



Fixed Income Group A Division of RJ O'Brien

The Missile

www.fixedincomegroup.com

WECO <go>
(All times are CST)

9 <GO> to Save as Default

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

United States Browse 15:16:51 11/29/18 - 12/18/18

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	11/29	07:30				Personal Income	Oct	0.4%	--	0.2%	--
22)	11/29	07:30				Personal Spending	Oct	0.4%	--	0.4%	--
23)	11/29	07:30				Real Personal Spending	Oct	0.2%	--	0.3%	--
24)	11/29	07:30				PCE Deflator MoM	Oct	0.2%	--	0.1%	--
25)	11/29	07:30				PCE Deflator YoY	Oct	2.1%	--	2.0%	--
26)	11/29	07:30				PCE Core MoM	Oct	0.2%	--	0.2%	--
27)	11/29	07:30				PCE Core YoY	Oct	1.9%	--	2.0%	--
28)	11/29	07:30				Initial Jobless Claims	Nov 24	220k	--	224k	--
29)	11/29	07:30				Continuing Claims	Nov 17	1663k	--	1668k	--
30)	11/29	08:45				Bloomberg Consumer Comfort	Nov 25	--	--	61.3	--
31)	11/29	09:00				Pending Home Sales MoM	Oct	0.5%	--	0.5%	--
32)	11/29	09:00				Pending Home Sales NSA YoY	Oct	-2.8%	--	-3.4%	--
33)	11/29	13:00				FOMC Meeting Minutes	Nov 8	--	--	--	--
34)	11/30	08:45				Chicago Purchasing Manager	Nov	58.5	--	58.4	--
35)	12/03	08:45				Markit US Manufacturing PMI	Nov F	--	--	55.4	--
36)	12/03	09:00				Construction Spending MoM	Oct	0.4%	--	0.0%	--
37)	12/03	09:00				ISM Manufacturing	Nov	58.0	--	57.7	--
38)	12/03	09:00				ISM Employment	Nov	--	--	56.8	--
39)	12/03	09:00				ISM Prices Paid	Nov	70.5	--	71.6	--

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 6731-3601-1 28-Nov-2018 15:16:51

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)

1) Calendars ▾ 2) Alerts 3) Export ▾ 4) Settings ▾ Economic Calendars											
United States			6) Browse		15:18:19		11/29/18 - 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)	11/29	07:30				Powell Greets Students at 15th Annual College Fed Challenge					
22)	11/29	13:00				FOMC Meeting Minutes	Nov 8	--	--	--	--
23)	11/29	13:00				Five Fed Presidents Participate in Conference at Boston Fed					
24)	11/29	14:05				Fed's Kaplan Speaks at Boston Fed Conference					
25)	11/30	08:00				Fed's Williams Speaks on Global Economy at G30 in New York					
26)	12/03	12:00				Fed's Kaplan Speaks at Community Forum in Laredo, Texas					
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)	12/07	11:00				Brainard Speaks at Peterson Institute in Washington					
31)	12/19	13:00				FOMC Rate Decision (Upper ...	Dec 19	2.50%	--	2.25%	--
32)	12/19	13:00				FOMC Rate Decision (Lower ...	Dec 19	2.25%	--	2.00%	--
33)	12/19	13:30				Fed's Powell Holds Press Conference Following FOMC Decision					

