



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 06:02:28 12/21/18 - 01/10/19

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	12/21	07:30	🔔		📈	GDP Annualized QoQ	3Q T	3.5%	--	3.5%	--
22)	12/21	07:30	🔔		📈	Personal Consumption	3Q T	3.6%	--	3.6%	--
23)	12/21	07:30	🔔		📈	GDP Price Index	3Q T	1.7%	--	1.7%	--
24)	12/21	07:30	🔔		📈	Core PCE QoQ	3Q T	1.5%	--	1.5%	--
25)	12/21	07:30	🔔		📈	Durable Goods Orders	Nov P	1.6%	--	-4.3%	--
26)	12/21	07:30	🔔		📈	Durables Ex Transportation	Nov P	0.3%	--	0.2%	--
27)	12/21	07:30	🔔		📈	Cap Goods Orders Nondef Ex Air	Nov P	0.2%	--	0.0%	--
28)	12/21	07:30	🔔		📈	Cap Goods Ship Nondef Ex Air	Nov P	0.2%	--	0.3%	--
29)	12/21	09:00	🔔		📈	Personal Income	Nov	0.3%	--	0.5%	--
30)	12/21	09:00	🔔		📈	Personal Spending	Nov	0.3%	--	0.6%	--
31)	12/21	09:00	🔔		📈	Real Personal Spending	Nov	0.3%	--	0.4%	--
32)	12/21	09:00	🔔		📈	PCE Deflator MoM	Nov	0.0%	--	0.2%	--
33)	12/21	09:00	🔔		📈	PCE Deflator YoY	Nov	1.8%	--	2.0%	--
34)	12/21	09:00	🔔		📈	PCE Core MoM	Nov	0.2%	--	0.1%	--
35)	12/21	09:00	🔔		📈	PCE Core YoY	Nov	1.9%	--	1.8%	--
36)	12/21	09:00	🔔		📈	U. of Mich. Sentiment	Dec F	97.4	--	97.5	--
37)	12/21	09:00	🔔		📈	U. of Mich. Current Conditions	Dec F	--	--	115.2	--
38)	12/21	09:00	🔔		📈	U. of Mich. Expectations	Dec F	--	--	86.1	--
39)	12/21	09:00	🔔		📈	U. of Mich. 1 Yr Inflation	Dec F	--	--	2.7%	--

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 502340 CST GMT-6:00 G601-3000-1 21-Dec-2018 06:02:29

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Fed Speak Calendar
 (All times are CST)

Economic Calendars											
1) Calendars		2) Alerts		3) Export		4) Settings					
United States		Browse		06:04:04		12/21/18		- 01/31/19			
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)	01/04	09:15				Fed Chair Powell plus Bernanke and Yellen interviewed at AEA					
22)	01/04	09:15				Fed's Bostic Speaks at AEA in Atlanta					
23)	01/05	07:00				Fed's Williams Discusses Monetary Policy Frameworks at AEA					
24)	01/05	09:15				Fed's Bostic Speaks on Future of Traditional Banking at AEA					
25)	01/05	11:30				Fed's Daly Speaks at AEA Meeting in Atlanta					
26)	01/07	11:40				Fed's Bostic Speaks to Rotary Club of Atlanta					
27)	01/09	07:20				Fed's Bostic Speaks in Chattanooga on Economic Outlook					
28)	01/09	10:30				Fed's Rosengren Speaks on the Economic Outlook					
29)	01/09	13:00				FOMC Meeting Minutes	Dec 19	--	--	--	--
30)	01/15	12:00				Fed's George Speaks on Economy and Monetary Policy Outlook					
31)	01/16	17:30				Fed's Kashkari Speaks on Panel About Financial Crisis					
32)	01/30	13:00				FOMC Rate Decision (Upper ...	Jan 30	2.50%	--	2.50%	--
33)	01/30	13:00				FOMC Rate Decision (Lower ...	Jan 30	2.25%	--	2.25%	--

