



## The Missile

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

### THEY SAID IT:

Democratic leaders have given up on including the minimum wage hike to \$15 per hour in President Biden's \$1.9 trillion pandemic aid bill that the House passed last week.

The Senate parliamentarian ruled last week that the minimum wage cannot be included in the pandemic aid bill because it doesn't qualify under the budget reconciliation rules. While many Democrats were disappointed with that ruling, the removal of that measure will make the bill much easier to pass in the Senate since there was opposition among some Democratic Senators to a minimum wage hike to as high as \$15 per hour.

Democrats could overrule the parliamentarian on the minimum wage decision with a majority vote, but the Biden administration recently said it does not want Vice President Harris voting in favor of that idea and defying the Senate parliamentarian.

There was some talk among Democrats about devising a tax related to the minimum wage that could help it qualify for the budget reconciliation bill by giving it larger budget impact. However, the No. 2 Senate Democrat, Dick Durbin, said yesterday that the tax idea would not work. He said, "I hope that we think very seriously about dealing with the minimum wage in a different venue."

The Senate today is expected to continue yesterday's work of voting on nominations of Biden cabinet officials. However, the Senate is then expected to turn to the pandemic aid bill starting Wednesday. If the Senate revises the House bill, then the House will have to pass the revised version.

T-note prices on Monday remained relatively stable for a second session after last Thursday's extraordinary upward spike in the 10-year T-note yield to a 1-year high of 1.61%. The T-note yield on Monday closed at 1.42%, which was 19 bp below last Thursday's 1-year high. The more stable T-note market seen in the past two sessions suggests that last Thursday's spike was overdone since the Fed is

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still not expected to raise interest rates or curb its QE program for at least a year. The Eurodollar futures market is not expecting the Fed's first +25 bp rate hike until late 2022.

However, the markets will remain on edge during the remainder of this week due to appearances by various Fed officials. Last week's plunge in T-note prices was mainly due to comments by Fed Chair Powell and other Fed officials suggesting that they are ok with the recent surge in T-note yields because it simply indicates that the pandemic is fading and the markets are expecting a full economic recovery.

T-note prices have also fallen sharply due to sharp upward revisions in GDP forecasts tied to past and upcoming fiscal stimulus. President Biden's \$1.9 trillion pandemic aid bill is expected to pass Congress by next Friday. Democratic leaders are already working on the next stimulus package that is expected to include massive spending on infrastructure, clean energy, and other areas.

### **Germany Is a Flashpoint in the U.S.-China Cold War**

<https://www.bloomberg.com/opinion/articles/2021-02-23/germany-is-a-flashpoint-in-the-cold-war-between-u-s-and-china?srnd=premium&sref=k5DuN3at>

### **Germany to extend coronavirus lockdown until March 28: draft**

<https://www.reuters.com/article/us-health-coronavirus-germany/germany-to-extend-coronavirus-lockdown-until-march-28-draft-idUSKBN2AU121>

### **Better Cables Could Halve U.S. Grid Emissions by 2030, Gates-Led Group Says**

<https://www.bloomberg.com/news/articles/2021-03-02/bill-gates-led-group-shows-u-s-grid-emissions-can-fall-45?srnd=premium&sref=k5DuN3at>

### **Getting Up Close and Personal with Interstellar Objects**

<https://www.bloomberg.com/?sref=k5DuN3at>

### **Mining magnets: Arctic island finds green power can be a curse**

<https://www.reuters.com/article/us-rareearths-greenland-usa-china-insigh/mining-magnets-arctic-island-finds-green-power-can-be-a-curse-idUSKBN2AU0FM>

### **BATS and the ORIGIN of OUTBREAKS**

<https://graphics.reuters.com/HEALTH-CORONAVIRUS/BATS/qzjqpglbpqx/index.html>

### **House Democrats seek reform of federal lands drilling program**

<https://www.reuters.com/article/us-usa-drilling-democrats/house-democrats-seek-reform-of-federal-lands-drilling-program-idUSKCN2AU1AQ>

### **New York attorney general warns cryptocurrency industry: ‘Play by the rules or we will shut you down’**

<https://www.cnbc.com/2021/03/01/new-york-attorney-general-warns-cryptocurrency-industry-play-by-the-rules-or-we-will-shut-you-down.html>

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A major Chinese bitcoin mining hub is shutting down its cryptocurrency operations  
<https://www.cnbc.com/2021/03/02/china-bitcoin-mining-hub-to-shut-down-cryptocurrency-projects.html>

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United States Browse 09:34:00 03/02/21 - 03/21/21

Economic Releases All Economic Releases View Agenda Weekly

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	03/02					Wards Total Vehicle Sales	Feb	16.00m	--	16.63m	--
22)	03/03	06:00				MBA Mortgage Applications	Feb 26	--	--	-11.4%	--
23)	03/03	07:15				ADP Employment Change	Feb	200k	--	174k	--
24)	03/03	08:45				Markit US Composite PMI	Feb F	--	--	58.8	--
25)	03/03	08:45				Markit US Services PMI	Feb F	58.9	--	58.9	--
26)	03/03	09:00				ISM Services Index	Feb	58.7	--	58.7	--
27)	03/03	13:00				U.S. Federal Reserve Releases Beige Book					
28)	03/04	06:30				Challenger Job Cuts YoY	Feb	--	--	17.4%	--
29)	03/04	07:30				Nonfarm Productivity	4Q F	-4.7%	--	-4.8%	--
30)	03/04	07:30				Unit Labor Costs	4Q F	6.7%	--	6.8%	--
31)	03/04	07:30				Initial Jobless Claims	Feb 27	750k	--	730k	--
32)	03/04	07:30				Continuing Claims	Feb 20	4300k	--	4419k	--
33)	03/04	08:45				Langer Consumer Comfort	Feb 28	--	--	47.3	--
34)	03/04	09:00				Durable Goods Orders	Jan F	3.4%	--	3.4%	--
35)	03/04	09:00				Factory Orders	Jan	2.1%	--	1.1%	--
36)	03/04	09:00				Durables Ex Transportation	Jan F	1.4%	--	1.4%	--
37)	03/04	09:00				Factory Orders Ex Trans	Jan	--	--	1.4%	--
38)	03/04	09:00				Cap Goods Orders Nondef Ex Air	Jan F	0.5%	--	0.5%	--
39)	03/04	09:00				Cap Goods Ship Nondef Ex Air	Jan F	--	--	2.1%	--
40)	03/05	07:30				Average Hourly Earnings YoY	Feb	5.3%	--	5.4%	--
41)	03/05	07:30				Change in Nonfarm Payrolls	Feb	181k	--	49k	--
42)	03/05	07:30				Two-Month Payroll Net Revision	Feb	--	--	-159k	--
43)	03/05	07:30				Change in Private Payrolls	Feb	194k	--	6k	--
44)	03/05	07:30				Change in Manufact. Payrolls	Feb	15k	--	-10k	--

