:00				S&P CoreLogic CS US HPI NSA I	Sep	--	--	205.81	--
27)	11/27	08:00				S&P CoreLogic CS US HPI YoY N	Sep	--	--	5.77%	--
28)	11/27	09:00				Conf. Board Consumer Confiden	Nov	135.9	--	137.9	--
29)	11/27	09:00				Conf. Board Present Situation	Nov	--	--	172.8	--
30)	11/27	09:00				Conf. Board Expectations	Nov	--	--	114.6	--
31)	11/28	06:00				MBA Mortgage Applications	Nov 23	--	--	-0.1%	--
32)	11/28	07:30				Advance Goods Trade Balance	Oct	-\$77.0b	--	-\$76.0b	-\$76.3b
33)	11/28	07:30				Wholesale Inventories MoM	Oct P	0.4%	--	0.4%	--
34)	11/28	07:30				Retail Inventories MoM	Oct	0.5%	--	0.1%	--
35)	11/28	07:30				GDP Annualized QoQ	3Q S	3.5%	--	3.5%	--
36)	11/28	07:30				Personal Consumption	3Q S	3.9%	--	4.0%	--
37)	11/28	07:30				GDP Price Index	3Q S	1.7%	--	1.7%	--
38)	11/28	07:30				Core PCE QoQ	3Q S	1.6%	--	1.6%	--
39)	11/28	09:00				New Home Sales	Oct	575k	--	553k	--

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 CST GMT-6:00 6788-4801-1 26-Nov-2018 15:26:20

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.

© Copyright 2018. The Fixed Income Group at R.J. O'Brien. All rights reserved.

Fed Speak Calendar
(All times are CST)

Economic Calendars											
1) Calendars		2) Alerts		3) Export		4) Settings					
United States			Browse		15:50:01		11/20/18		- 12/31/18		
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)	11/27	06:45				Fed Vice Chairman Clarida Speaks in New York					
22)	11/27	13:30				Fed's Bostic, Evan and George Speak on Panel					
23)	11/28	11:00				Fed's Powell Speaks to Economic Club of New York					
24)	11/29	13:00				FOMC Meeting Minutes	Nov 8	--	--	--	--
25)	11/29	13:00				Fed's Evans Speaks on Panel on Inclusion at Boston Fed					
26)	11/30	08:00				Fed's Williams Speaks on Global Economy at G30 in New York					
27)	12/05	09:15				Fed's Powell to Testify Before Joint Economic Committee					
28)	12/05	13:00				U.S. Federal Reserve Releases Beige Book					
29)	12/06	11:15				Fed's Bostic Speaks on the U.S. Economic Outlook					
30)	12/19	13:00				FOMC Rate Decision (Upper ...	Dec 19	2.50%	--	2.25%	--
31)	12/19	13:00				FOMC Rate Decision (Lower ...	Dec 19	2.25%	--	2.00%	--
32)	12/19	13:30				Fed's Powell Holds Press Conference Following FOMC Decision					