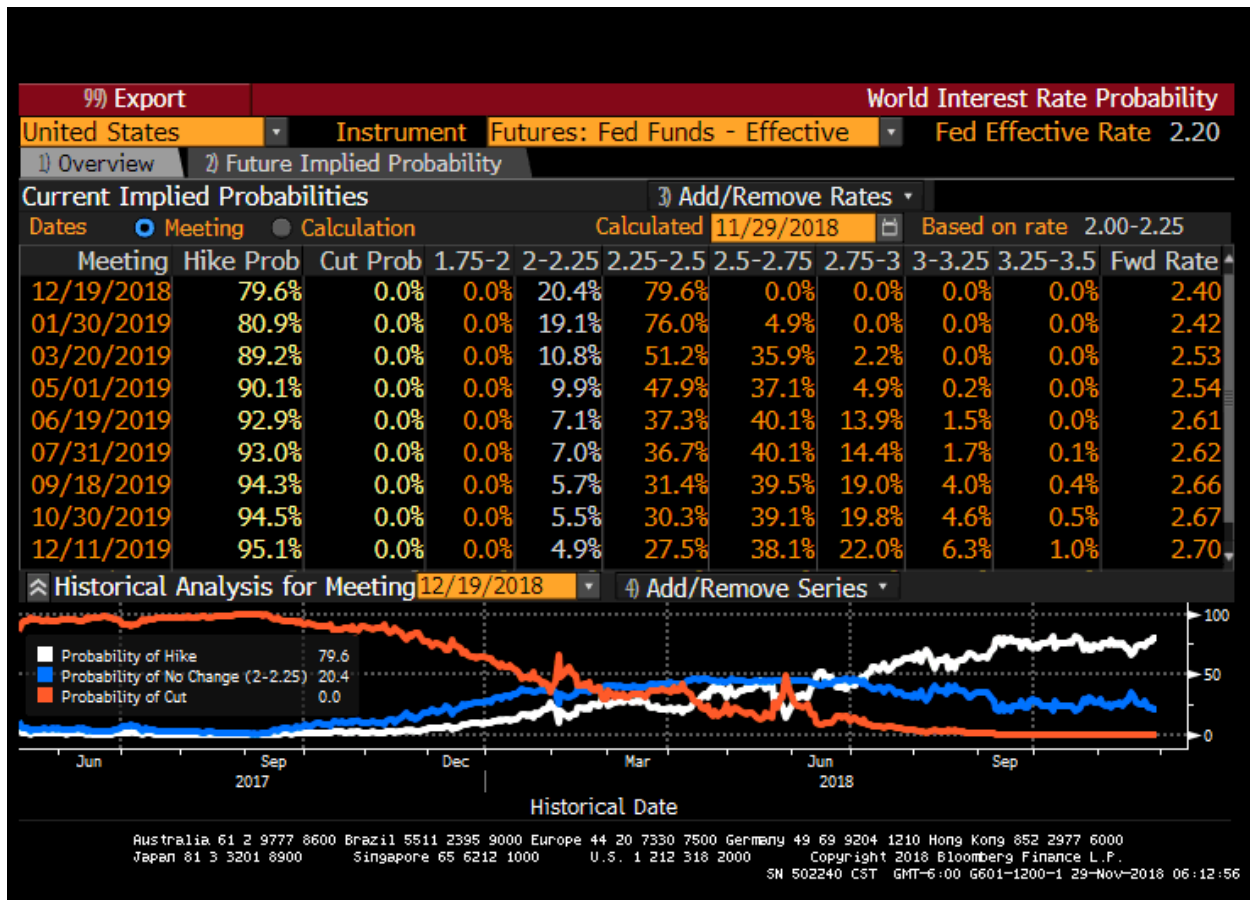
NI TRE <go>

	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	12/04/2018	12/06/2018	TBA	TBA	11/27/2018	\$50
8-week	12/03/2018	12/04/2018	12/06/2018	TBA	TBA	11/27/2018	\$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	12/26/2018	12/31/2018	TBA	TBA	11/27/2018	\$40
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/fomcprojtab120180926.pdf>

Libor Set

1-Month Libor Set	2.34925	+ .00462	(97.65035)
3-Month Libor Set	2.73813	+ .03150	(97.26187)
6-Month Libor Set	2.88519	- .00144	(97.11481)
1-Year Libor Set	3.11869	- .01544	(96.88131)

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

US Trade Representative Robert Lighthizer said on Wednesday that he was examining all available tools to raise U.S. tariffs on Chinese vehicles to the 40 percent duties that [China](#) is now charging on U.S.-produced vehicles.

