



# KEY INDICATORS

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**BLIMLING**  
and **ASSOCIATES**

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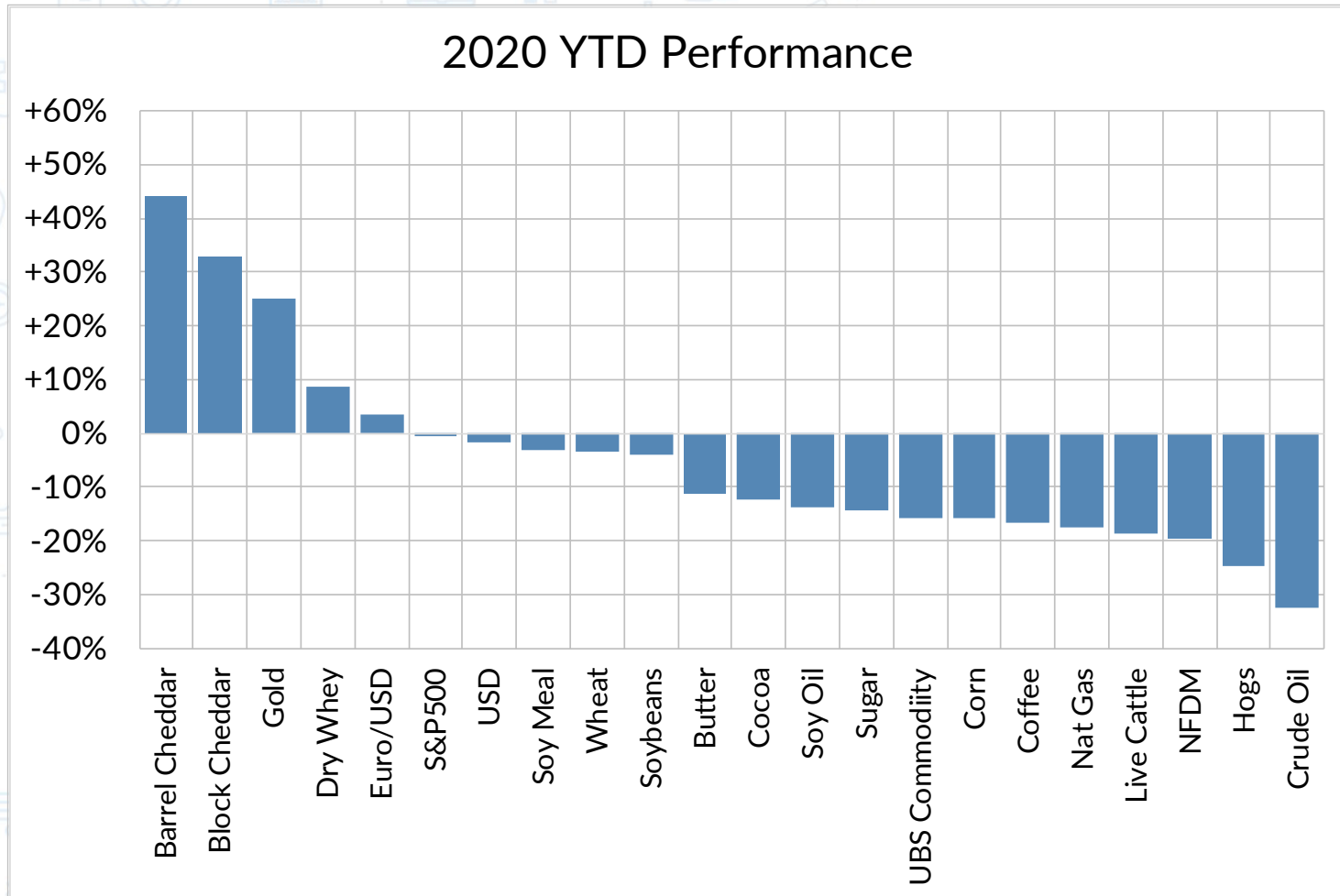
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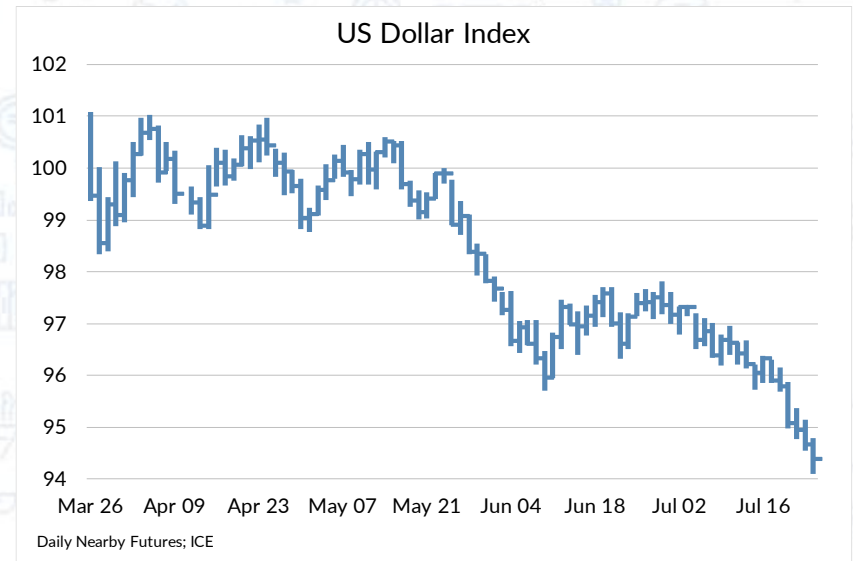
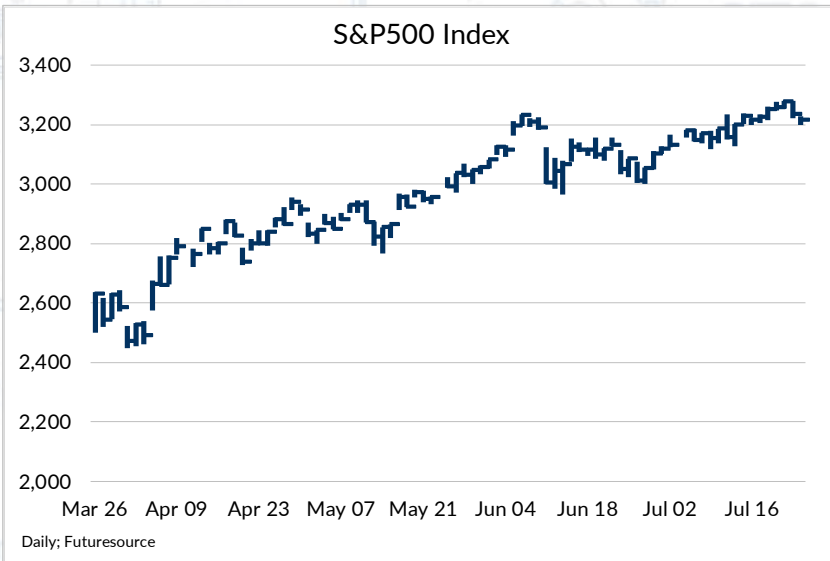
# the markets we greet this week...

...seem jittery again.

- **Credit Starts to Tighten:** *As pandemic emergency relief draws to a close for some renters and others, many struggling consumers could be tempted to cover a few bills by pulling out some old, little-used credit cards. But they could be surprised to discover that the line of credit they thought they had has vanished. Banks have been reducing credit card limits and closing accounts altogether for millions of consumers..."It's all about managing risk for banks. Things are so volatile and things are changing so quickly that banks don't necessarily know who is risky and who is not," said Matt Schulz, chief credit analyst for LendingTree. "Some banks will go at this with a scalpel and some will go at it with a flamethrower." USA Today [Read Here](#)*
- **Permanent Work From Home is Coming:** *Indefinite. Or even permanent. These are words companies are using about their employees working from home. It's three months into a huge, unplanned social experiment that suddenly transported the white-collar workplace from cubicles and offices to kitchens and spare bedrooms. And many employers now say the benefits of remote work outweigh the drawbacks. Tech companies Twitter and Facebook captured headlines with announcements about permanent work from home. But the news from a 94-year-old company based in the heartland... may have been even more significant. Nationwide Insurance is shutting five regional offices since remote work has gone off so smoothly... NPR [Read Here](#)*
- **Self-Storage Industry Under Threat:** *For years, the self-storage industry in the US has relied on what insiders call the Four D's: death, divorce, displacement and disaster. But the coronavirus pandemic, combined with aggressive competition and brash overexpansion, has made what once seemed like one of the few recession-proof parts of the commercial real estate industry look as vulnerable as many other businesses... In June, monthly rent for new customers before one-time discounts for a 10-by-10 unit without air-conditioning and heat, for example, declined 4.3% nationwide on an annualized basis, according to Yardi Matrix. For the same unit with climate control, rent fell 6.7%. The New York Times [Read Here](#)*
- **Reports this week:** Durable Goods (Mon); Case-Shiller Homes (Tue); Income & Outlays (Fri).

