



The Missile

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On Bloomberg:
WECO <go>
 (All times are CST)

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

United States Browse 09:00:23 04/09/20 - 04/29/20

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	04/09	07:30	🔔	📊		PPI Final Demand MoM	Mar	-0.4%	-0.2%	-0.6%	--
22)	04/09	07:30	🔔	📊		PPI Ex Food and Energy MoM	Mar	0.0%	0.2%	-0.3%	--
23)	04/09	07:30	🔔	📊		PPI Ex Food, Energy, Trade MoM	Mar	0.0%	-0.2%	-0.1%	--
24)	04/09	07:30	🔔	📊		PPI Final Demand YoY	Mar	0.5%	0.7%	1.3%	--
25)	04/09	07:30	🔔	📊		PPI Ex Food and Energy YoY	Mar	1.2%	1.4%	1.4%	--
26)	04/09	07:30	🔔	📊		PPI Ex Food, Energy, Trade YoY	Mar	1.3%	1.0%	1.4%	--
27)	04/09	07:30	🔔	📊		Initial Jobless Claims	Apr 4	5500k	6606k	6648k	6867k
28)	04/09	07:30	🔔	📊		Continuing Claims	Mar 28	8236k	7455k	3029k	3059k
29)	04/09	09:00	🔔	📊		Wholesale Inventories MoM	Feb F	-0.5%	-0.7%	-0.5%	--
30)	04/09	09:00	🔔	📊		Wholesale Trade Sales MoM	Feb	--	--	1.6%	--
31)	04/09	09:00	🔔	📊		U. of Mich. Sentiment	Apr P	75.0	71.0	89.1	--
32)	04/09	09:00	🔔	📊		U. of Mich. Current Conditions	Apr P	84.1	72.4	103.7	--
33)	04/09	09:00	🔔	📊		U. of Mich. Expectations	Apr P	60.7	70.0	79.7	--
34)	04/09	09:00	🔔	📊		U. of Mich. 1 Yr Inflation	Apr P	--	2.1%	2.2%	--
35)	04/09	09:00	🔔	📊		U. of Mich. 5-10 Yr Inflation	Apr P	--	2.5%	2.3%	--
36)	04/10	07:30	🔔	📊		CPI MoM	Mar	-0.3%	--	0.1%	--
37)	04/10	07:30	🔔	📊		CPI Ex Food and Energy MoM	Mar	0.1%	--	0.2%	--
38)	04/10	07:30	🔔	📊		CPI YoY	Mar	1.6%	--	2.3%	--

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 4565 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2020 Bloomberg Finance L.P.
 SN 848773 CDT GMT-5:00 G404-839-1 09-Apr-2020 09:00:23

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Fed Speak Calendar
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 On Bloomberg: Fed <go>

Economic Calendars											
1) Calendars ▾		2) Alerts		3) Export ▾		4) Settings ▾					
United States				Browse		13:52:01		04/07/20 - 07/31/20			
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)	04/08	13:00				FOMC Meeting Minutes	Mar 15	--	--	--	--
22)	04/09	09:00				Fed Chair Powell to Give an Economic Update Via Webcast					
23)	04/09	15:00				Fed's Daly Takes Part in Online Discussion					
24)	04/10	11:30				Fed's Mester Holds Virtual Forum on U.S. Economy and Virus					
25)	04/14	11:30				Fed's Evans Speaks in Pittsburgh					
26)	04/15	13:00				Fed Releases Beige Book					
27)	04/29	13:00				FOMC Rate Decision (Upper B...	Apr 29	0.25%	--	--	--
28)	04/29	13:00				FOMC Rate Decision (Lower B...	Apr 29	0.00%	--	--	--
29)	04/29	13:30				Powell Holds Post-FOMC Meeting Press Conference					
30)	05/20	13:00				FOMC Meeting Minutes	Apr 29	--	--	--	--
31)	05/27	13:00				U.S. Federal Reserve Releases Beige Book					
32)	06/10	13:00				FOMC Rate Decision (Upper B...	Jun 10	0.25%	--	--	--
33)	06/10	13:00				FOMC Rate Decision (Lower B...	Jun 10	0.00%	--	--	--
34)	06/10	13:30				Powell Holds Post-FOMC Meeting Press Conference					
35)	07/01	13:00				FOMC Meeting Minutes	Jun 10	--	--	--	--
36)	07/15	13:00				U.S. Federal Reserve Releases Beige Book					
37)	07/29	13:00				FOMC Rate Decision (Upper B...	Jul 29	0.25%	--	--	--
38)	07/29	13:00				FOMC Rate Decision (Lower B...	Jul 29	0.00%	--	--	--

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**US Treasury Auction Schedule
On Bloomberg:
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4 Previous 3 Next 66 Send 98 Actions ▾ 99 Translate ▾							News: News Story	
04/07/2020 18:45:12 [BN]								
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	\$ Bl ⁺
Cash mgmt 103 day	TBA	04/08/2020	04/09/2020	9127963F4		\$40	04/07/2020	
Cash mgmt 154 day	TBA	04/08/2020	04/14/2020	9127963Y3		\$40	04/07/2020	
Cash mgmt 40 day	TBA	04/08/2020	04/09/2020	9127962M0		\$45	04/07/2020	
4-week	04/14/2020	04/09/2020	04/14/2020	9127962L2		\$90	04/02/2020	\$8
8-week	04/14/2020	04/09/2020	04/14/2020	9127962U2		\$70	04/02/2020	\$6
3-month	04/09/2020	04/13/2020	04/16/2020	912796SZ3		TBA	04/06/2020	\$5
6-month	04/09/2020	04/13/2020	04/16/2020	9127962R9		TBA	04/06/2020	\$4
1-year	04/16/2020	04/21/2020	04/23/2020	TBA		TBA	03/24/2020	\$2
Note Auctions								
2-year	04/23/2020	04/27/2020	04/30/2020	TBA		TBA	03/24/2020	\$4
3-year	05/06/2020	05/11/2020	05/15/2020	TBA		TBA	04/06/2020	\$4
5-year	04/23/2020	04/27/2020	04/30/2020	TBA		TBA	03/25/2020	\$4
7-year	04/23/2020	04/28/2020	04/30/2020	TBA		TBA	03/26/2020	\$3
10-year	05/06/2020	05/12/2020	05/15/2020	TBA	R	TBA	04/07/2020	\$2
Bond Auctions								
30-year	05/06/2020	04/08/2020	04/15/2020	912810SL3	R	\$17	03/12/2020	\$1