NI TRE <go>

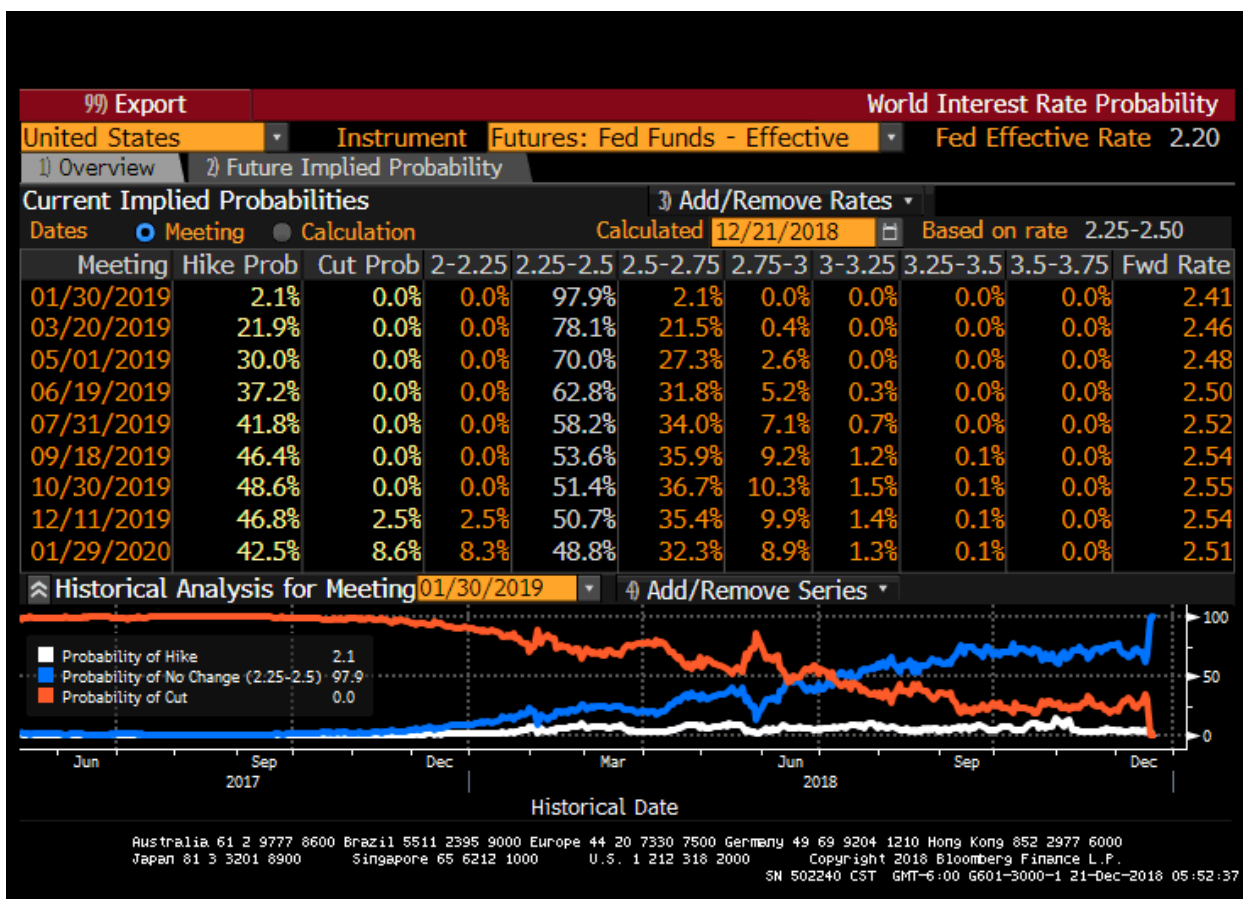
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				News: News Story			
4) Previous 3) Next 66) Send 98) Actions 99) Translate				12/20/2018 13:18:21 [BN]			
	Next Offer	Next	Date	CUSIP	\$	Prior	Prior
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	\$ Bln
Cash mgmt	TBA	TBA	TBA	TBA	TBA	02/13/2018	\$50
4-week	12/24/2018	12/27/2018	01/02/2019	912796UK3	TBA	12/20/2018	\$40
8-week	12/24/2018	12/27/2018	01/02/2019	912796UP2	TBA	12/20/2018	\$30
3-month	12/27/2018	12/27/2018	12/27/2018	912796PX1	\$39	12/17/2018	\$39
6-month	12/27/2018	12/24/2018	12/27/2018	912796RV3	\$36	12/17/2018	\$36
1-year	12/27/2018	12/31/2018	01/03/2019	TBA	TBA	12/04/2018	\$26
Note Auctions							
2-year	01/24/2019	12/24/2018	12/31/2018	9128285S5	\$40	11/26/2018	\$39
3-year	01/03/2019	01/08/2019	01/15/2019	TBA	TBA	12/11/2018	\$38
5-year	01/24/2019	12/26/2018	12/31/2018	9128285U0	\$41	11/27/2018	\$40
7-year	01/24/2019	12/27/2018	12/31/2018	9128285T3	\$32	11/28/2018	\$32
10-year	01/03/2019	01/09/2019	01/15/2019	TBA	R TBA	12/12/2018	\$24
Bond Auctions							
30-year	01/03/2019	01/10/2019	01/15/2019	TBA	R TBA	12/13/2018	\$16

TIPS Auctions								
5-yr TIPS	12/13/2018	12/20/2018	12/31/2018	TBA	R TBA	08/23/2018	\$14	
10-yr TIPS	01/10/2019	01/17/2019	01/31/2019	TBA	TBA	11/21/2018	\$11	
30-yr TIPS	02/07/2019	02/14/2019	02/28/2019	TBA	TBA	10/18/2018	\$5	
Floating Rate Note								
2-year FRN	12/20/2018	12/26/2018	12/28/2018	TBA	R TBA	11/28/2018	\$20	
Buyback Operation								
Buyback	TBA	TBA	TBA	TBA	TBA	11/14/2018	\$.025	

Current Implied Probability of Fed Rate Movement (Futures) WIRP FFE US <go>

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

Variable	Median ¹					Central tendency ²					Range ³				
	2018	2019	2020	2021	Longer run	2018	2019	2020	2021	Longer run	2018	2019	2020	2021	Longer run
Change in real GDP	3.0	2.3	2.0	1.8	1.9	3.0-3.1	2.3-2.5	1.8-2.0	1.5-2.0	1.8-2.0	3.0-3.1	2.0-2.7	1.5-2.2	1.4-2.1	1.7-2.2
September projection	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
Unemployment rate	3.7	3.5	3.6	3.8	4.4	3.7	3.5-3.7	3.5-3.8	3.6-3.9	4.2-4.5	3.7	3.4-4.0	3.4-4.3	3.4-4.2	4.0-4.6
September projection	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
PCE inflation	1.9	1.9	2.1	2.1	2.0	1.8-1.9	1.8-2.1	2.0-2.1	2.0-2.1	2.0	1.8-1.9	1.8-2.2	2.0-2.2	2.0-2.3	2.0
September projection	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
Core PCE inflation ⁴	1.9	2.0	2.0	2.0		1.8-1.9	2.0-2.1	2.0-2.1	2.0-2.1		1.8-1.9	1.9-2.2	2.0-2.2	2.0-2.3	
September projection	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	
Memo: Projected appropriate policy path															
Federal funds rate	2.4	2.9	3.1	3.1	2.8	2.4	2.6-3.1	2.9-3.4	2.6-3.1	2.5-3.0	2.1-2.4	2.4-3.1	2.4-3.6	2.4-3.6	2.5-3.5
September projection	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

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 September projections were made in conjunction with the meeting of the Federal Open Market Committee on September 25-26, 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 September 25-26, 2018, meeting, and one participant did not submit such projections in conjunction with the December 18-19, 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/fomeproitabl20181219.pdf>

Libor Set

1-Month Libor Set	2.50625	+.00250	(97.49375)
3-Month Libor Set	2.82163	-.00212	(97.17837)
6-Month Libor Set	2.90788	+.00788	(97.10212)
1-Year Libor Set	3.07313	+.00769	(96.92687)

THEY SAID IT

U.S. [retail sales](#) topped forecasts in November, with the so-called control group subset -- used to calculate gross domestic product and which excludes food services, car dealers, building-materials stores and gas stations -- climbing 0.9 percent.