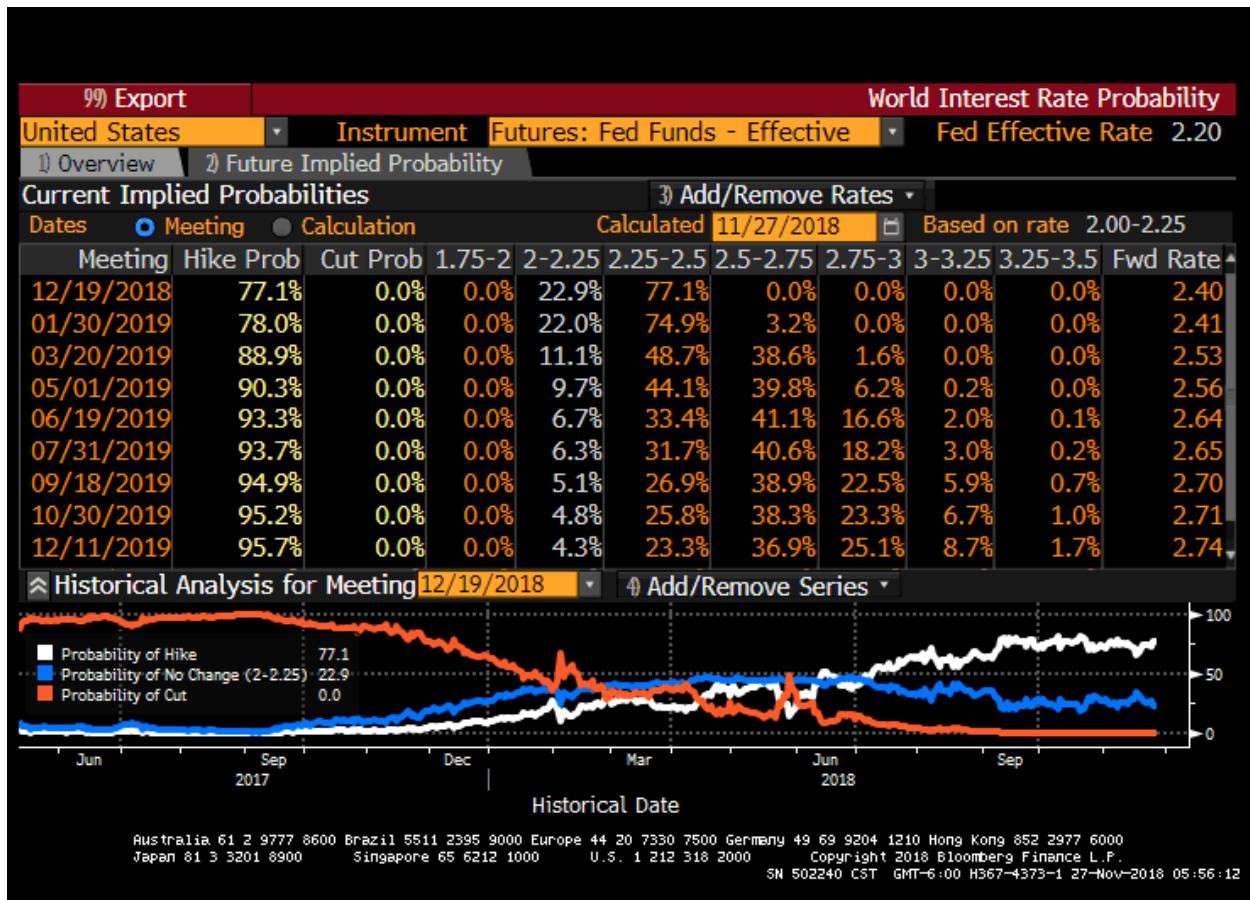
NI TRE <go>

	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	12/03/2018	11/27/2018	11/29/2018	912796UF4	\$50	11/20/2018	\$50
8-week	12/03/2018	11/27/2018	11/29/2018	912796UK3	\$30	11/20/2018	\$30
3-month	11/29/2018	12/03/2018	12/06/2018	912796QZ5	TBA	11/26/2018	\$39
6-month	11/29/2018	12/03/2018	12/06/2018	912796RS0	TBA	11/26/2018	\$36
1-year	11/29/2018	12/04/2018	12/06/2018	912796RN1	TBA	11/06/2018	\$26
Note Auctions							
2-year	12/20/2018	12/24/2018	12/31/2018	TBA	TBA	11/26/2018	\$39
3-year	12/06/2018	12/11/2018	12/17/2018	TBA	TBA	11/05/2018	\$37
5-year	12/20/2018	11/27/2018	11/30/2018	9128285P1	\$40	10/24/2018	\$39
7-year	12/20/2018	11/28/2018	11/30/2018	9128285N6	\$32	10/25/2018	\$31
10-year	12/06/2018	12/12/2018	12/17/2018	TBA	R TBA	11/06/2018	\$27
Bond Auctions							
30-year	12/06/2018	12/13/2018	12/17/2018	TBA	R TBA	11/07/2018	\$19

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.

TIPS Auctions								
5-yr TIPS	12/13/2018	12/20/2018	12/31/2018	TBA	R	TBA	08/23/2018	\$14
10-yr TIPS	11/15/2018	11/21/2018	11/30/2018	TBA	R	TBA	09/20/2018	\$11
30-yr TIPS	TBA	TBA	TBA	TBA	R	TBA	10/18/2018	\$5
Floating Rate Note								
2-year FRN	11/21/2018	10/24/2018	10/31/2018	9128285H9	R	\$19	09/25/2018	\$17
Buyback Operation								
Buyback	TBA	TBA	TBA	TBA	TBA	TBA	11/15/2017	\$.025

Current Implied Probability of Fed Rate Movement (Futures) WIRP FFE US <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, September 2018

Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Median ¹					Central tendency ²					Range ³				
	2018	2019	2020	2021	Longer run	2018	2019	2020	2021	Longer run	2018	2019	2020	2021	Longer run
Change in real GDP	3.1	2.5	2.0	1.8	1.8	3.0-3.2	2.4-2.7	1.8-2.1	1.6-2.0	1.8-2.0	2.9-3.2	2.1-2.8	1.7-2.4	1.5-2.1	1.7-2.1
June projection	2.8	2.4	2.0	n.a.	1.8	2.7-3.0	2.2-2.6	1.8-2.0	n.a.	1.8-2.0	2.5-3.0	2.1-2.7	1.5-2.2	n.a.	1.7-2.1
Unemployment rate	3.7	3.5	3.5	3.7	4.5	3.7	3.4-3.6	3.4-3.8	3.5-4.0	4.3-4.6	3.7-3.8	3.4-3.8	3.3-4.0	3.4-4.2	4.0-4.6
June projection	3.6	3.5	3.5	n.a.	4.5	3.6-3.7	3.4-3.5	3.4-3.7	n.a.	4.3-4.6	3.5-3.8	3.3-3.8	3.3-4.0	n.a.	4.1-4.7
PCE inflation	2.1	2.0	2.1	2.1	2.0	2.0-2.1	2.0-2.1	2.1-2.2	2.0-2.2	2.0	1.9-2.2	2.0-2.3	2.0-2.2	2.0-2.3	2.0
June projection	2.1	2.1	2.1	n.a.	2.0	2.0-2.1	2.0-2.2	2.1-2.2	n.a.	2.0	2.0-2.2	1.9-2.3	2.0-2.3	n.a.	2.0
Core PCE inflation ⁴	2.0	2.1	2.1	2.1		1.9-2.0	2.0-2.1	2.1-2.2	2.0-2.2		1.9-2.0	2.0-2.3	2.0-2.2	2.0-2.3	
June projection	2.0	2.1	2.1	n.a.		1.9-2.0	2.0-2.2	2.1-2.2	n.a.		1.9-2.1	2.0-2.3	2.0-2.3	n.a.	
Memo: Projected appropriate policy path															
Federal funds rate	2.4	3.1	3.4	3.4	3.0	2.1-2.4	2.9-3.4	3.1-3.6	2.9-3.6	2.8-3.0	2.1-2.4	2.1-3.6	2.1-3.9	2.1-4.1	2.5-3.5
June projection	2.4	3.1	3.4	n.a.	2.9	2.1-2.4	2.9-3.4	3.1-3.6	n.a.	2.8-3.0	1.9-2.6	1.9-3.6	1.9-4.1	n.a.	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 June projections were made in conjunction with the meeting of the Federal Open Market Committee on June 12-13, 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 June 12-13, 2018, meeting, and one participant did not submit such projections in conjunction with the September 25-26, 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/fomcprojtabl20180926.pdf>