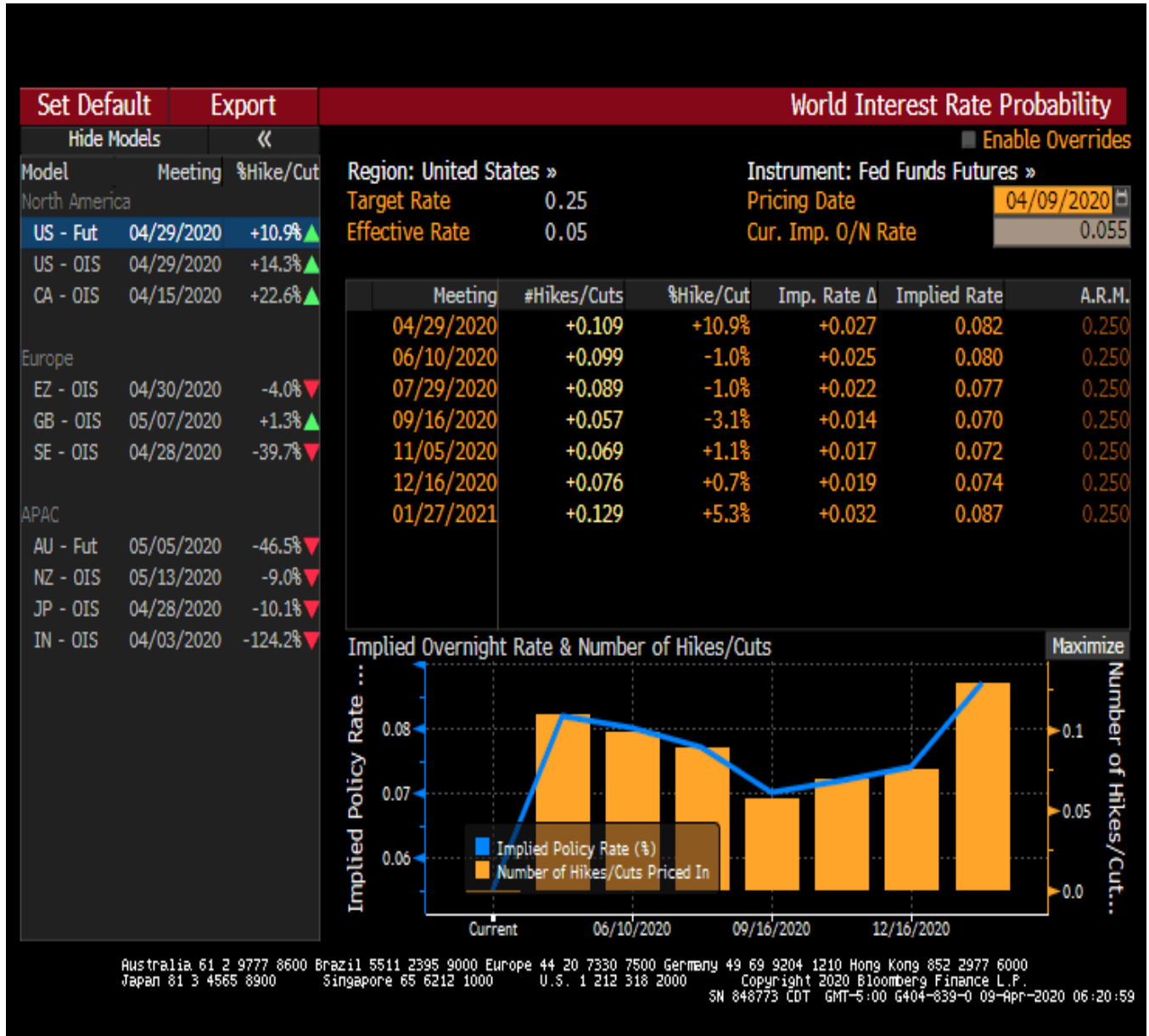
TIPS Auctions								
5-yr TIPS	04/16/2020	04/23/2020	04/30/2020	TBA		TBA	12/18/2019	\$15
10-yr TIPS	05/14/2020	05/21/2020	05/29/2020	TBA	R	TBA	03/19/2020	\$12
30-yr TIPS	TBA	TBA	TBA	TBA		TBA	02/20/2020	\$8
Floating Rate Note								
2-year FRN	04/23/2020	03/25/2020	03/27/2020	912828Z45	R	\$18	02/26/2020	\$18
Buyback Operation								
Buyback	TBA	TBA	TBA	TBA		TBA	11/14/2018	\$.025

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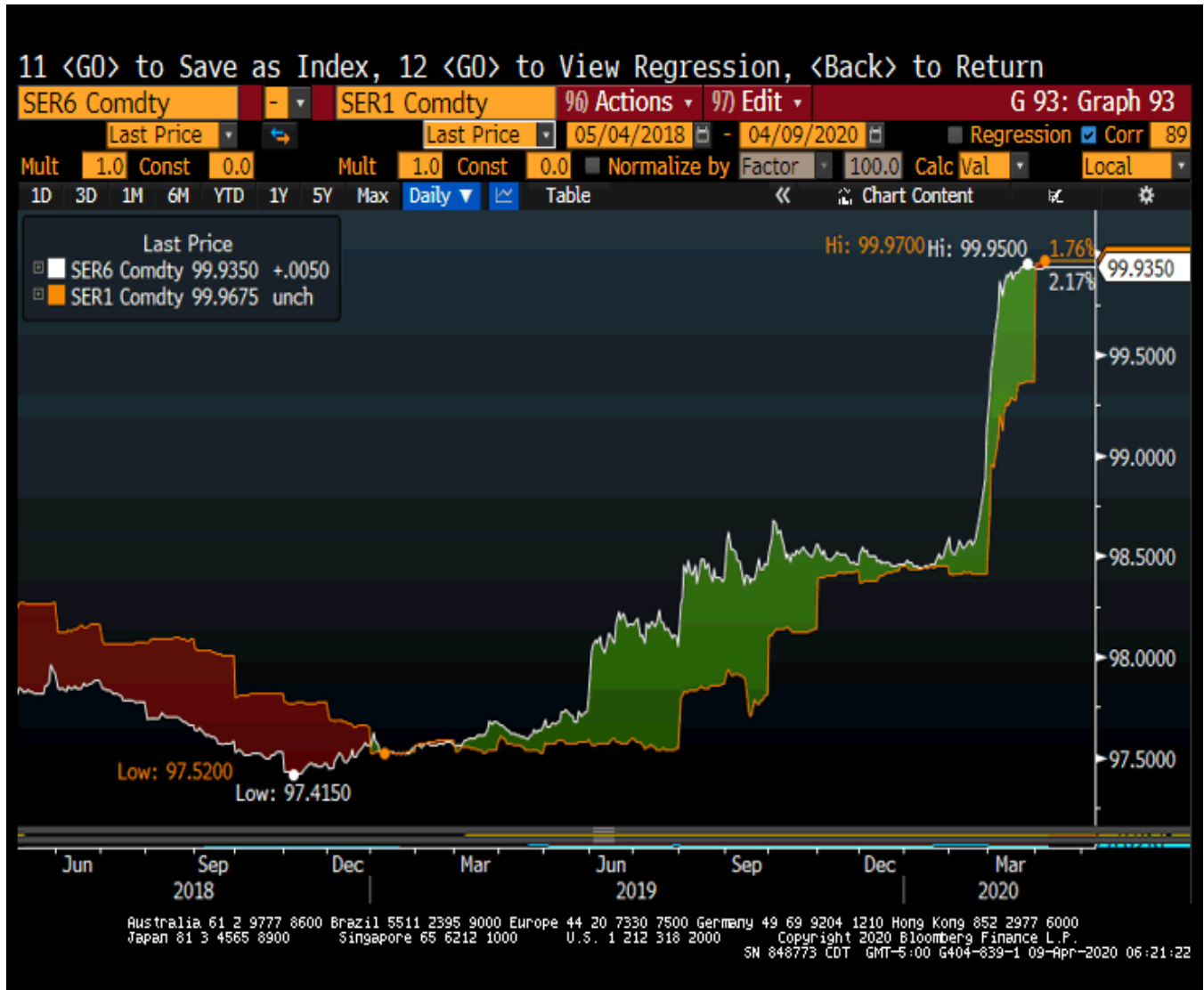
Current Implied Probability of Fed Rate Movement (Futures) On Bloomberg: WIRP <go>



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Getting Granular

The Fed watches 1-month bills v. 1-month bills 6-months forward.
Below is a chart of 1-month SOFR v. 1-month SOFR 6-months forward,
a poor man's proxy in futures.