<https://www.bloomberg.com/news/articles/2018-12-14/blowout-november-for-u-s-retail-sales?srnd=premium-asia>

That was more than double the median projection of economists and followed an upwardly revised 0.7 percent increase the prior month, Commerce Department figures showed Friday. The data indicate that consumers are giving a bigger boost to the economy than expected this quarter and may alleviate some concerns that growth is significantly weakening.

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The House increased the chances of a partial U.S government shutdown by voting to give President Donald Trump funds for his proposed border wall in a spending bill the Senate is sure to reject hours before a midnight Friday deadline.

<https://www.bloomberg.com/news/articles/2018-12-21/shutdown-looms-as-house-backs-trump-border-funds-senate-opposes>

The 217-185 House vote Thursday capped a tumultuous day in which Trump surprised fellow Republicans by insisting he won't sign a bill without the border money, after the White House had hinted he would accept it. Now, the House and Senate have passed spending measures that differ in one crucial way -- the [House bill](#) includes the \$5 billion Trump is demanding for a wall and the Senate version, passed a day earlier, does not.

The Senate is scheduled to convene at noon Friday. Senate Majority Leader Mitch McConnell of Kentucky is almost certain to advance the same measure, without wall money, that the GOP-controlled chamber easily passed by voice vote Wednesday.

“Significant” cuts to taxes and fees will be enacted in 2019 and while monetary policy will remain “prudent,” officials will strike an “appropriate” balance between tightening and loosening, according to a [statement](#) published after the annual Economic Work Conference that concluded in Beijing Friday.

<https://www.bloomberg.com/news/articles/2018-12-21/china-says-more-tax-cuts-coming-signals-easier-monetary-policy?srnd=premium-asia>

The statement signals that China is ratcheting up the limited, targeted stimulus approach used during 2018, though still stopping short of the all-out support that would pressure the currency and hobble efforts to contain debt. Facing the most difficult economic environment in years amid the trade standoff with the U.S., the conference outcome suggests Beijing sees increasing urgency in tackling stalling growth.

A coordinated offensive against Chinese cyber-espionage from the United States and its allies shows a different approach to countering what they call theft of commercial and government secrets.

<https://www.cnn.com/2018/12/21/china-hacker-accusations-us-teams-with-allies-to-counter-cyber-threat.html>

The [United Kingdom](#), [Australia](#), [Canada](#) and [New Zealand](#) joined Washington on Thursday in condemning cyber-espionage on the same day that Washington indicted two Chinese nationals, Zhu Hua and Zhang Shilong, [for participating in a 12-year global hacking campaign](#) in conjunction with the Chinese government.

China's Foreign Ministry has rejected the accusations, [calling them “slanderous.”](#)

The fact that Thursday's offensive was executed as a united front is significant, Abigail Grace, research associate in the Asia-Pacific security program at the Center for New American Security said in a tweet.

The possible withdrawal of Japanese conglomerates from nuclear export projects in Britain and Turkey would leave the nuclear newbuild industry open to Russian and Chinese state-owned companies as Western private firms struggle to compete.

<https://www.reuters.com/article/us-japan-nuclearpower-russia-focus/japan-inc-exit-from-nuclear->

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[exports-would-leave-field-to-russia-china-idUSKCN1OK148](#)

Japanese media reported this month that Mitsubishi Heavy Industries (MHI) was set to scrap the Sinop nuclear project in Turkey as cost estimates had nearly doubled to around 5 trillion yen (\$44 billion).

Last week, Hitachi was reported to be considering whether to scrap its 3 trillion yen Horizon nuclear project in Britain as cost estimates had risen, while Toshiba liquidated its UK project this year.

“Without Horizon, Japan is left without a nuclear project abroad ... this is becoming a Russia/China-dominated industry,” said a consultant who advises one of Japan’s nuclear groups.

Japan’s population decline continued in 2018, with fewer than 1 million babies born for the third consecutive year.

<https://www.bloomberg.com/news/articles/2018-12-21/births-in-japan-hit-new-low-miss-1-million-for-third-year?srnd=premium-asia>

Live births of Japanese nationals in Japan were estimated at 921,000, the lowest annual figure since records began in 1899, according to a health ministry [survey](#) released Friday.

The most deaths in any year since the end of World War II led to a record net population decline of about 448,000 people, 54,000 more than in 2017.

China, the world’s top oil importer, is set to start 2019 buying little or no crude from the United States despite a three-month truce in a trade scrap between the two nations, with relatively high freight costs and political uncertainty choking demand.

<https://www.reuters.com/article/us-usa-trade-china-oil/crude-refusal-china-shuns-u-s-oil-despite-trade-war-truce-idUSKCN1OK0FG>

That muted appetite means the United States, which became the world’s top oil producer this year as its shale output hit record levels, will continue to hold only a sliver of China’s market even as a wave of new refining capacity starts up there.

It also suggests that China is unlikely to use crude purchases to help plug a widening trade gap with the United States, which remains a core source of tensions between the world’s top two economies.

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EQUITIES

The S&P is **-10** and the NASDAQ is **-36**.

Earnings:

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

On Bloomberg type in ACDR <GO>

UK/EUROPE

In the UK the FTSE closed -0.28%.

In the UK, the 2s/10s swap curve is steeper by 2.4 bps at 31.8 with yields higher.