# 2020 performance by market



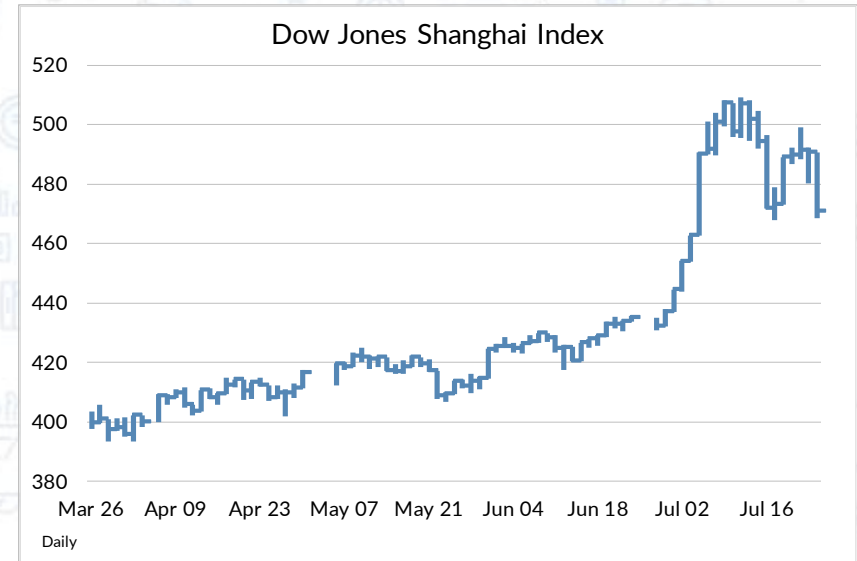
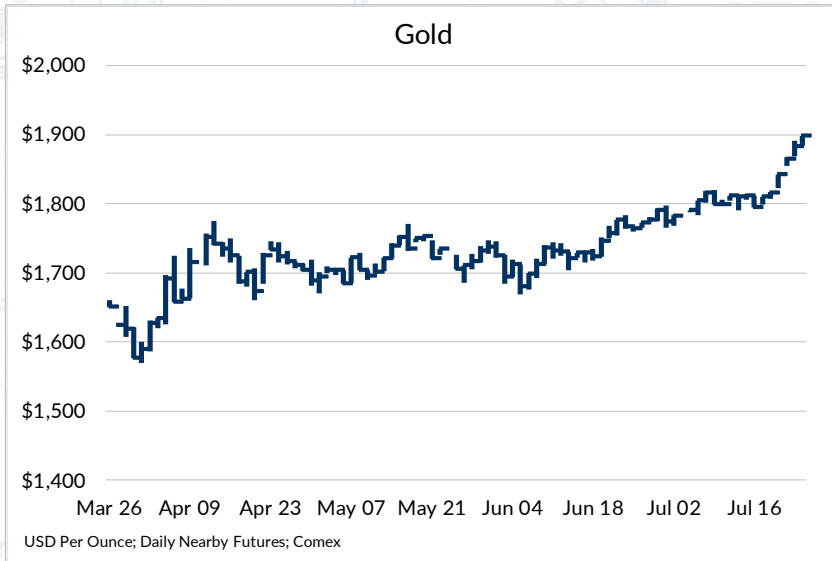


## us equities

- Winning streak broken: US equity indices slumped, with the S&P500 closing at 3,215.6, down 0.2%. The Dow Jones Industrial Average lost 0.8% with the NASDAQ surrendering 1.3%.
- Bloomberg reports: *Bulls who have spent four months shoveling money into an ever-appreciating group of technology behemoths are getting the worst news imaginable: there may be a limit... Given how hard it's been for bad economic news to hurt the group, the culprit would seem to be valuations, which at 33 times income are double levels just 18 months ago.*

## us dollar

- The USDX finished at 94.38, down 1.6%. Meanwhile, the Euro closed at 1.1643 versus the USD, up 1.7%.
- CNBC reports: *The Dollar posted its biggest weekly decline in almost four months against a basket of currencies and also saw its largest weekly percentage loss against a surging euro since late March. "The first key thing is the Fed has knocked real rates down into negative territory, you have economic growth differentials turning against the US, so essentially the second wave of coronavirus infections is lowering activity across the states and is weighing on the likelihood of a rebound," said Karl Schamotta, at Cambridge Global Payments.*

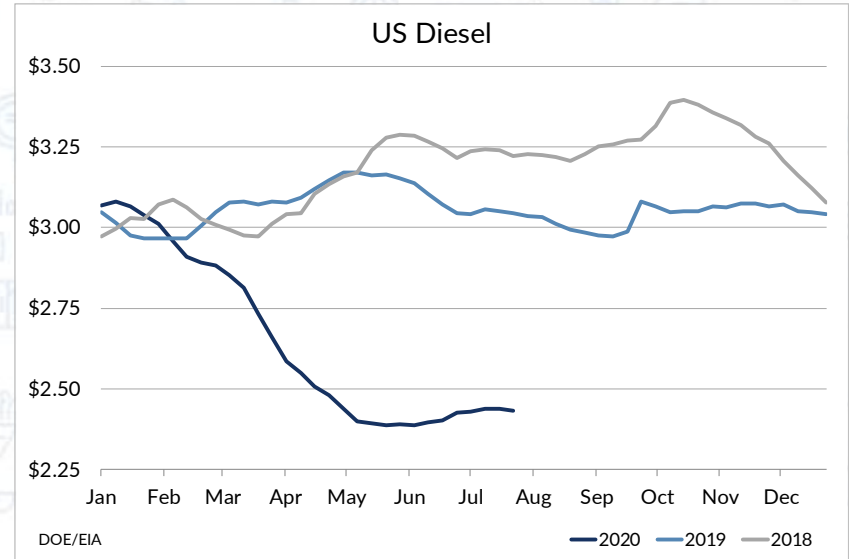
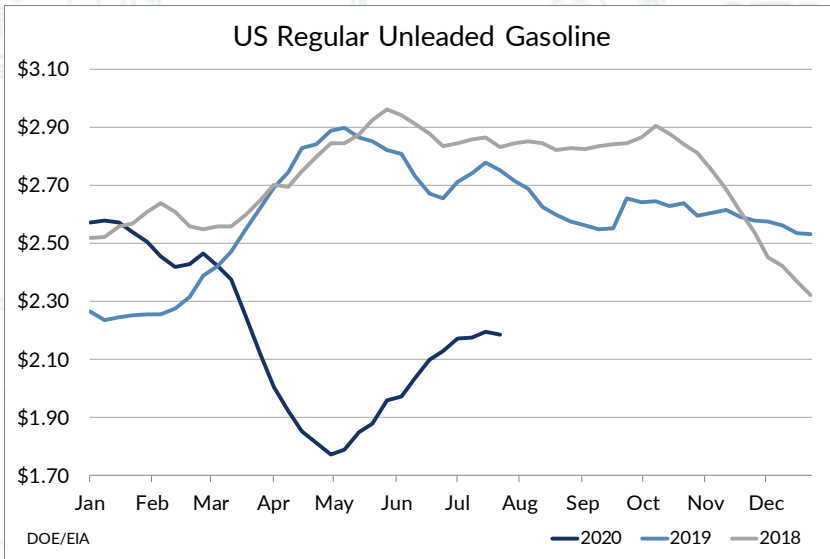


# gold

- New highs: Gold closed at \$1,897.30 per ounce, up 4.8% on the week.
- Bloomberg: *Gold is heading for a seventh weekly gain, the longest stretch since 2011, while silver is poised for its biggest weekly advance in about four decades. Gold may reach the all-time high by early next week, according to a trader at RJO Futures in Chicago. "The pace of this thing is unbelievable," Bob Haberkorn. "People just want to buy, buy, buy, they just want to be in -- they don't want to miss it. People are preparing for more money printing, lower dollar in the future and hedging."*

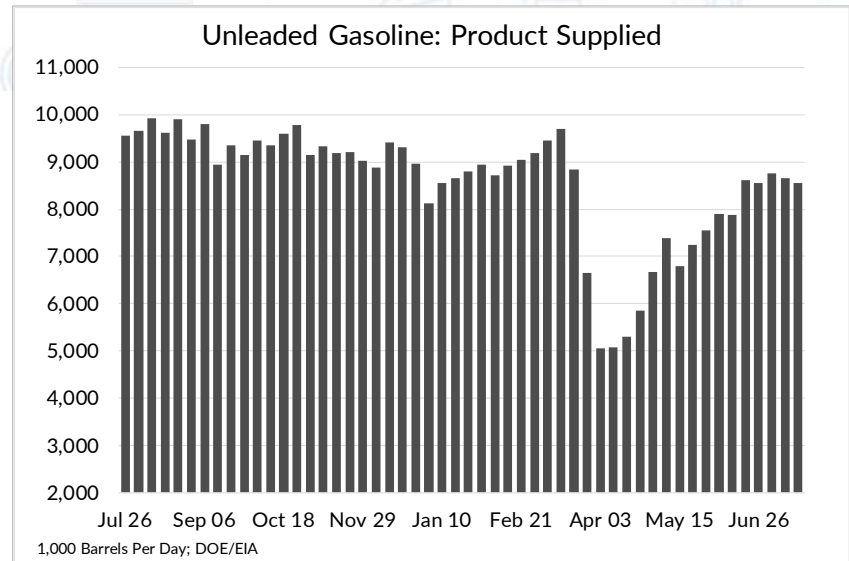
# china

- The Shanghai Composite Index lost 0.5%.
- *The New York Times reports: When Beijing signaled this month that it was time to buy China, investors did not hesitate. But it did not take long for some to get cold feet as officials warned that the market was overheating. In the first four days of trading in July, investors from outside China poured a record \$7.6 billion into the market, according to BNP Paribas,.. The official warnings that followed prompted outflows of \$2.5 billion in a single day a week later. It is both the hope and the uncertainty of the Chinese stock market that is driving erratic behavior, as fresh highs bring concerns anew.*

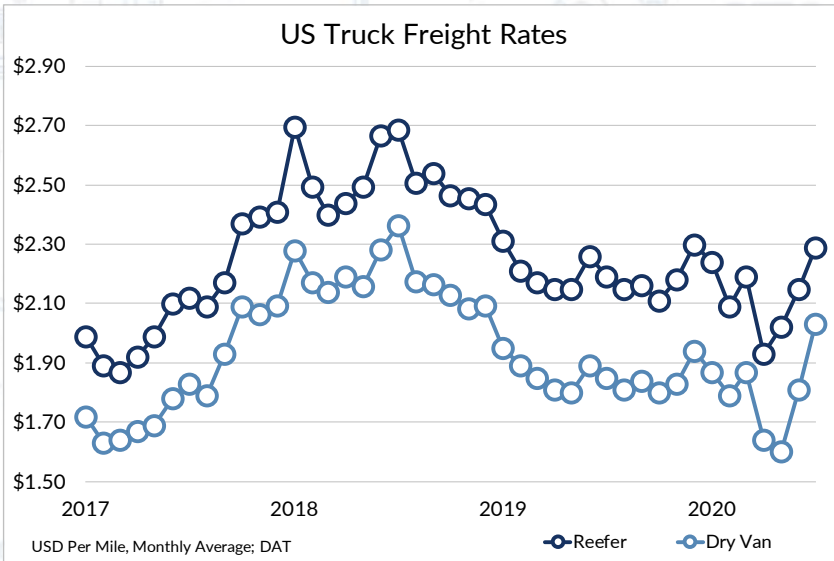


# fuel

- Regular unleaded gasoline averaged \$2.186 per gallon, down a penny on the week and down 56 cents year-over-year.
- Product supplied: Down 12% year-over-year.
- Diesel averaged \$2.433 per gallon, down a penny on the week and down 62 cents year-over-year.
- GasBuddy analyst Patrick DeHaan: *Everything right now is related to coronavirus... If things get better, prices go up. If things get worse, prices go down. That's kind of what we've been seeing in the last week.*