Federal Reserve economists said, watching forward rates relative to those on current Treasury bills has served traders well in the past. When the short term forward spread inverts, it indicates easier Fed policy in the near future.

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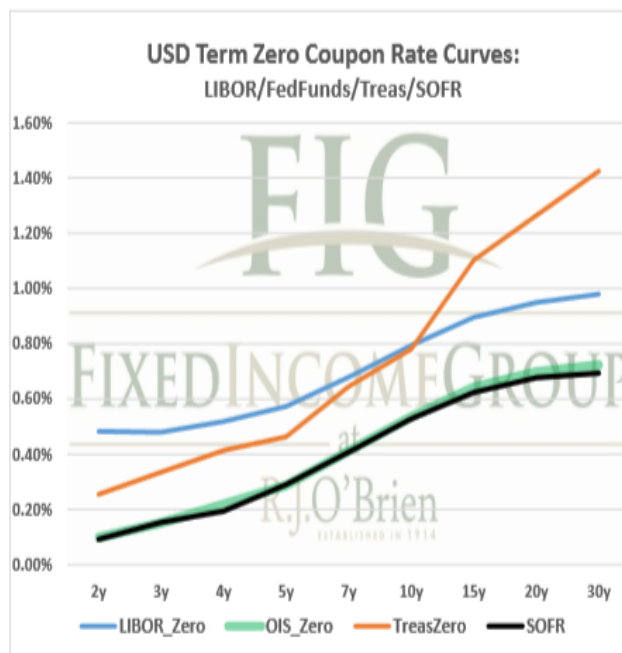
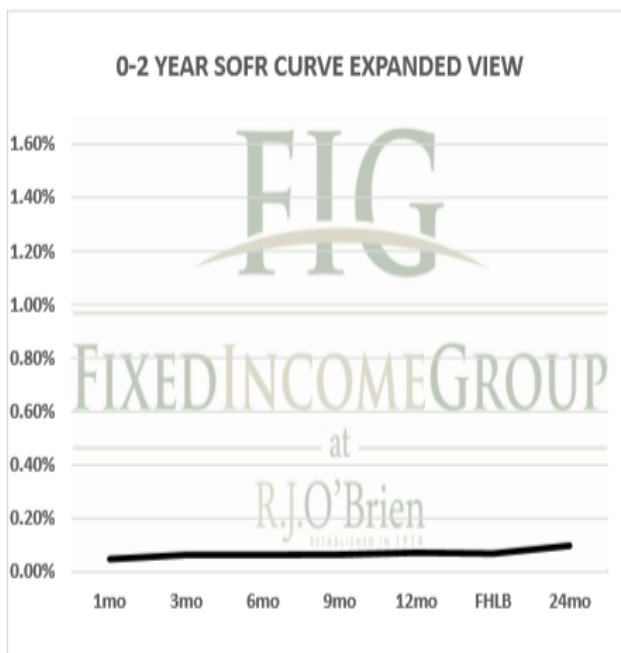
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THE SOFR CURVE

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Making the change from LIBOR to a new reference rate is not an insignificant exercise. It will take planning and changes to processes and systems. Sonia and SOFR appear likely to offer two options for users: compounded, setting in arrears (currently used in OIS markets) or a term rate setting in advance like LIBOR. You have questions, we have answers.



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Corrine Baynes
VP the Fixed Income Group at RJO
800-367-3349

4/9/2020 6:26 ct

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4/9/2020 6:26

Term SOFR from 1-day Returns						
0.04807%	0.06456%	0.06430%	0.06468%	0.07204%	0.06894%	0.09824%
1.000040061	1.000163183	1.0003269	1.00049405	1.0007304	1.0006472	1.0019922
1mo	3mo	6mo	9mo	12mo	FHLB	24mo
4/9/2020	4/9/2020	4/9/2020	4/9/2020	4/9/2020	4/9/2020	4/9/2020
5/8/2020	7/8/2020	10/8/2020	1/8/2021	4/8/2021	3/12/2021	4/8/2022
30	91	183	275	365	338	730
Term SOFR+Credit from 1-day Returns						
1.10932%	1.12721%	1.12848%	1.13033%	1.13932%	1.15774%	1.17265%
1.000924433	1.002849337	1.0057364	1.0086345	1.0115514	1.0176234	1.0237788
1mo	3mo	6mo	9mo	12mo	18mo	24mo
4/9/2020	4/9/2020	4/9/2020	4/9/2020	4/9/2020	4/9/2020	4/9/2020
5/8/2020	7/8/2020	10/8/2020	1/8/2021	4/8/2021	10/8/2021	4/8/2022
30	91	183	275	365	548	730

SOFR

1- Month 0.04807

3-Month 0.06456

6-Month 0.06420

1-Year 0.072040

ICE-SETTLED LIBOR

1-Month Libor Set	0.82888	-.03462	(99.17112)
3-Month Libor Set	1.31138	-.00850	(98.68862)
6-Month Libor Set	1.22825	+.00375	(98.77175)
1-Year Libor Set	1.05313	+.00838	(98.94687)