Libor Set

1-Month Libor Set	2.34931	+.00520	(97.65069)
3-Month Libor Set	2.70600	-.00081	(97.29400)
6-Month Libor Set	2.88444	-.00831	(97.11556)
1-Year Libor Set	3.13075	+.00237	(96.86925)

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

“Capex is the No. 1 story,” said David Woo, head of global rates and foreign exchange strategy at Bank of America Corp. “There are hundreds of data points coming out every month but that’s the one that I watch,” and bond traders should too.

<https://www.bloomberg.com/news/articles/2018-11-27/capital-spending-slowdown-flashes-a-warning-for-2019-u-s-growth?srnd=premium-europe>

The trade war and likely political gridlock after the midterm elections pose “the biggest uncertainty for capex and therefore U.S. rates and the U.S. dollar,” said Woo, who’s analyzed the economy and markets for almost a quarter century.

While few expect capex to collapse, there’s a growing debate over business investment, which encompasses spending on equipment, on structures such as factories and offices, and on intellectual property and software.

What Our Economists Say...

While recent data suggest that soft investment in the third quarter may carry over into this quarter or even the beginning of next year, the outlook for investment in 2019 is still positive.

The supply-side impact from tax cuts has so far not materialized. But consumer demand is expected to remain above trend, and the economy continues to rub up against capacity constraints, signaling that business investment should gain steam next year.

-- Tim Mahedy, Yelena Shulyatyeva and Carl Riccadonna, Bloomberg Economics

“I don’t count business investment as down and out,” said Ellen Zentner, chief U.S. economist at Morgan Stanley. “But there are a lot of uncertainties about next year,” so the expansion “could slow more than anyone is expecting.”

“Whether or not the Russians have the appetite to cut back oil production, we have to wait and see,” said Rainer Seele, chief executive officer of OMV AG, an Austrian company with significant investments in Russia.

<https://www.bloomberg.com/news/articles/2018-11-27/saudi-russia-oil-powerhouse-faces-test-of-unity-as-prices-crash?srnd=premium-europe>

At stake is not just the price of oil, but the political bond between President Vladimir Putin and Crown Prince Mohammed Bin Salman. Moscow will have to weigh bread and butter economic issues against the desire to keep expanding its influence in the Middle East.

It’s two years since Saudi Arabia and Russia first set aside decades of commercial rivalry and ideological differences to forge a 25-nation alliance of oil producers, now commonly called OPEC+. Through 18 months of joint production cuts starting in January 2017, the group cleared an oil glut and boosted prices, ending the industry’s worst downturn in a generation.

In June, with the cuts having done their job and U.S. sanctions threatening to remove a big chunk of Iranian oil from the market, they changed course. Saudi Energy Minister Khalid Al-Falih and his Russian counterpart Alexander Novak guided their allies to an agreement for a sizable production increase.

“Some issues limit further output coordination between Russia and OPEC,” said Ildar Davletshin, energy analyst at Wood & Co. Financial Services AS. “High oil prices are not as important for Russia as they used to be -- strong oil may even become a problem.”

Price gains earlier this year were a [mixed blessing](#) for Russia. The government will get about 45 percent of its budget revenue from oil and gas this year, but can cover spending next year even if its own crude benchmark, Urals, falls to \$40. For the broader population, the jump in domestic

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.

fuel prices stoked inflation, squeezed struggling consumers and sparked scattered protests by drivers.

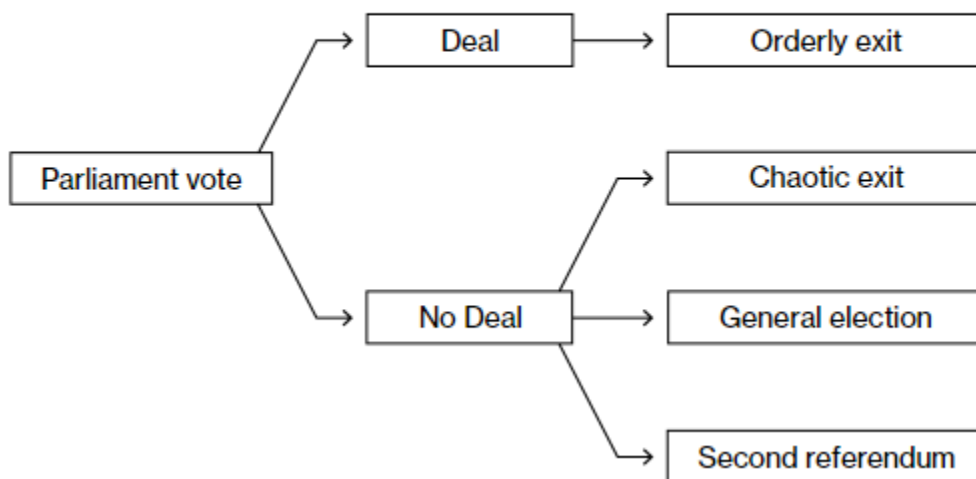
Russian oil producers such as [Rosneft PJSC](#) haven't voiced much enthusiasm for cutting again. The way the country's tax system is structured means a combination of higher output and lower crude prices helps producers retain more profits. Further supply restraints would also delay plans to start new projects.