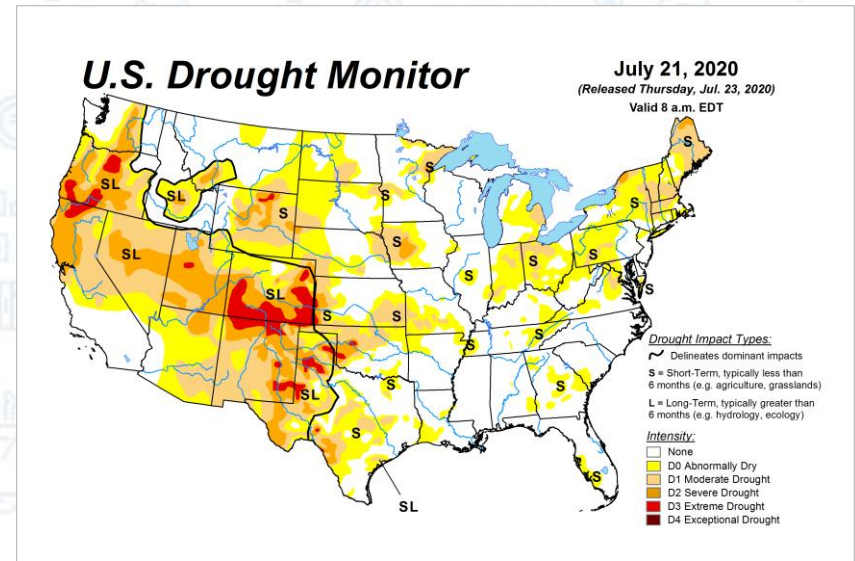






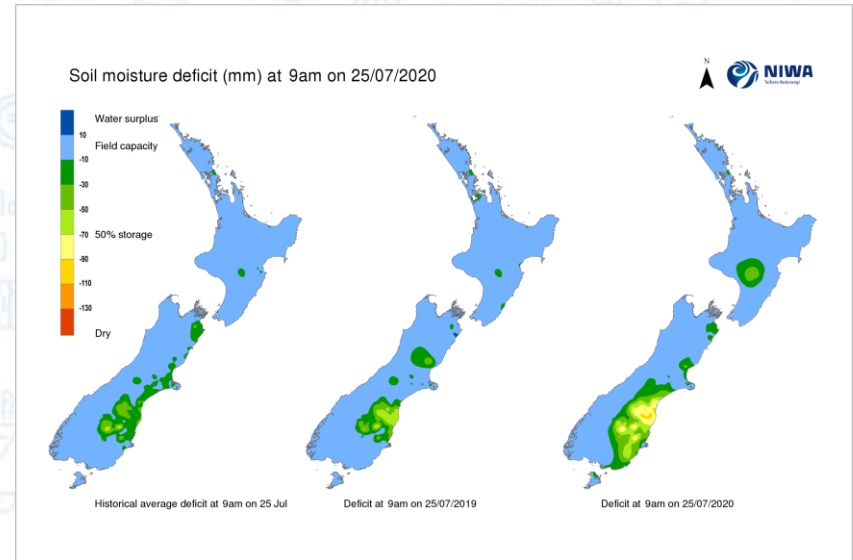
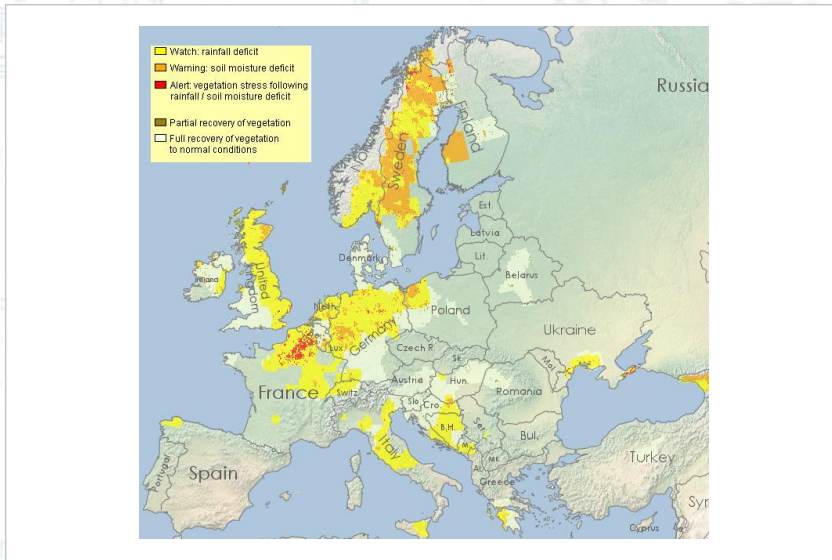
# truck freight

- DAT Solutions showed reefer spot rates at \$2.29 per mile month-to-date, unchanged from last week and up 14 cents from June. Dry van: \$2.03 per mile, up a penny on the week and up 22 cents month-to-month.
- Freight Waves reports: The ACT For-Hire Trucking Index in June climbed to 70.4, up from 50.2 in May. in April, it was 19.3... "The survey confirmed much of what we witnessed in rate data over the course of June, as the supply-demand balance tipped in truckers' favor as the economy reopened," Kenny Veith, the company's president and senior analyst said.



# us drought

- NOAA notes: High pressure dominated the southern half of the US... Upper-level weather systems tracked across the Canadian border, dragging surface lows and fronts along with them. The frontal systems tapped Gulf of Mexico moisture to drop locally heavy rain across parts of the Plains to Midwest, while convective thunderstorms peppered coastal areas of the Gulf. The high-pressure ridge inhibited precipitation across much of the southern Plains to Southeast, and across most of the West. It also kept temperatures unusually hot, with daily maximums exceeding 90 degrees F across the South throughout the week and across much of the West for most of the week.



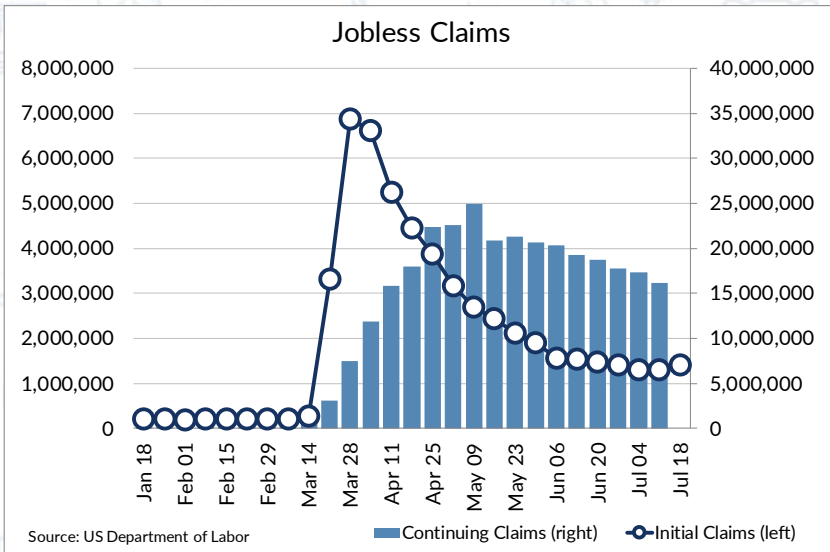
## eu drought

- All About Feed reports: According to agricultural agency FranceAgriMer, 47% [of French wheat] had been harvested early this week, up from 26% a year earlier. The French wheat harvest is one of the smallest in years. Agricultural agency Agreste expects the average hectare yield to remain at 7.1 tons of soft wheat per hectare, compared to 7.9 tons last year. In some regions, yields are 40 to 50% below last year's... German barley production 9% lower than 5-year average. DBV assumes 8.9 million tons of winter barley compared to 9.8 million tons last year (-9%). The hectare yields are 7% below last year's...

## nz soil moisture

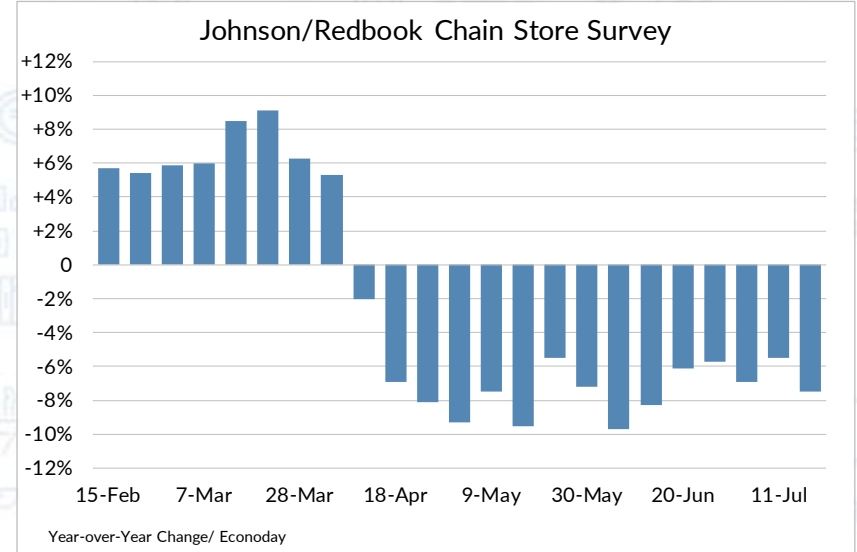
- The New Zealand Herald reports: The chances of big deluges like the torrential storm that hit Northland over the weekend could become more likely as La Niña continues to develop in the tropics to the north of New Zealand. The ocean-made driver could also warm up the Tasman Sea towards the end of the year – the last La Niña in 2017-18 came with a freak marine heatwave that set the stage for New Zealand's hottest summer on record. During a La Niña event, ocean water from off the coast of South America to the central tropical Pacific cools to below average - a result of stronger than normal easterly trade winds, which churns cooler, deeper sea water up to the ocean's surface.