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 SN 848775 CST GMT-6:00 H004-108-171 01-Mar-2021 09:34:00

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## Fed Speak

(All times are CST)

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United States Browse 15:39:20 03/02/21 📅 - 06/25/21 📅

Central Banks ▾ All Central Banks View  Agenda  Weekly 🔍

	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	03/02	12:00				Fed's Brainard Discusses Economic Outlook					
22)	03/02	13:00				Fed's Daly Speaks to Economic Club of New York					
23)	03/03	09:00				Fed's Harker Discusses Equitable Workforce Discovery					
24)	03/03	11:00				Fed's Bostic Discusses an Inclusive Economy					
25)	03/03	12:00				Fed's Evans Discusses the Economic Outlook					
26)	03/03	13:00				U.S. Federal Reserve Releases Beige Book					
27)	03/04	11:05				Fed Chair Powell Discusses the U.S. Economy					
28)	03/05	14:00				Fed's Bostic Discusses Macroeconomic Policy					
29)	03/17	13:00				FOMC Rate Decision (Lower Bou...	Mar 17	0.00%	--	0.00%	--
30)	03/17	13:00				FOMC Rate Decision (Upper Bou...	Mar 17	0.25%	--	0.25%	--
31)	03/17	13:30				Powell Holds Press Conference Following FOMC Meeting					
32)	03/22	09:00				Fed's Barkin Speaks With Maryland Bankers Association					
33)	04/07	13:00				FOMC Meeting Minutes	Mar 17	--	--	--	--
34)	04/14	13:00				U.S. Federal Reserve Releases Beige Book					
35)	04/28	13:00				FOMC Rate Decision (Lower Bou...	Apr 28	0.00%	--	--	--
36)	04/28	13:00				FOMC Rate Decision (Upper Bou...	Apr 28	0.25%	--	--	--
37)	04/28	13:30				Powell Holds Press Conference Following FOMC Meeting					
38)	05/19	13:00				FOMC Meeting Minutes	Apr 28	--	--	--	--
39)	06/02	13:00				U.S. Federal Reserve Releases Beige Book					
40)	06/16	13:00				FOMC Rate Decision (Lower Bou...	Jun 16	0.00%	--	--	--
41)	06/16	13:00				FOMC Rate Decision (Upper Bou...	Jun 16	0.25%	--	--	--
42)	06/16	13:30				Powell Holds Press Conference Following FOMC Meeting					

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**US Treasury Auction Schedule  
On Bloomberg:  
NI TRE <go>**

03/01/2021 14:53:18 [BN]

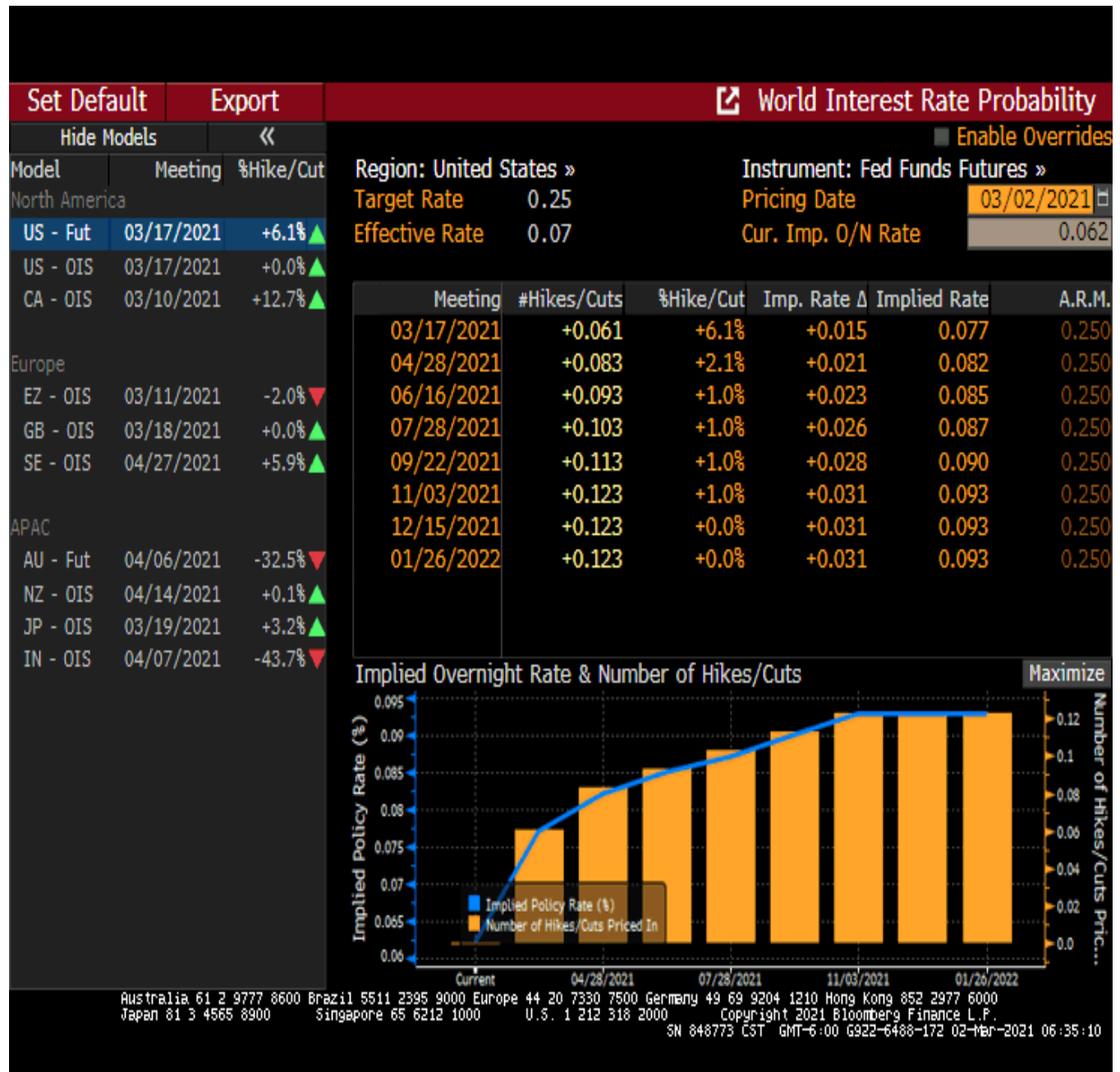
	Next Offer	Next	Date	CUSIP		\$	Prior	Prior
Bill Auctions	Announcement	Auction	Settles	Numbers	R	Bil	Auction	\$ Bln
Cash mgmt. 42-day	TBA	03/02/2021	03/04/2021	9127964Y2		\$30	02/24/2021	
4-week	03/02/2021	03/04/2021	03/09/2021	912796D71		TBA	02/25/2021	\$30
8-week	03/02/2021	03/04/2021	03/09/2021	912796F79		TBA	02/25/2021	\$35
3-month	03/04/2021	03/08/2021	03/11/2021	912796B24		TBA	03/01/2021	\$54
6-month	03/04/2021	03/08/2021	03/11/2021	9127964L0		TBA	03/01/2021	\$51
1-year	03/18/2021	03/23/2021	03/25/2021	TBA		TBA	02/23/2021	\$34
<b>Note Auctions</b>								
2-year	03/18/2021	03/23/2021	03/31/2021	TBA		TBA	02/23/2021	\$60
3-year	03/04/2021	03/09/2021	03/15/2021	91282CBR1		TBA	02/09/2021	\$58
5-year	03/18/2021	03/24/2021	03/31/2021	TBA		TBA	02/24/2021	\$61
7-year	03/18/2021	03/25/2021	03/31/2021	TBA		TBA	02/25/2021	\$62
10-year	03/04/2021	03/10/2021	03/15/2021	91282CBL4	R	TBA	02/10/2021	\$41
<b>Bond Auctions</b>								
20-year	03/11/2021	03/16/2021	03/31/2021	TBA	R	TBA	02/17/2021	\$27
30-year	03/04/2021	03/11/2021	03/15/2021	912810SU3	R	TBA	02/11/2021	\$27
<b>TIPS Auctions</b>								
5-yr TIPS	04/15/2021	04/22/2021	04/30/2021	TBA		TBA	12/22/2020	\$15
10-yr TIPS	03/11/2021	03/18/2021	03/31/2021	TBA	R	TBA	01/21/2021	\$15
30-yr TIPS	TBA	TBA	TBA	TBA		TBA	02/18/2021	\$9
<b>Floating Rate Note</b>								
2-year FRN	03/18/2021	03/24/2021	03/26/2021	TBA	R	TBA	02/24/2021	\$26
<b>Buyback Operation</b>								
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>