The Brexit deal is agreed, and European leaders signed off on it on Sunday. But it's far from over yet. U.K. Prime Minister Theresa May needs to get it through Parliament, where she doesn't have a majority and faces opposition on all sides. Her plan is to woo voters directly with a nationwide campaign to win public support. Then a make-or-break vote by lawmakers before Christmas that risks ushering in a period of unprecedented political chaos. Here's a guide to the next few weeks -- the most perilous part of Brexit.

<https://www.bloomberg.com/news/articles/2018-11-15/brexit-what-you-need-to-know-about-endgame-quicktake?srnd=premium-europe>

We Have a Deal. Now What?

The tricky bit starts here as the divorce deal goes to lawmakers



1. What's the deal?

It's the most important international agreement in Britain's postwar history. The deal sets out the terms of separation that allow the U.K. to depart the EU on March 29 in an orderly fashion — and brings with it a 21-month grace period to give everyone time to adjust.

2. What changes?

If the deal is approved in Parliament, nothing will change until January 2021, when the grace period ends. Even that could then be extended for another year or two. Life in the U.K. will go on as before, with all EU rules applying -- including free movement across borders -- but the U.K. will no longer have a say when those rules are drawn up.

3. What now?

The deal will go to Parliament in December and May has just weeks to convince enough skeptical lawmakers to back her.

4. What happens if Parliament votes no?

Things get murky. Labour will push for a general election, but it's not clear the party will succeed. The chaos that ensues provides the best opportunity for lawmakers to trigger a second

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.

referendum in a re-run of the June 2016 vote to leave the EU. For now, there's not enough support for it in Parliament, but that could change.

5. So when's the vote?

It's not clear whether it will be timed to be just before -- or just after -- another EU summit on Dec. 13-14. [Parliament goes](#) into recess on Dec. 20, though the vacation could be scrapped at a push.

6. Could May get pushed out?

It's possible, though so far efforts have failed.

7. How does the financial industry emerge from this?

The deal — once it's through the U.K. Parliament — brings some relief to London's financial hub because the grace period buys time. But because of the way the talks were structured, there's still not total clarity about how banks will operate in the future.

"This is about much, much more than just a trade surplus," said Jonathan Pain, author and publisher of the weekly Pain Report. "We are at the early stages of a long drawn out economic war between America and China."

<https://www.cnbc.com/2018/11/27/g-20-impact-on-fx-markets-trump-xi-meeting-will-lift-usd-hurt-cny.html>

Michael Every, head of financial markets research Asia-Pacific at Rabobank, characterized the likely upshot of G-20 as "can-kicking at best." The Chinese president "can't deliver on anything the U.S. wants and needs. Hence no deal," he said.

While it didn't rule out China and the US reaching a "handshake agreement" at the G-20, Fitch Solutions said that "any warming of relations would likely be short-lived, as the world's leading economies remain far apart on key issues, including (intellectual property) theft, market access, and state control of industry."

Even a "temporary truce may be off the table," Fitch Solutions warned, citing recent events such as U.S. officials ramping up hawkish rhetoric and the U.S. Trade Representative releasing a scathing report on China's technology practices ahead of the summit.

U.S. demands are "too broad ... and the asks too unclear, for it to be a final deal," said Rachel Ziemba, adjunct senior fellow at the Center for a New American Security. "Plus, I think there are plenty of actors in the U.S. that are wary of any deal with the Chinese. This suggests a long negotiation — a view which is becoming shared in the market place."

"There is far more than trade at stake here and it seems far too soon for all U.S. grievances to be addressed in just a single summit," added Gareth Berry, a foreign-exchange and rates strategist at Macquarie. "A lack of agreement at the bilateral meeting on the sidelines of the G-20 would tend to push (the U.S. dollar-Chinese yuan exchange rate) higher — this is where the action will be."

Of his latest legislation, Representative [Kevin Brady](#), chairman of the House Ways and Means Committee, said in a statement, "The policy proposals in this package have support of Republicans and Democrats in both chambers. I look forward to swift action in the House to send these measures to the Senate."

American voters ended Republican control of the House in the Nov. 6 elections and handed majority power to the Democrats. Brady is expected to be replaced as committee chairman in January by Democratic Representative Richard Neal.

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.

In the interim, Congress is holding a "lame duck" session in which Republicans such as Brady will still be in charge of the House agenda. No summary of Brady's bill was immediately available, said a spokesman for the lawmaker.

<https://www.cnbc.com/2018/11/27/top-us-house-tax-writer-floats-a-tax-bill-on-retirement-plans-and-the-irs.html>

The 297-page text of the bill covers tax breaks for fuel cell cars, energy efficient homes, race horses, mine safety equipment, auto race tracks and many other items, as well as retirement savings plans such as 401(k)s and individual retirement accounts (IRAs).

The bill also "includes some time-sensitive technical corrections" to the 2017 bill that Trump signed into law, Brady said in the statement.