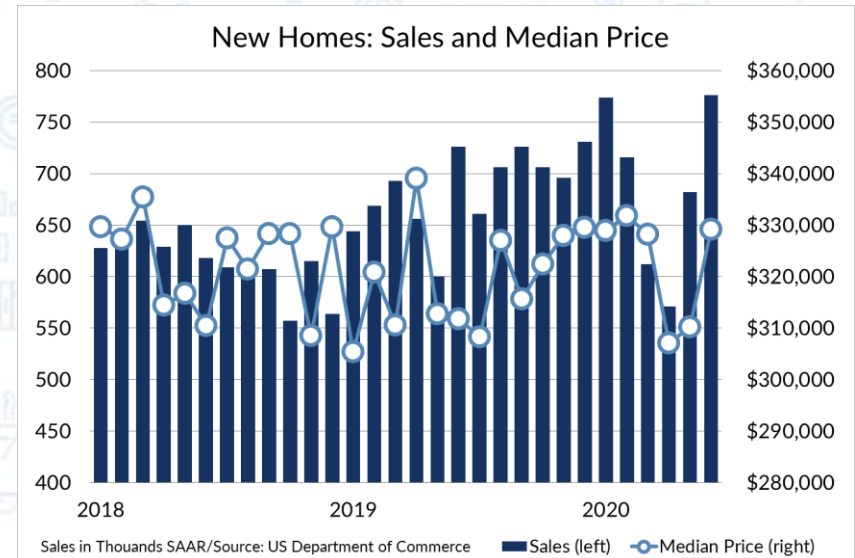
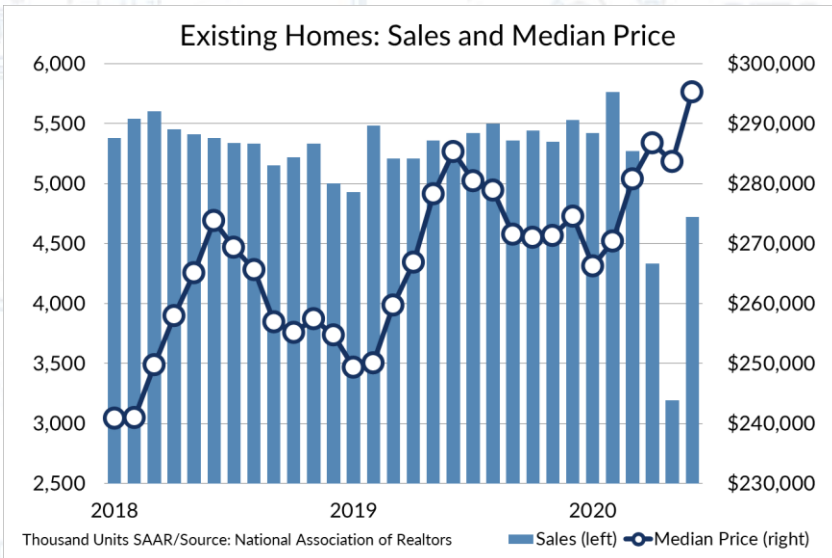
# jobless claims

- Initial jobless claims increased for the first time since late March: 1,416,000, up 109,000 on the week and up 1,205,000 year-over-year.
- CNBC reports: *Nearly half of Americans whose families experienced a layoff during the pandemic now believe those jobs are lost forever, a new poll shows, as temporary cutbacks give way to shuttered businesses, bankruptcies and lasting payroll cuts. It's a sharp change after initial optimism... In April, 78% of those in households with a job loss thought they'd be temporary. Now, 47% think that lost job is definitely or probably not coming back.,*



# chain store sales

- For the week ending July 18, the Johnson/Redbook Chain Store Sales survey showed dollar sales down 7.5% year-over-year.
- *The Wall Street Journal reports: With a resurgence of coronavirus cases across much of the country, some [retailers] that were relatively healthy before the pandemic are showing signs of buckling. Bankruptcies in the sector are piling up, with more retailers seeking chapter 11 protection so far in 2020 than in all of last year. Two dozen public and large private retailers in the US have filed for bankruptcy this year, according to BankruptcyData.com. The total for all of 2019 was 20 retailers.*

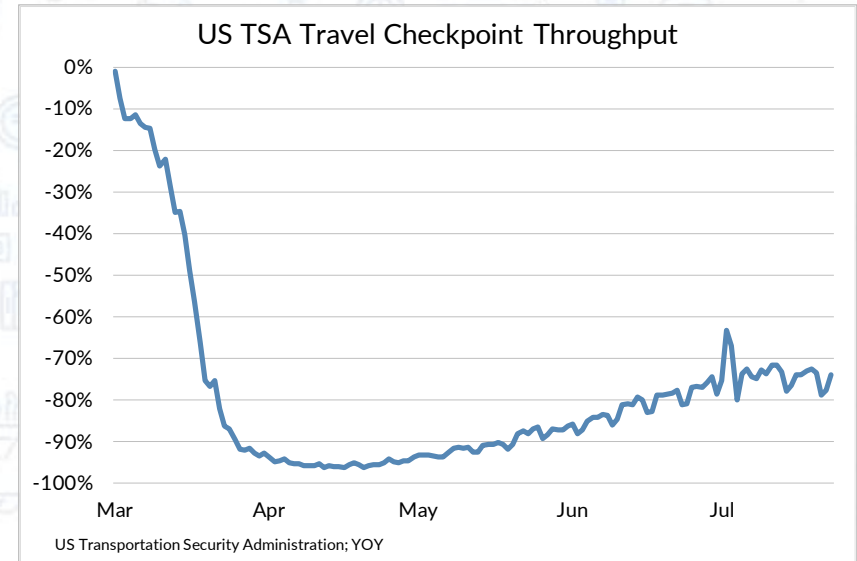
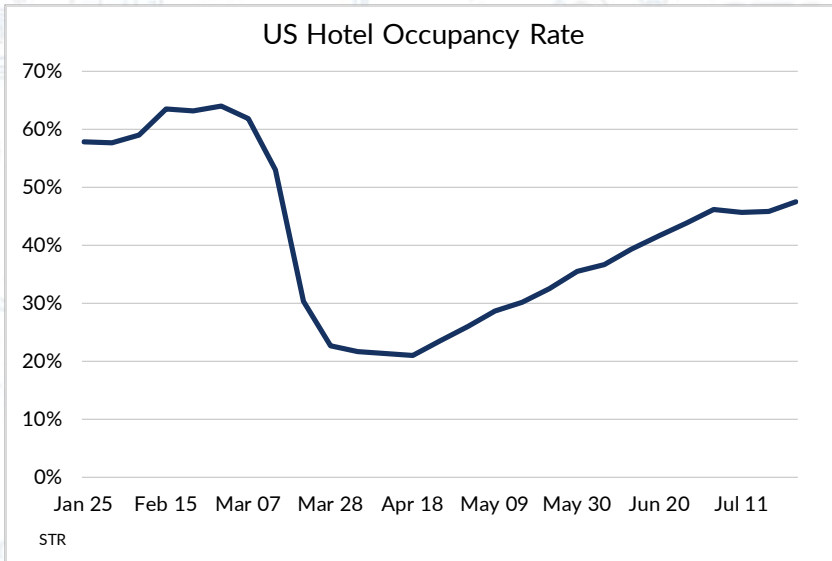


## “old” home sales

- The National Association of Realtors reported sales of existing homes in June at 4,270,000 units on a seasonally-adjusted, annualized basis, up 48% on the month but down 11% year-over-year.
- Median price: \$295,300, up 4% on the month and up 4% year-over-year.
- NAR’s Lawrence Yun: *The sales recovery is strong, as buyers were eager to purchase homes and properties that they had been eyeing during the shutdown. This revitalization looks to be sustainable for many months ahead as long as mortgage rates remain low...*

## “new” home sales

- Sales of newly built homes in June shot up to 776,000 units on a seasonally-adjusted, annualized basis, up 14% on the month and up 7% year-over-year.
- Associated Press reports: *Sales are being helped by ultra-low mortgage rates which earlier this month dropped below 3% for a 30-year-fixed rate mortgage for the first time in nearly 50 years. Economists believe low rates and changes in home preferences brought on by the pandemic will combine to support further sales gains. In June, sales were up in all parts of the country with the biggest gain coming in the Northeast, a surge of 90%. Sales rose 18% in the West, 10% in the Midwest and 7% in the South.*

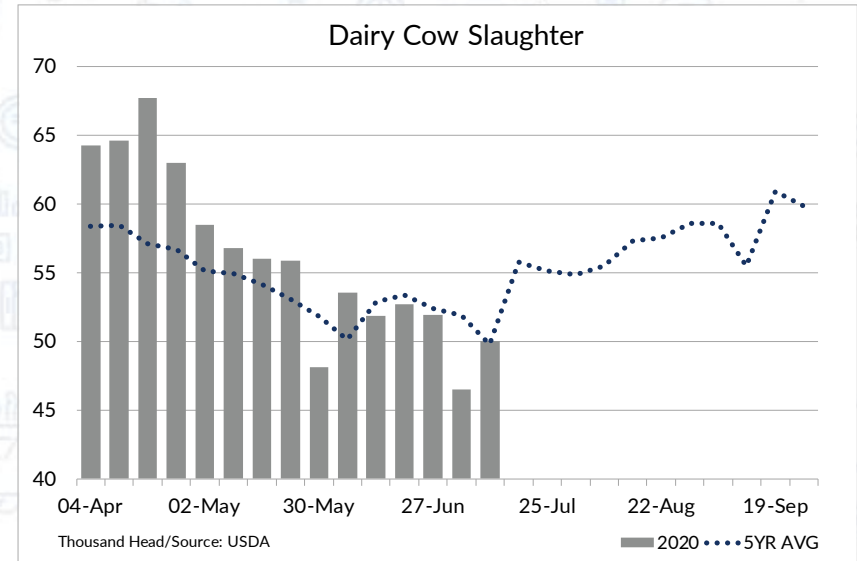
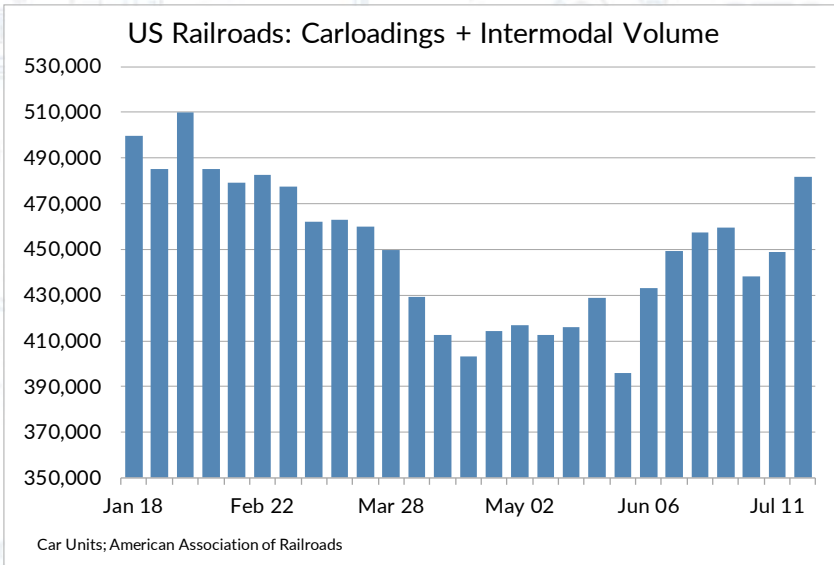