<https://www.cnbc.com/2018/11/29/trump-administration-to-examine-ways-to-raise-tariffs-on-chinese-autos.html>

Automotive duties on both sides have been increased by tit-for-tat tariffs. The United States imposed a 25 percent tariff on Chinese vehicles on top of the 2.5 percent it normally charges. China had lowered tariffs for all other countries to 15 percent, but imposed an additional 25 percent retaliatory tariff on U.S. vehicles.

"As the President has repeatedly noted, China's aggressive, State-directed industrial policies are causing severe harm to U.S. workers and manufacturers," Lighthizer said. "We are continuing to raise these issues with China. As of yet, China has not come to the table with proposals for meaningful reform."

U.S. agriculture suppliers are stockpiling the Chinese chemicals that farmers need to kill crop pests and boost yields - before tariffs on them more than double on Jan. 1.

<https://www.reuters.com/article/us-usa-trade-china-chemicals/u-s-farm-sector-stockpiles-chinese-chemicals-before-scheduled-tariffs-idUSKCN1NY1HJ>

The additional tariffs, threatened by U.S. President Donald Trump, are part of an eight-month trade war between the United States and China affecting \$250 billion worth of Chinese products and \$113 billion in U.S. goods.

The duties could disrupt supply lines for U.S. companies that sell chemicals and fertilizers, part of a \$28-billion U.S. farm chemical industry. The sector relies on Chinese imports for 40 percent of the ingredients and materials needed to make crop chemicals, according to consultancy Informa.

More than six police vehicles, their blue lights flashing, pulled up to Deutsche Bank's main offices shortly before 9 a.m., in an operation involving about 170 officers. The main suspects in the probe stemming from 2016 disclosures known as the Panama Papers were two bank employees who were not identified beyond their ages -- 50 and 46. Authorities seized documents and electronic files and said they were also looking at whether others might have been involved.

<https://www.bloomberg.com/news/articles/2018-11-29/deutsche-bank-headquarters-searched-in-money-laundering-probe?srnd=premium-europe>

The Panama Papers refer to a collection of documents leaked in 2016 from Mossack Fonseca, a Panama-based law firm that created shell companies to facilitate tax avoidance. At the time, Deutsche Bank severed ties with a Cypriot lender partly owned by VTB Group that was identified in the reporting.

The German lender may have helped clients in setting up offshore companies in tax havens. Money obtained illegally may have been transferred to accounts at Deutsche Bank, which failed to report the suspicions that the accounts may have been used to launder money, Frankfurt prosecutors said. The investigation is focused on a Deutsche Bank unit based on the British Virgin Islands, which dealt with more than 900 clients and processed 311 million euros (\$354 million) in 2016 alone, according to the prosecutors.

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 Trump administration has agreed to allow Saudi Arabia to acquire a sophisticated missile defense system despite a growing congressional outcry about President Donald Trump's unwillingness to punish Saudi Arabia for the killing of columnist Jamal Khashoggi.

<https://www.bloomberg.com/news/articles/2018-11-29/u-s-is-said-to-allow-sale-of-missile-defense-system-to-saudis?srnd=premium-europe>

The completion of a deal to allow the kingdom to spend up to \$15 billion for an anti-ballistic missile system made by Lockheed Martin Corp. was confirmed by a State Department official on Wednesday night, hours after a bipartisan group of senators demanded stronger action against the Saudis.

The final arms agreement -- which completed the sale of Terminal High Altitude Area Defense, or Thaad, launchers, missiles and other equipment -- was signed earlier this week, according to the State Department official, who was granted anonymity to discuss the matter. The official argued that deployment of the Thaad system in Saudi Arabia would bolster U.S. security against the threat of Iranian and extremist groups supported by the Tehran government.