Russia's seizure of three Ukrainian Navy vessels, and 23 crew members, on Sunday provoked international consternation. But the timing of the incident could be good for Ukraine, which hopes to see Western sanctions extended on its powerful neighbor. Moscow said the vessels had illegally entered its waters off the coast of Crimea. The incident, which Ukraine called an "an act of aggression," took place in the Kerch Strait, a channel that separates the Sea of Azov and Black Sea to the south of Ukraine and Russia, waters crucial to both economies.

<https://www.cnbc.com/2018/11/27/russia-ukraine-ships-seizure-could-spell-more-sanctions-on-russia.html>

"To some degree it's good timing, from the Ukrainians' point of view," Tim Stanley, senior managing director for Russia at Control Risks, told CNBC on Tuesday.

"There's been movements on the European side about perhaps relaxing sanctions against Russia, so from the Ukrainian point of view, the pressure needs to be kept up. Obviously, we're facing a G20 meeting at the weekend in Buenos Aires and there's potential for a Putin-Trump meeting and so the Ukrainian side needs to keep the pressure up domestically," he told CNBC's "Capitol Connection."

Ukraine has reacted to the situation by declaring martial law for 30 days [in certain districts bordering Russia](#). President Petro Poroshenko warned of the "extremely serious" threat of a land invasion and said martial law was necessary to bolster Ukraine's defenses.

NASA successfully touched the InSight lander down on the surface of Mars on Monday, with a room of Jet Propulsion Laboratory engineers breaking into applause after several breathtaking minutes.

The InSight spacecraft relayed back to NASA's control room that it landed and was functioning as expected. InSight also sent back its first image of the Martian surface:

<https://www.cnbc.com/2018/11/26/watch-nasa-land-insight-the-first-spacecraft-to-mars-in-6-years.html>

"It was intense and you could feel the emotion" in the control room, NASA administrator Jim Bridenstine said after the landing.

Vice President Mike Pence "watched the whole thing" and called Bridenstine right after the landing succeeded, as Pence "is absolutely ecstatic about our program," Bridenstine said.

"There's a reason engineers call landing on Mars 'seven minutes of terror,'" Rob Grover, the lead for InSight's entry, descent and landing team at at NASA's Jet Propulsion Laboratory, said in a statement before the landing attempt.

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 **-32**.

Earnings:

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 at .411 bps with yields lower.

BOE Rate +0.75%. (No change).

Next meeting 12/20/18

On the European Continent

The CAC Index closed -0.29%.

The DAX Index closed -0.30%.

In the EU the 2s/10s swap curve is slightly steeper at 105.0 bps with yields mixed.

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

Deposit Facility Rate -.40%

Next meeting 12/13/18

Japan:

The TOPIX closed +0.73%.

The NIKKEI closed +0.64%.

In Japan, the 2s/10s swap curve is flatter at .234 with yields lower.

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

Next meeting 12/20/18

China:

The Hang Seng closed -0.17%.

The Shanghai Composite closed -0.04%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

7-Day Repo Rate: 2.7603%

Reserve Requirement Ratio: 17.00%

THE TREND

EDZ8: 97-24.50 is the pivot. Below the pivot, you should be short, above long.

Support is at 97-21.25**.

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.

Resistance is at 97-24.50^ and 97-27.50**.

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

** 2-STD Deviations from the pivot point.

3-Month Libor Set 2.70600 -0.00081 (97.29400)

Current trend has you long from 97-27.0 (11/13/18).



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: 125-11.50 is the pivot point.

Above you should be long, below short.

Support is at **125-11.50^** and **124-03.00****

Resistance is at **126-20.00****

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

** 2-STD Deviations from the pivot point

Current trend has you long from 125-02 (11/12/18).