## hotel occupancy

- STR reported hotel occupancy at 48%, down from 75% a year ago. Average room rate: \$99, down 26% year-over-year.
- Hospitality.net reports: *Norfolk/Virginia Beach was the only one of those major markets to reach a 60% occupancy level (64%). Two additional markets surpassed 50% occupancy: Detroit (53%), and Atlanta (51%). Markets with the lowest occupancy levels for the week included Oahu Island (22%); Miami (30%); and Orlando (30%). Of note, in New York, New York, occupancy was 36%, down from 37% the week prior.*

## air travel

- Data for the seven days ending July 23 from the Transportation Security Administration showed travel checkpoint throughput still down 75% year-over-year.
- CNBC reports: *“We’ll have to work harder now and adjust August and September capacity,” to keep lowering cash burn, Southwest’s CEO Gary Kelly. “We were on a path to break even by the end of the year. That is still my goal. But first quarter may be more realistic.” Southwest estimated its third-quarter capacity will decrease between 20% and 30% over last year. “We’ll let demand serve as a guidepost for our future capacity levels,” said American Airlines CFO Derek Kerr.*

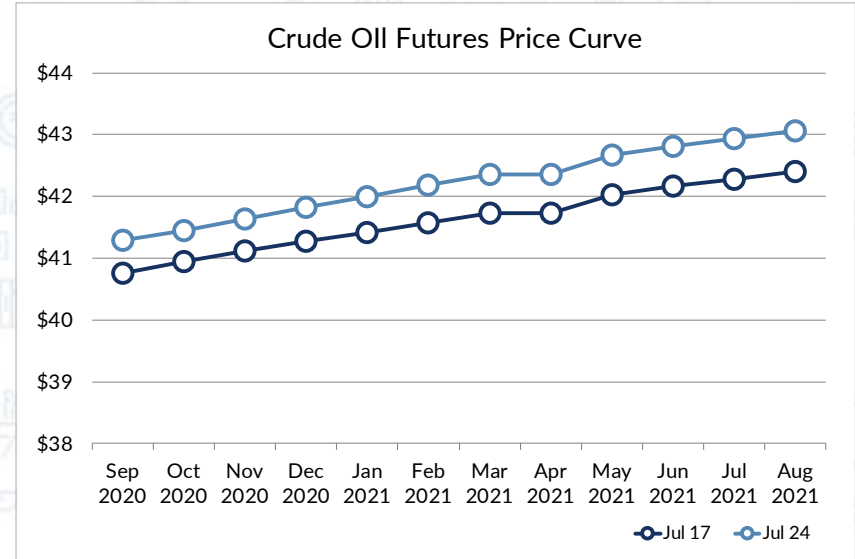
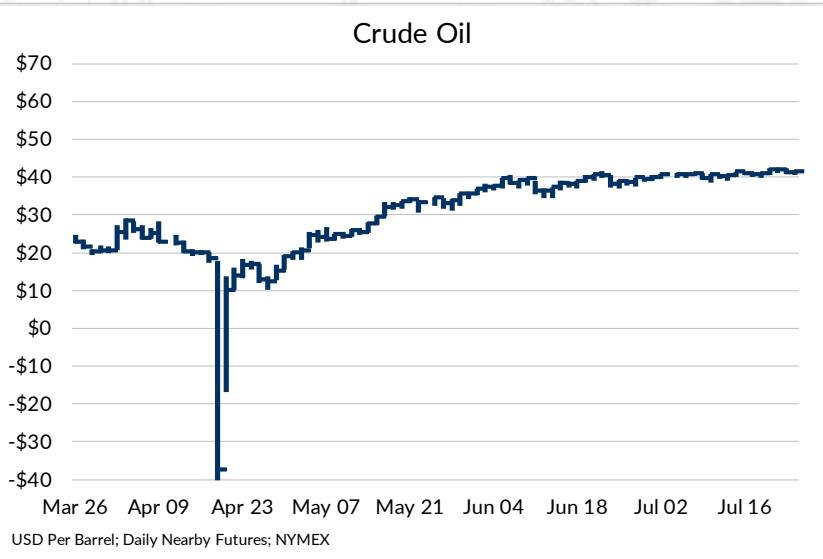


## rail traffic

- The American Association of Railroads reported 481,597 combined car loadings and intermodal starts, down 8% year-over-year.
- The *Jacksonville Daily Record* reports: *Freight traffic at CSX is picking up... However, as it reported sharply lower second-quarter earnings, CEO Jim Foote said it is difficult to predict when business will fully recover... "This was the most disruptive quarter I have experienced in my career with both the fastest decline in volumes followed by one of the most rapid increases in the company's history," Foote said.*

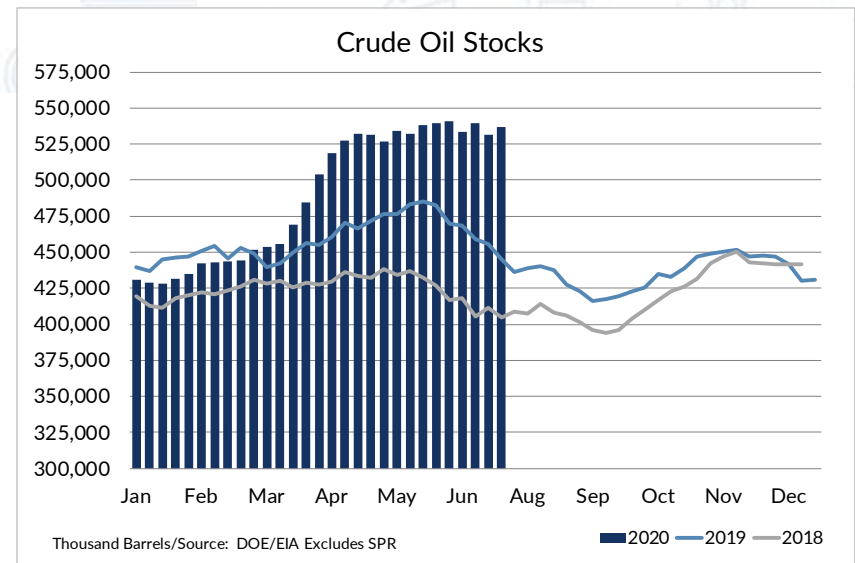
## cow slaughter

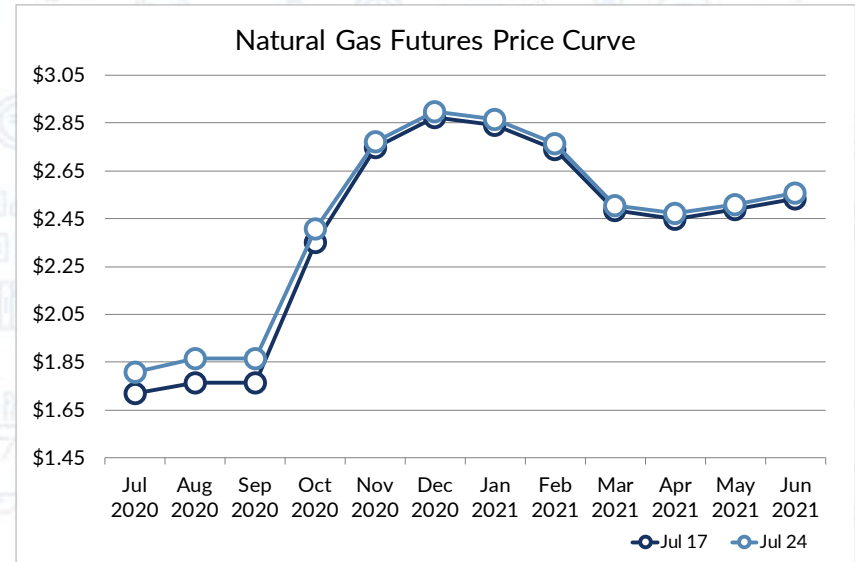
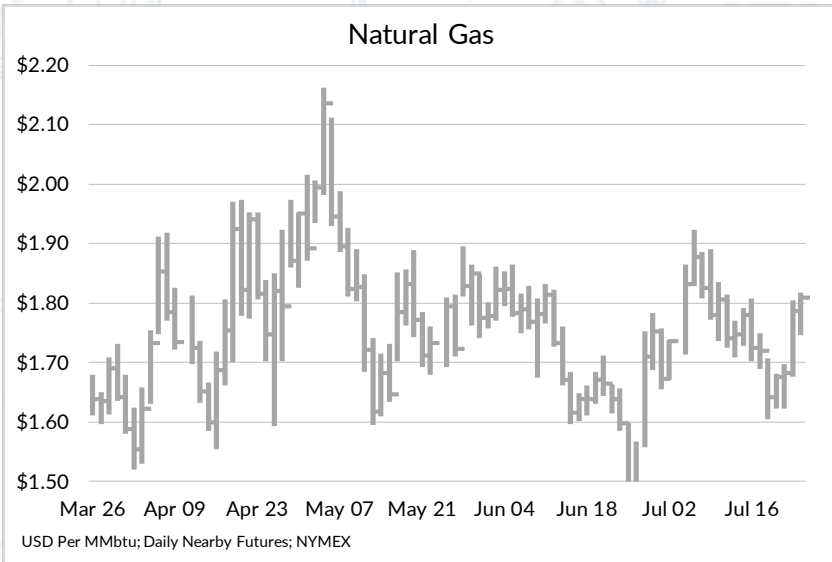
- For the week ending July 11, USDA reported dairy cow slaughter at 50,400 head, up 8% on the week but down 18% year-over-year.
- Nearby live cattle futures closed at \$1.0133 per pound, down 2% on the week.
- *Beef reports: USDA released its long-anticipated report on the unnerving dynamics in the cattle markets following the Tyson Finney County plant fire last year and the disruptions caused by COVID-19 this year. Bottom line—Boxed beef and fed cattle markets acted about as expected, given the unprecedented disruptions those two events caused and with the coronavirus, are still causing.*