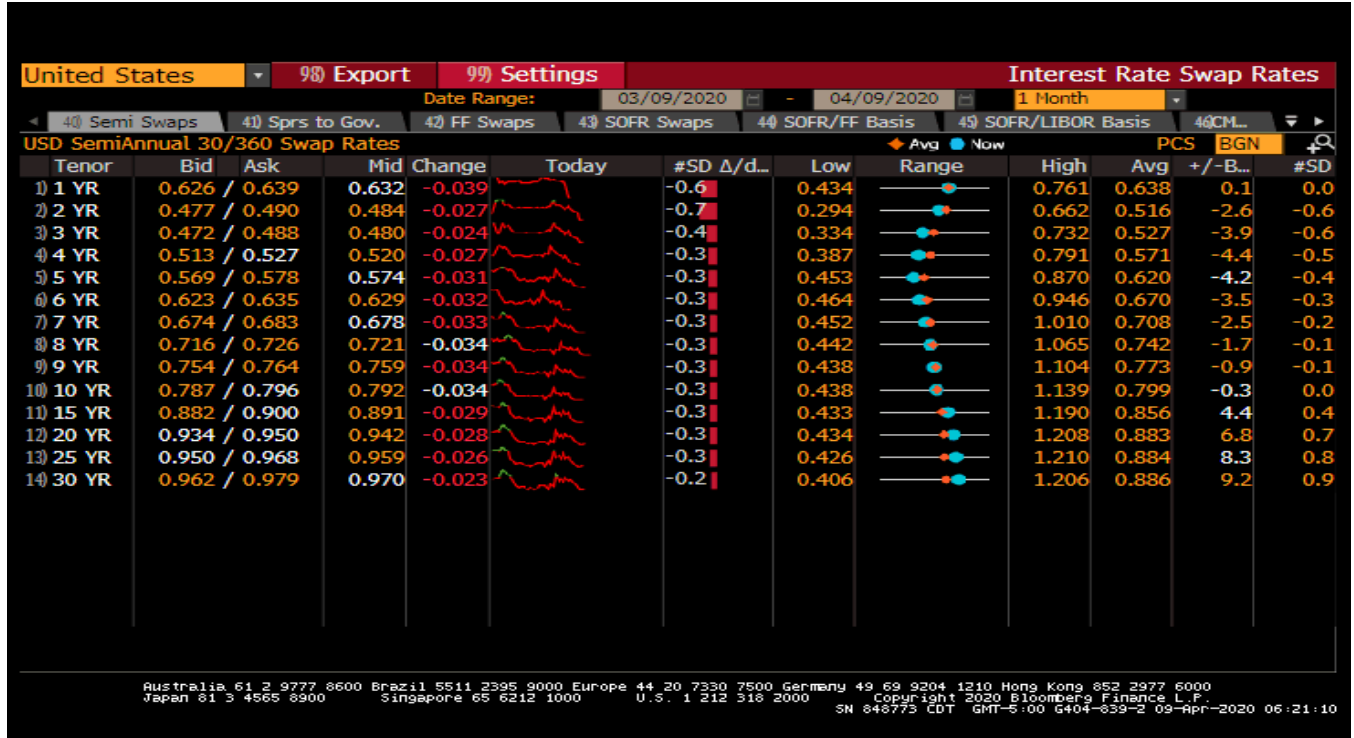
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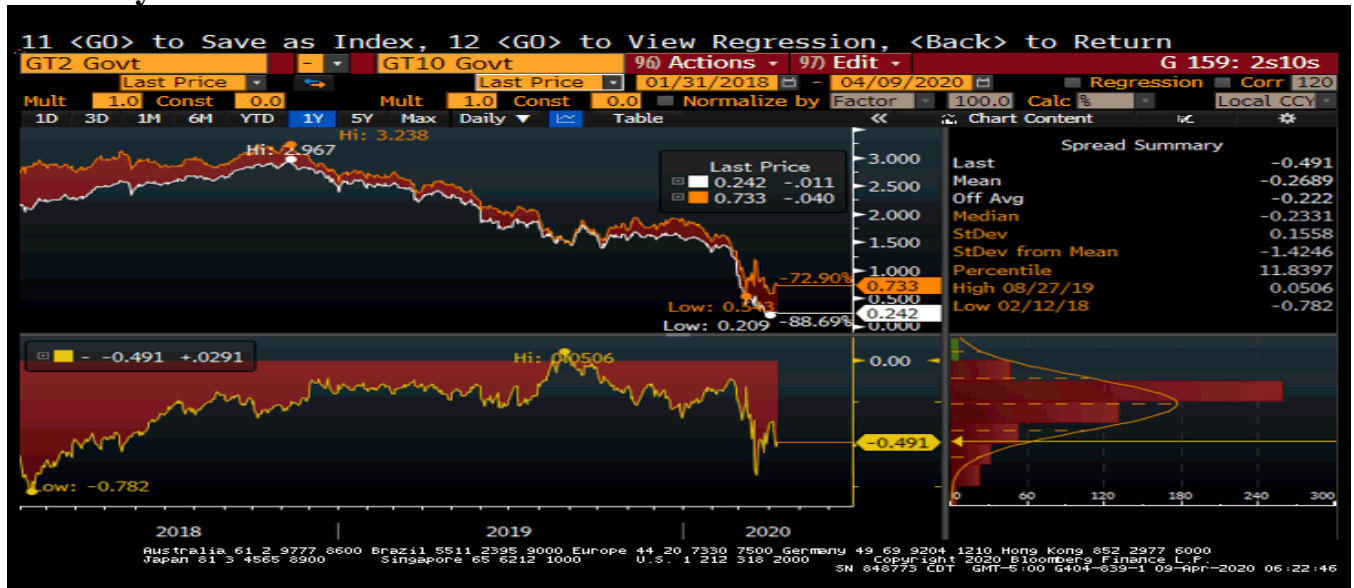
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US-SWAP curve and Treasury 2s/10s chart

IRSB <GO>



Treasury 2s/10s



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THEY SAID IT:

The Good:

The Fed has taken quick and decisive action in blasting liquidity into the U.S. and global financial system and providing funding support for many markets and entities such as the Treasury market, mortgage-backed securities market, corporate bond market, commercial paper market, muni market, asset-backed loan market, government securities dealers, money market funds, and even small and mid-sized businesses via the purchase of bank-originated PPP loans.

The Fed has already purchased securities and provided funding so rapidly that its balance sheet since the end of February has soared by +\$1.65 trillion (+40%) to a record \$5.812 trillion. That means that the Fed in just four weeks has nearly matched the \$1.7 trillion QE3 program that took the Fed about two years to complete (i.e., from Sep 2012 to Oct 2014)

The Bad:

Senate Majority Leader McConnell is still hoping to get the Senate today to approve by unanimous consent his proposal for a \$250 billion boost in the Paycheck Protection Program (PPP) from its current size of \$350 billion. However, House Speaker Pelosi and Senate Minority Leader Schumer are promoting an even larger \$500 billion package that has the \$250 billion of PPP funding, plus \$100 billion for hospitals, \$150 billion for state and local governments, and a 15% increase in the SNAP food stamp program.

Even if the Senate passes a bill that is acceptable to Democrats, it remains unclear whether Speaker Pelosi will be able to get the House to approve a bill by unanimous consent. Kentucky GOP Representative Thomas Massie indicated that he might again object and block a House unanimous consent vote because of his belief that House members should be required to register their votes on the floor as normal. That would require Ms. Pelosi to again call House members back to Washington in order to vote and get the bill approved. She has shown, however, that she can get members back to Washington for a vote in less than 24 hours.

The Italian 10-year government bond yield on Wednesday rose to a 3-week high but then fell back and closed the day +4 bp at 1.65%, adding to Tuesday's +13 bp up-move. The spread of the Italian 10-year yield over the German bund yield on Wednesday closed at 196 bp, about midway between February's pre-pandemic level of 130 bp and the mid-March 10-month high of 279 bp.

The Italian bond yield rose on Wednesday after EU finance ministers after a long teleconference on Tuesday night were unable to agree on a 500 billion Euro rescue. The main sticking point is reportedly a dispute between the Netherlands and Italy over the conditions attached to the potential use of credit lines from the Eurozone's ESM bailout fund to finance pandemic rescue spending. Also, Germany and other countries are still refusing to agree to any jointly-issued corona-bonds that could put German taxpayers directly on the hook for paying other Eurozone member's debts.

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The Ugly:

There was some optimism yesterday when Russian's energy ministry said that Moscow would cut production by 1.6 million bpd (about 15% of its production) as part of a deal that includes OPEC+ members, as well as other countries such as the U.S. However, Russia nixed the Trump administration's idea of a U.S. production cut. The Trump administration has been pitching the idea that the U.S. contribution to a production agreement could be the 1 million bpd cut in U.S. production that the EIA expects this year due to adverse oil market conditions. Kremlin spokesman Dmitry Peskov told reporters, "You are comparing the overall demand drop with cuts aimed at stabilizing the global market. These are completely different things."

OPEC+ members will hold a teleconference today. Saudi Arabia on Friday will then host a virtual meeting of G20 energy ministers. It remains unclear what type of math OPEC+ will use if they are going to claim a 10 million bpd cut. In any case, a 10 million bpd cut (which is close to a -10% cut in world oil production) will not come close to estimates of a 25-30% drop in world oil demand due to the pandemic. Even a real 10 million bpd cut today would at best delay the time until the world's oil storage facilities are totally full, at which point oil prices could fall into the teens.

EQUITIES

The S&P is **-14** and the NASDAQ is **-37**.

Earnings:

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

On Bloomberg type in ACDR <GO>

UK

In the UK the FTSE closed +1.09%.