BOE Rate +0.75%. (No change).

Next meeting 02/07/19

On the European Continent

The CAC Index closed -0.42%.

The DAX Index closed -0.18%.

In the EU the 2s/10s swap curve is steeper by 0.8 bps at 99.2 with yields mixed.

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

Deposit Facility Rate -.40%

Next meeting 01/24/19

Japan:

The TOPIX closed -1.91%.

The NIKKEI closed -1.11%.

In Japan, the 2s/10s swap curve is steeper by 1.5 bps at 18.1 with yields higher.

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

Next meeting 01/23/19

China:

The Hang Seng closed +0.51%.

The Shanghai Composite closed -0.79%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

7-Day Repo Rate: 2.5959%

Reserve Requirement Ratio: 14.50%

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THE TREND

EDH9: 97-19.00 is the pivot. Above the pivot you should be long, below short.
Support is at 97-19.00^ and 97-10.25**.

Resistance is at 97-28.00**.

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

** 2-STD Deviations from the pivot point.

3-Month Libor Set 2.82163 -0.00212 (97.17837)

Current trend has you long from 97-15.0 (12/06/18).



YTD (per contract)

2018 +36.5 ticks (+\$912.50)

2017 +33.0 ticks (+\$825.00)

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10yr/UXYZ8: 127-20.50 is the pivot point.

Above you should be long, below short.

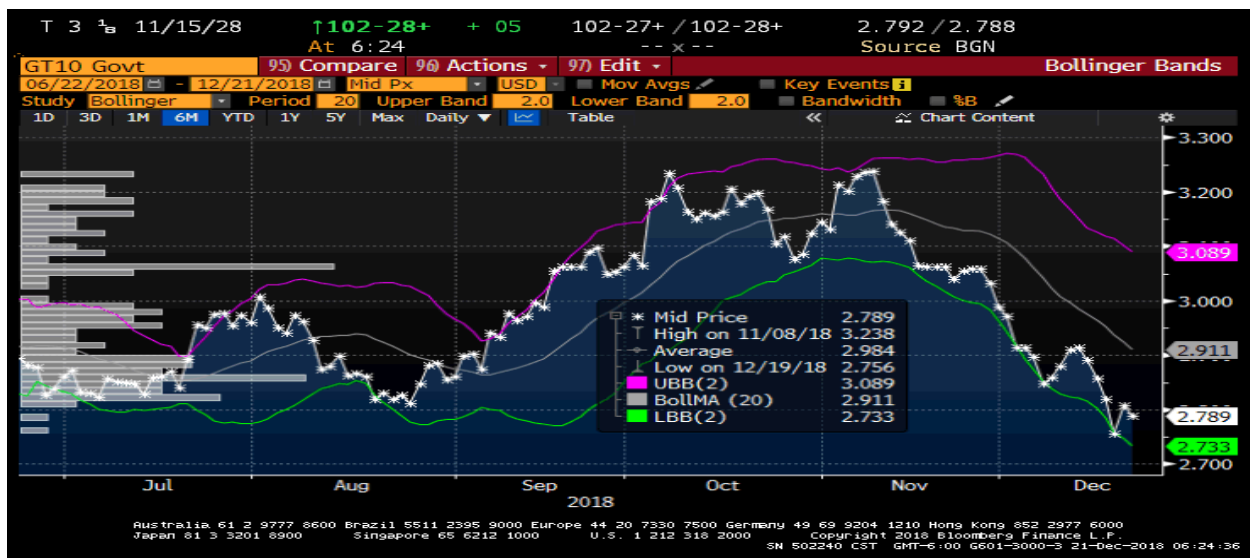
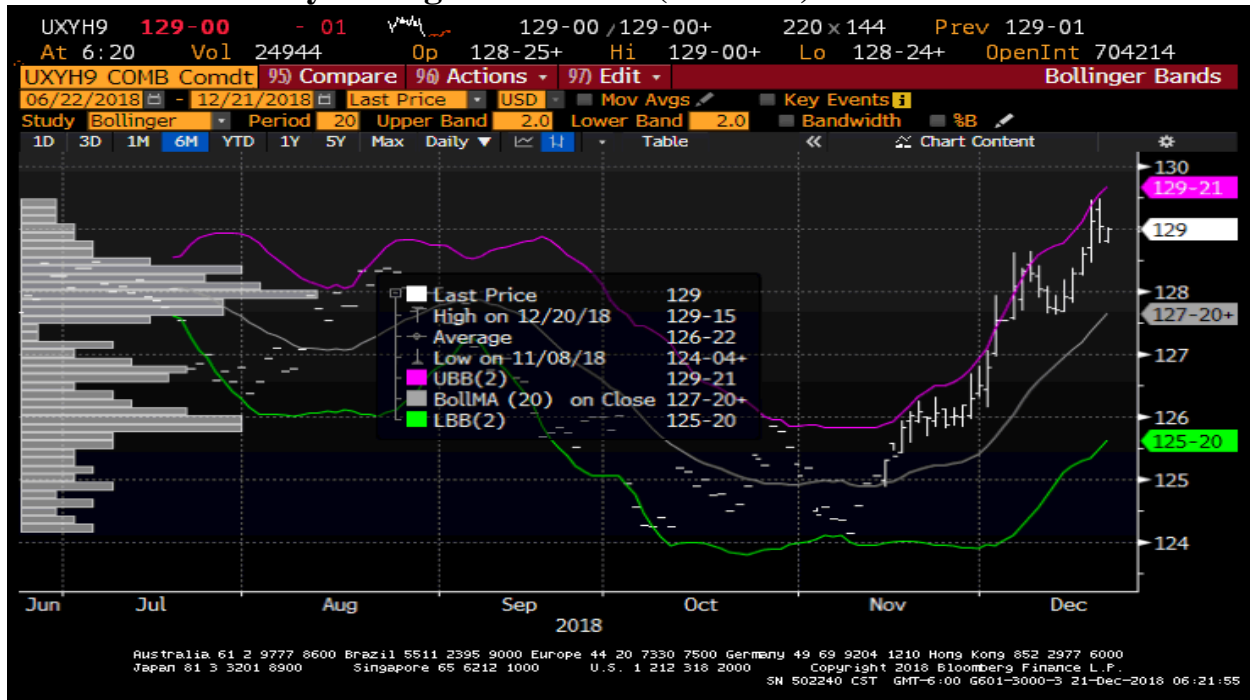
Support is at **127-20.50^** and **125-20.00****

Resistance is at **129-21.00****

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

** 2-STD Deviations from the pivot point

Current trend has you long from 124-30 (11/12/18).

