



# KEY INDICATORS

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**BLIMLING**  
and **ASSOCIATES**

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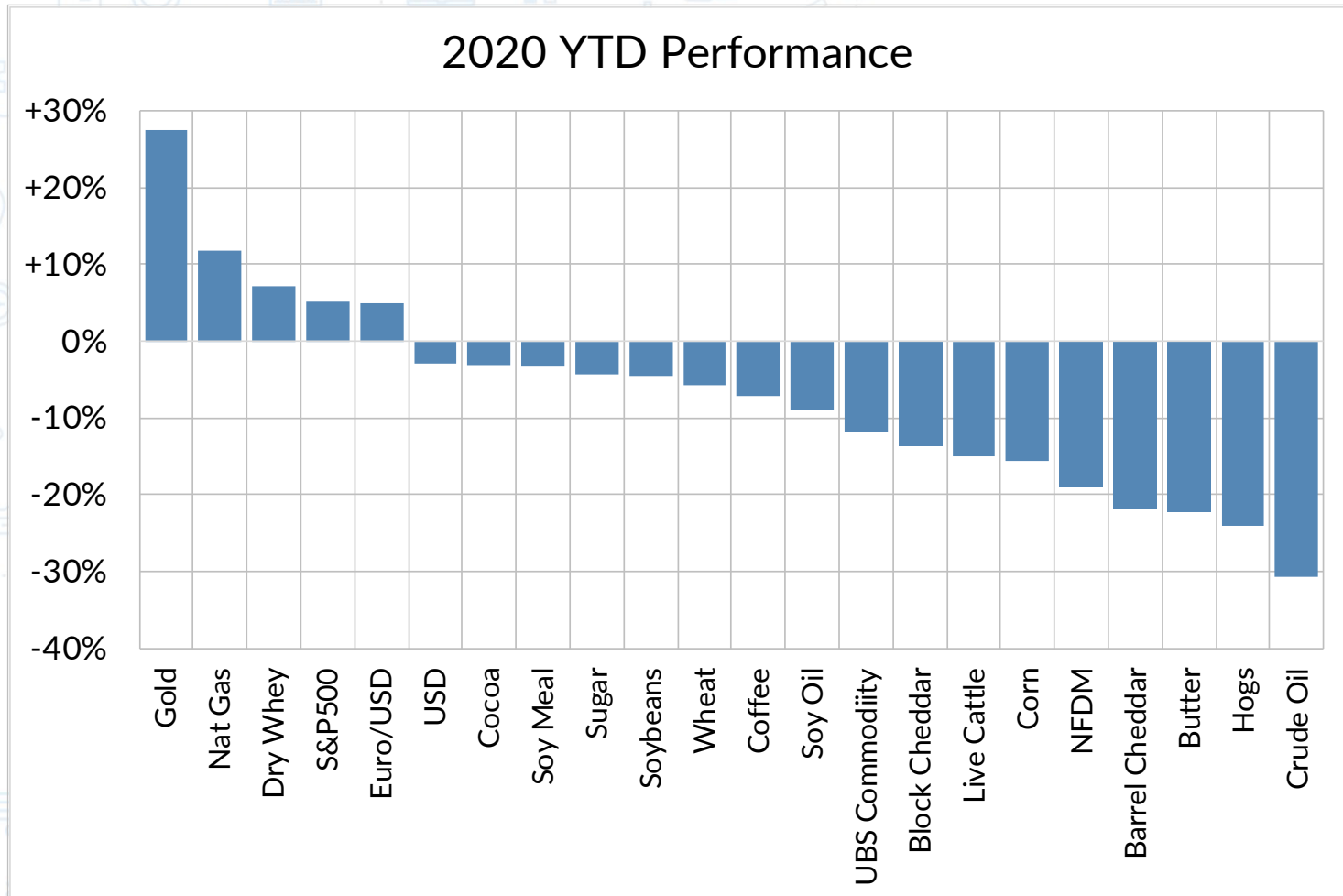
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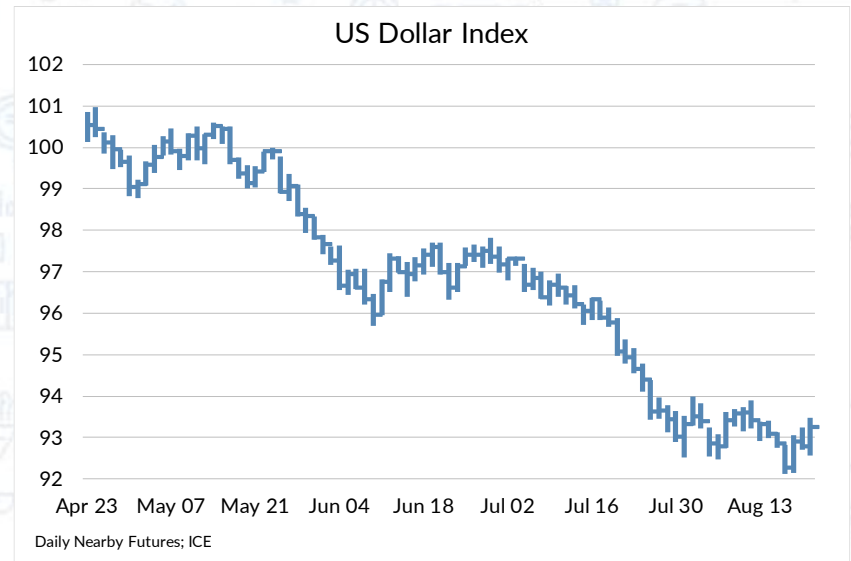
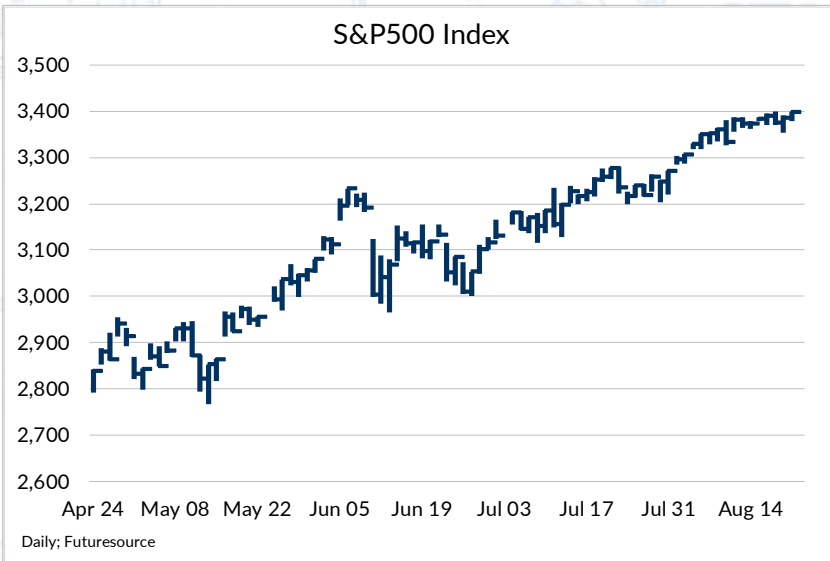
# the markets we greet this week...

...just saw the S&P500 make new all-time highs.

- **No Football No Good for Big Ten Cities:** *The cancellation of the fall season promises to wallop businesses that count on those fall weekends for survival, and the economic impact is likely to measure in the tens of millions in many of the towns across the sprawling conference... From Lincoln, Nebraska, to New Brunswick, New Jersey, businesses in Big Ten towns that count on those fall Saturdays are coming to terms with what it means to lose a full season, and some are bracing for the worst. "It's just devastating news," said Fritz Smith, chief executive of the Happy Valley Adventure Bureau, the tourism organization in State College, Pa., a town built around Penn State University that swells on game days. The Washington Post [Read Here](#)*
- **Xi Declares War on Food Waste:** *Chinese regulators are calling out livestreamers who binge-eat for promoting excessive consumption. A school said it would bar students from applying for scholarships if their daily leftovers exceeded a set amount. A restaurant placed electronic scales at its entrance for customers to weigh themselves to avoid ordering too much. China's Xi Jinping, has declared a war on the "shocking and distressing" squandering of food, and the nation is racing to respond... The Communist Party has long sought to portray Mr. Xi as a fighter of excess and gluttony... but this new call for gastronomic discipline is aimed at the public and carries a special urgency. The New York Times [Read Here](#)*
- **Urban Exiles Fueling Suburban Housing Boom:** *Homebuilder Jimmy Previt's sales haven't been this strong since last decade's housing boom. And that makes him nervous. His home turf, the Inland Empire, 45 miles from densely populated Los Angeles, is at the center of a suburban land rush... Armed with the lowest mortgage rates in history, buyers are increasingly shunning urban centers, settling instead where they can live at a safe distance from their neighbors. "Is this the little runup before everything runs off the rails?" asks Previt, CEO of Frontier. "Nobody can tell." The exodus to sparser landscapes is happening across the US, but it's most dramatic outside pricey, crowded New York, Los Angeles, and San Francisco. Bloomberg [Read Here](#)*
- **Reports this week:** Case-Shiller, New Home Sales (Tue); Durable Goods (Wed); Income/Outlays (Fri).

# 2020 performance by market



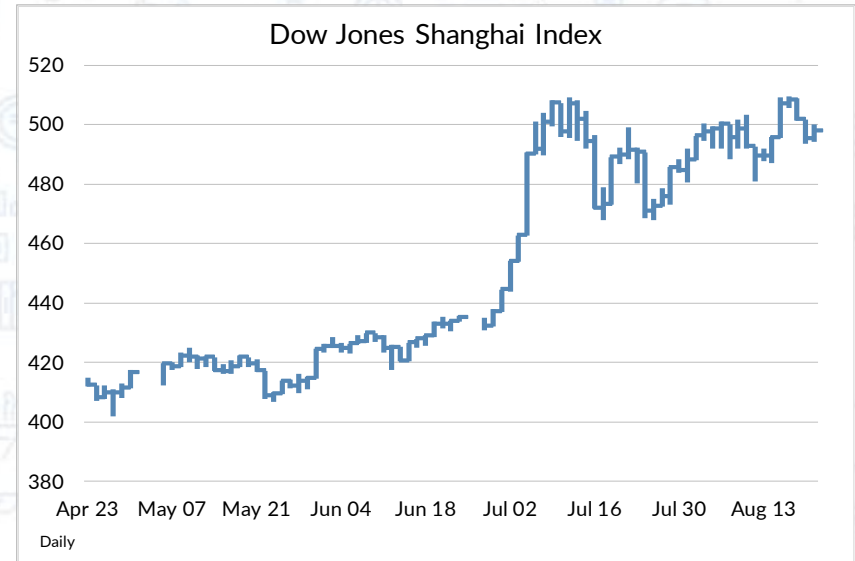
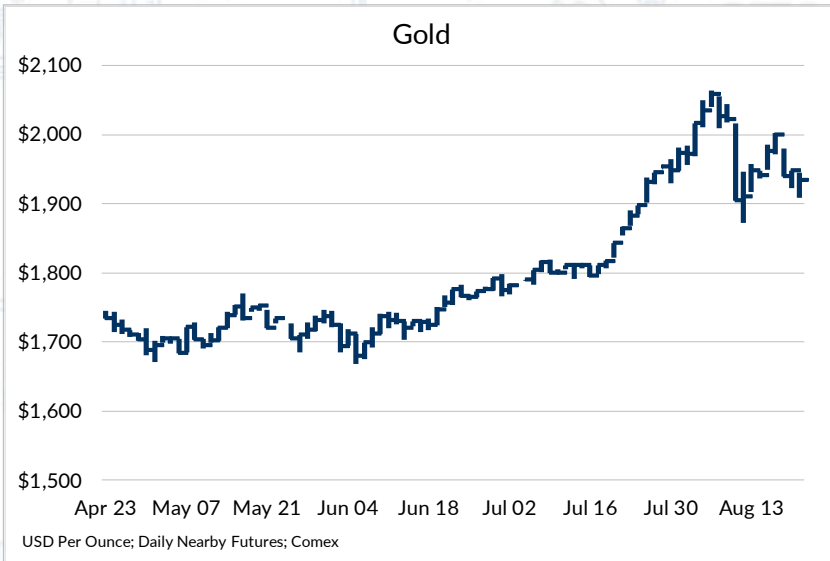