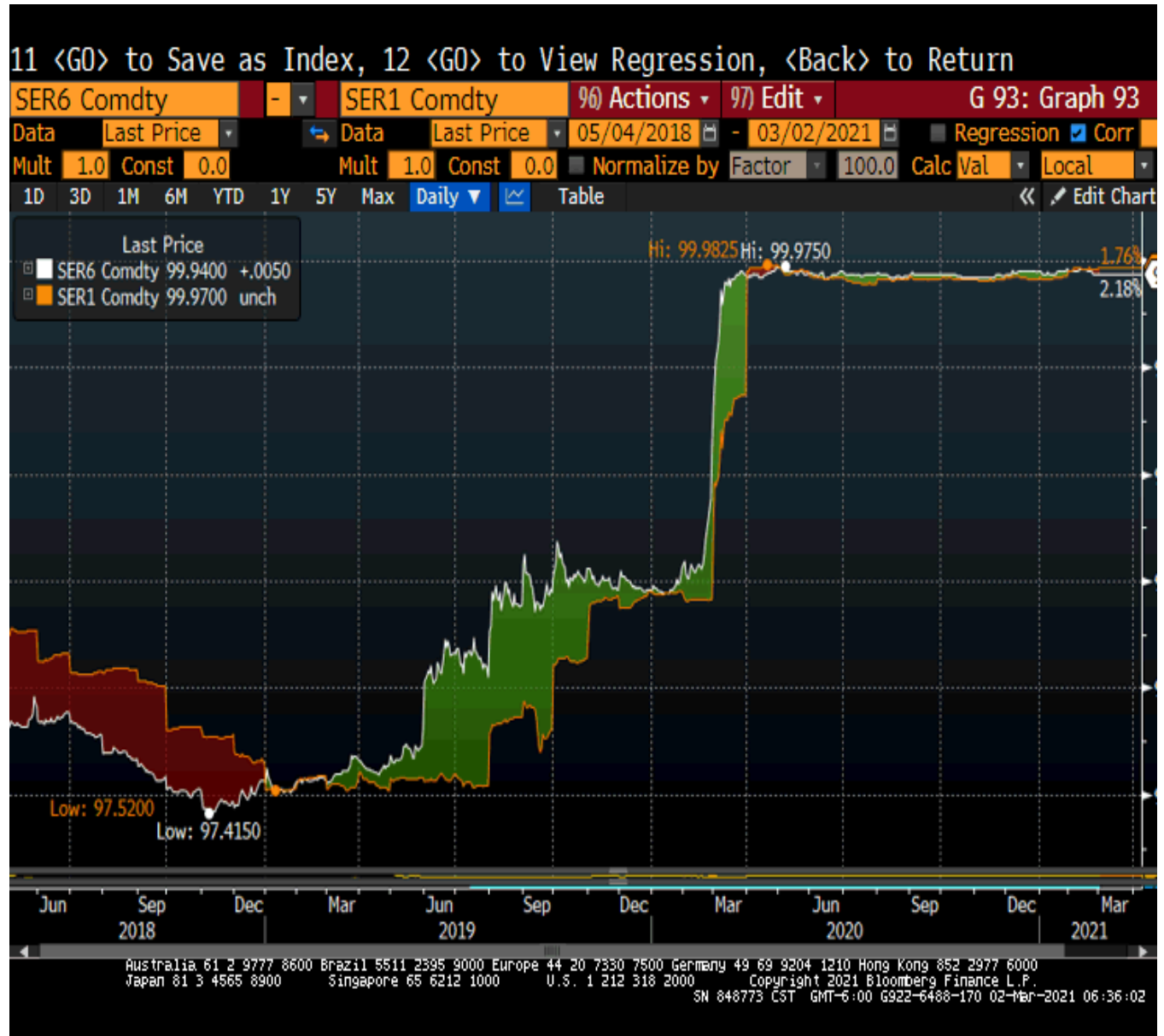
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## Getting Granular