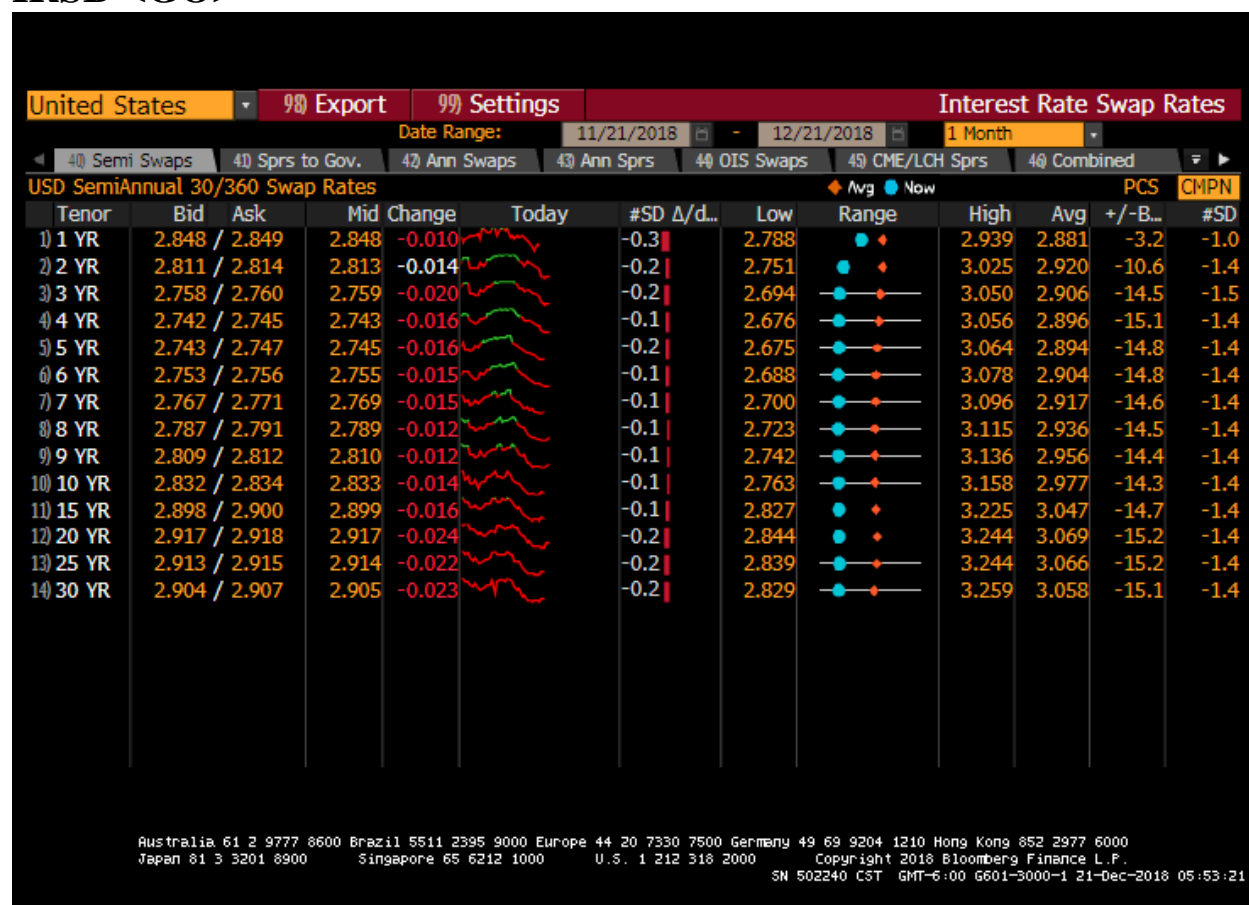


YTD (per contract)

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

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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.