## us equities

- The S&P500 reached new all-time highs, closing Friday at 3,397.2, up 0.7%. The Dow Jones Industrial Average did not change. NASDAQ: up 2.7%.
- Jim Cramer on CNBC: *When you get down into the weeds... what you see is that there are a lot more losers than there are winners, That's the nature of the Covid economy, and now that there's no one in Washington willing to play gardener, maybe it's only a matter of time before the weeds overrun the entire patch. We have a bizarre situation where some companies are doing very well but a lot of other companies are getting crushed.*

## us dollar

- The USDX closed at 93.24, up 0.2%.
- The Euro finished at 1.1794 versus the USD, down 0.4%.
- Reuters reports: *US dollar net shorts declined from a more than nine-year high hit a week earlier, according to calculations by Reuters and CFTC data. The value of the net short dollar position hit \$31.56 billion in the week ended Aug. 18, from net shorts of \$32.12 billion the previous week. US net shorts declined for the first time in seven weeks. The speculative community has been short the dollar since mid-March.*

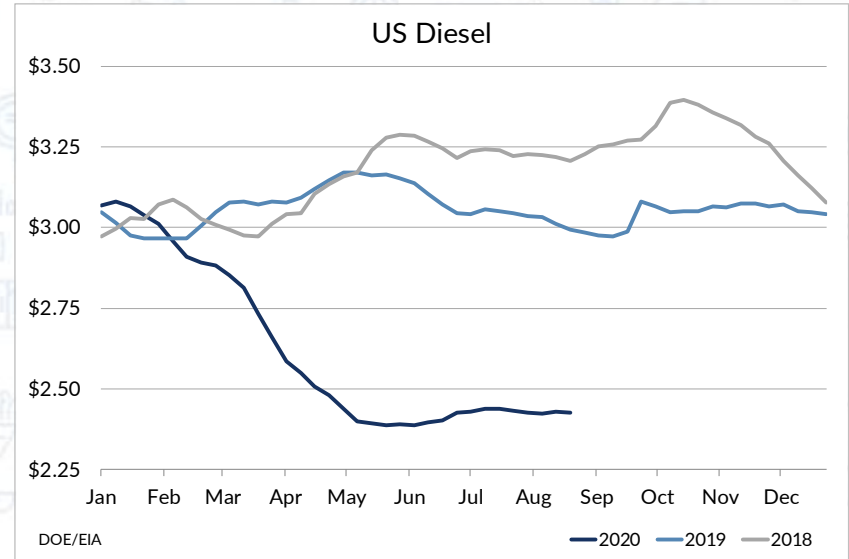
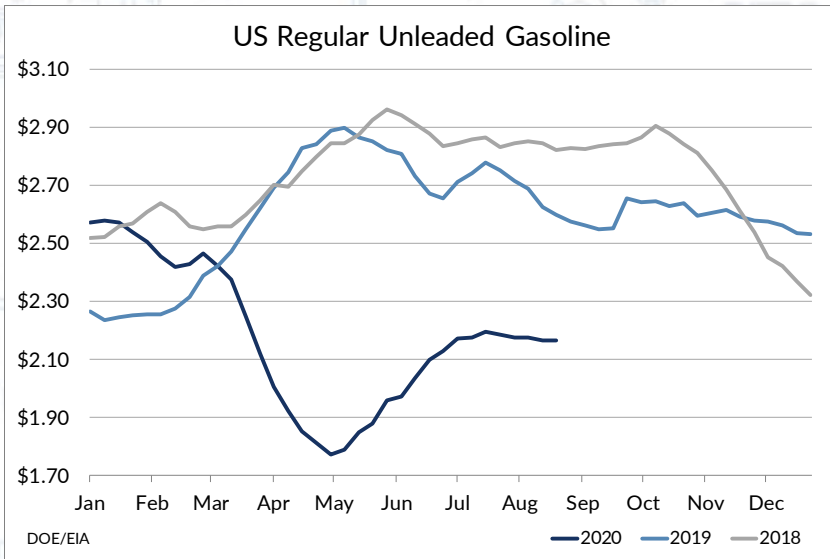


# gold

- Gold closed at \$1,934.60 per ounce, down 0.3%.
- CNBC reports: *Over at Fitch Solutions, analysts wrote in a Friday note: “We expect gold prices to remain supported in the coming months with rising geopolitical tensions and an uneven and slow global economic recovery.” For its part, Fitch Solutions has a 2020 gold price forecast of \$1,850 per ounce, with expectations for the precious metal to “edge higher in the coming months, back to the peak reached in August 2020 and beyond. From a technical perspective, we believe gold prices remain positioned to the upside...”*

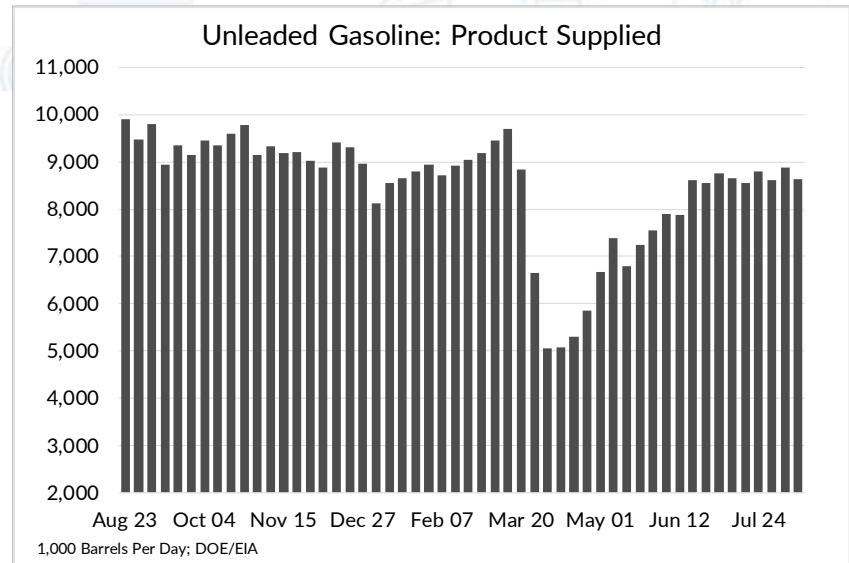
# china

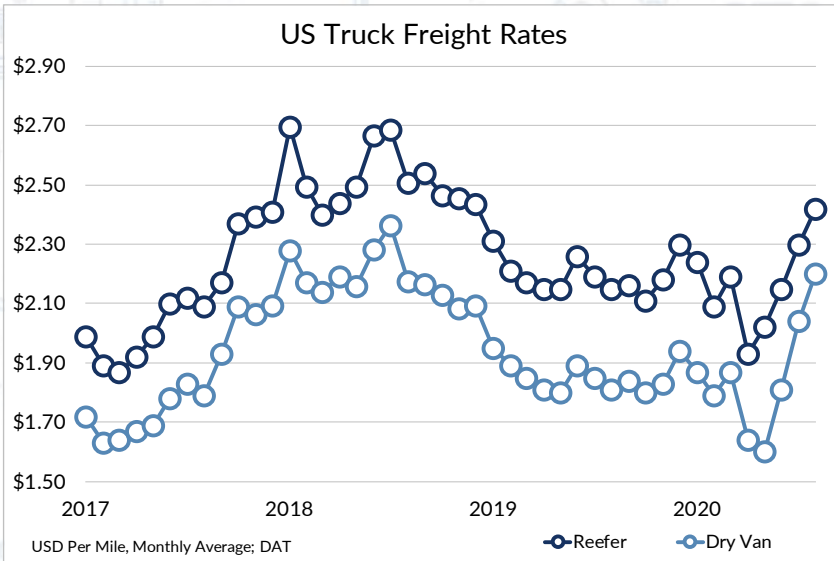
- The Shanghai Composite gained 0.6%.
- *The Wall Street Journal reports: The coronavirus pandemic has created a divide in China’s consumer economy... Driving the trend: the relative stability of upper middle-class incomes throughout the pandemic... In contrast, up to 80 million Chinese people, mainly lower earners in services and manufacturing, have lost their jobs this year... From cars to sportswear and liquor, foreign and Chinese companies that provide luxury items have seen sales growth return more quickly in the second quarter. While Chinese retail sales declined 9.9% between January and July from a year earlier, many brands targeting affluent consumers continued to grow.*