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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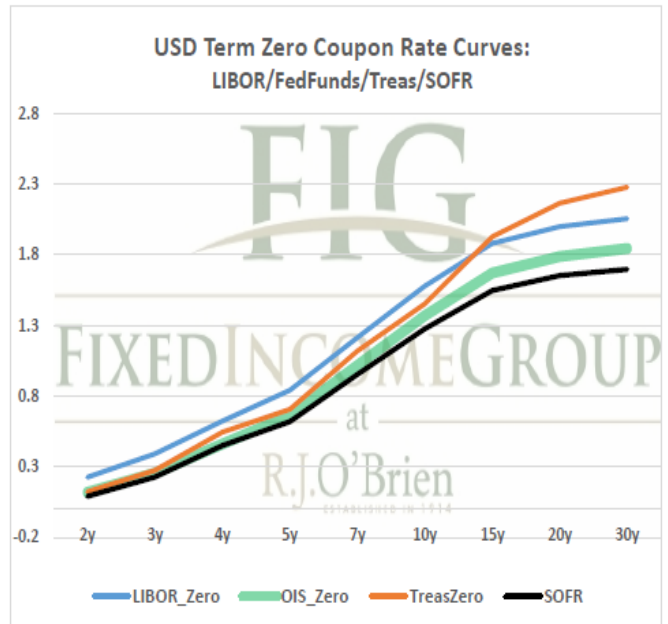
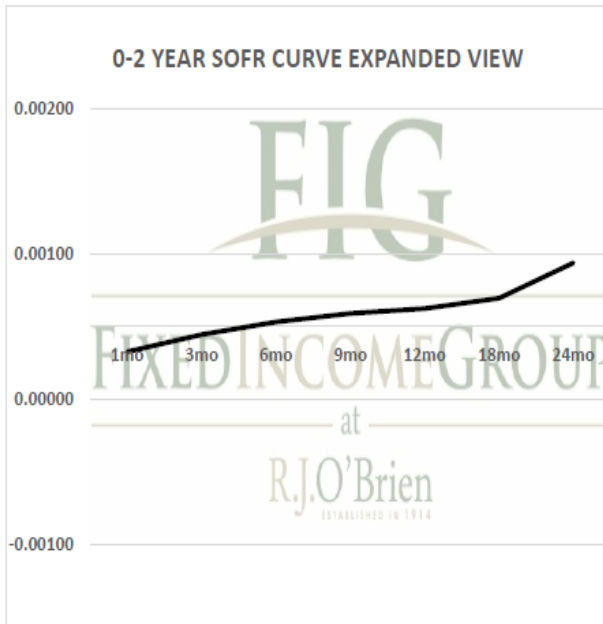
## ICE-SETTLED LIBOR 3/2/2021

1-Month Libor Set	0.10838	-0.00087
3-Month Libor Set	0.18338	-0.00087
6-Month Libor Set	0.20675	+0.00625
1-Year Libor Set	0.27900	-0.00643

## 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.



For more information on the Libor replacement contact:

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

3/2/2021 6:56 ct

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<b>Term SOFR from 1-day Returns</b>						
0.03246%	0.04428%	0.05289%	0.05888%	0.06222%	0.06927%	0.09361%
1.00002795	1.000113166	1.00027034	1.000449801	1.000630798	1.001056296	1.00189823
1mo	3mo	6mo	9mo	12mo	18mo	24mo
3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021
4/1/2021	6/1/2021	9/1/2021	12/1/2021	3/1/2022	9/1/2022	3/1/2023
31	92	184	275	365	549	730
<b>Term SOFR+Credit from 1-day Returns</b>						
0.55829%	0.57072%	0.57972%	0.58627%	0.59010%	0.59814%	0.62366%
1.000480752	1.001458511	1.00296302	1.004478442	1.005982958	1.009121676	1.0126465
1mo	3mo	6mo	9mo	12mo	18mo	24mo
3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021
4/1/2021	6/1/2021	9/1/2021	12/1/2021	3/1/2022	9/1/2022	3/1/2023
31	92	184	275	365	549	730
<b>Term AMERIBOR from 1-day Returns</b>						
0.08504%	0.08757%	0.09043%	0.09150%	0.09152%		
1.00	1.00	1.00	1.00	1.00		
1mo	3mo	6mo	9mo	12mo		
3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021		
4/1/2021	6/1/2021	9/1/2021	12/1/2021	3/1/2022		
31	92	184	275	365		
<b>Term AMERIBOR+Credit from 1-day Returns</b>						
0.61135%	0.61388%	0.61674%	0.61781%	0.61783%		
1.00	1.00	1.00	1.00	1.00		
1mo	3mo	6mo	9mo	12mo		
3/2/2021	3/2/2021	3/2/2021	3/2/2021	3/2/2021		
4/1/2021	6/1/2021	9/1/2021	12/1/2021	3/1/2022		
31	92	184	275	365		

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

## IRSB <GO>

### Treasury 2s/10s



United States | 98) Export | 99) Settings | Interest Rate Swap Rates

Date Range: 02/02/2021 - 03/02/2021 | 1 Month

40) Semi Swaps | 41) Sprs to Gov. | 42) FF Swaps | 43) SOFR Swaps | 44) SOFR/FF Basis | 45) SOFR/LIBOR Basis

USD SemiAnnual 30/360 Swap Rates

Tenor	Bid	Ask	Mid	Change	Today	#SD	Δ/d...	Low	Range	High	Avg	+/-B...	#SD
1) 1 YR	0.178	0.185	0.182	-0.002		-0.4		0.170		0.201	0.184	0.2	0.4
2) 2 YR	0.220	0.225	0.223	-0.001		-0.1		0.184		0.268	0.211	1.4	1.0
3) 3 YR	0.382	0.388	0.385	0.002		0.1		0.255		0.470	0.322	6.6	1.4
4) 4 YR	0.609	0.614	0.612	0.007		0.1		0.382		0.723	0.494	12.0	1.5
5) 5 YR	0.818	0.826	0.822	0.011		0.1		0.527		0.957	0.677	14.9	1.5
6) 6 YR	1.012	1.016	1.015	0.015		0.1		0.676		1.150	0.851	16.5	1.5
7) 7 YR	1.178	1.182	1.180	0.018		0.2		0.812		1.315	1.004	17.8	1.5
8) 8 YR	1.313	1.318	1.315	0.020		0.2		0.931		1.453	1.137	18.1	1.5
9) 9 YR	1.424	1.429	1.426	0.022		0.2		1.032		1.568	1.250	17.9	1.5
10) 10 YR	1.519	1.523	1.521	0.025		0.2		1.121		1.666	1.348	17.6	1.5
11) 15 YR	1.803	1.809	1.806	0.028		0.2		1.401		1.937	1.638	17.2	1.5
12) 20 YR	1.913	1.921	1.917	0.030		0.3		1.525		2.047	1.767	15.5	1.4
13) 25 YR	1.956	1.963	1.960	0.030		0.3		1.580		2.085	1.813	15.0	1.4
14) 30 YR	1.974	1.982	1.978	0.031		0.3		1.605		2.101	1.837	14.4	1.4

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SN 848773 CST GMT-6:00 6922-6488-170 02-Mar-2021 06:35:19

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## EQUITIES

The S&P is **-3** and the NASDAQ is **-4**.

Earnings:

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

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

UK

**In the UK the FTSE closed +0.74%.**

**BOE Rate +0.10%. (No change).**

**Next meeting 03/18/20**

EU

**The CAC Index closed +0.68%.**

**The DAX Index closed +0.53%.**

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

**Deposit Facility Rate **-0.50%****

**Next meeting 03/11/21**

Japan

**The TOPIX closed **-0.40%**.**

**The NIKKEI closed **-0.86%**.**

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

**Next meeting 03/19/21**

China:

**The Hang Seng closed **-1.21%**.**

**The Shanghai Composite closed **-1.21%**.**

PBOC

**Deposit Rate: 1.50%**

**Lending Rate: 4.35%**

**7-Day Repo Rate: 2.3329%**

**Reserve Requirement Ratio: 12.50%**

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## THE TREND

EDH1: **99-83.5** is the pivot. Above the pivot you should be long, below short.