One of Saudi Arabia's major contractors defaulted on almost \$2 billion after a falling out among its owners and delays in payments from the government, according to people with knowledge of the matter.

The Saudi unit of Cyprus-based Joannou & Paraskevaides Group defaulted on about 7 billion riyals (\$1.9 billion) in bank loans about two months ago, said the people, asking not to be identified as the information is private. The defaults are largely the result of problems getting paid by the Ministry of Interior, the people said.

<https://www.bloomberg.com/news/articles/2018-11-29/saudi-contractor-said-to-have-defaulted-on-2-billion-of-debt?srnd=premium-europe>

Lenders, which include Arab National Bank, Alawwal Bank, Banque Saudi Fransi, Emirates NBD PJSC, Saudi British Bank and Samba Financial Group, don't expect to recover much of the money, the people said.

Faced with a budget deficit that ballooned to \$100 billion in 2015, Saudi Arabia suddenly halted payments to government contractors. The move wreaked havoc among local construction firms as many projects stopped, leaving them unable to pay employees. Saudi Oger Ltd., once one of country's top contractors, collapsed as a result.

The message from Europe is that the deal negotiated over the past 17 months is the only one there will ever be. Barnier said he'll respect the "democratic debate" in the U.K. but warned "the future of their country is at stake."

<https://www.bloomberg.com/news/articles/2018-11-29/for-the-eu-brexiteer-is-over-as-farage-tells-barnier-he-s-won?srnd=premium-europe>

Other lawmakers from across Europe lined up to lament Britain's "historical mistake," the "damage done to the U.K." and to urge a second referendum. Germany's Elmar Brok cited Bank of England Governor Mark Carney's gloomy [analysis](#) and said it's "a lie to say that things won't change for the worse." Guy Verhofstadt, the Brexit coordinator in the EU assembly, called Brexit "a failure for everybody."

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.

For many on the pro-Brexit side in Britain, this shows why foreigners should mind their own business. “There are a lot of experts on domestic British politics these days,” noted the Conservative Party’s Geoffrey Van Orden.

Now that his job is almost done, Barnier was conciliatory, gushing even, about Britain and its people.

“The United Kingdom -- because of her culture, her history, her total solidarity, particularly during the great tragedies that Europe has faced in the 20th century, her economy, the quality of her diplomacy -- is a great country and my respect for it is absolute,” Barnier said.

“It is in the interests of the country to have some time to transition to whatever relationship there is,” he said in an interview with the BBC’s Today Program on Thursday. “We need some time to get ready for it and that is absolutely agnostic. It doesn’t take a preference to the type of Brexit but it is sensible to take a sober, objective view about how much time we need to get to where we’re going.”

<https://www.bloomberg.com/news/articles/2018-11-29/carney-says-brexit-transition-period-is-vital-for-u-k-economy?srnd=premium-europe>

Carney faced the press after BOE analysis published Wednesday warned the U.K. faces the steepest economic slump since at least World War II if it crashes out of the European Union without a deal. The central bank has come under heavy criticism from some lawmakers for being overly gloomy in its outlook and becoming too heavily involved in the political debate.

“We have been doing this type of analysis and getting the banks ready since the day after the referendum,” Carney said. “And that’s going to become abundantly clear in a couple of weeks when we unredact, when we release, minutes of this committee that we had kept back over the course of the last couple of years because we didn’t want to be pulled into exactly these types of conversations. That’s us doing our job.”

Gideon Rachman offers a [forthright defense](#) of this position in the Financial Times. He argues that the priority now must be to restore some semblance of political order and stability in Britain — something that neither a sudden-stop no-deal Brexit nor a second attempt to settle the matter by referendum could achieve. He adds: “The fact that the hardliners on both sides of the debate are outraged suggests that Mrs May has found a middle ground that upsets zealots, but has the potential to command sullen assent from the muddled middle.”