BOE Rate +0.75%. (No change).

Next meeting 05/07/20

EU

The CAC Index closed -0.17%.

The DAX Index closed +0.21%.

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

Deposit Facility Rate -.50%

Next meeting 04/30/20

Japan

The TOPIX closed -0.60%.

The NIKKEI closed -0.04%.

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

Next meeting 04/28/20

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China:

The Hang Seng closed +1.38%.

The Shanghai Composite closed +0.37%.

PBOC

Deposit Rate: 1.50%

Lending Rate: 4.35%

7-Day Repo Rate: 2.0944%

Reserve Requirement Ratio: 12.50%

THE TREND

EDM0: **99-45** is the pivot. Above the pivot you should be long, below short.

Support is at **99-45**[^] and **99-33.5**^{**}

Resistance is at **99-57.25**^{**}.

[^]Pivot Point is a simple 20-day moving average. ^{**} 2-STD Deviations from the pivot point.

Position that had you long from 99-49 (04/02/20) has rolled over resulting in a 4- tick loss (\$100.00) and a short position from 99-45 (04/06/20).

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YTD (per contract)
2019 +147 ticks (+\$3,675.00)
2018 +36.5 ticks (+\$912.50)
2017 +33.0 ticks (+\$825.00)

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Ultra 10-year Note (UXYM0): 154-18 is the pivot point.

Above the pivot you should be long, below short.

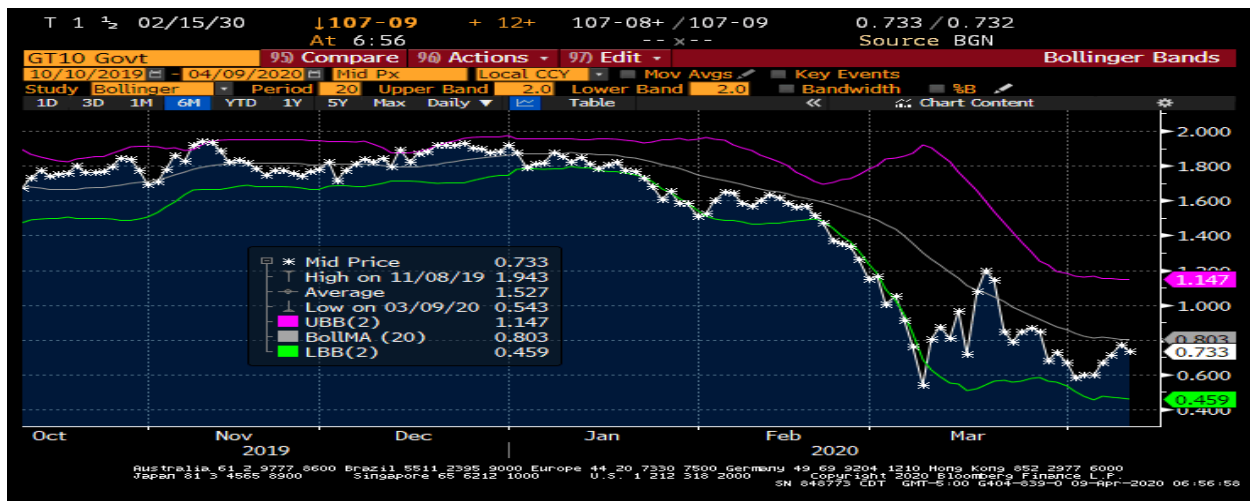
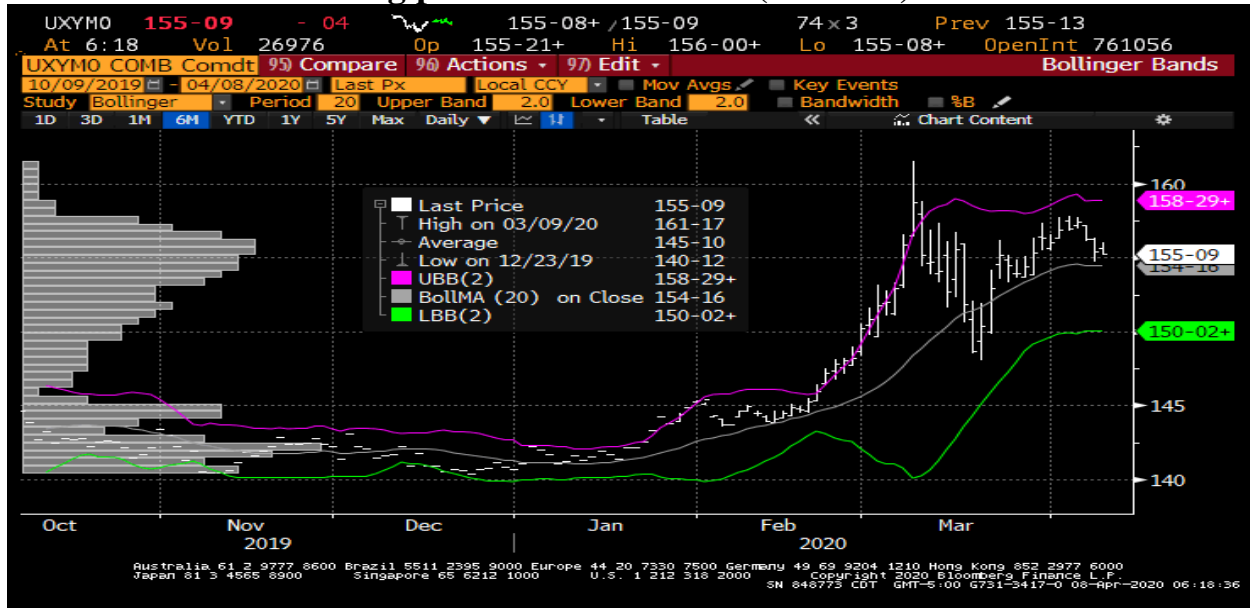
Support is at **154-18^** and **150-04****

Resistance is at **158-31.5****

0|pivot Point is a simple 20-day moving average.

** 2-STD Deviations from the pivot point

Trend that had short position from 151-10 3/18/20, has rolled over resulting in a 34-tick loser and a long position from 152-13 (03/20/30).



YTD (per contract)