# fuel

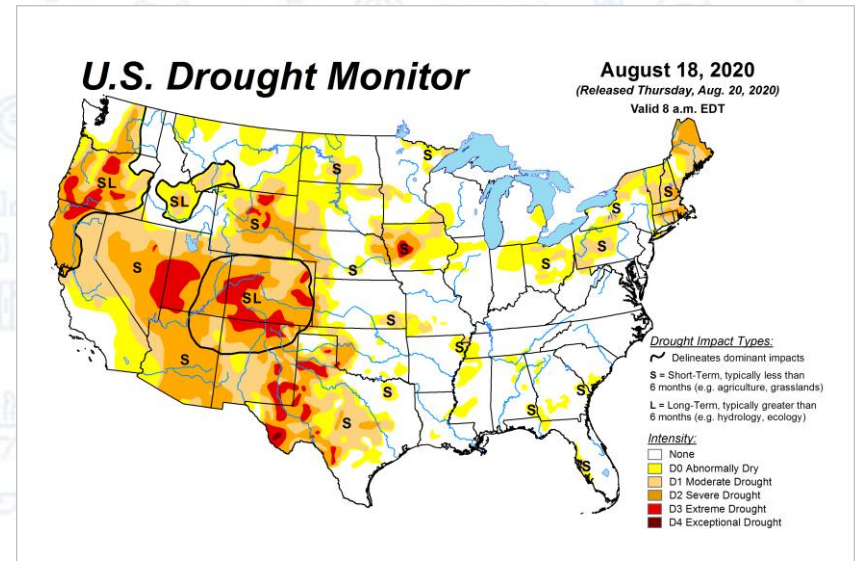
- Regular unleaded averaged \$2.166 per gallon, unchanged on the week and down 43 cents year-over-year. Product supplied: down 10%.
- Diesel averaged \$2.427 per gallon, unchanged on the week and down 58 cents year-over-year. Product supplied: down 13% year-over-year.
- GasBuddy analyst Patrick DeHaan: *For the seventh straight week and now some 53 days, the national average price of gasoline has stayed in a range of less than a nickel, an incredible feat for the summer driving season...*





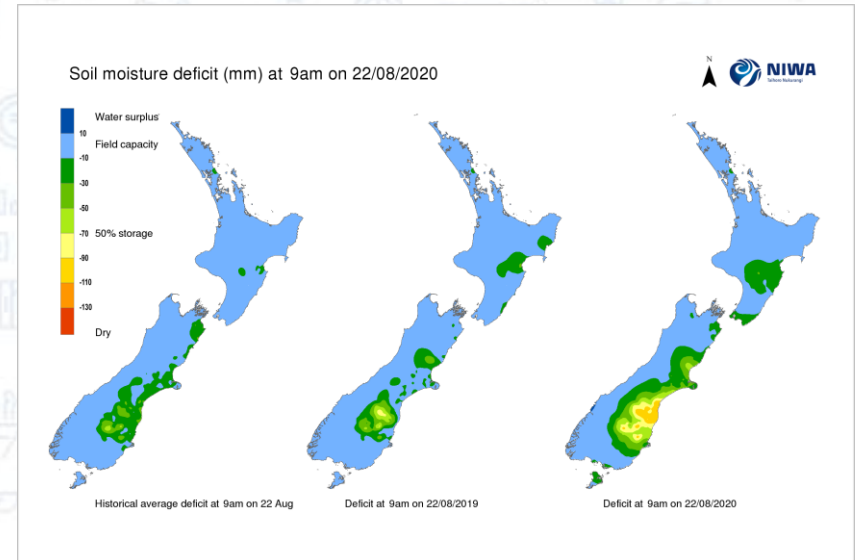
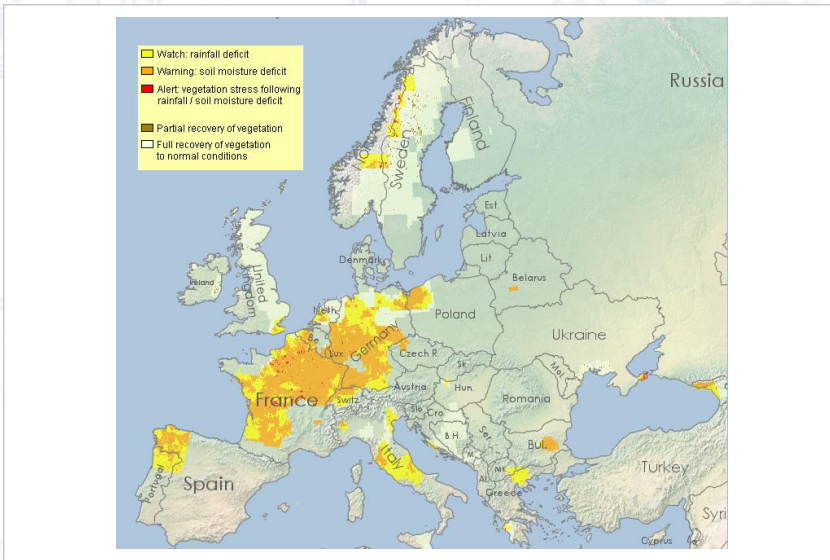
# truck freight

- No change on the week: DAT Solutions showed reefer spot rates at \$2.42 per mile, up 12 cents from July and up 13% year-over-year. Dry van: \$2.20 per mile, up 16 cents on the month.
- FreightWaves reports: *Makeup production of tractors and trailers is creating a mini-boom for equipment manufacturers. It is even leading to rehiring of some laid-off workers... "June through August, which are usually slow months, will all be good months," said Dave Giesen at Stoughton Trailers. Net US trailer orders of 18,851 in July were 40% above June and 80% above July 2019...*



# us drought

- NOAA reports: *This week saw intensification of drought across parts of the western US as hot and dry conditions persisted with a historic heat wave currently gripping much of the region. Since last Friday, dozens of high temperature records were broken across the West including a scorching 130° F recorded...in Death Valley National Park... In the Southwest, the continued weak monsoon has led to expansion and intensification of drought-related conditions with areas of Arizona and New Mexico observing less than 50% of normal precipitation since the beginning of the monsoon season. Similarly, drought conditions in the western half of Texas have deteriorated...*



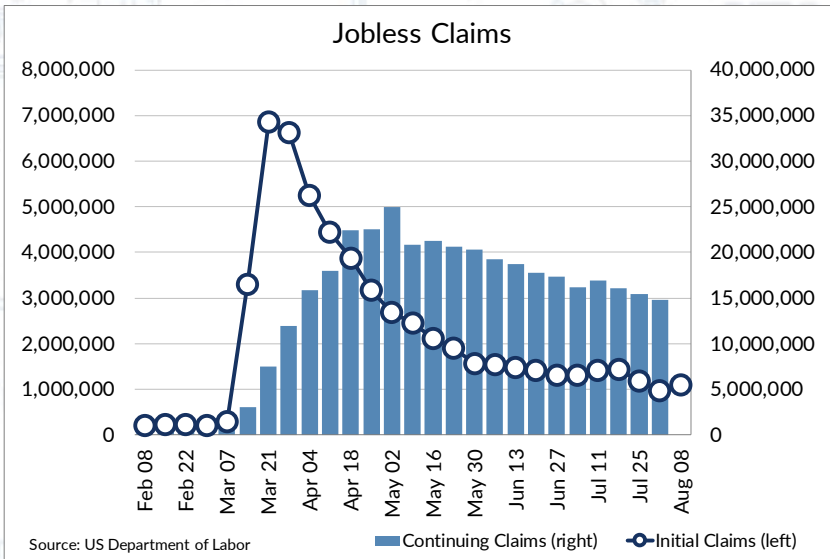
# eu drought

- The *Financial Times* reports: This year's July was the driest in France since 1959 according to the national weather office, with less than a third of normal rainfall, while the average temperature between January and July was the highest since its records began. Meanwhile, Germany this year had one of its driest spring seasons in more than a century, and rainfall in July was nearly 40 per cent below normal, raising fears about a potential repeat of the plunging water levels on the Rhine and other major rivers two years ago that disrupted shipping and hit the country's economy.

# nz soil moisture

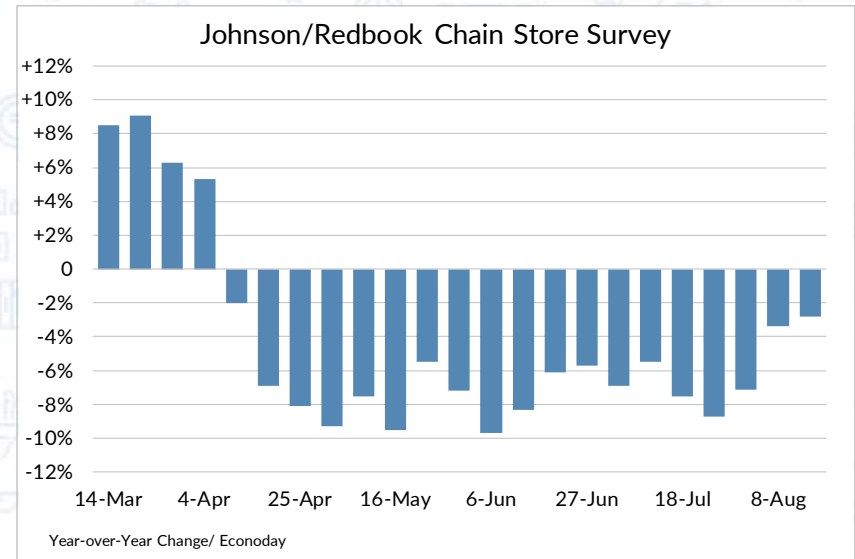
- The *Gisborne Herald* reports: The latest data from the Real Estate Institute of New Zealand showed 46 more farm sales (a 15.6% increase) across the country for the three months ended July 2020 than for the three months ended July 2019. Overall, there were 341 farm sales in the three months ended July, compared to 261 farm sales for the three months ended June, and 295 farm sales for the three months ended July last year. A total 1212 farms were sold in the year to July 2020, 9.4% fewer than sold in the year to July 2019. Dairy farm sales fell 26.7%, grazing farms 14.0%, finishing farms 17.5% and 8.9% more arable farms sold over the same period.