<https://www.bloomberg.com/opinion/articles/2018-11-29/don-t-call-may-s-brexit-a-compromise?srnd=premium-europe>

The crucial point is straightforward. Britain needed to seek a compromise that traded off degrees of access to Europe’s single market against degrees of effective sovereignty and democratic accountability. Remaining in the EU involves close-to-frictionless trade with the other members combined with seriously diminished democratic self-government. A clean Brexit, leaving the U.K.’s relationship with Europe akin to Canada’s with the U.S., involves short- and possibly long-term economic losses combined with a stronger form of self-government.

Reasonable people can disagree about where to be on that spectrum. A deal of the form May first had in mind — a middle point between a narrow free-trade agreement and full access to the single market — could well have worked. But the final form of May’s exit agreement finds no such point of balance.

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.

Compared with remaining in the EU, it entails substantial economic losses and diminished, not enhanced, democratic accountability. The only significant policy question over which Britain gains new control is immigration. On almost every other issue where the EU has competence, Britain, thanks to the so-called backstop on Northern Ireland, will be indefinitely hemmed in — while losing any say in what the EU chooses to do. On a scrupulously unzealous assessment, this is less self-government than Britain currently has as a member of the EU. It isn't a compromise, it's a [capitulation](#).

If every other avenue was blocked, a no-deal Brexit could easily follow by default. But allow me to say, calmly and open-mindedly, that as chaotic and disruptive as that would be, it might be preferable to the dismal, resentful, endlessly contested future May is proposing. But for now it's a risk very much worth running. Parliament should vote her deal down.

“Regulators are making it even more difficult for P2P platforms to survive, especially the smaller ones, so that the public won't suffer more losses,” said Yu Baicheng, Shanghai-based head of research at 01Caijing, an independent Internet finance researcher.

<https://www.bloomberg.com/news/articles/2018-11-29/china-is-said-to-plan-major-purge-of-176-billion-loan-market>

China is preparing to end its \$176 billion experiment with peer-to-peer lending.

Alarmed by a surge in defaults, fraud and investor anger, Chinese authorities are planning to wind down small- and medium-sized P2P lending platforms nationwide, people with knowledge of the matter said. Regulators may also order the largest platforms to cap outstanding loans at current levels and encourage them to reduce lending over time, one of the people said, asking not to be identified discussing private deliberations.

The planned shakeout, which broadens a city-level [purge](#) in the P2P hub of Hangzhou, is the clearest sign yet that Chinese leaders want to dramatically shrink a market that spawned the nation's biggest Ponzi scheme, protests in major cities, and life-altering losses for thousands of savers. It suggests that Xi Jinping's government isn't done cracking down on China's \$9 trillion shadow banking industry, despite concern that tougher rules have choked the flow of [credit](#) to the world's second-largest economy.

When countries gather on Sunday to hammer out how they will enact pledges to cut carbon emissions, a Norwegian-led oil consortium will offer a solution: pump some of your excess carbon dioxide to us and we could store it for you.

<https://www.reuters.com/article/us-climate-change-carboncapture-analysis/pressure-mounts-to-bury-carbon-emissions-but-who-will-pay-idUSKCN1NY0GU>

Environmentalists worry the costly technology, known as carbon capture and storage (CCS), will perpetuate the fossil fuel status quo when rapid and deep cuts energy use are needed to limit global warming.

But proponents of CCS will be lobbying hard at the two-week climate conference in Katowice, Poland, for the extensive investment and regulatory change required to employ it at scale, citing U.N. assessments that it could play a role.

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 **-6** and the NASDAQ is **-29**.

Earnings:

www.moneycentral.msn.com/investor/market/earncalendar

On Bloomberg type in ACDR <GO>

UK/EUROPE

In the UK the FTSE closed +0.45%.

In the UK, the 2s/10s swap curve is steeper at .404 bps with yields mixed.

BOE Rate +0.75%. (No change).

Next meeting 12/20/18

On the European Continent

The CAC Index closed +0.49%.