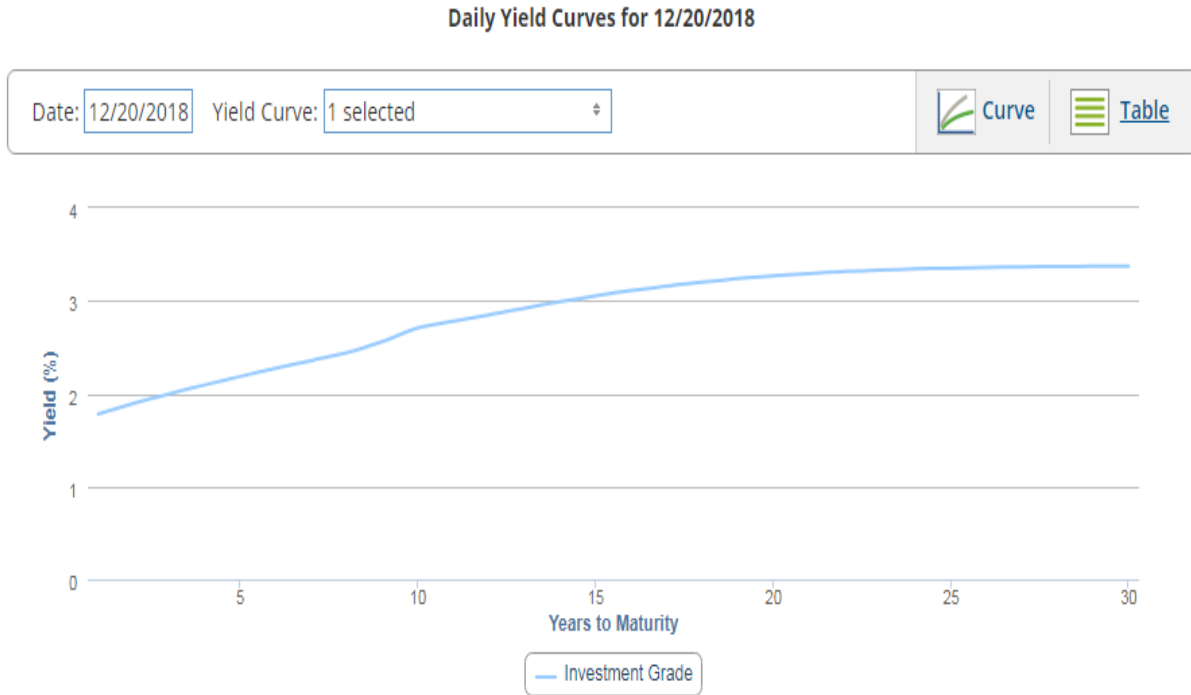
Option Book 2016 YTD realized: +\$43.75 per contract.

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Muni IG Curve

The MBIS Municipal Benchmark Curve is a tax-exempt investment grade yield curve that is valued directly against pre- and post-trade market data provided by the MSRB.

<https://emma.msrb.org/ToolsAndResources/MBISYieldCurve?daily=True>



<http://www.msrb.org/~media/Files/EMMA/MBIS-Yield-Curve-Methodology.aspx>

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The Fundamentals

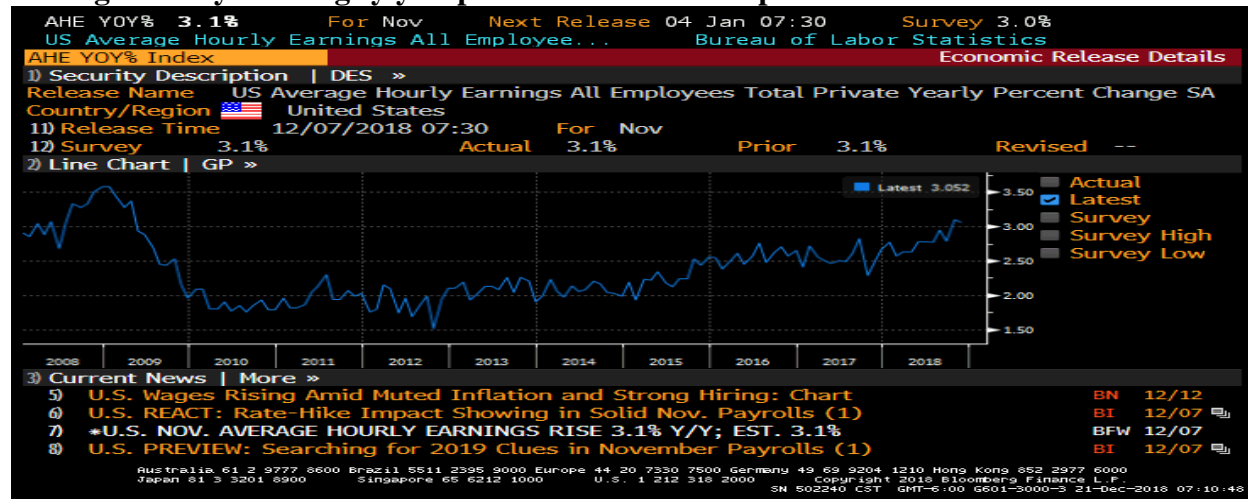
LABOR

Bureau of Labor and Statistics

<http://www.bls.gov/news.release/>

CPI, ECI, Employment situation PPI, CPI, Productivity and Costs, Real Earnings and US import/exports.

Average Hourly Earnings y/y Department of Labor Department.



St. Louis Fed Agriculture Finance Monitor 3rd quarter 2018

This quarter's survey assessed the economic and financial conditions in the District's agricultural industry in the third quarter of 2018. For the nineteenth consecutive quarter, a majority of agricultural bankers in the Eighth Federal Reserve District reported that farm income had declined compared with a year earlier. Bankers also reported that farm household spending and capital expenditures remained below year-earlier levels in the third quarter. Moreover, the number of bankers reporting third-quarter declines in these key indicators was larger than three months earlier. A slightly larger percentage of respondents reported that they expect farm income and expenditures to decline again in the fourth quarter relative to a year earlier. Values of quality farmland and rangeland or pastureland rose modestly in the third quarter from a year earlier, as did cash rents. Interest rates on three of the six fixed- and variable-rate loan categories rose slightly in the third quarter. There were three special questions in this quarter's survey. In the first question, which asked bankers to choose their highest concern, a little more than three-quarters of respondents reported that continued low commodity prices is their largest concern. The second special question asked agricultural bankers about loan repayment problems over the second half of 2018. Nearly three-quarters of bankers responded that they expect operating lines of credit to have the largest repayment problems. Finally, the third special question asked bankers whether soybean producers in their area will delay selling all or part of this year's or next year's crops in response to the sharp decline in soybean prices. A little more than half of bankers responded in the affirmative, while a little less than half of bankers reported their belief that there will be no change in farmers' marketing plans for this year's soybean crop.

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

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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.	14 Dec 2018	1,071	-4	7 Dec 2018	+141	15 Dec 2017
Canada	14 Dec 2018	174	-12	7 Dec 2018	-64	15 Dec 2017
International	Nov 2018	991	-26	Oct 2018	+49	Nov 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 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/>

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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/>

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TRANSPORTS

Association of American Railroads Rail Traffic Report.