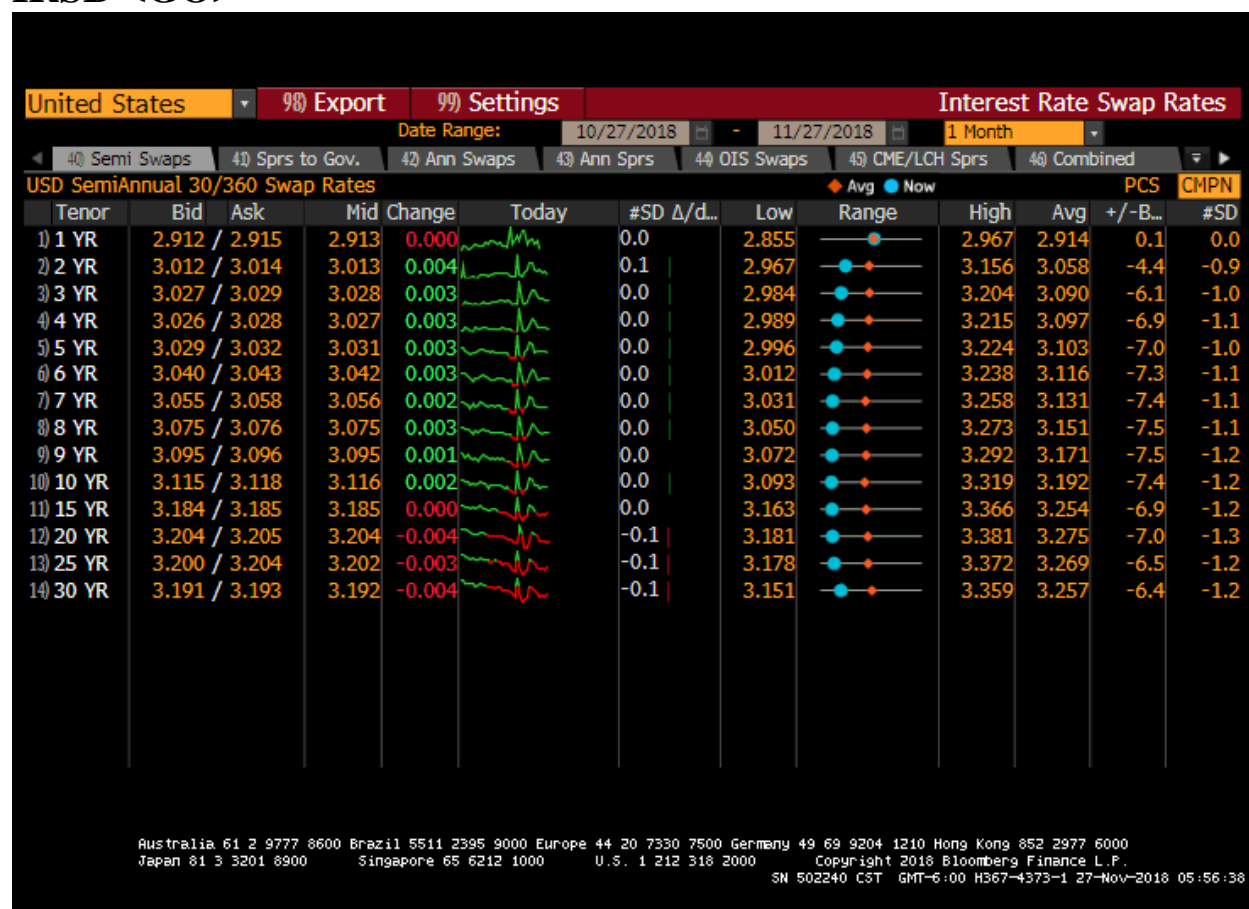


YTD (per contract)

(2018) +185.0 futures ticks (\$31.25 per tick) or +\$5781.13

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>



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 farmland 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

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.

available funds increased during the second quarter of 2018 as compared with a year ago. The 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 Nov 2018	1,079	-3	16 Nov 2018	+156	22 Nov 2017
Canada	21 Nov 2018	204	+7	16 Nov 2018	-11	22 Nov 2017
International	Oct 2018	1,017	+13	Sept 2018	+66	Oct 2017

<http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-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

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.

more than doubled the amount delivered in the United States, the second-largest electric car 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.¹ 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 was from small-scale solar photovoltaic systems in 2017.²

U.S. electricity generation by source, amount, and share of total in 2017 ¹		
Energy source	Billion kWh	Share of total
Total - all sources	4,015	
Fossil fuels (total)	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%
Nuclear	805	20.0%
Renewables (total)	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 ³	-6	-0.2%
Other sources	13	0.3%

Renewable Fuels Association <http://www.ethanolrfa.org/>

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.

TRANSPORTS

Association of American Railroads Rail Traffic Report.

For this week, total U.S. weekly rail traffic was 546,541 carloads and intermodal units, up 0.04 percent compared with the same week last year.

Total carloads for the week ending November 17 were 262,514 carloads, down 1.1 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 284,027 containers and trailers, up 1.1 percent compared to 2017.

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

They were petroleum and petroleum products, up 2,440 carloads, to 12,623; grain, up 1,668 carloads, to 23,601; and miscellaneous carloads, up 164 carloads, to 9,897. Commodity groups that posted decreases compared with the same week in 2017 included nonmetallic minerals, down 3,496 carloads, to 33,262; motor vehicles and parts, down 2,009 carloads, to 16,018; and farm products excl. grain, and food, down 613 carloads, to 16,141.

For the first 46 weeks of 2018, U.S. railroads reported cumulative volume of 12,110,985 carloads, up 1.8 percent from the same point last year; and 12,845,306 intermodal units, up 5.6 percent from last year.

Total combined U.S. traffic for the first 46 weeks of 2018 was 24,956,291 carloads and intermodal units, an increase of 3.7 percent compared to last year.

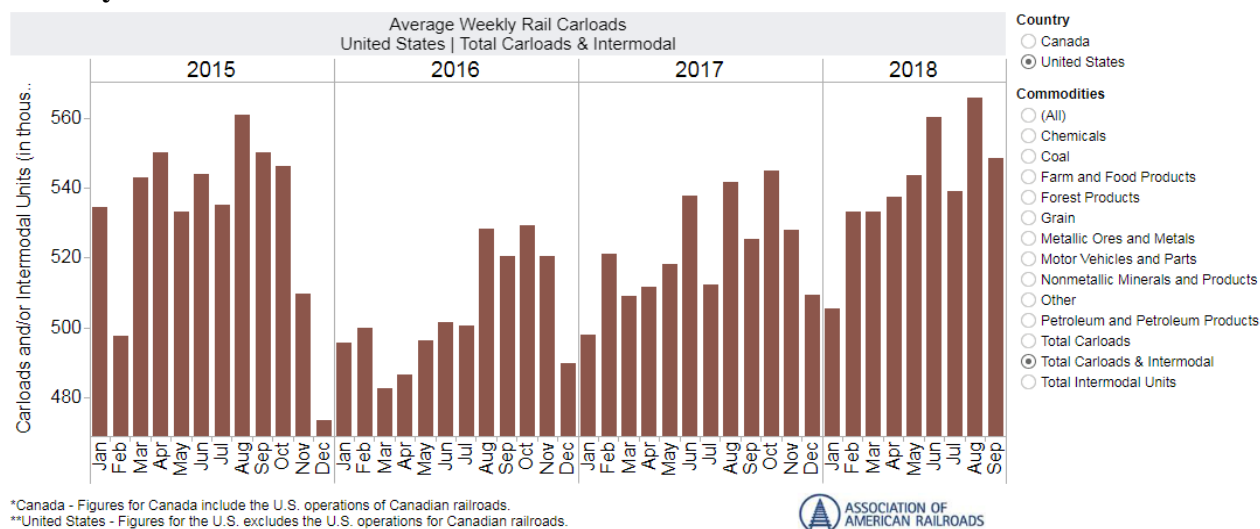
North American rail volume for the week ending November 17, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 370,321 carloads, up 0.6 percent compared with the same week last year, and 370,544 intermodal units, up 0.4 percent compared with last year. Total combined weekly rail traffic in North America was 740,865 carloads and intermodal units, up 0.5 percent. North American rail volume for the first 46 weeks of 2018 was 33,694,979 carloads and intermodal units, up 3.4 percent compared with 2017.