The DAX Index closed +0.10%.

In the EU the 2s/10s swap curve is flatter at 104.1 bps with yields lower.

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

Deposit Facility Rate **-0.40%**

Next meeting 12/13/18

Japan:

The TOPIX closed +0.35%.

The NIKKEI closed +0.39%.

In Japan, the 2s/10s swap curve is flatter at .213 with yields lower.

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

Next meeting 12/20/18

China:

The Hang Seng closed **-0.87%.**

The Shanghai Composite closed **-1.32%.**

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

7-Day Repo Rate: 2.7603%

Reserve Requirement Ratio: 17.00%

THE TREND

EDZ8: 97-24.00 is the pivot. Below the pivot, you should be short, above long.

Support is at 97-20.50**.

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 97-24.00^ and 97-27.50**.

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

** 2-STD Deviations from the pivot point.

3-Month Libor Set 2.73813 +.03150 (97.26187)

Current trend has you short from 97-24.0 (11/21/18).



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: 125-15.00 is the pivot point.

Above you should be long, below short.

Support is at **125-15.00**^ and **124-02.00****

Resistance is at **126-28.00****

^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).



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.



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>

United States		98 Export		99 Settings		Interest Rate Swap Rates									
		Date Range:		10/29/2018 - 11/29/2018		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												Avg	Now	PCS	CHPN
Tenor	Bid	Ask	Mid	Change	Today	#SD	Δ/d...	Low	Range	High	Avg	+/-B...	#SD		
1) 1 YR	2.905 / 2.907	2.906	0.010			0.4		2.855		2.967	2.913	-0.6	-0.3		
2) 2 YR	2.975 / 2.975	2.975	-0.006			-0.1		2.946		3.156	3.052	-7.6	-1.4		
3) 3 YR	2.979 / 2.980	2.979	-0.013			-0.2		2.948		3.204	3.081	-10.2	-1.5		
4) 4 YR	2.975 / 2.976	2.975	-0.020			-0.3		2.943		3.215	3.088	-11.2	-1.6		
5) 5 YR	2.975 / 2.977	2.976	-0.027			-0.4		2.943		3.224	3.093	-11.6	-1.6		
6) 6 YR	2.986 / 2.987	2.986	-0.029			-0.4		2.954		3.238	3.106	-11.9	-1.7		
7) 7 YR	3.000 / 3.003	3.001	-0.030			-0.4		2.969		3.258	3.122	-11.9	-1.7		
8) 8 YR	3.019 / 3.020	3.020	-0.032			-0.5		2.989		3.273	3.141	-12.1	-1.7		
9) 9 YR	3.039 / 3.040	3.040	-0.033			-0.5		3.009		3.292	3.161	-12.1	-1.7		
10) 10 YR	3.060 / 3.060	3.059	-0.035			-0.5		3.030		3.319	3.182	-12.2	-1.8		
11) 15 YR	3.136 / 3.137	3.136	-0.035			-0.5		3.106		3.366	3.245	-10.9	-1.7		
12) 20 YR	3.158 / 3.158	3.158	-0.036			-0.6		3.129		3.381	3.266	-10.8	-1.8		
13) 25 YR	3.157 / 3.158	3.157	-0.036			-0.6		3.128		3.372	3.261	-10.3	-1.8		
14) 30 YR	3.149 / 3.151	3.150	-0.036			-0.6		3.119		3.359	3.249	-9.8	-1.7		

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 6601-1200-1 29-Nov-2018 06:13:11

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.