(2020) +298.5 futures ticks (\$31.25 per tick) or +\$9,328.13

(2019) +351.5 futures ticks (\$31.25 per tick) or +\$10,984.38

(2018) +185.0 futures ticks (\$31.25 per tick) or +\$5,781.13

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Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, September 2019
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				
	2019	2020	2021	2022	Longer run	2019	2020	2021	2022	Longer run	2019	2020	2021	2022	Longer run
	Change in real GDP	2.2	2.0	1.9	1.8	1.9	2.1-2.3	1.8-2.1	1.8-2.0	1.7-2.0	1.8-2.0	2.1-2.4	1.7-2.3	1.7-2.1	1.6-2.1
June projection	2.1	2.0	1.8		1.9	2.0-2.2	1.8-2.2	1.8-2.0		1.8-2.0	2.0-2.4	1.5-2.3	1.5-2.1		1.7-2.1
Unemployment rate	3.7	3.7	3.8	3.9	4.2	3.6-3.7	3.6-3.8	3.6-3.9	3.7-4.0	4.0-4.3	3.5-3.8	3.3-4.0	3.3-4.1	3.3-4.2	3.6-4.5
June projection	3.6	3.7	3.8		4.2	3.6-3.7	3.5-3.9	3.6-4.0		4.0-4.4	3.5-3.8	3.3-4.0	3.3-4.2		3.6-4.5
PCE inflation	1.5	1.9	2.0	2.0	2.0	1.5-1.6	1.8-2.0	2.0	2.0-2.2	2.0	1.4-1.7	1.7-2.1	1.8-2.3	1.8-2.2	2.0
June projection	1.5	1.9	2.0		2.0	1.5-1.6	1.9-2.0	2.0-2.1		2.0	1.4-1.7	1.8-2.1	1.9-2.2		2.0
Core PCE inflation ⁴	1.8	1.9	2.0	2.0		1.7-1.8	1.9-2.0	2.0	2.0-2.2		1.6-1.8	1.7-2.1	1.8-2.3	1.8-2.2	
June projection	1.8	1.9	2.0			1.7-1.8	1.9-2.0	2.0-2.1			1.4-1.8	1.8-2.1	1.8-2.2		
Memo: Projected appropriate policy path															
Federal funds rate	1.9	1.9	2.1	2.4	2.5	1.6-2.1	1.6-2.1	1.6-2.4	1.9-2.6	2.5-2.8	1.6-2.1	1.6-2.4	1.6-2.6	1.6-2.9	2.0-3.3
June projection	2.4	2.1	2.4		2.5	1.9-2.4	1.9-2.4	1.9-2.6		2.5-3.0	1.9-2.6	1.9-3.1	1.9-3.1		2.4-3.3

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 18-19, 2019. 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 18-19, 2019, meeting, and one participant did not submit such projections in conjunction with the September 17-18, 2019, 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.

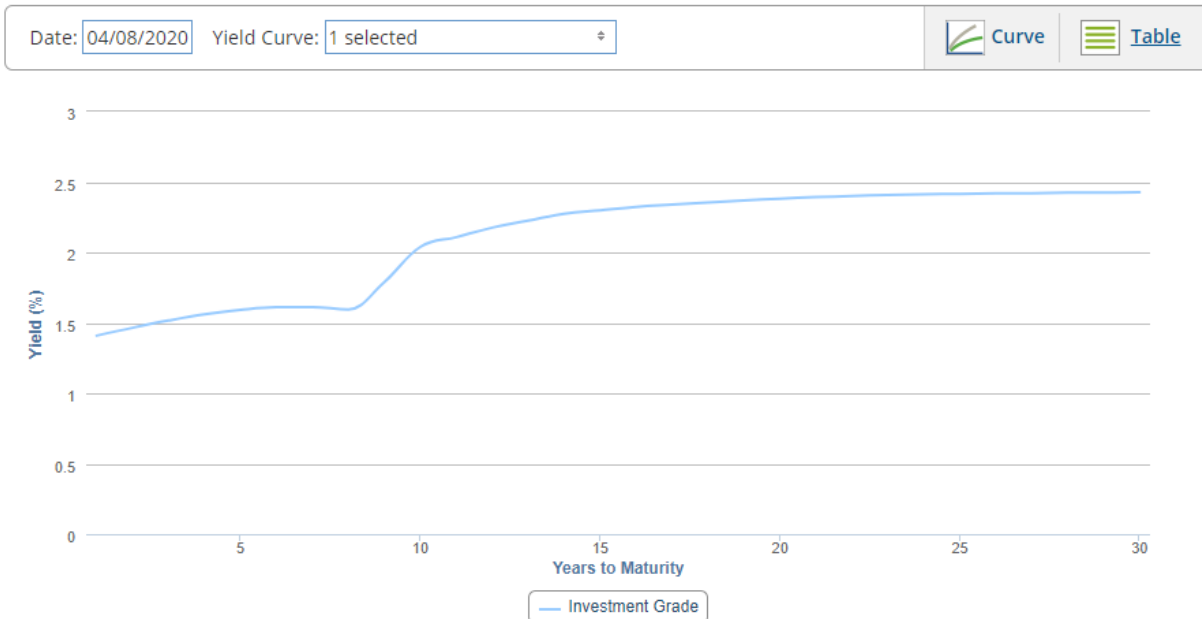
<http://www.federalreserve.gov/monetarypolicy/files/fomcprojtab120190918.pdf>

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/ToolAndResources/MBISYieldCurve?daily=True>

Daily Yield Curves for 04/08/2020



<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.



Bureau of Labor Statistics

<https://www.bls.gov/web/empsit/cesnaicsrev.htm>

Nonfarm Payroll Employment: Revisions between over-the-month estimates, 1979-present

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KC Federal Reserve Agricultural Finance Databook

<https://www.kansascityfed.org/research/indicatorsdata/agfinancedatabook/articles/2020/1-16-20/ag-finance-dbk-1-16-2020>

The volume of agricultural lending at commercial banks remained elevated but declined for a second consecutive quarter. Total non-real estate farm loans decreased about 12 percent in the fourth quarter and declined over consecutive quarters for the first time since early 2017 (Chart 1). Following average annual growth of more than 10 percent in 2017 and 2018 and several quarters of sharp increases, lending activity contracted in the second half of the year and, on average, was 5 percent lower in 2019.

Despite decreasing from a year ago, farm lending volumes remained higher than the 20-year average. Total volume of non-real estate loans averaged about \$90 billion in 2019 and was about 8 percent above the average since 1999 (Chart 2). Overall, persistent weaknesses in the farm sector have continued to stimulate strong demand for agricultural lending, although Market Facilitation Program payments in the second half of 2019 and relatively strong crop yields may have curbed demand in the fourth quarter. In fact, on a rolling four-quarter basis, farm lending has been above the recent historical norm for all but three quarters since 2014.

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 Overview and Summary Count

<https://bakerhughesrigcount.gcs-web.com/rig-count-overview?c=79687&p=irol-rigcountsoverview>

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

https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_es1b

Renewable Fuels Association

<http://www.ethanolrfa.org/>

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Rail Traffic

For this week, total U.S. weekly rail traffic was 429,095 carloads and intermodal units, down 15.9 percent compared with the same week last year.

Total carloads for the week ending April 4 were 210,911 carloads, down 16.2 percent compared with the same week in 2019, while U.S. weekly intermodal volume was 218,184 containers and trailers, down 15.7 percent compared to 2019.

Two of the 10 carload commodity groups posted an increase compared with the same week in 2019. They were miscellaneous carloads, up 1,369 carloads, to 10,336; and forest products, up 127 carloads, to 9,916. Commodity groups that posted decreases compared with the same week in 2019 included coal, down 17,587 carloads, to 57,504; motor vehicles and parts, down 14,389 carloads, to 3,171; and nonmetallic minerals, down 4,526 carloads, to 31,527.

“The impact of the novel coronavirus on railroads is growing,” said AAR Senior Vice President John T. Gray. “Since 1988, when our data begin, total U.S. rail carloads were lower than they were last week only during a few Christmas and New Year’s weeks, when rail operations are seasonally low. Part of the problem now is sustained weakness in coal carloads, but even excluding coal, carloads last week were down 13.1%. We haven’t seen sustained declines of that magnitude since the Great Recession. The worst performing commodity category last week was autos and auto parts, with North American carloads down 84% from what they were just three weeks ago. It wasn’t just autos, though: last week, 13 of the 20 U.S. carload categories we track, representing 87% of total carloads, saw year-over-year declines, including big declines in steel scrap, steel products, nonferrous scrap, crushed stone and sand, and petroleum products. Based on rail data, it’s clear that many sectors of U.S. industry are beginning to feel the impact of coronavirus disruptions.