Canadian railroads reported 86,834 carloads for the week, up 8.7 percent, and 69,418 intermodal units, up 1.7 percent compared with the same week in 2017. For the first 46 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 6,954,084 carloads, containers and trailers, up 3.8 percent.

Mexican railroads reported 20,973 carloads for the week, down 8.5 percent compared with the same week last year, and 17,099 intermodal units, down 14.2 percent. Cumulative volume on Mexican railroads for the first 46 weeks of 2018 was 1,784,604 carloads and intermodal containers and trailers.

<https://www.aar.org/news/rail-traffic-for-august-and-the-week-ending-november-17-2018/>

Monthly Rail Traffic Charts



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

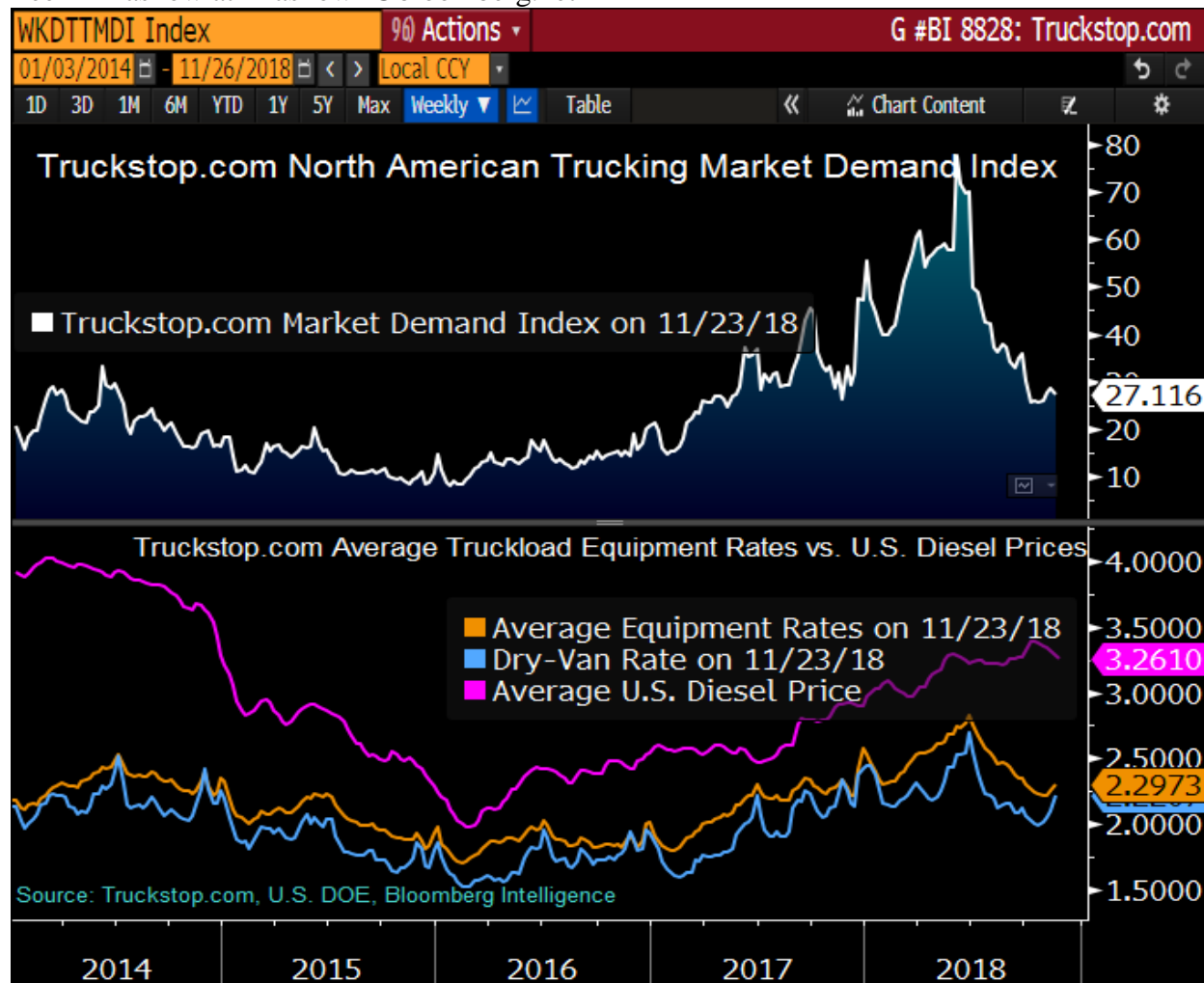
This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, 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.