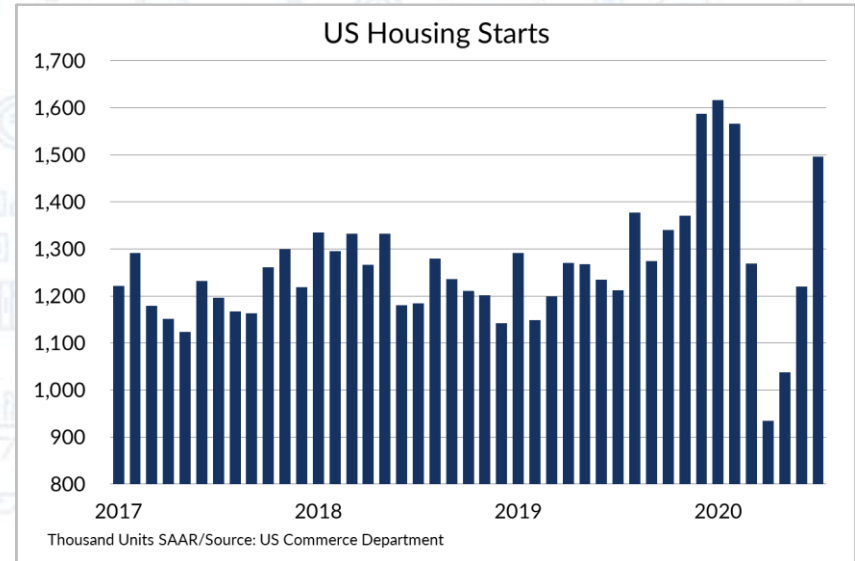
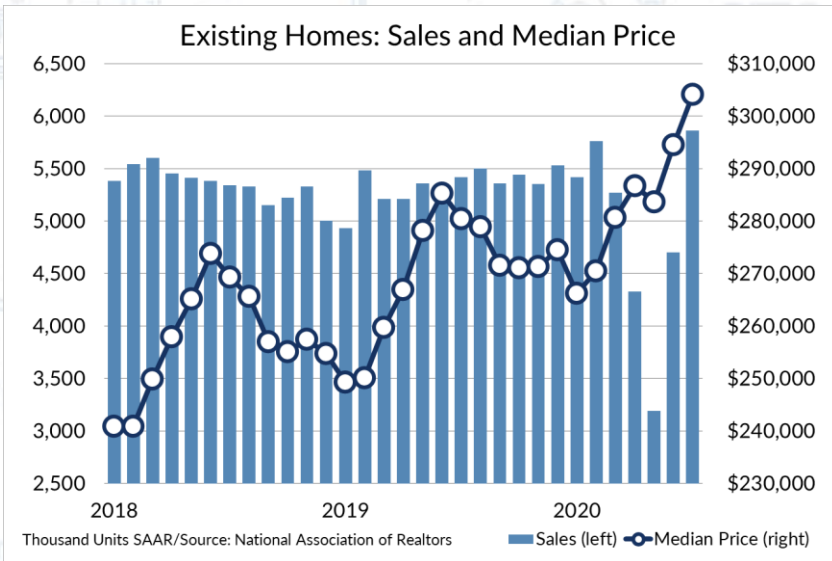
# jobless claims

- Initial jobless claims came in at 1,106,000 filings for the week ending August 15, up 135,000 on the week, up 891,000 year-over-year and above expectations.
- *Nation's Restaurant News* reports: *Domino's Pizza* has announced another hiring spree as the effects of the COVID-19 pandemic continue, and is looking to hire 20,000 more employees, including delivery drivers, pizzamakers, customer-service representatives, managers and assistant managers at both their corporate and franchised stores, as well as workers for supply-chain centers.



# chain store sales

- The Johnson Redbook Chain Store Survey showed dollar sales down 2.8% year-over-year.
- *Business Insider* reports: *Walmart* and *Target* reported blowout quarterly results this week, with some sales metrics surging to record highs as shoppers spent extra funds from government stimulus checks and cancelled vacations on groceries and household goods. *Walmart's* digital sales nearly doubled from a year earlier and *Target's* nearly tripled. The companies' same-store sales climbed 9% and 10.9%, respectively. When combined, *Target's* same-store sales in stores and online rose by 24% – an all-time high.

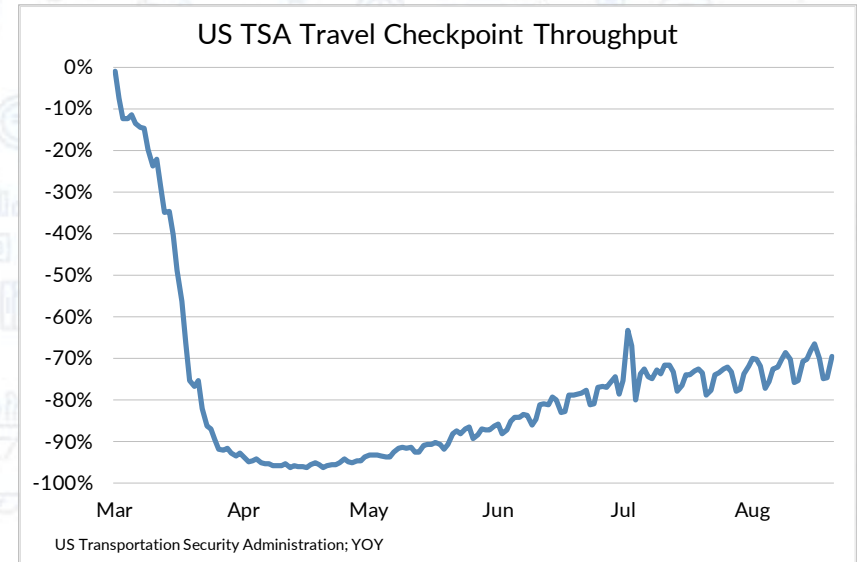
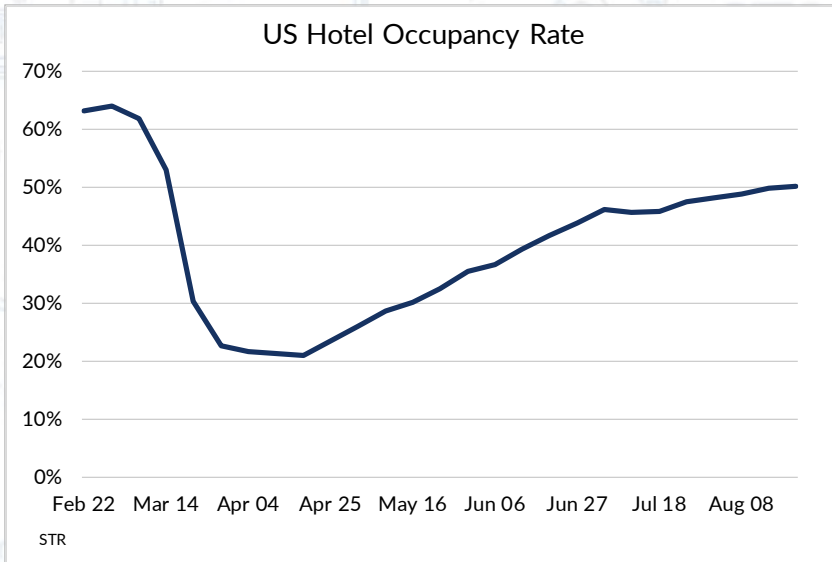


## “old” home sales

- Sales of existing homes soared in July, with the National Association of Realtors estimating volume at 5,860,000 units, up 25% on the month and up 8% year-over-year.
- Median price: \$304,100, up 3% from June
- NAR’s Lawrence Yun: *The housing market is well past the recovery phase and is now booming with higher home sales compared to the pre-pandemic days, With the sizable shift in remote work, current homeowners are looking for larger homes and this will lead to a secondary level of demand even into 2021.*

## housing starts

- Housing starts in July jumped back to near pre-pandemic levels.
- Activity reached 1,496,000 units on a seasonally-adjusted, annualized basis, up 23% on the month and up 23% year-over-year.
- Permits: 1,495,000, up 19% versus June and up 9% year-over-year.
- Reuters reports: *The largest increases in homebuilding were in the Northeast, up 35% from June, and the South, up 33% from the prior month. Construction starts were up by around 6% in the Midwest and West.*

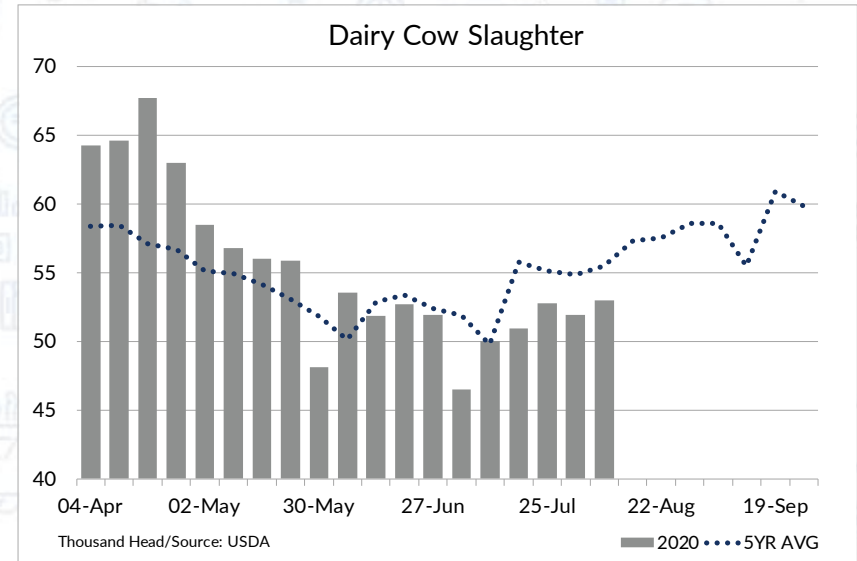
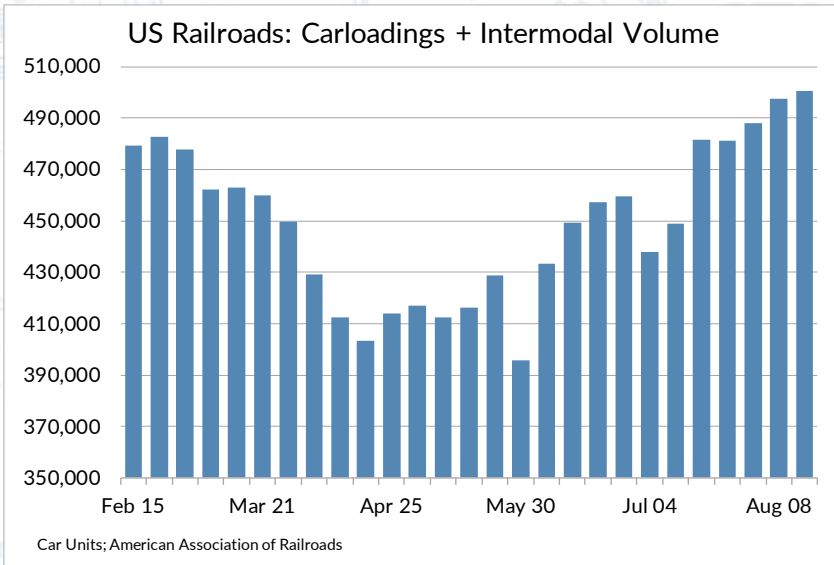


## hotel occupancy

- STR reported US hotel occupancy at 50%, unchanged from the week prior and down from 67% a week earlier. Average room rate: \$101, down 20%.
- *Globe St* reports: Looking further ahead, 71% of consumers expect to next stay in a hotel two years from now. That's down from 89% who said so in March and the 74% who said the same in the beginning of June. Only 56% of consumers said they expected to next stay in a hotel a year from now, compared to 62% who said so in June and 79% who reported the same in March. The forecast is more bullish on vacation rentals.

## air travel

- For the seven days ending August 20, TSA data showed 5,034,951 people moving through airport checkpoints, up 2% from the previous week but down 70% year-over-year.
- CNBC reports: *Southwest Airlines* on Wednesday reported "modest" improvements in passenger demand this month as vacationers booked last-minute trips despite the coronavirus pandemic... Still, booking trends are "inconsistent," Southwest warned. After demand increases in May and June, booking improvements stalled along with the increase in coronavirus cases around the US, it said.