“Intermodal volume last week was down 15.7% over last year,” Gray said. “With China in the very early stages of its own recovery, whether intermodal volumes will continue to fall – and if they do continue to fall, how far – will now depend to a large extent on what happens with consumer spending in North America. That, in turn, will depend on how long social distancing steps must remain in place; how well and how quickly federal and state unemployment insurance and other programs fill gaps in household cash flows; and how much the current situation causes consumers to lose long-term confidence and remain in retrench mode not just when health concerns begin to recede but, more importantly, when they have been largely resolved.”

For the first 14 weeks of 2020, U.S. railroads reported cumulative volume of 3,203,962 carloads, down 7.1 percent from the same point last year; and 3,396,469 intermodal units, down 9.1 percent from last year. Total combined U.S. traffic for the first 14 weeks of 2020 was 6,600,431 carloads and intermodal units, a decrease of 8.1 percent compared to last year.

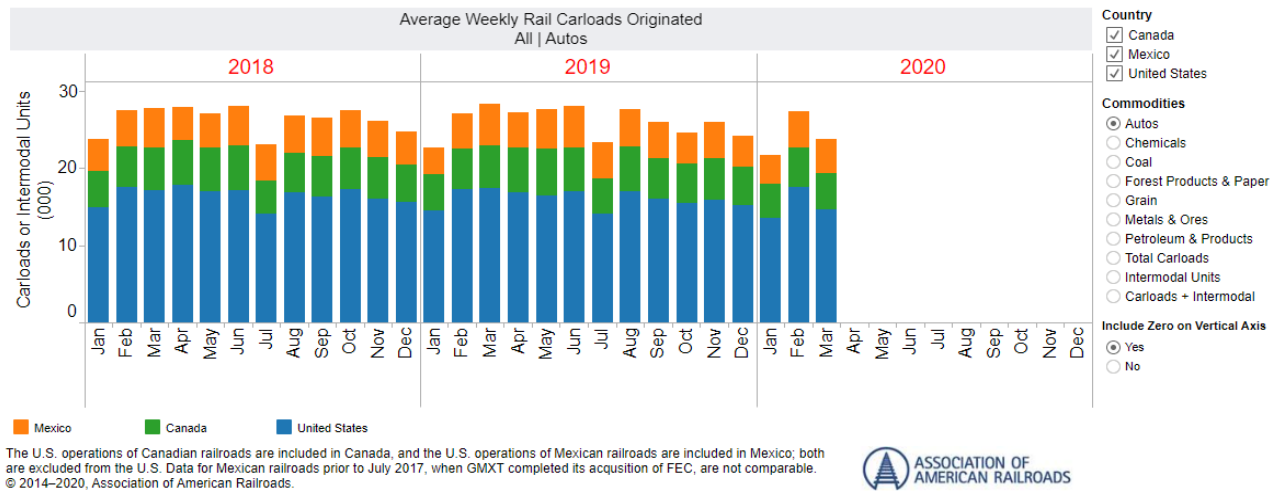
North American rail volume for the week ending April 4, 2020, on 12 reporting U.S., Canadian and Mexican railroads totaled 301,234 carloads, down 16.7 percent compared with the same week last year, and 295,476 intermodal units, down 15.5 percent compared with last year. Total combined weekly rail traffic in North America was 596,710 carloads and intermodal units, down 16.1 percent. North American rail volume for the first 14 weeks of 2020 was 9,086,742 carloads and intermodal units, down 6.7 percent compared with 2019.

Canadian railroads reported 73,841 carloads for the week, down 17.1 percent, and 63,604 intermodal units, down 12.7 percent compared with the same week in 2019. For the first 14 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 1,976,487 carloads, containers and trailers, down 3.7 percent.

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Mexican railroads reported 16,482 carloads for the week, down 21.8 percent compared with the same week last year, and 13,688 intermodal units, down 24.3 percent. Cumulative volume on Mexican railroads for the first 14 weeks of 2020 was 509,824 carloads and intermodal containers and trailers, up 0.3 percent from the same point last year.

<https://www.aar.org/news/weekly-rail-traffic-for-the-week-ending-april-4-2020/>

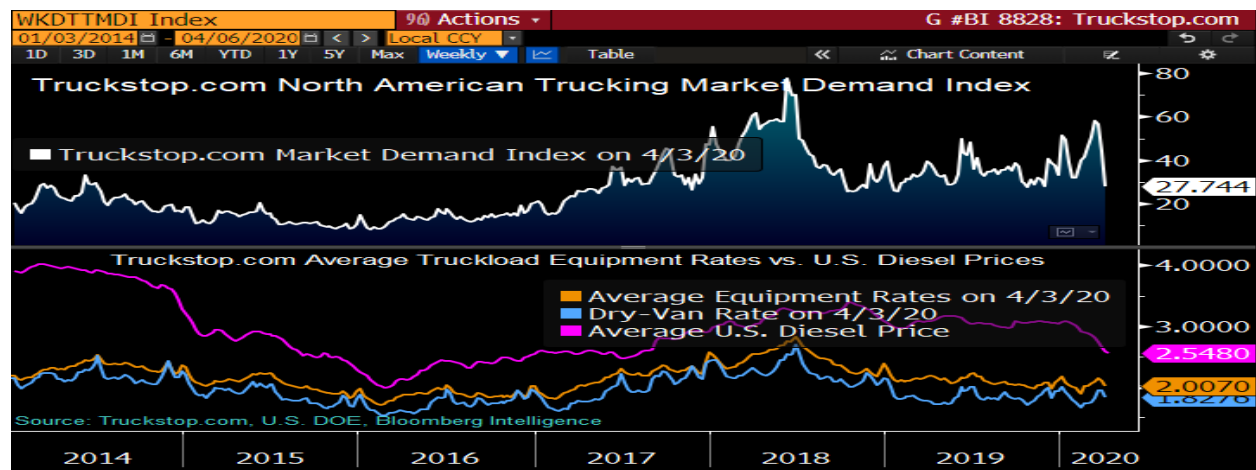


<https://www.aar.org/data-center/rail-traffic-data/>

Trailer Truck Demand 4/6/20

The coronavirus' crushing impact on the freight economy is finally beginning to take a toll on North American spot trucking relative demand, after a few weeks of surge activity fueled by panic buying and shippers' rush to restock shelves. Truckstop.com's Market Demand Index (MDI) plummeted 37% sequentially in the week ended April 3, fueled by sharp pullbacks in dry-van (down 45%) and reefer (down 39%) activity. Spot rates, excluding fuel surcharges, fell 4.6% in the week. Downward pressure on demand and rates, as well as increased insurance costs, could force additional small carriers out of business, in our view.

USA Truck, Knight-Swift, J.B. Hunt and Werner operate mostly in the contract market, with varying spot exposure. Brokers such as C.H. Robinson and XPO are also exposed to the spot market.