Trailer Truck Demand

(Bloomberg Intelligence) – 11/26/18

Relative North American spot-trucking demand fell 5.3% sequentially to 27.1 in the week ended Nov. 23, based on Truckstop.com's Market Demand Index. One fewer working day due to Thanksgiving created a volatile week as the 38% decline in loads available outpaced a 34% drop in available trucks. Spot rates, excluding fuel surcharges, rose 2.2% to \$1.92, led by dry-van's 7.4% jump as retailers stock shelves ahead of the holidays. Spot rates are about 4.4% lower in 4Q vs. the prior year against tough comparisons, but are up 15% this year. Capacity constraints from limited driver availability should spark mid-single-digit contract rate increases in 2019. 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



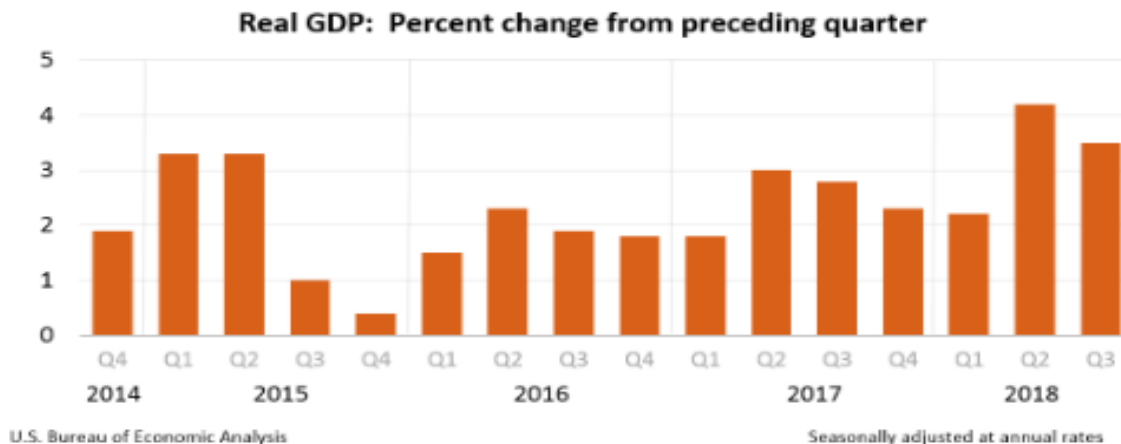
This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy, 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.

GDP

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

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

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



GDP-2Q is running at *2.59% as of 11/21/18

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

Atlanta Fed GDPNow...Q4 2018: 2.8% ...November 21, 2018

The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2018 is 2.5 percent on November 21, unchanged from November 20. The nowcast of fourth-quarter real nonresidential equipment investment growth declined from 11.5 percent to 10.5 percent after this morning's advance durable manufacturing report from the U.S. Census Bureau. The nowcast of fourth-quarter real residential investment growth increased from -6.3 percent to -4.1 percent after this morning's existing-home sales release from the National Association of Realtors.

<https://www.frbatlanta.org/cqer/research/gdpnow.aspx>

The next GDPNow update is Thursday, November 29. Please see the "Release Dates" tab below for a full list of upcoming releases.

New York Fed Nowcast...Q4 2018: 2.5%...November 23, 2018

News from this week's data releases decreased the nowcast for 2018:Q4 by 0.1 percentage point. Negative surprises from manufacturers' new orders and shipments data accounted for most of the decrease, while news from housing data had a small impact.

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

St. Louis Fed Real GDP Nowcast... Q4 2018:2.49%...November 21, 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
OCTOBER 2018

Index	Series Index Oct	Series Index Sep	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	57.7	59.8	-2.1	Growing	Slower	26
New Orders	57.4	61.8	-4.4	Growing	Slower	34
Production	59.9	63.9	-4.0	Growing	Slower	26
Employment	56.8	58.8	-2.0	Growing	Slower	25
Supplier Deliveries	63.8	61.1	+2.7	Slowing	Faster	25
Inventories	50.7	53.3	-2.6	Growing	Slower	10
Customers' Inventories	43.3	40.5	+2.8	Too Low	Slower	25
Prices	71.6	66.9	+4.7	Increasing	Faster	32
Backlog of Orders	55.8	55.7	+0.1	Growing	Faster	21
New Export Orders	52.2	56.0	-3.8	Growing	Slower	32
Imports	54.3	54.5	-0.2	Growing	Slower	21
OVERALL ECONOMY				Growing	Slower	114
Manufacturing Sector				Growing	Slower	26

Average for 12 months - 59.2

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

US Foreign Assistance

<http://foreignassistance.gov/>

How much aid do we give around the world?

<https://explorer.usaid.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

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

robpowell@bloomberg.net

Jeff Bauman
312-286-0491
jeffbau@bloomberg.net

Rich Goldblatt
312-373-5450
800-367-3650
© 312-515-6019
futuristic@bloomberg.net

Rocco Chierici
312-373-5439
800-367-3650
© 312-515-3069
rocco1@bloomberg.net

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

brachwalski@bloomberg.net

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

dsobolewski@bloomberg.net

Evan Vollman
312-373-5452
800-367-3650
evollman@bloomberg.net

Corrine Abele
312-373-4847
800-367-3349
cabele@rjobrien.com

Matthew Surwillo
312-373-4958
800-367-3349
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.