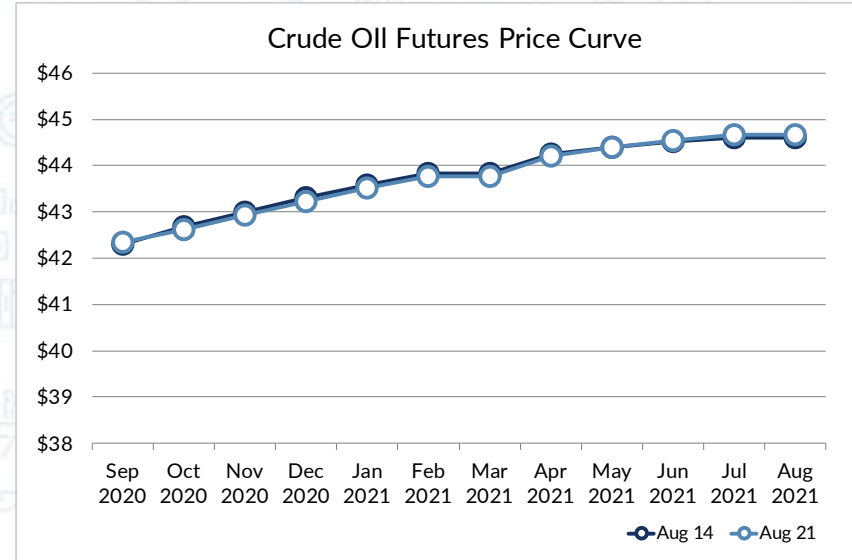
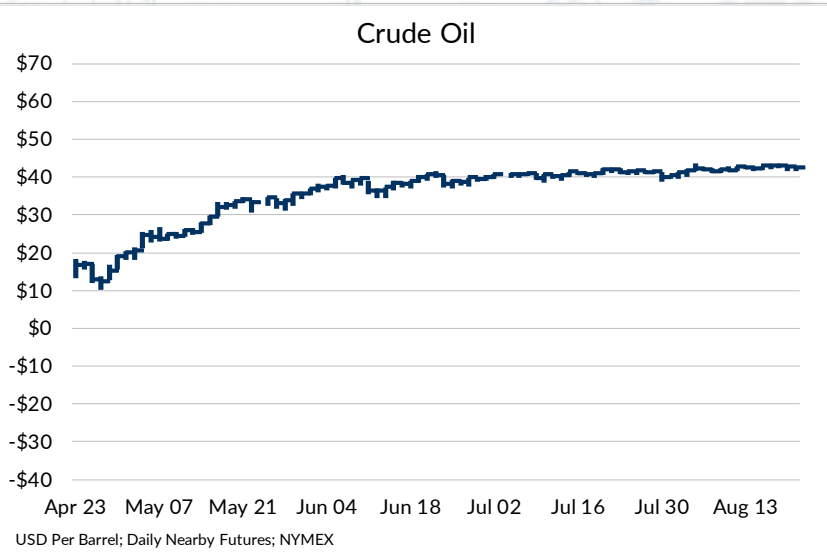


## rail traffic

- The American Association of Railroads counted 500,563 combined car loadings and intermodal starts, down 7% year-over-year.
- Freight Waves reports: *Employment levels at Class I railroads rose in July on a monthly sequential basis, increasing nearly 1% from June. The number of employees totaled 117,230 in mid-July, up 0.95% from June... The last time that employee headcount rose was between March and April of this year. A 5.3% gain in the number of train and engine (T&E) crew employed by the railroads helped push July's total higher.*

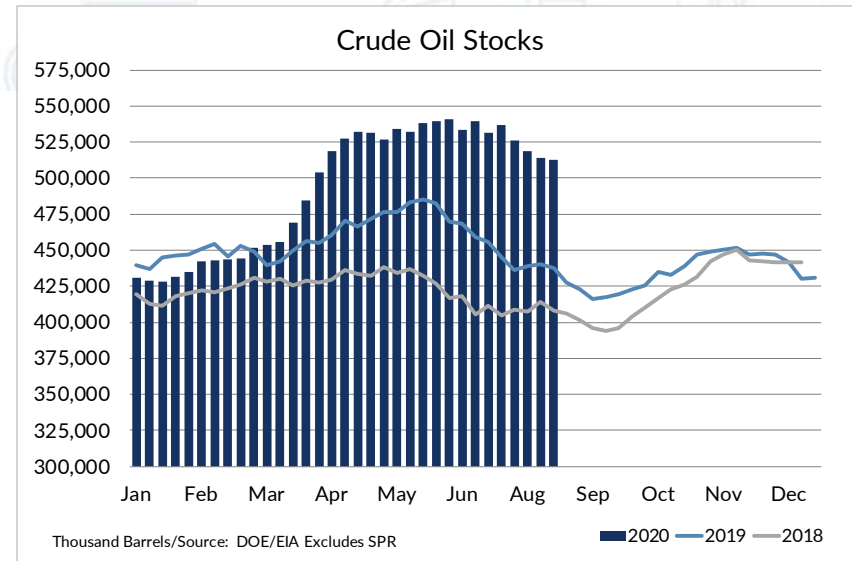
## cow slaughter

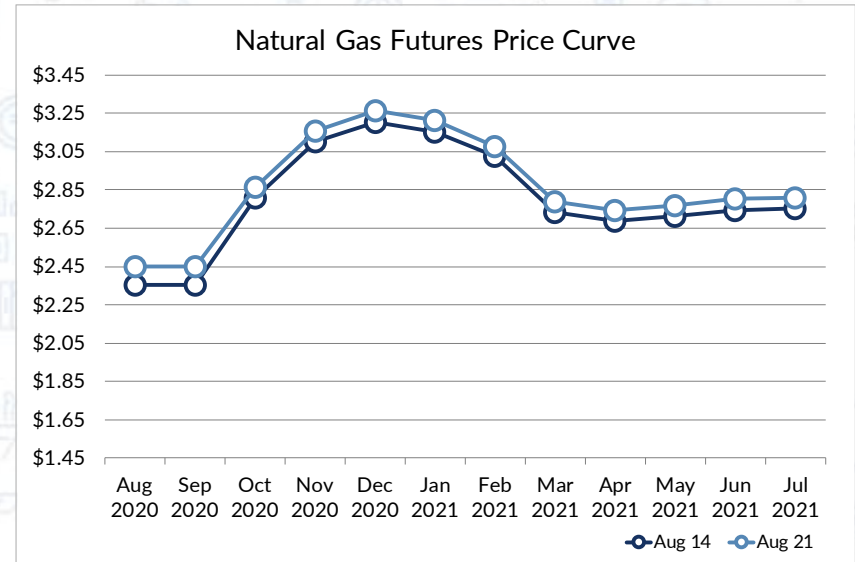
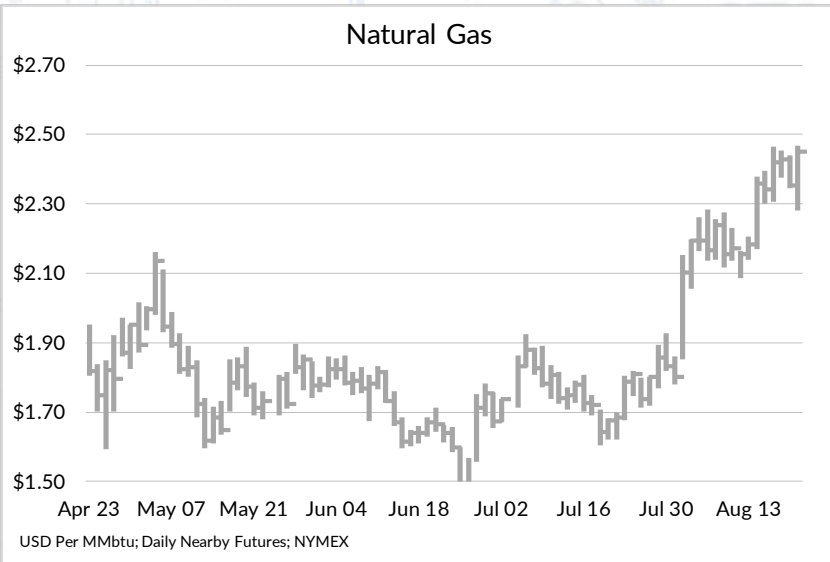
- For the week ending August 8, USDA reported dairy cow slaughter at 52,956 head, up 2% on the week but down 8% year-over-year.
- July US milk production: 18.645 billion pounds, up 1.5% year-over-year. Cows: 9,352,000 head, up 2,000 from June and up 37,000 year-over-year.
- Live cattle futures: \$1.0855 per pound, up 1%.
- Reuters reports: *"Supplies are large, and there's always uncertainty about export demand," said Doug Houghton, at Brock Capital Management. "Every time we have a run-up in this market, there seems to be a bit of profit taking."*



# crude oil

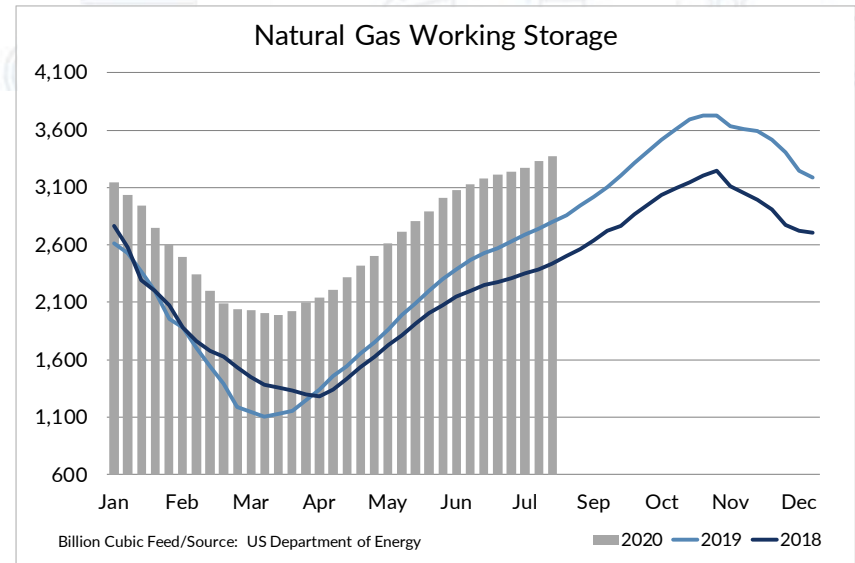
- Road to nowhere: WTI crude oil futures finished at \$42.34 per barrel, up 0.8%.
- Reuters reports: OPEC+ was focused on ensuring members that had overproduced against their commitments would reduce output. An internal report showed the group wanted oversupply between May and July compensated for with cuts this month and next, Reuters reported. It also showed OPEC+ expects oil demand in 2020 to fall by 9.1 million barrels per day, and by as much as 11.2 million bpd if there is a resurgence of coronavirus infections.