# crude oil

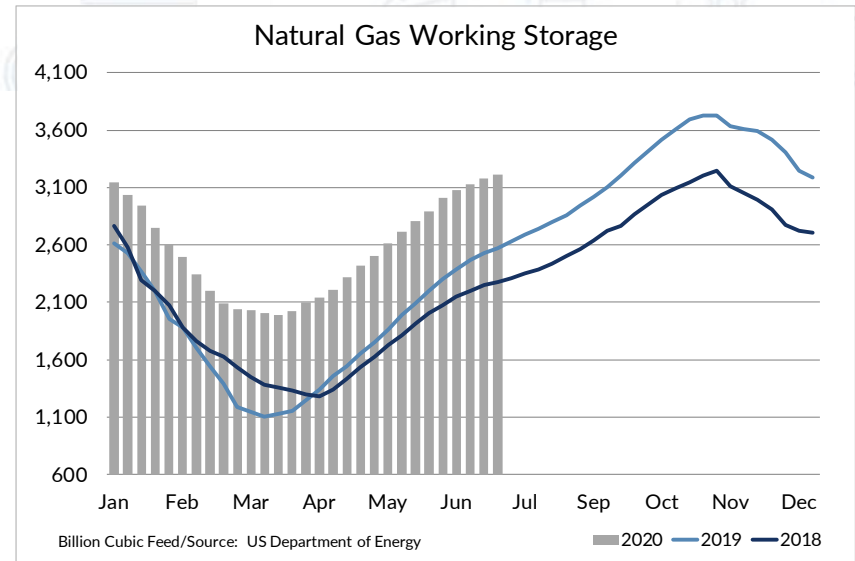
- USD weakness helped boost crude oil, with nearby WTI futures closing at \$41.29 per barrel, up 1.7%.
- Bloomberg reports: *The market's caught between two strong and opposing forces," said Bill O'Grady, executive vice president at Confluence Investment Management in St. Louis. "On the one side, you've got a storage overhang that is persistent, on the other hand, you've got a weakening dollar, you've got negative real interest rates and these factors tend to be bullish for commodities in general and crude in particular."*
- Baker Hughes rig count: 181, down one on the week.



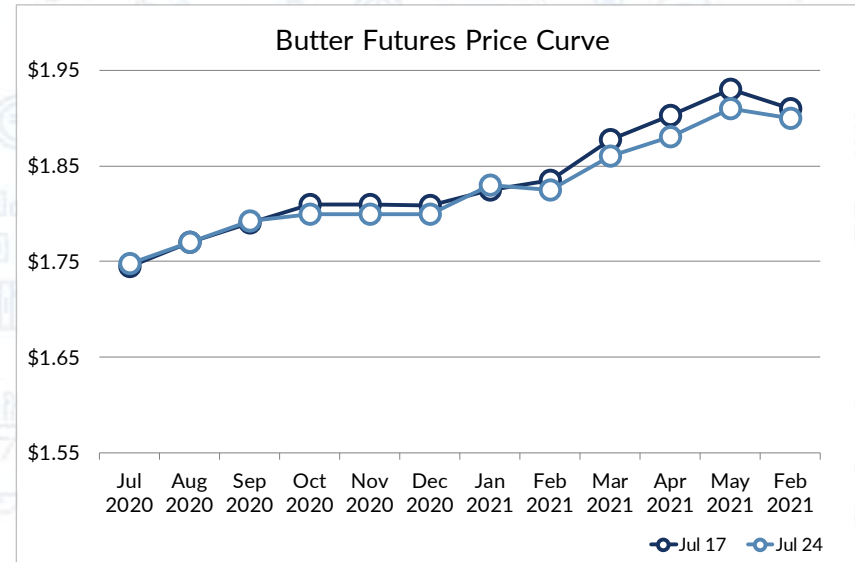
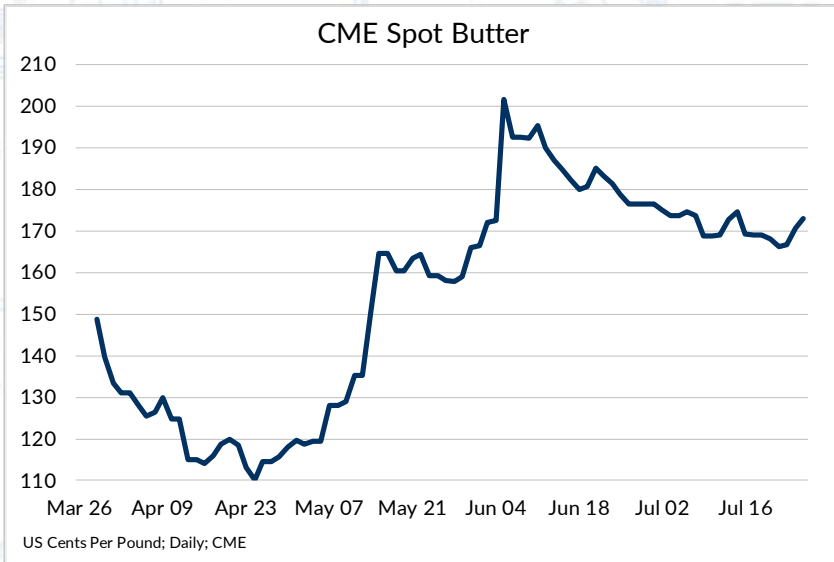


# natural gas

- Natural gas climbed to 1.808 pe rmmbtu, up 5.2%.
- The latest DOE/EIA report showed inventories up 1.2% on the week, in line with the five-year average.
- Reuters reports: *As the US Atlantic hurricane season ramps up, Tropical Storm Hanna formed in the Gulf of Mexico and was expected to hit South Texas over the weekend. Additionally, Tropical Storm Gonzalo was expected to strengthen into a hurricane as it churns from the Atlantic into the Caribbean Sea.*
- Baker Hughes rig count: 68, down three on the week.

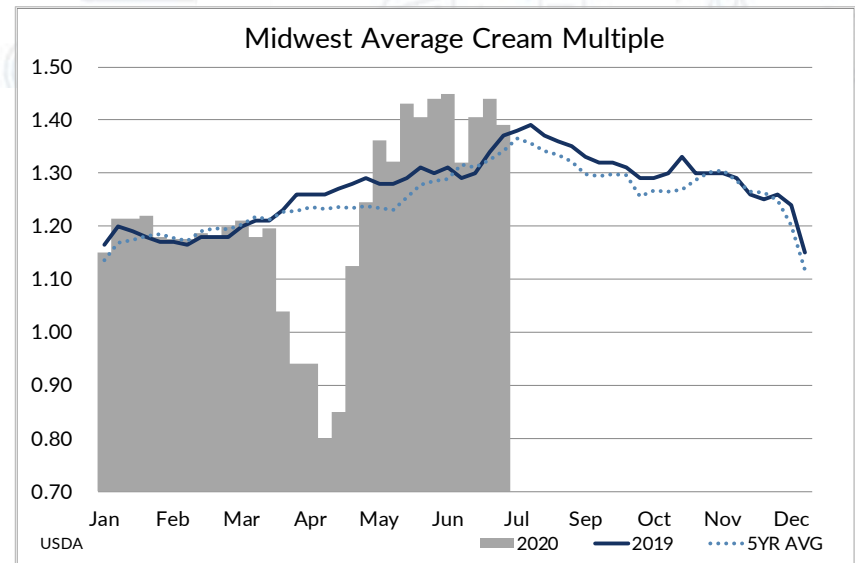


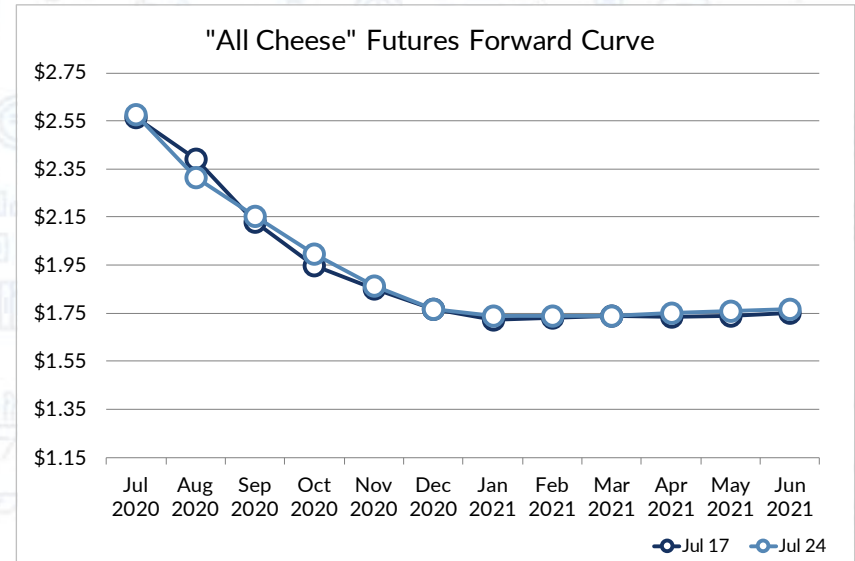
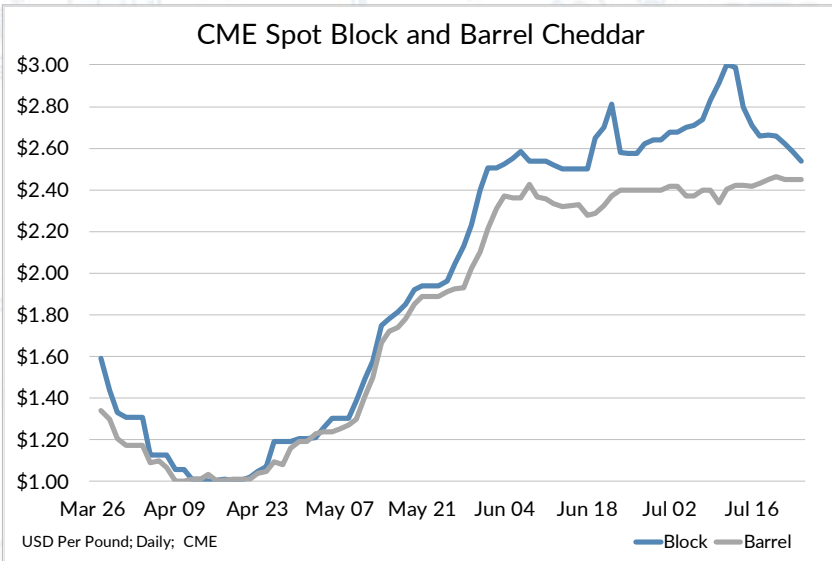