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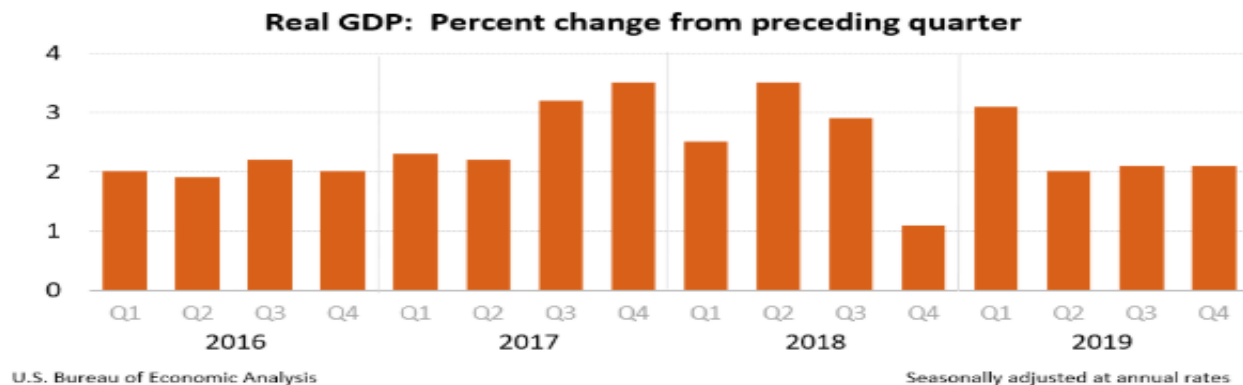
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GDP

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

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

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



As of 04/03/20 1Q GDP is running at *1.35%, down from *1.35% on 04/02/20.

*simple average of the regionals reporting 1st quarter GDP estimates.

As of 04/03/20 2Q GDP is running at **-0.4%

** Ny Fed estimate

Atlanta Fed Real GDP Nowcast... Q1 2020: 1.3% as of April 2, 2020

The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2020 is **1.3 percent** on April 2, down from 2.2 percent on April 1. After this morning's data releases from the U.S. Census Bureau and the U.S. Bureau of Economic Analysis, the nowcasts of the first-quarter real personal consumption expenditure growth and first-quarter real gross private domestic investment growth decreased from 1.3 percent and 2.4 percent, respectively, to 0.5 percent and 0.8 percent, respectively.

*The next GDPNow update is **Thursday, April 9**. Please see the "Release Dates" tab below for a list of upcoming releases.*

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

St. Louis Fed Real GDP Nowcast... Q1 2020: 1.25% as of April 1, 2020

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

NY Fed GDP Nowcast... Q1 2020: 1.5% as of April 3, 2020

The New York Fed Staff Nowcast stands at 1.5% for 2020: Q1 and **-0.4% for 2020: Q2**.

News from this week's releases, which included the first hard data for March, decreased the nowcast for 2020: Q1 by 0.2 percentage point and decreased the nowcast for 2020:Q2 by 0.7 percentage point.

Negative surprises from labor data drove most of the decrease.

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

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Manufacturing at a Glance
January 2020

MANUFACTURING AT A GLANCE
MARCH 2020

Index	Series Index Mar	Series Index Feb	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	49.1	50.1	-1.0	Contracting	From Growing	1
New Orders	42.2	49.8	-7.6	Contracting	Faster	2
Production	47.7	50.3	-2.6	Contracting	From Growing	1
Employment	43.8	46.9	-3.1	Contracting	Faster	8
Supplier Deliveries	65.0	57.3	+7.7	Slowing	Faster	5
Inventories	46.9	46.5	+0.4	Contracting	Slower	10
Customers' Inventories	43.4	41.8	+1.6	Too Low	Slower	42
Prices	37.4	45.9	-8.5	Decreasing	Faster	2
Backlog of Orders	45.9	50.3	-4.4	Contracting	From Growing	1
New Export Orders	46.6	51.2	-4.6	Contracting	From Growing	1
Imports	42.1	42.6	-0.5	Contracting	Faster	2
OVERALL ECONOMY				Growing	Slower	131
Manufacturing Sector				Contracting	From Growing	1

Average for 12 months - 50.0

High - 53.4

Low - 47.8

<https://www.instituteforsupplymanagement.org/ISMReport>

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[US Census Bureau \(Manufacturers' Shipments, Inventories and Orders\).](http://www.census.gov/manufacturing/m3/)

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

Ranking of Countries by Military might.

www.military.com

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>

The Periodic Table of Commodity Returns 2019

Explore how natural resources have performed over the last 10 years on the interactive chart below.

Click a commodity to see its trend or the sidebar to reveal the historical pattern of your choice.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Key	View:
96.60% Pd	10.06% Au	19.19% Au	26.23% Au	11.35% Pd	-2.50% Pb	103.67% Zn	56.25% Pd	18.59% Pd	54.21% Pd	Aluminum Al	Best Performer
83.21% Ag	8.15% Ni	15.19% Pb	7.19% Ni	6.91% Ni	-9.63% Au	60.59% Zn	32.39% Al	17.86% Au	34.46% Ni	Coal Co	Worst Performer
51.75% Au	5.76% Ni	12.16% Zn	1.70% Pd	3.91% Zn	-10.42% Au	59.35% Zn	31.19% Al	6.91% Au	31.55% Ni	Copper Cu	Least Volatile
46.68% Au	2.78% Au	12.11% Au	0.17% Zn	3.80% Al	-10.72% Au	45.03% Ni	30.49% Cu	-0.44% Au	21.48% Pt	Corn Co	Most Volatile
33.90% Ni	-9.94% Ag	9.87% Pt	-1.00% Ni	-1.72% Au	-11.75% Ag	20.96% Pd	30.49% Zn	-1.58% Au	18.31% Au	Gas G	Base Metals
31.44% Cu	-17.82% Au	8.98% Ag	-5.44% Pb	-2.24% Au	-17.79% Al	17.37% Cu	27.51% Ni	-8.53% Ag	15.21% Ag	Gold Au	Precious Metals
31.39% Pd	-18.27% Pd	8.00% Au	-6.72% Cu	-5.52% Au	-19.11% Al	14.86% Ag	24.27% Pb	-14.49% Pt	11.03% Ag	Lead Pb	Grains
29.52% Au	-18.95% Al	7.52% Pd	-11.03% Pt	-11.79% Pt	-20.31% Au	13.58% Al	13.09% Au	-16.54% Ni	3.40% Au	Nickel Ni	Energy-Related
20.79% Pt	-20.86% Pt	7.14% Au	-14.02% Al	-14.00% Cu	-26.07% Pt	13.49% Ni	12.47% Ni	-17.43% Al	3.36% Cu	Oil O	Gold and Oil
15.15% Ni	-21.36% Cu	4.18% Cu	-18.63% Ni	-15.51% Ni	-26.10% Cu	11.27% Pb	6.42% Ag	-17.46% Cu	-4.38% Al	Palladium Pd	Gold and Silver
12.01% Al	-21.55% Pb	2.33% Al	-22.20% Au	-16.00% Pb	-26.50% Zn	8.56% Au	4.66% Au	-19.23% Pb	-4.66% Pb	Platinum Pt	Reset
6.72% Pb	-24.22% Ni	-7.09% Au	-28.04% Au	-19.34% Ag	-29.43% Pd	1.16% Pt	2.99% Pt	-22.16% Pd	-9.49% Zn	Silver Ag	
-3.36% Zn	-25.24% Zn	-9.22% Ni	-35.84% Ag	-31.21% Ag	-30.47% Ni	-1.88% Au	-0.36% Au	-24.54% Zn	-18.02% Zn	Wheat W	
-20.94% Au	-32.15% Au	-16.78% Pd	-39.56% Au	-45.58% Ni	-41.75% Ni	-13.19% Au	-20.70% Au	-24.84% Au	-25.54% Au	Zinc Zn	

<http://www.usfunds.com/interactive/the-periodic-table-of-commodity-returns-2019/#.XDjAAIxKiUk>

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