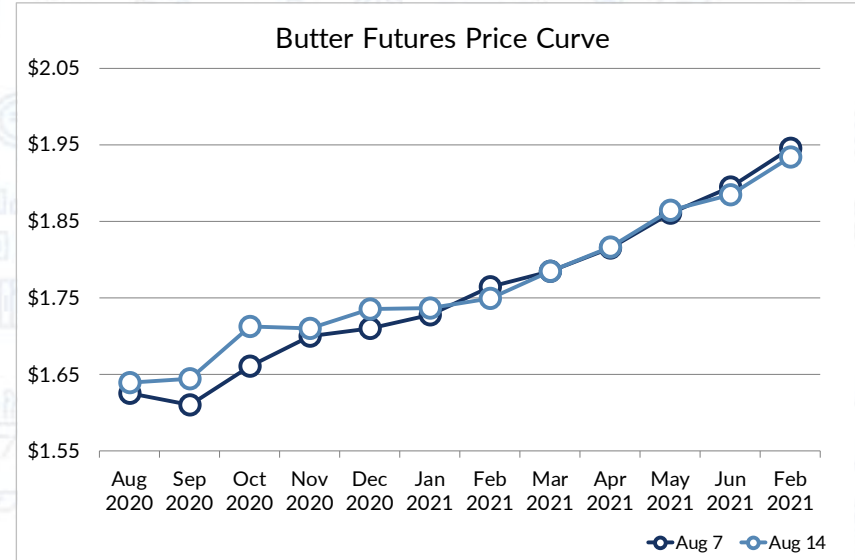
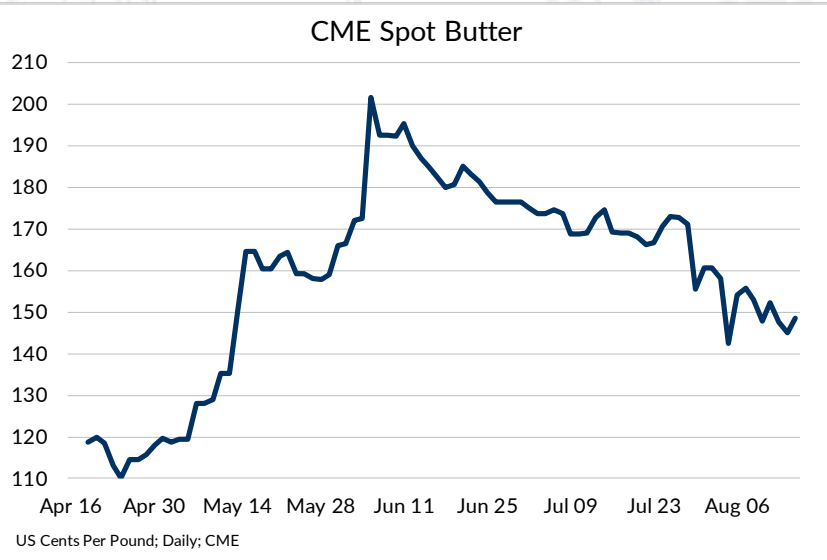




# natural gas

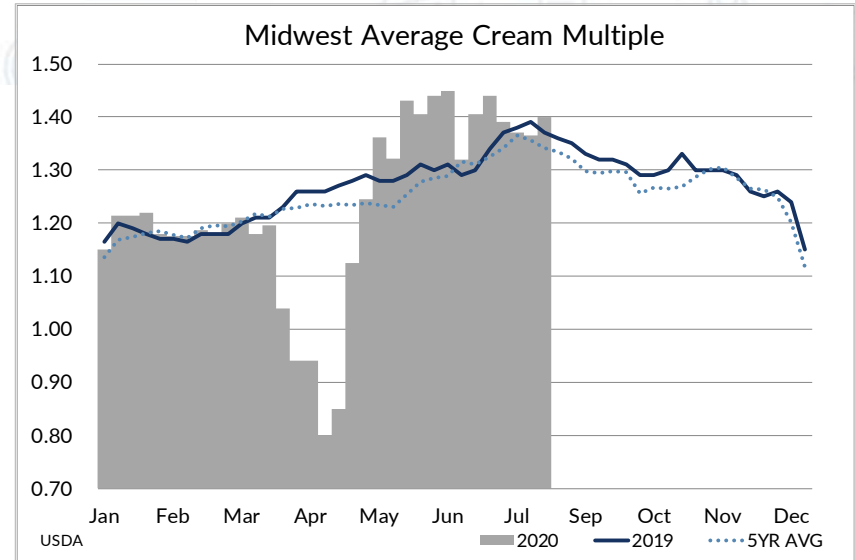
- Natural gas prices continued to rise, with nearby futures at \$2.448 per mmbtu, up 3.9%.
- *The Wall Street Journal* reports: Natural-gas prices have shot up 66% since late June, and speculators are betting they will keep climbing. But the companies that control the country's spigots aren't so sure. Appalachian energy producers are taking a cautious approach to reopening the taps they shut in spring when the coronavirus pandemic torpedoed prices in an already glutted market. These companies flooded the market in recent years and have effectively become the swing producers .

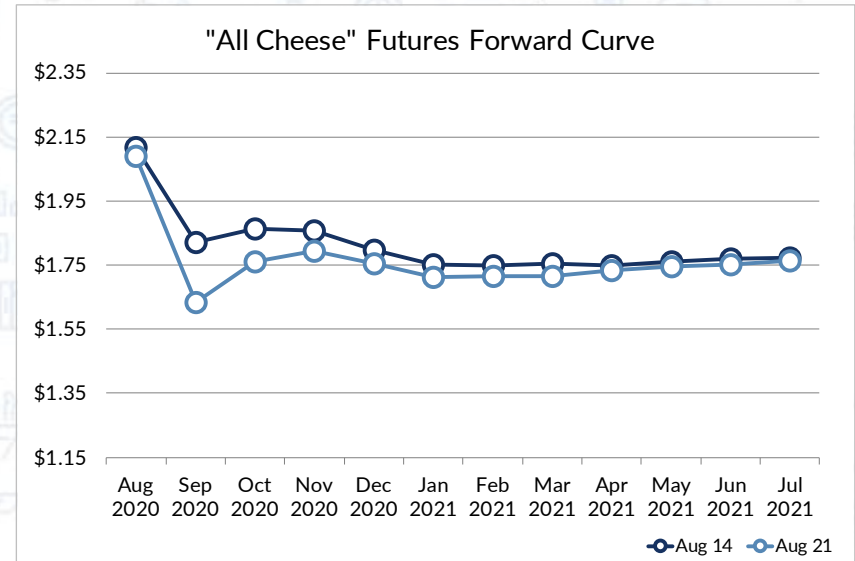
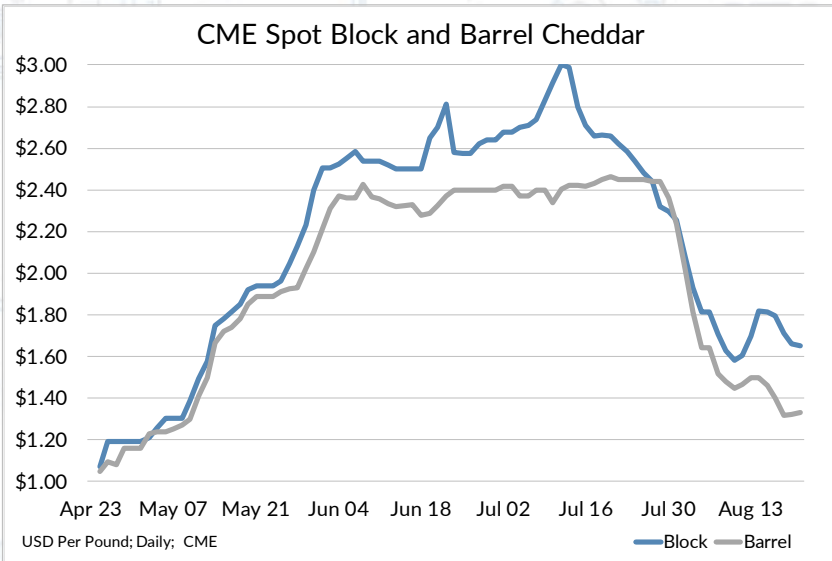




# butter & cream

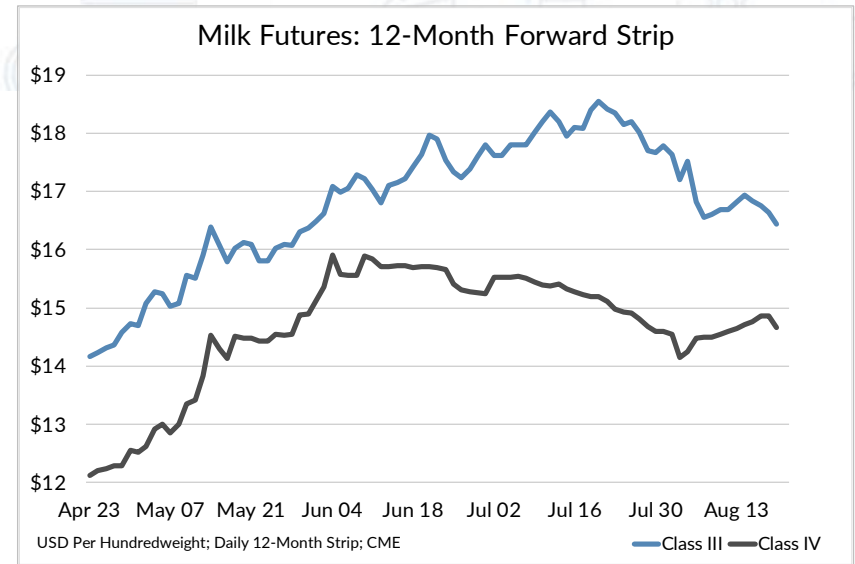
- Trying to find solid ground: CME spot butter prices climbed, fell and then moved higher again. Friday settlement: \$1.5200 per pound, up \$0.0300.
- Volume: 79 cars, the most since late February.
- Fourth quarter butter futures closed at an average of \$1.7025 per pound, down \$0.0247.
- USDA data implied cream multiples at 141, up from 140 the week prior, 136 last year and 134 on average the previous five years.
- GDT butter: \$1.4900 per pound at 80% fat, down 2%.