# butter & cream

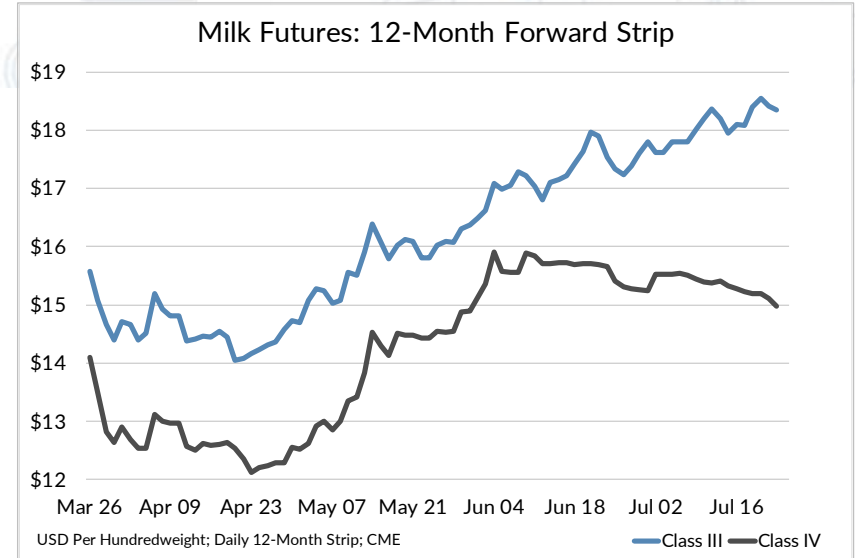
- After drifting down to \$1.6625 per pound at midweek, CME spot butter bounced back to close at \$1.7300, up \$0.0400. Volume: 18 cars.
- Third quarter butter futures closed at an average of \$1.7701 per pound, up \$0.0017.
- Cream multiples eased, with USDA data implying a 139 rate in the Midwest, down from 144 the week prior but up from 137 last year and 134 on average.
- GDT butter: \$1.56 per pound at 80% fat, down 5%.
- Dutch quotation: \$1.72 per pound at 80%, up 2%.

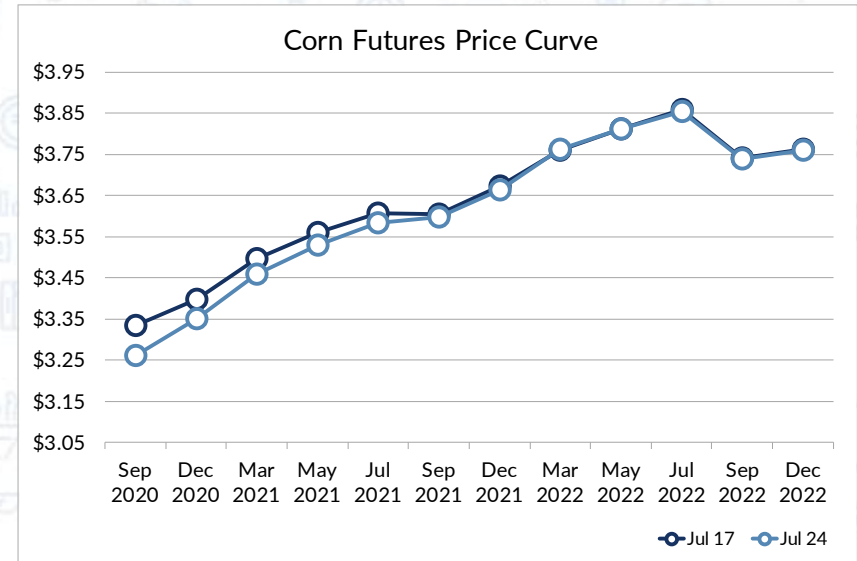
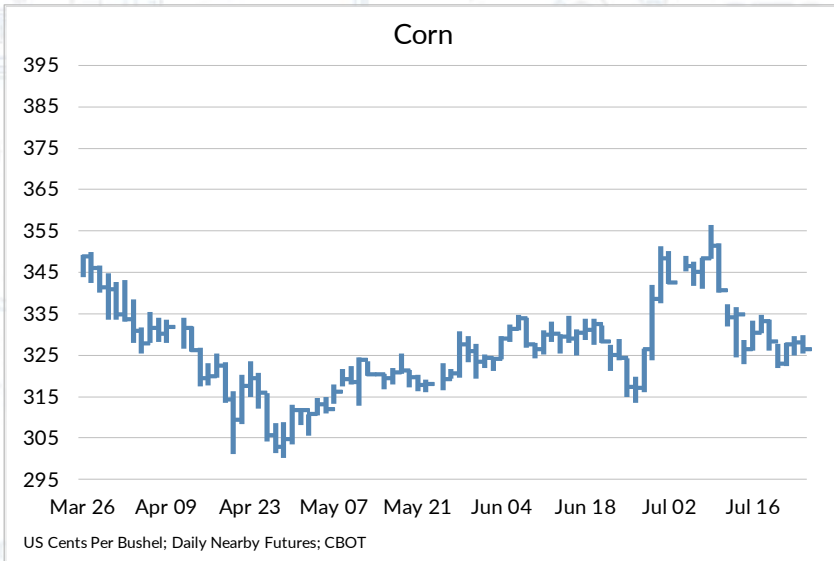




# cheese & class iii

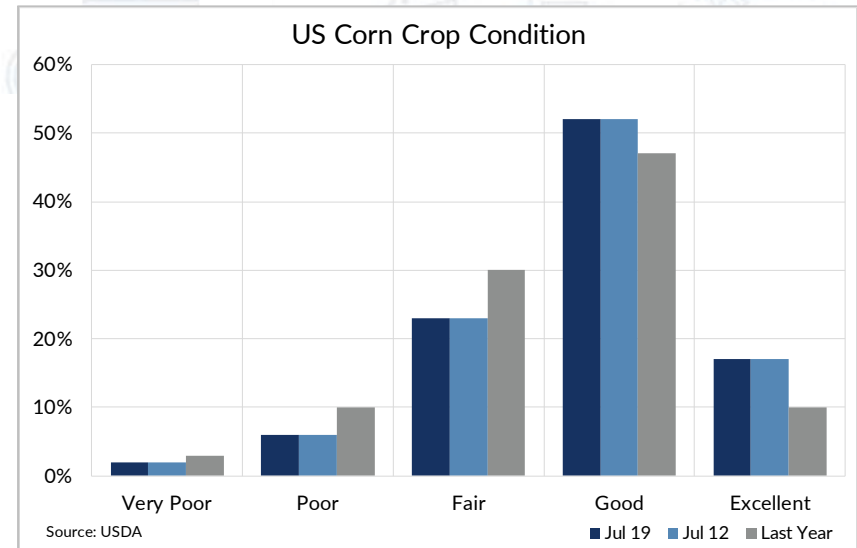
- CME spot block cheddar prices moved lower for the second week in a row, with Friday settlement at \$2.5400 per pound, down \$0.1200. Barrels closed at \$2.4500, up \$0.0200.
- A total of 16 cars of blocks and 23 cars of barrels changed hands, making for the busiest combined volume week since late May.
- Third quarter Class III milk futures closed at \$22.10 per hundredweight, down \$0.14.
- GDT cheddar: \$1.73 per pound, up two cents.

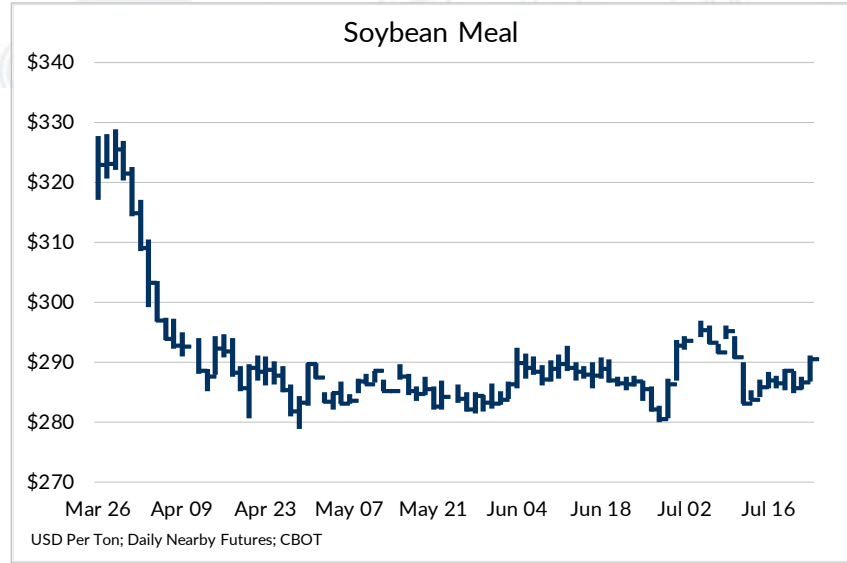
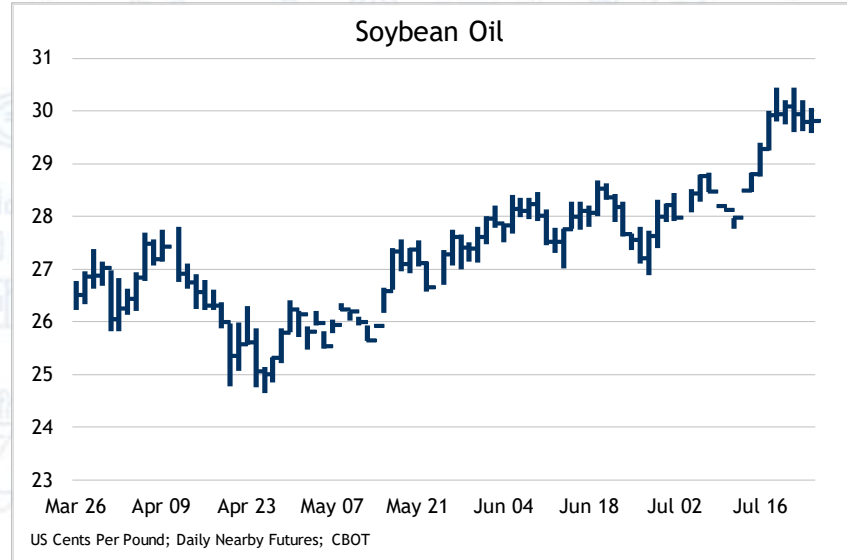
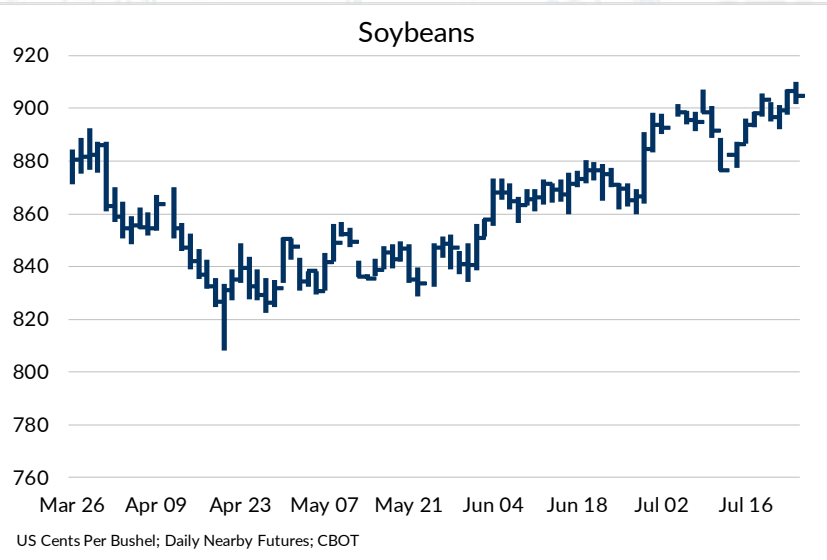