For the first 50 weeks of 2018, U.S. railroads reported cumulative volume of 13,153,197 carloads, up 1.7 percent from the same point last year; and 13,981,365 intermodal units, up 5.5 percent from last year. Total combined U.S. traffic for the first 50 weeks of 2018 was 27,134,562 carloads and intermodal units, an increase of 3.6 percent compared to last year.

For this week, total U.S. weekly rail traffic was 568,941 carloads and intermodal units, up 3.9 percent compared with the same week last year.

Total carloads for the week ending December 15 were 267,534 carloads, up 1.4 percent compared with the same week in 2017, while U.S. weekly intermodal volume was 301,407 containers and trailers, up 6.2 percent compared to 2017.

Five of the 10 carload commodity groups posted an increase compared with the same week in 2017. They included coal, up 3,262 carloads, to 91,218; petroleum and petroleum products, up 2,897 carloads, to 13,551; and metallic ores and metals, up 820 carloads, to 23,929. Commodity groups that posted decreases compared with the same week in 2017 included nonmetallic minerals, down 2,078 carloads, to 30,549; grain, down 1,030 carloads, to 22,550; and motor vehicles and parts, down 340 carloads, to 17,304.

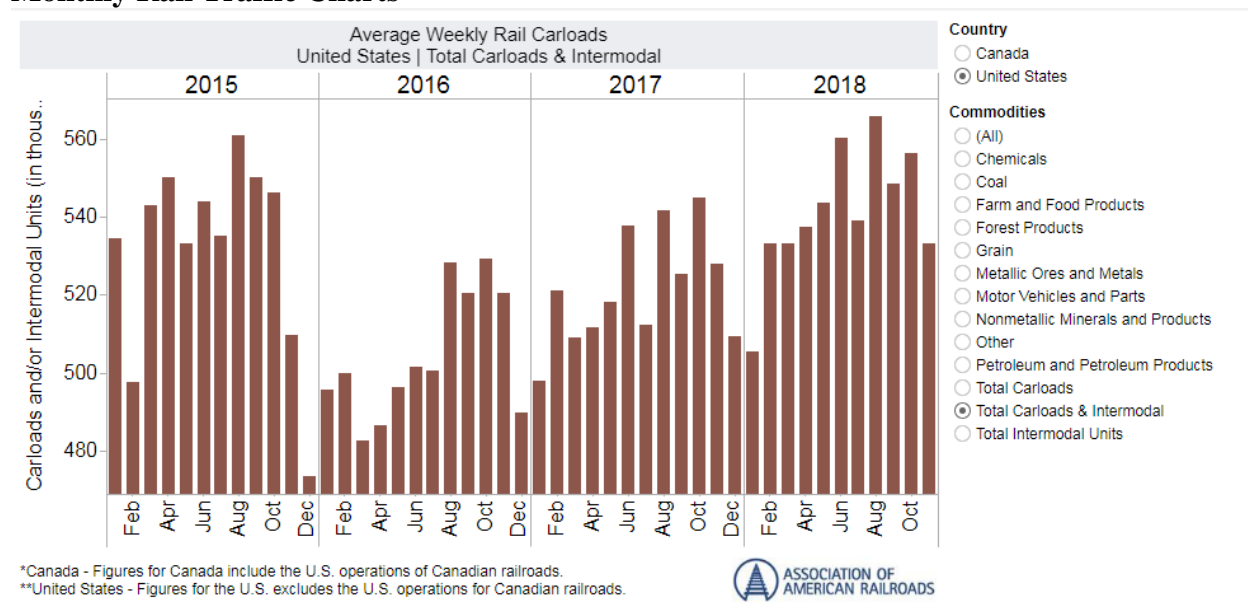
North American rail volume for the week ending December 15, 2018, on 12 reporting U.S., Canadian and Mexican railroads totaled 373,285 carloads, up 1.6 percent compared with the same week last year, and 393,598 intermodal units, up 6.2 percent compared with last year. Total combined weekly rail traffic in North America was 766,883 carloads and intermodal units, up 3.9 percent. North American rail volume for the first 50 weeks of 2018 was 36,655,329 carloads and intermodal units, up 3.3 percent compared with 2017.

Canadian railroads reported 84,550 carloads for the week, up 3.4 percent, and 72,894 intermodal units, up 5.2 percent compared with the same week in 2017. For the first 50 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 7,579,290 carloads, containers and trailers, up 3.8 percent.

Mexican railroads reported 21,201 carloads for the week, down 2.3 percent compared with the same week last year, and 19,297 intermodal units, up 10.5 percent. Cumulative volume on Mexican railroads for the first 50 weeks of 2018 was 1,941,477 carloads and intermodal containers and trailers.