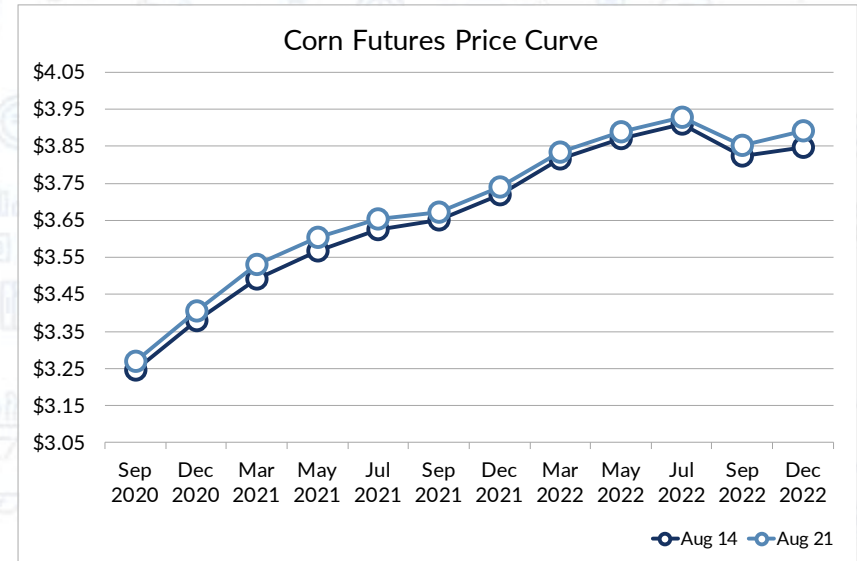
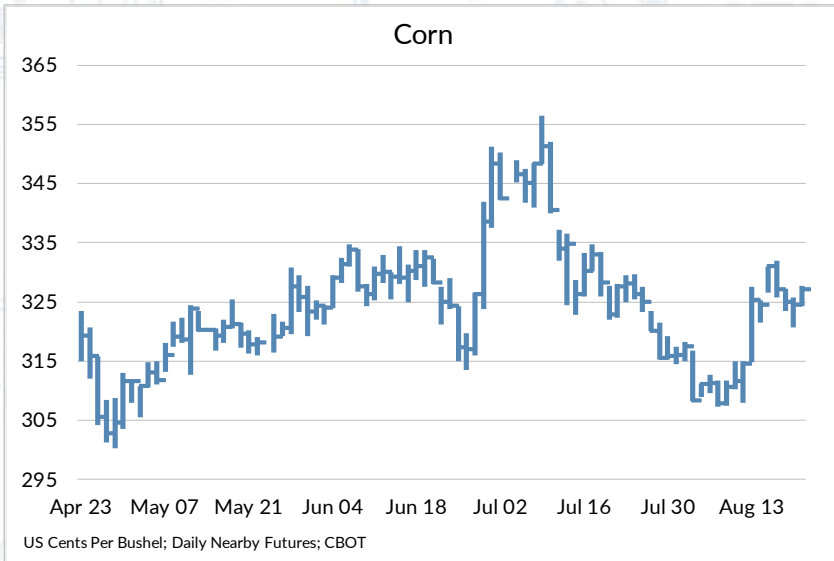


## cheese & class iii

- Falling: CME spot cheddar prices remained under pressure, with blocks closing at \$1.6500 per pound and barrels finishing at \$1.3300, down \$0.1700 in both cases. Volume: nine cars of blocks, 28 cars of barrels.
- Contacts say that demand from food service accounts remains soft.
- October through December Class III milk futures closed at \$16.43 per hundredweight, down 70 cents. Fourth quarter "all cheese" futures: \$1.7693 per pound, down \$0.0700.

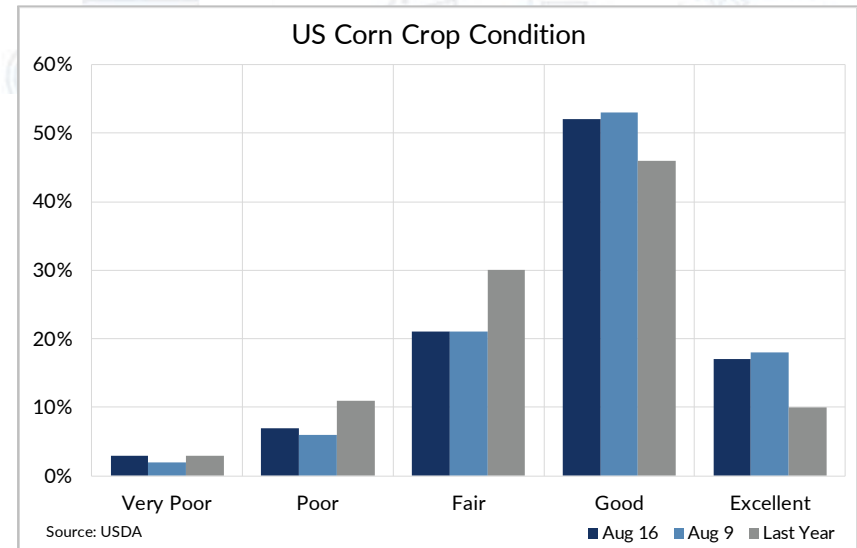


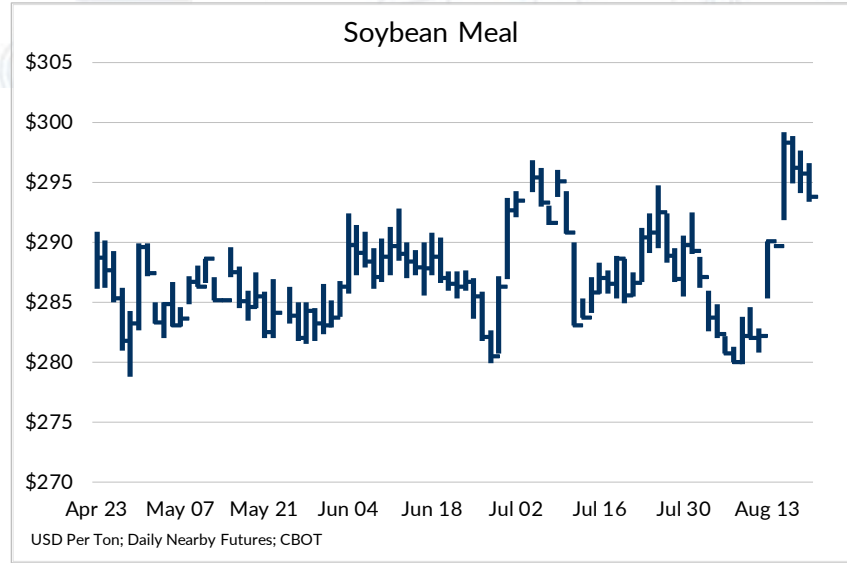
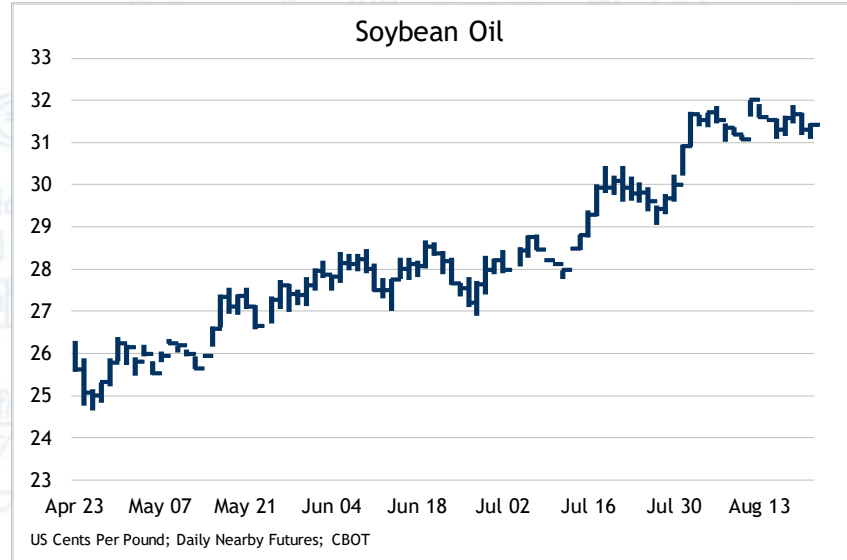
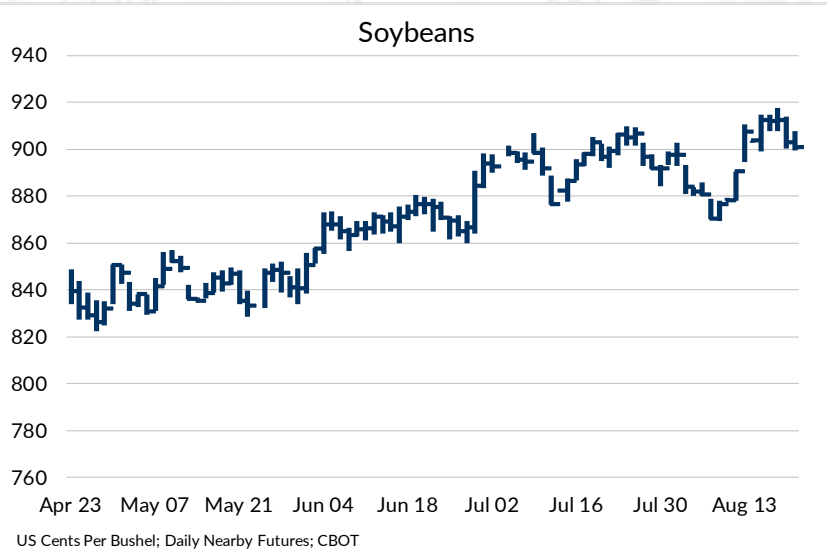