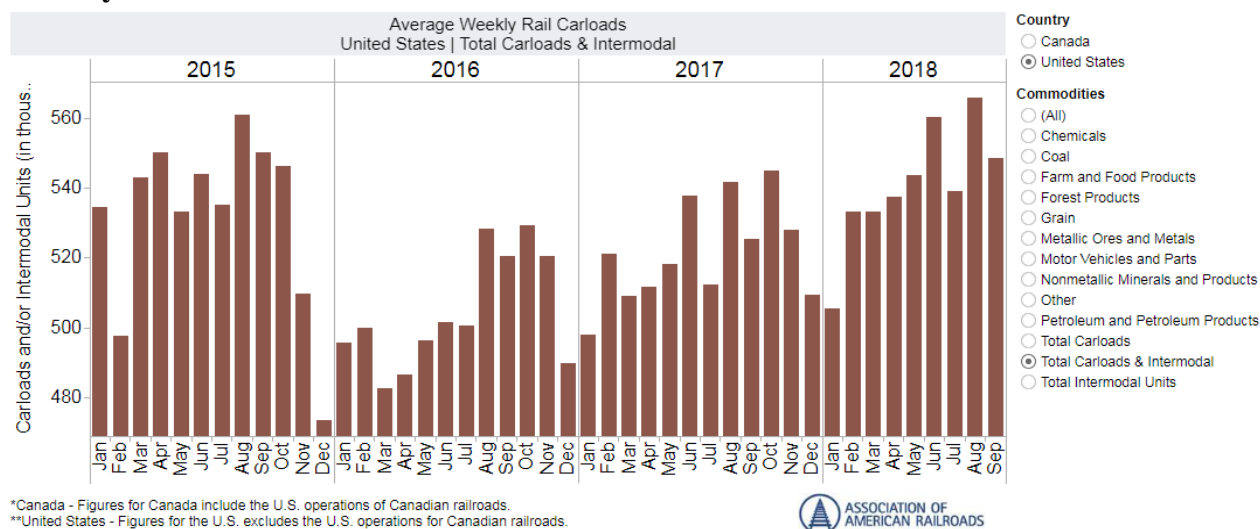
North American rail volume for the week ending November 17, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 370,321 carloads, up 0.6 percent compared with the same week last year, and 370,544 intermodal units, up 0.4 percent compared with last year. Total combined weekly rail traffic 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/>