Support is at **99-83.5** and **99-82\*\***

Resistance is at **99-85\*\***

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

Current position has you position from 99.82 (1/26/2021).



### YTD (per contract)

**2021 -2 (-\$50.00)**

**2020 +152 ticks (+\$3,800.00)**

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**Ultra 10-year Note (UXYH1): 151-14 is the pivot point.**

Above the pivot you should be long, below short.

Support is at **151-14^** and **148-02\*\***

Resistance is at **154-26.5\***

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

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

**Current position: Short from 154-10.5 (1/28/2021).**



**YTD (per contract)**

**(2021) -10 futures ticks (\$31.25 per tick) or \$312.50.**

**(2020) +310.5 futures ticks (\$31.25 per tick) or +\$9,703.13**

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

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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, December 2020**

Percent

Variable	Median <sup>1</sup>					Central Tendency <sup>2</sup>					Range <sup>3</sup>				
	2020	2021	2022	2023	Longer run	2020	2021	2022	2023	Longer run	2020	2021	2022	2023	Longer run
Change in real GDP	-2.4	4.2	3.2	2.4	1.8	-2.5--2.2	3.7-5.0	3.0-3.5	2.2-2.7	1.7-2.0	-3.3--1.0	0.5-5.5	2.5-4.0	2.0-3.5	1.6-2.2
September projection	-3.7	4.0	3.0	2.5	1.9	-4.0--3.0	3.6-4.7	2.5-3.3	2.4-3.0	1.7-2.0	-5.5-1.0	0.0-5.5	2.0-4.5	2.0-4.0	1.6-2.2
Unemployment rate	6.7	5.0	4.2	3.7	4.1	6.7-6.8	4.7-5.4	3.8-4.6	3.5-4.3	3.9-4.3	6.6-6.9	4.0-6.8	3.5-5.8	3.3-5.0	3.5-4.5
September projection	7.6	5.5	4.6	4.0	4.1	7.0-8.0	5.0-6.2	4.0-5.0	3.5-4.4	3.9-4.3	6.5-8.0	4.0-8.0	3.5-7.5	3.5-6.0	3.5-4.7
PCE inflation	1.2	1.8	1.9	2.0	2.0	1.2	1.7-1.9	1.8-2.0	1.9-2.1	2.0	1.1-1.4	1.2-2.3	1.5-2.2	1.7-2.2	2.0
September projection	1.2	1.7	1.8	2.0	2.0	1.1-1.3	1.6-1.9	1.7-1.9	1.9-2.0	2.0	1.0-1.5	1.3-2.4	1.5-2.2	1.7-2.1	2.0
Core PCE inflation <sup>4</sup>	1.4	1.8	1.9	2.0		1.4	1.7-1.8	1.8-2.0	1.9-2.1		1.3-1.5	1.5-2.3	1.6-2.2	1.7-2.2	
September projection	1.5	1.7	1.8	2.0		1.3-1.5	1.6-1.8	1.7-1.9	1.9-2.0		1.2-1.6	1.5-2.4	1.6-2.2	1.7-2.1	
Memo: Projected appropriate policy path															
Federal funds rate	0.1	0.1	0.1	0.1	2.5	0.1	0.1	0.1	0.1-0.4	2.3-2.5	0.1	0.1	0.1-0.4	0.1-1.1	2.0-3.0
September projection	0.1	0.1	0.1	0.1	2.5	0.1	0.1	0.1	0.1-0.4	2.3-2.5	0.1	0.1	0.1-0.6	0.1-1.4	2.0-3.0

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 15-16, 2020. 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 15-16, 2020, meeting, and one participant did not submit such projections in conjunction with the December 15-16, 2020, meeting.

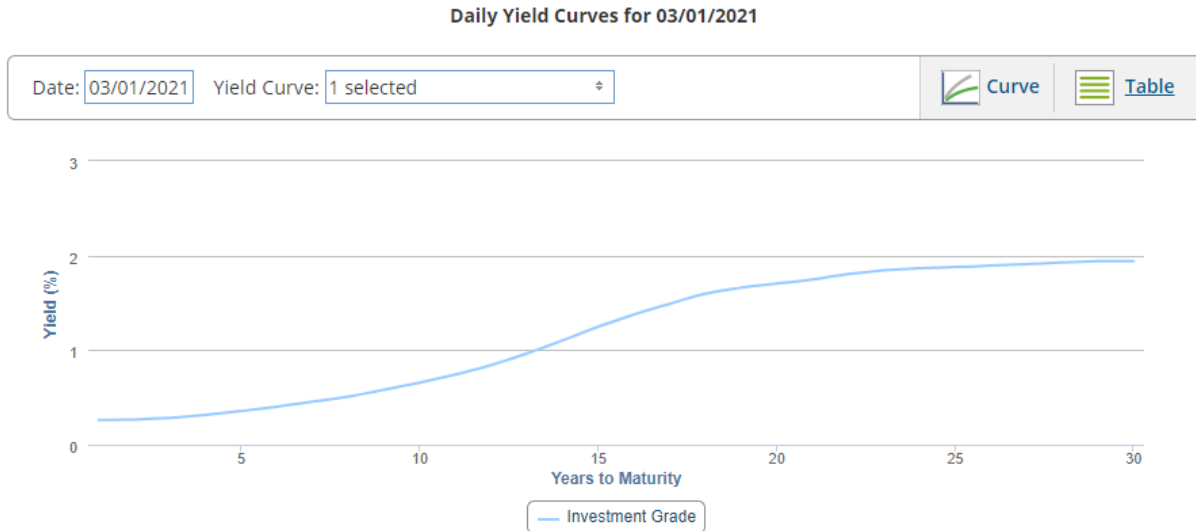
1. For each period, the median is the middle projection when the projections are arranged from lowest to highest. When the number of projections is even, the median is the average of the two middle projections.
2. The central tendency excludes the three highest and three lowest projections for each variable 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/fomcprojtabl20201216.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/ToolsAndResources/MBISYieldCurve?daily=True>