# corn

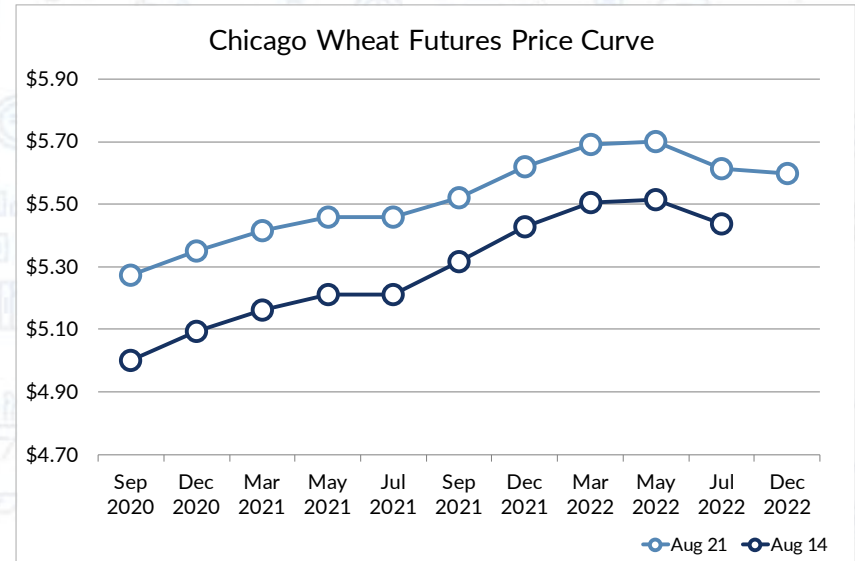
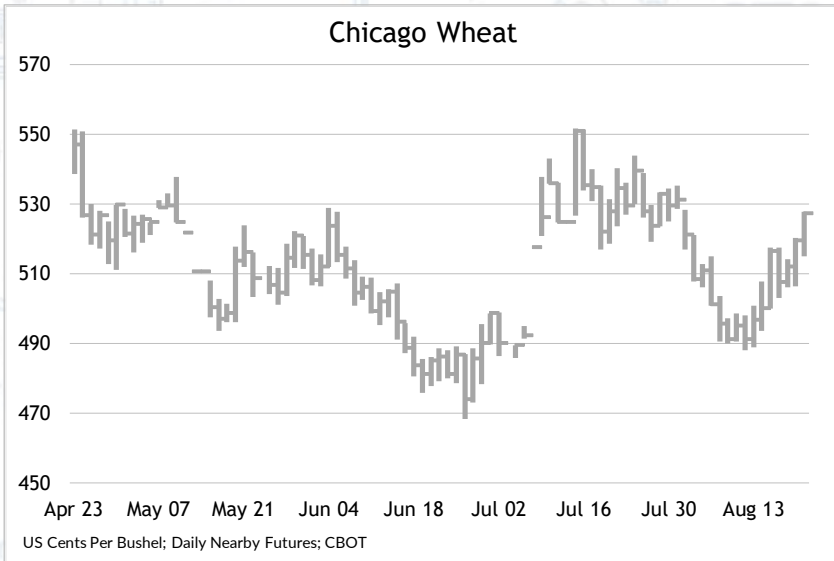
- Nearby corn futures closed at \$3.2700 per bushel, up 0.8% on the week.
- *Pro Farmer reports: Pro Farmer estimates the 2020 corn crop at 14.820 billion bushels based on an average yield of 177.5 bushels per acre. That would be down from the USDA's August estimate of 181.8 bushels. "Even before reaching Iowa, we had some suspicions about the corn crop's ability to hit a record. There is simply too much variability in the crop across most of the tour states," said Pro Farmer's Brian Grete. "It's difficult to determine how much yield and production Iowa has lost..."*





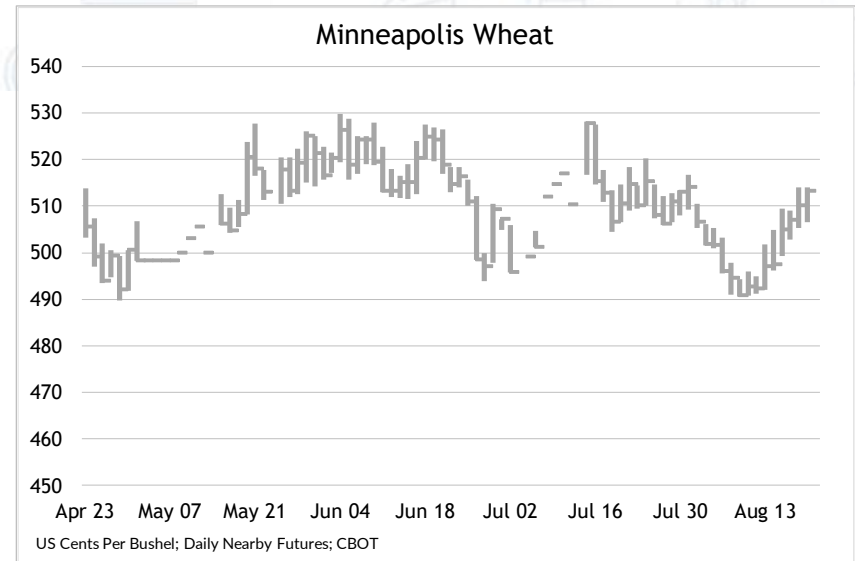
# soy

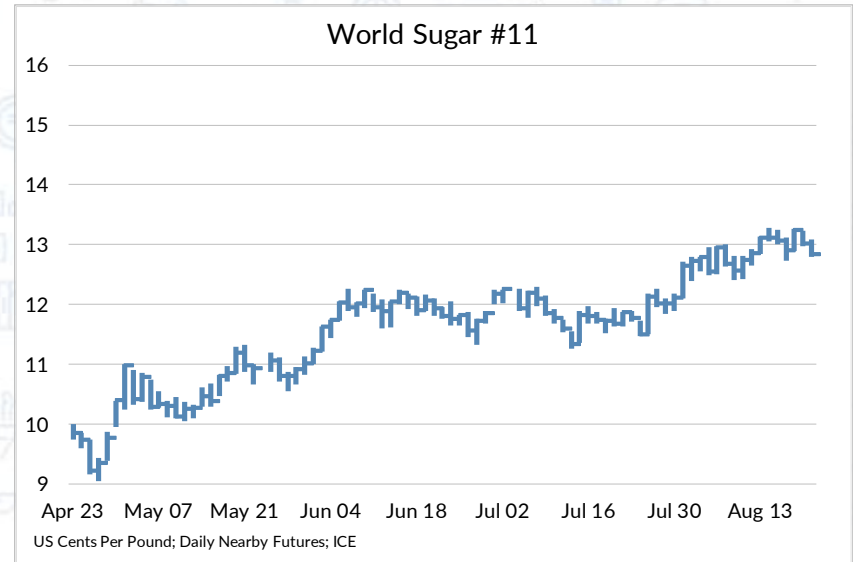
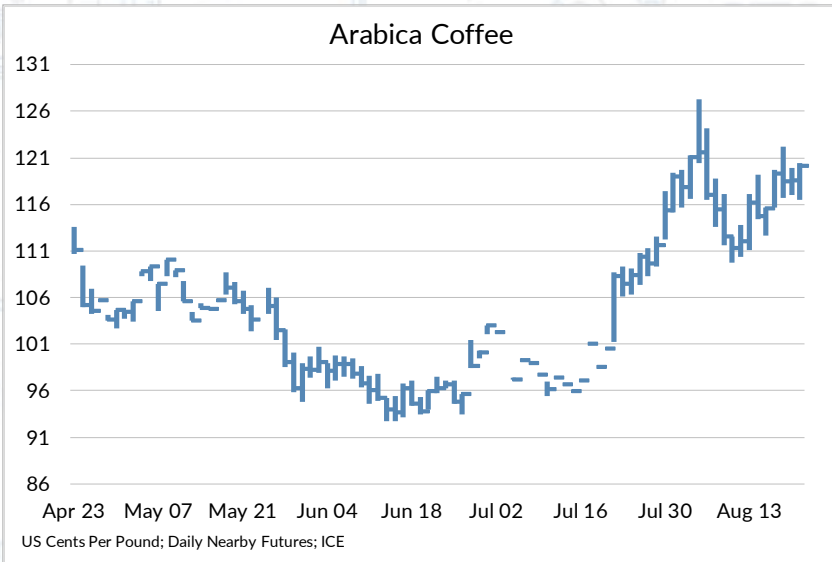
- Limited action: Soybean futures closed at \$9.0075 per bushel, down 0.3%. Soy oil finished at 31.41 cents per pound, down 0.4%. Soy meal: \$290.20 per ton, up 0.2% on the week.
- *Pro Farmer* reports: *Pro Farmer* estimates the 2020 soybean crop at 4.362 billion bushels, with a national average yield of 52.5 bushels per acre, down from 53.3 *USDA* estimated August 12. "On Crop Tour, we've never seen a bean crop with so much potential and so much to lose," stated *Pro Farmer's* Jeff Wilson. "Plant health is great, but fields are dry and need rain to finish strong."



# wheat

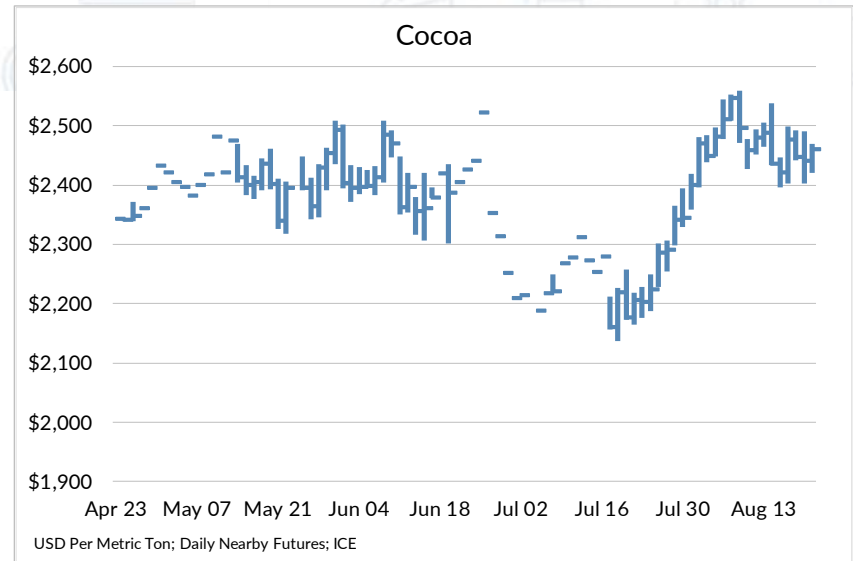
- Chicago wheat closed at \$5.2725, up 5.5%. Kansas City wheat gained 4.8% while Minneapolis prices increased 3.2%.
- *Successful Farming* reports: Wheat sales for delivery in the grain's marketing year that started June 1 totaled 523,000 metric tons, up 42% from the prior seven-day period but down 8% from the average. The Philippines took 182,900 tons, Brazil bought 90,000 tons, an unknown buyer purchased 86,000 tons, Mexico was in for 79,500 tons, and Italy purchased 65,800 tons. Indonesia redacted an order for 20,000 tons, the agency said.





# softs

- Coffee closed at \$1.2040 per pound, up 5.0%.
- CNBC reports: *Carlos Mera Arzeno at Rabobank, said a weaker dollar, a limited fall in demand and investors' willingness to look to commodities... have all contributed to the recent price momentum [in soft commodities]. "We have results for food companies that were very encouraging, and supermarket sales continued to do well... demand was not as bad as it could have been..."*
- Cocoa closed at \$2,459 per metric ton, up 0.9%.
- World sugar: 12.83 cents per pound, down 2.1%.



# A better way of doing business.

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