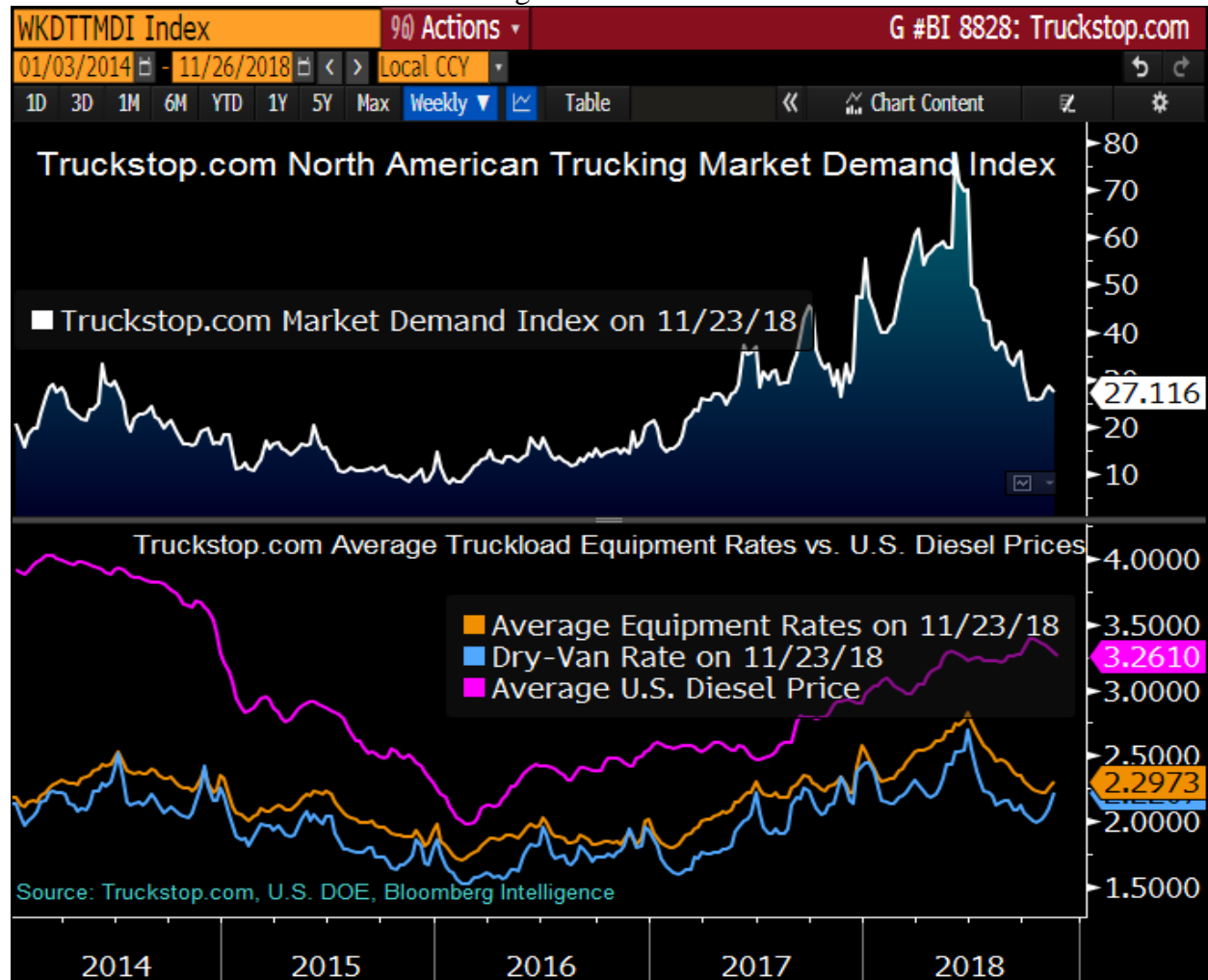
This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy,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



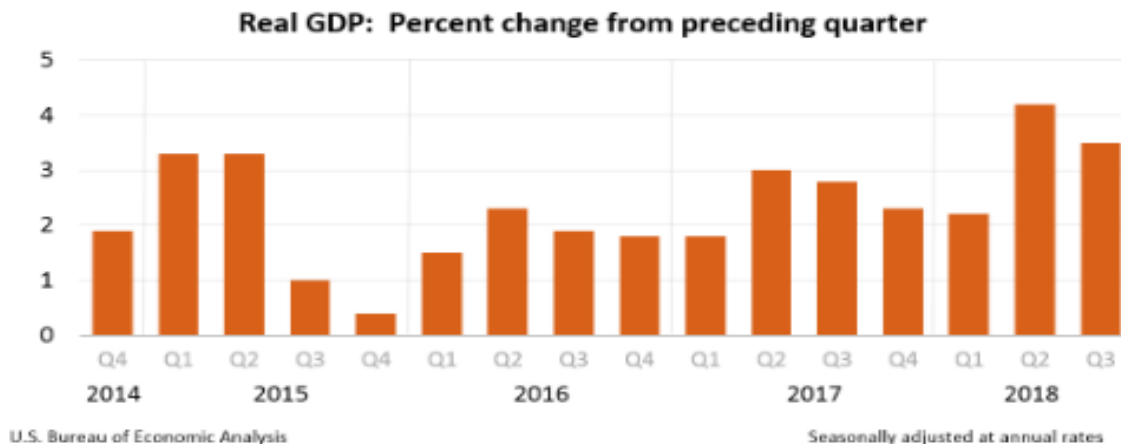
This information is not to be construed as an offer to sell or a solicitation or an offer to buy the commodities herein named. The factual information of this report has been obtained from sources believed to be reliable, but is not necessarily all-inclusive and is not guaranteed as to the accuracy,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