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

Monthly Rail Traffic Charts



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

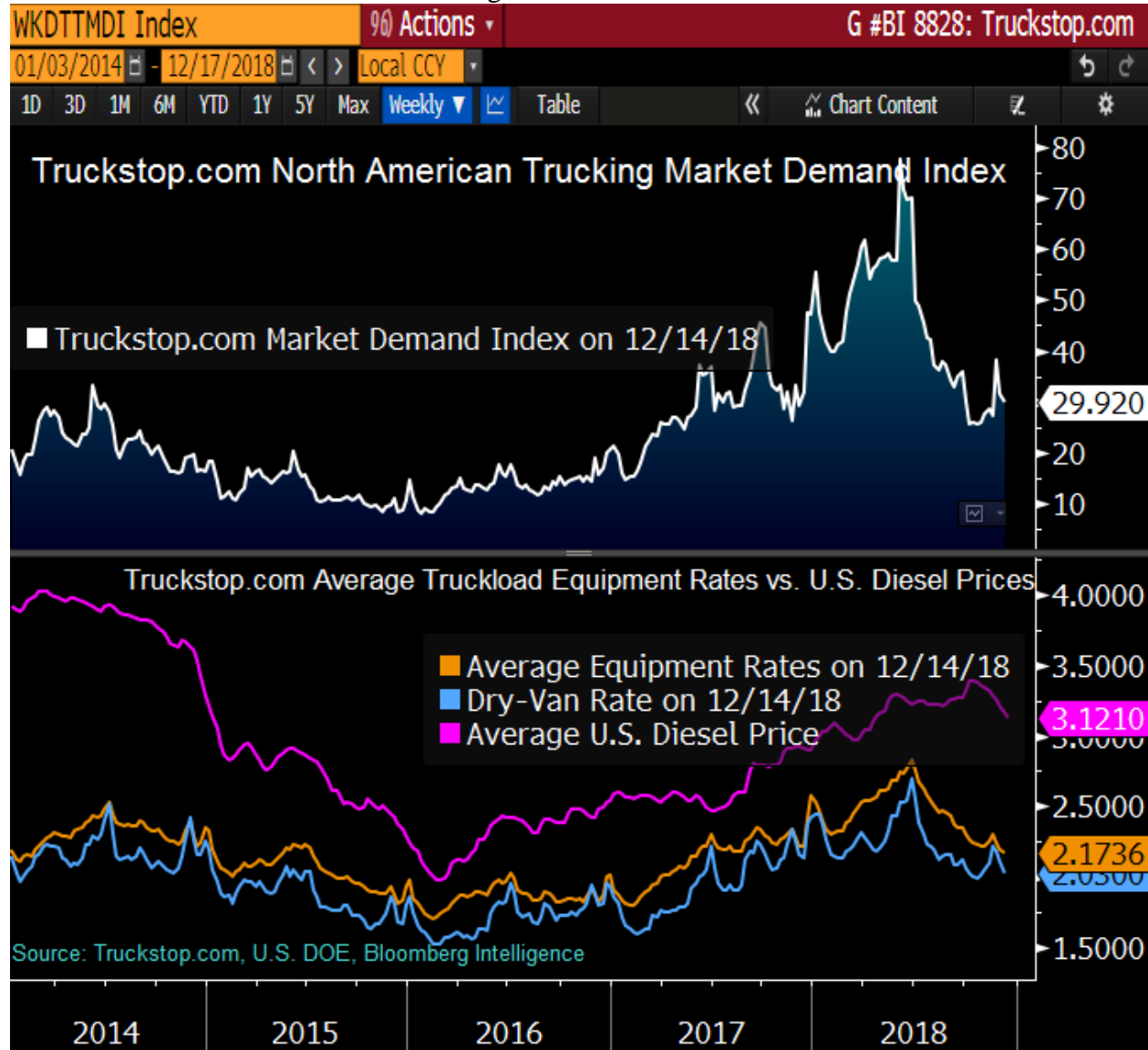
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Trailer Truck Demand
(Bloomberg Intelligence) – 12/17/18

North American spot-trucking demand fell 5.2% sequentially to 29.9 in the week ended Dec. 14, based on Truckstop.com's Market Demand Index. Capacity loosened as the 6.1% decline in available loads outpaced the 1% drop in available trucks. A severe winter storm that dumped upwards of 20 inches of snow on some areas of the Southeast wasn't enough to lift spot rates, excluding fuel surcharges, which decreased 0.8% in the week. Rates remain down 4.2% in 4Q, lapping tough comparisons from last year's soft deadline for ELD implementation. We expect limited driver availability can spark mid-single-digit 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



GDP

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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 *2.65% as of 12/18/18

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

Atlanta Fed GDPNow...Q4 2018: 2.9% ...December 18, 2018

The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2018 is 2.9 percent on December 18, down from 3.0 percent on December 14. The nowcast of fourth-quarter real residential investment growth decreased from -2.4 percent to -4.2 percent after this morning's new residential construction release from the U.S. Census Bureau.

The next GDPNow update is Friday, December 21. Please see the "Release Dates" tab below for a full list of upcoming releases.

New York Fed Nowcast...Q4 2018: 2.4%...December 14, 2018

This week's data releases left the nowcast for both quarters broadly unchanged.

Positive surprises from industrial production and capacity utilization data were roughly offset by negative surprises from export and import prices data.

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

St. Louis Fed Real GDP Nowcast... Q4 2018:2.65%...December 14, 2018

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

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MANUFACTURING AT A GLANCE
NOVEMBER 2018

Index	Series Index Nov	Series Index Oct	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	59.3	57.7	+1.6	Growing	Faster	27
New Orders	62.1	57.4	+4.7	Growing	Faster	35
Production	60.6	59.9	+0.7	Growing	Faster	27
Employment	58.4	56.8	+1.6	Growing	Faster	26
Supplier Deliveries	62.5	63.8	-1.3	Slowing	Slower	26
Inventories	52.9	50.7	+2.2	Growing	Faster	11
Customers' Inventories	41.5	43.3	-1.8	Too Low	Faster	26
Prices	60.7	71.6	-10.9	Increasing	Slower	33
Backlog of Orders	56.4	55.8	+0.6	Growing	Faster	22
New Export Orders	52.2	52.2	0.0	Growing	Same	33
Imports	53.6	54.3	-0.7	Growing	Slower	22
OVERALL ECONOMY				Growing	Faster	115
Manufacturing Sector				Growing	Faster	27

Average for 12 months - 59.2

High - 61.3

Low - 57.3

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

US Census Bureau (Manufacturers' Shipments, Inventories and Orders).

<http://www.census.gov/manufacturing/m3/>

Our Nation in numbers

The Constitution gives us four missions...

1. Establish Justice and Ensure Domestic Tranquility.
2. Provide for the Common Defense.
3. Promote the General welfare.
4. Secure the Blessings of Liberty to Ourselves and Our Posterity.

www.usafacts.org

US Foreign Assistance

<http://foreignassistance.gov/>

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>

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