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

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## The Fundamentals

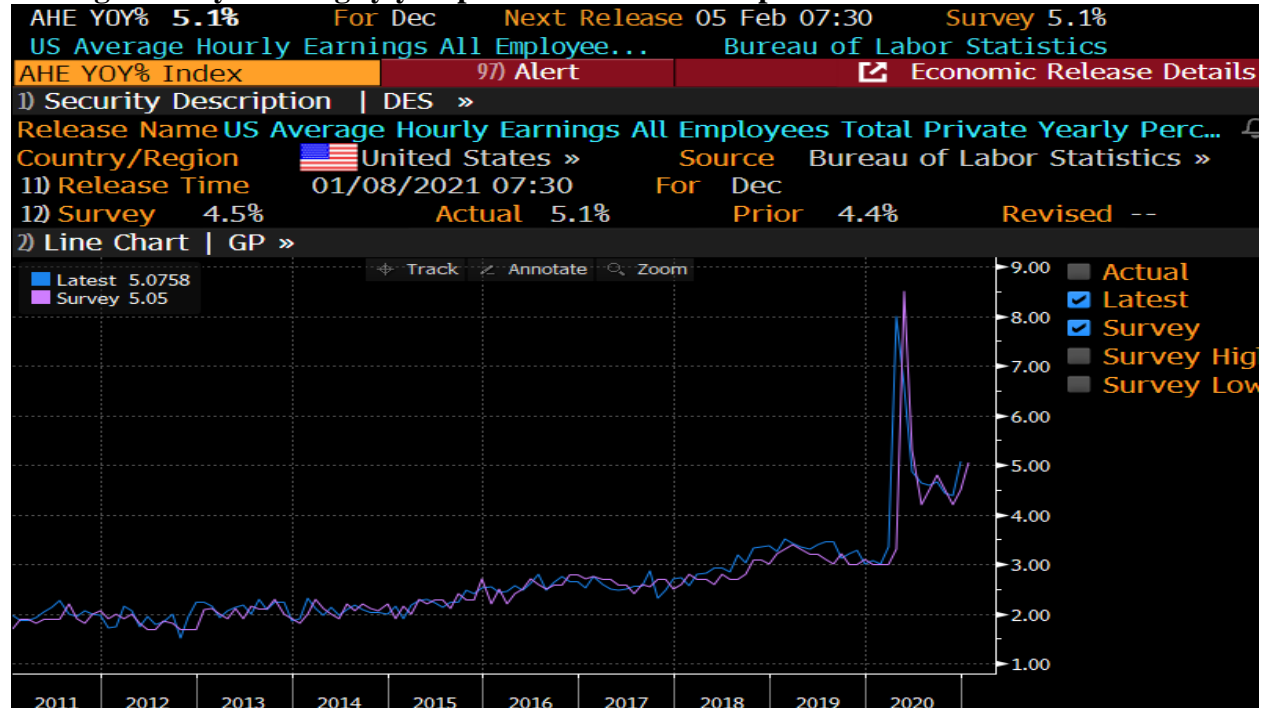
### LABOR

#### 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.



#### Bureau of Labor Statistics

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

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

#### KC Federal Reserve Agricultural Finance Databook

JANUARY 13, 2021 |

*Fewer new loans to farmers continued to drive a pullback in agricultural lending activity. A historically low number of new loans contributed to an increase in average loan size and drove a slight decrease in the overall volume of non-real estate loans at commercial banks in the fourth quarter. Stronger prices for agricultural commodities, alongside continued support from government payments, may have reduced financing needs for some farmers and contributed to the slower pace of lending.*

<https://www.kansascityfed.org/research/indicatorsdata/agfinancedatabook/articles/2021/1-12-2021/q4%202020%20national%20survey%20of%20terms%20of%20lending%20to%20farmers>

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

## **Renewable Fuels Association**

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

## **How Many Electric Vehicles are on the Road in America**

<https://usafacts.org/articles/how-many-electric-cars-in-united-states/>

## **How do Fuel Cell Electric Vehicles Work Using Hydrogen**

<https://afdc.energy.gov/vehicles/how-do-fuel-cell-electric-cars-work>

## **Rail Traffic**

For this week, total U.S. weekly rail traffic was 377,904 carloads and intermodal units, down 21.7 percent compared with the same week last year.

Total carloads for the week ending February 20 were 171,642 carloads, down 26.3 percent compared with the same week in 2020, while U.S. weekly intermodal volume was 206,262 containers and trailers, down 17.4 percent compared to 2020.

None of the 10 carload commodity groups posted an increase compared with the same week in 2020. Commodity groups that posted decreases compared with the same week in 2020 included coal, down 14,856 carloads, to 48,745; nonmetallic minerals, down 13,765 carloads, to 16,088; and chemicals, down 9,400 carloads, to 23,864.

For the first seven weeks of 2021, U.S. railroads reported cumulative volume of 1,539,758 carloads, down 6.3 percent from the same point last year; and 1,917,967 intermodal units, up 6.5 percent from last year. Total combined U.S. traffic for the first seven weeks of 2021 was 3,457,725 carloads and intermodal units, an increase of 0.4 percent compared to last year.

North American rail volume for the week ending February 20, 2021, on 12 reporting U.S., Canadian and Mexican railroads totaled 257,127 carloads, down 22.2 percent compared with the same week last year, and 286,467 intermodal units, down 11.9 percent compared with last year.

Total combined weekly rail traffic in North America was 543,594 carloads and intermodal units, down 17.1 percent. North American rail volume for the first seven weeks of 2021 was 4,725,082 carloads and intermodal units, up 0.4 percent compared with 2020.

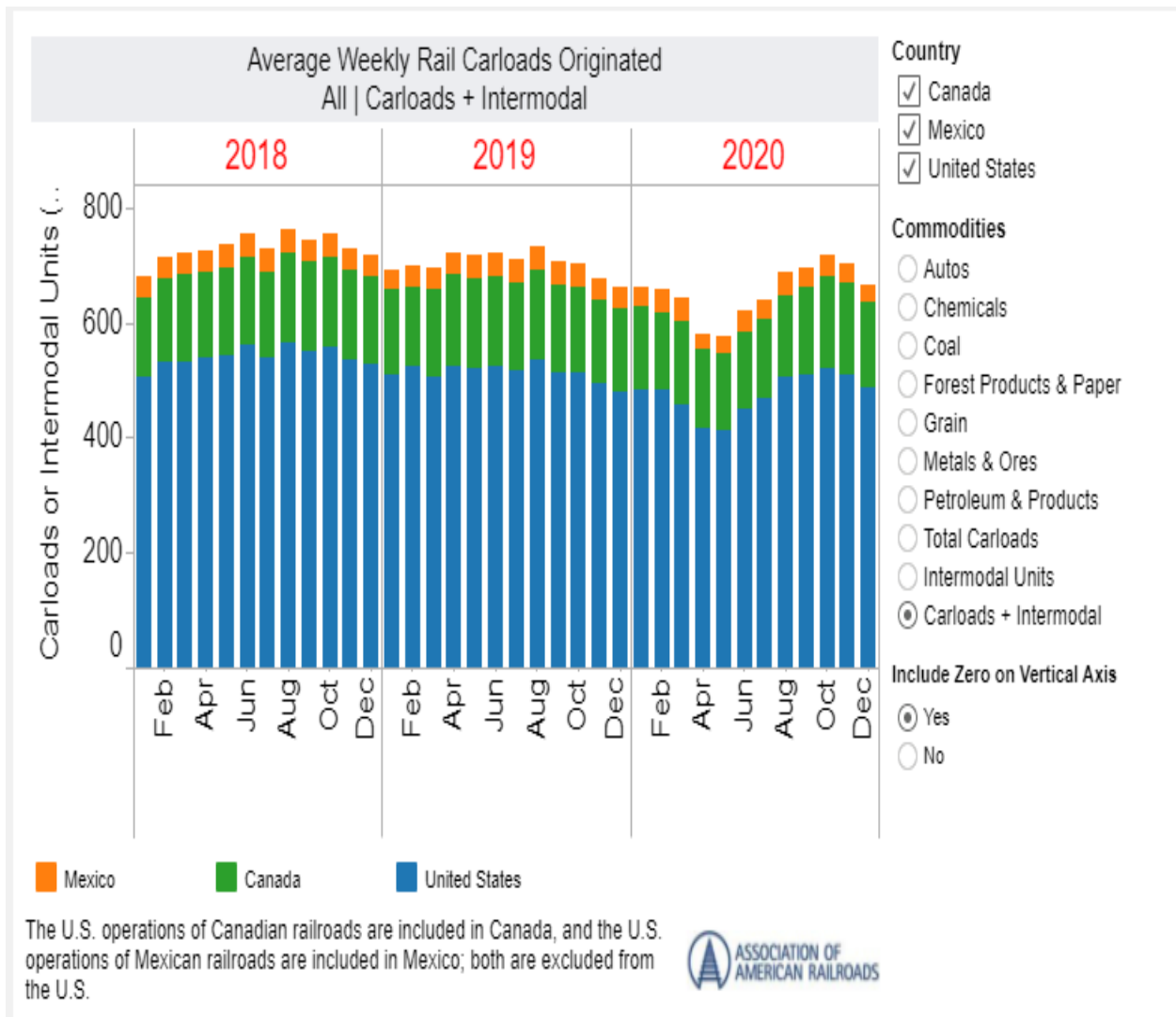
Canadian railroads reported 67,877 carloads for the week, down 11.1 percent, and 63,968 intermodal units, up 13.8 percent compared with the same week in 2020. For the first seven weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 1,034,601 carloads, containers and trailers, up 4.6 percent.

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Mexican railroads reported 17,608 carloads for the week, down 16.5 percent compared with the same week last year, and 16,237 intermodal units, down 14.8 percent. Cumulative volume on Mexican railroads for the first seven weeks of 2021 was 232,756 carloads and intermodal containers and trailers, down 14.3 percent from the same point last year.

<https://www.aar.org/news/rail-traffic-for-the-week-ending-february-20-2021/>



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

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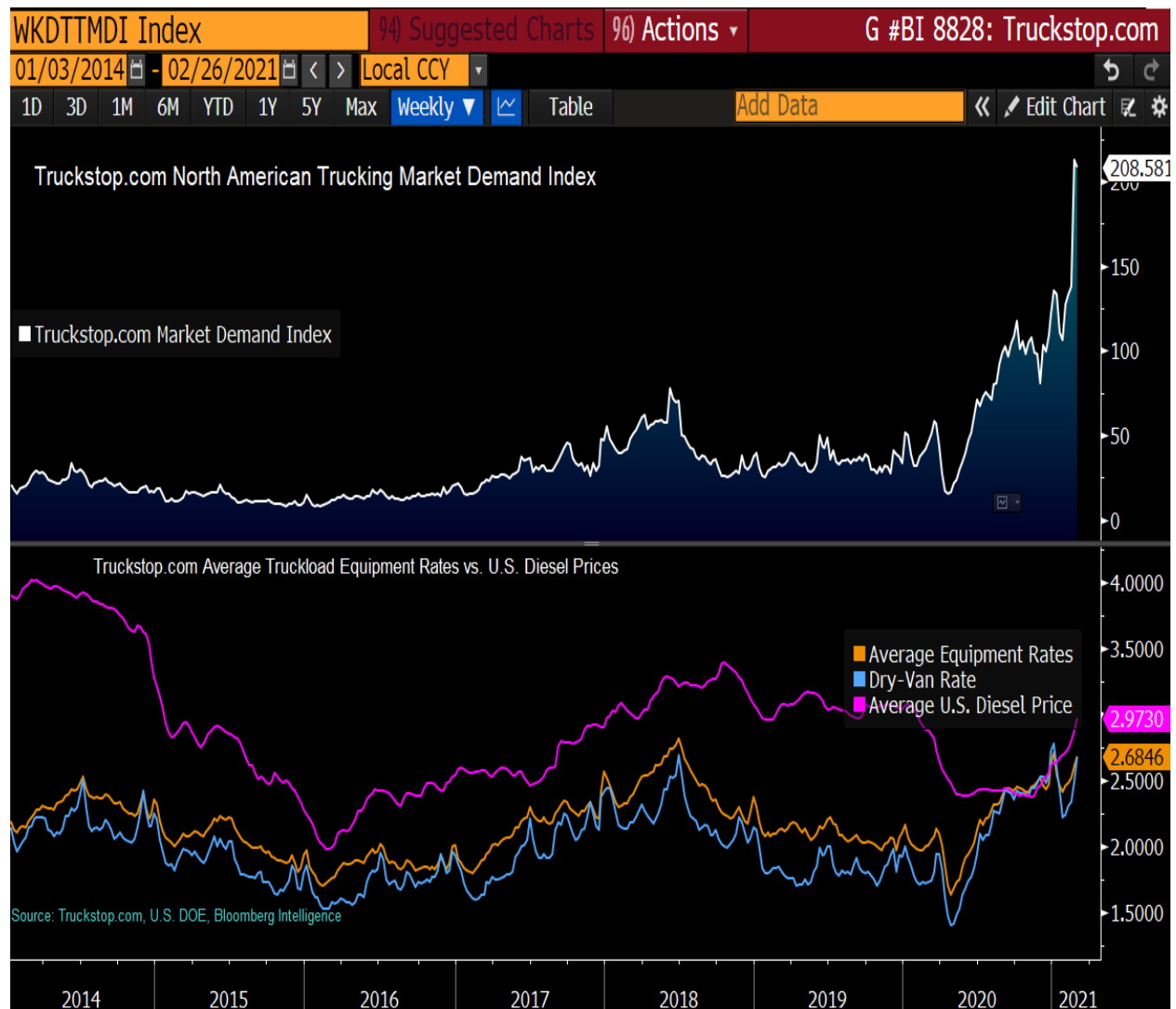
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## Trailer Truck Demand 03/01/21

North American spot-trucking relative demand inched 2% lower sequentially in the week ended Feb. 26, based on Truckstop.com's Market Demand Index (MDI), though it remained nearly 4.5x above the year-ago level due to market shocks from unseasonably harsh weather. Spot rates, excluding fuel surcharges, rose 2.7%, driven by dry van and reefer, each up about 15% over the past two weeks. The shocks are layered on top of an already-constrained market for available drivers, coupled with demand strength from inventory restocking. Truckload carriers could see near-term share gains from railroad service disruptions, but we expect 1Q earnings will move slightly lower due to increased weather-related operating costs.

USA Truck, Knight-Swift, J.B. Hunt and Werner operate mostly in the contract market, with varying spot exposure.



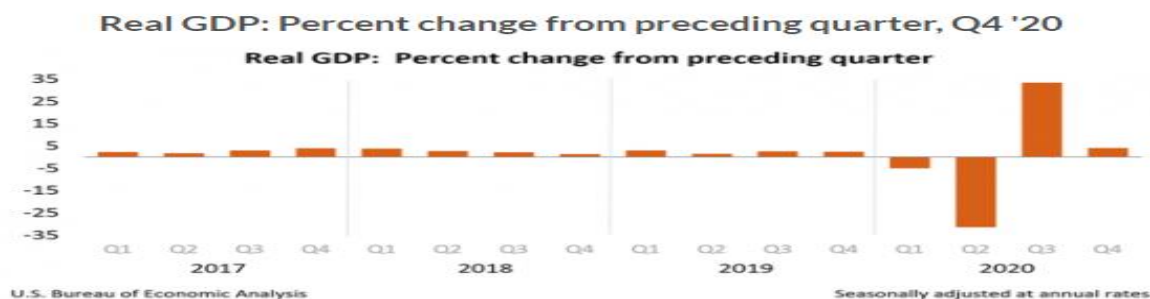
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## GDP

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 03/1/21 1Q GDP is running at +9.7%\*

\* simple average of the New York, Atlanta and St. Louis regionals reporting 1st quarter GDP estimates.

### Atlanta Fed Real GDP Nowcast... Q1 2021: +10.0% as of March 1, 2021

The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2021 is **10.0 percent** on March 1, up from 8.8 percent on February 26. After this morning's Manufacturing ISM Report On Business from the Institute for Supply Management and the construction spending report from the U.S. Census Bureau, the nowcasts of first-quarter real personal consumption expenditures growth, first-quarter real gross private domestic investment growth, and first-quarter real government spending growth increased from 7.7 percent, 17.7 percent, and 6.9 percent, respectively, to 8.8 percent, 18.7 percent, and 9.1 percent, respectively.

*The next GDPNow update is Friday, March 5. 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 2021: +10.04% as of March 1, 2021

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

### NY Fed GDP Nowcast... Q1 2021: +8.70 as of February 26, 2021

The New York Fed Staff Nowcast stands at 8.7% for 2021: Q1.

News from this week's data releases increased the nowcast for 2021: Q1 by 0.4 percentage point. Positive surprises from personal consumption expenditures and disposable personal income data drove most of the increase.

*Next release Friday, March 5<sup>th</sup>.*

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

### What are the major conceptual differences between the New York Fed Staff Nowcast and the Atlanta Fed's Nowcast?

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

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## Manufacturing at a Glance

February 2021

Index	Series Index Feb	Series Index Jan	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
Manufacturing PMI®	60.8	58.7	+2.1	Growing	Faster	9
New Orders	64.8	61.1	+3.7	Growing	Faster	9
Production	63.2	60.7	+2.5	Growing	Faster	9
Employment	54.4	52.6	+1.8	Growing	Faster	3
Supplier Deliveries	72.0	68.2	+3.8	Slowing	Faster	60
Inventories	49.7	50.8	-1.1	Contracting	From Growing	1
Customers' Inventories	32.5	33.1	-0.6	Too Low	Faster	55
Prices	86.0	82.1	+3.9	Increasing	Faster	9
Backlog of Orders	64.0	59.7	+4.3	Growing	Faster	8
New Export Orders	57.2	54.9	+2.3	Growing	Faster	8
Imports	56.1	56.8	-0.7	Growing	Slower	8
<b>OVERALL ECONOMY</b>				Growing	Faster	9
<b>Manufacturing Sector</b>				Growing	Faster	9

Manufacturing ISM® *Report On Business*® data is seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.  
\*Number of months moving in current direction.

<https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/pmi/october/>

### THE LAST 12 MONTHS

Month	Manufacturing PMI®	Month	Manufacturing PMI®
Feb 2021	60.8	Aug 2020	55.6
Jan 2021	58.7	Jul 2020	53.7
Dec 2020	60.5	Jun 2020	52.2
Nov 2020	57.7	May 2020	43.1
Oct 2020	58.8	Apr 2020	41.7
Sep 2020	55.7	Mar 2020	49.7

Average for 12 months - 54.0

High - 60.8

Low - 41.7

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

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

**Ranking of Countries by Military might.**

**[www.military.com](http://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](http://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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# 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% Pd	56.25% Pd	18.59% Pd	54.21% Pd	Aluminum Al	Best Performer
83.21% Ag	8.15% Au	15.19% Pb	7.19% Au	6.91% Ni	-9.63% Au	60.59% Zn	32.39% Al	17.86% Au	34.46% Au	Coal Al	Worst Performer
51.75% Au	5.76% Au	12.16% Zn	1.70% Pd	3.91% Zn	-10.42% Au	59.35% Au	31.19% Au	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% Au	30.49% Cu	-0.44% Au	21.48% Pt	Corn Au	Most Volatile
33.90% Ni	-9.94% Ag	9.87% Pt	-1.00% Au	-1.72% Au	-11.75% Ag	20.96% Pd	30.49% Zn	-1.58% Au	18.31% Au	Gas Au	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% Au	-18.27% Pd	8.00% Au	-6.72% Cu	-5.52% Au	-19.11% Au	14.86% Ag	24.27% Pb	-14.49% Pt	11.03% Au	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% Au	-17.43% Al	3.36% Cu	Oil Au	Gold and Oil
15.15% Au	-21.35% Cu	4.18% Cu	-18.63% Ni	-15.51% Au	-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% Au	-9.49% Zn	Silver Ag	
-3.36% Zn	-25.24% Zn	-9.22% Ni	-35.84% Ag	-31.21% Au	-30.47% Au	-1.88% Au	-0.36% Au	-24.54% Zn	-18.02% Au	Wheat Au	
-20.94% Au	-32.15% Au	-16.78% Au	-39.56% Au	-45.58% Ni	-41.75% Ni	-13.19% Au	-20.70% Au	-24.84% Au	-25.54% Au	Zinc Zn	

<https://www.usfunds.com/interactive/the-periodic-table-of-commodity-returns-2020/#.XDjAAlxKiUk>

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