# corn

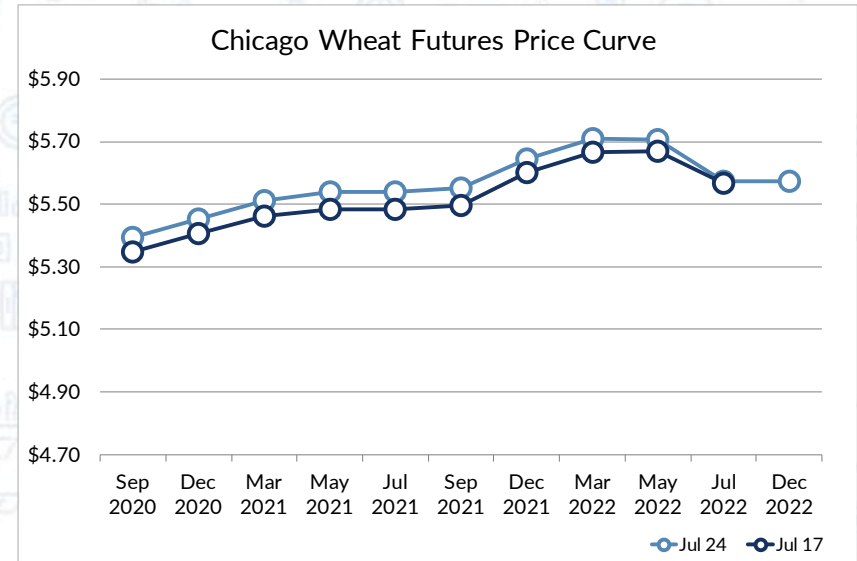
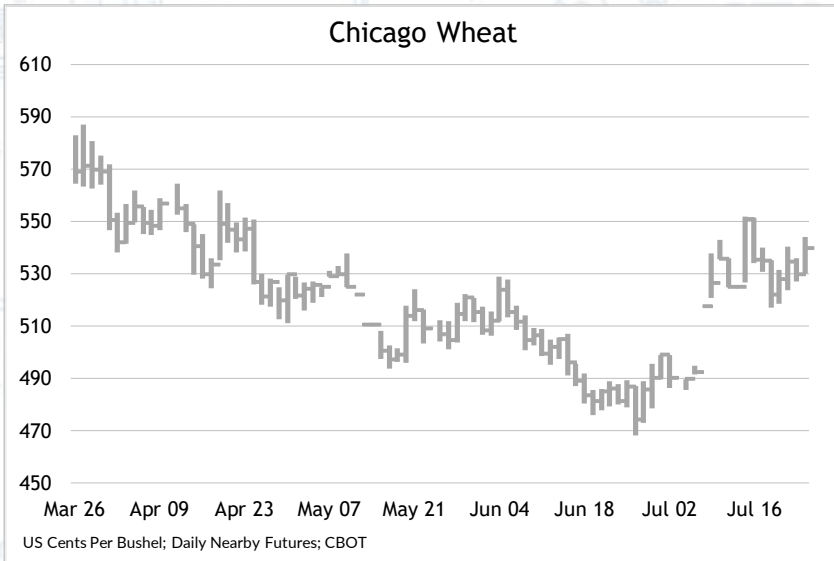
- Still no traction: Corn closed at \$3.2625 per bushel, down 2.0%.
- As of July 19, USDA rated 69% of the corn crop in either good or excellent condition, unchanged on the week but better than 57% a year ago.
- Reuters reports: *Export sales of corn in the 2019-2020 marketing year that ends on August 31 plunged week-to-week while new-crop sales soared, according to the USDA. Corn sales were reported at 220,600 metric tons, down 76% from the previous week and 56% from the prior four-week average, the agency said in a report.*





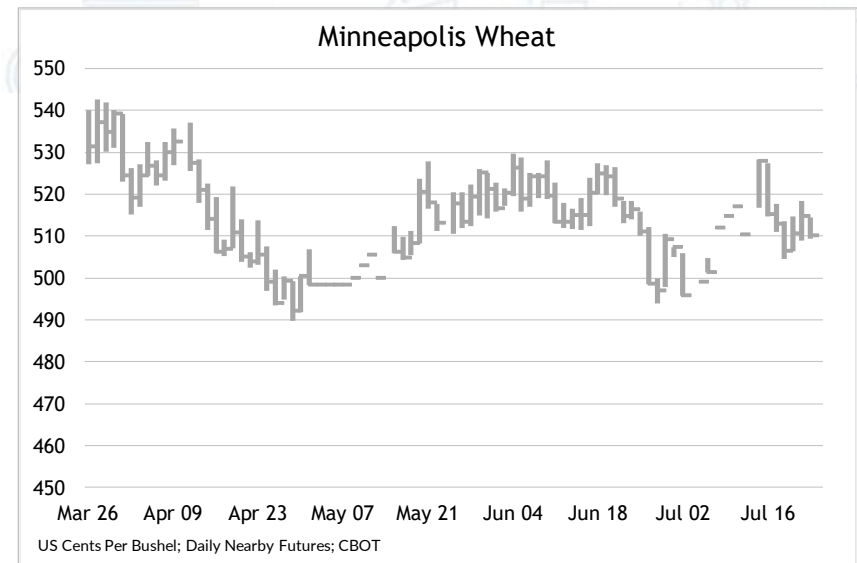
# soy

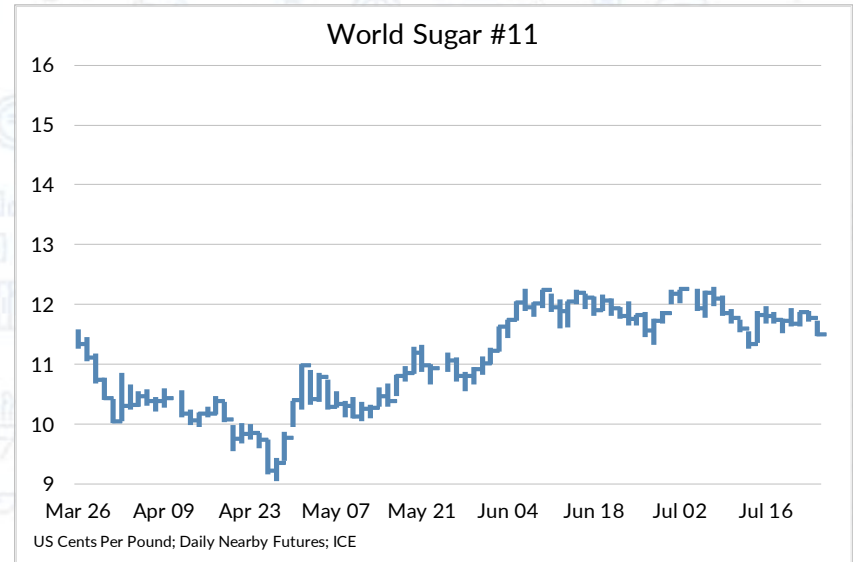
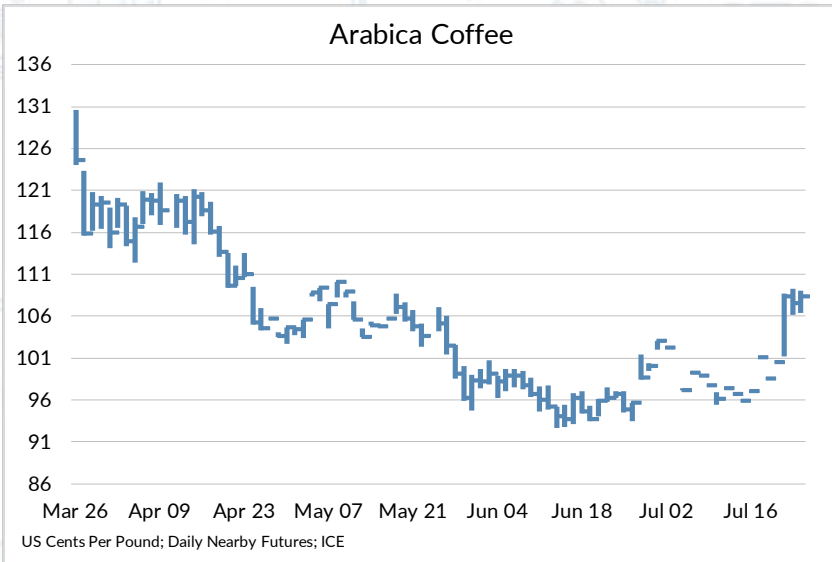
- Soybean futures closed at \$9.0475 per bushel, up 0.8%. Soy oil finished at 29.80 per pound, down 0.4%, with soy meal at \$290.80 per ton, up 1.5%.
- Reuters reports: *Soybeans gained on new export sales to China, while traders eye crop conditions moving into August, when weather conditions are critical for soybeans development across the Midwest. "I think we're putting a little bit of a premium in here, due to the export demand and the unknown around crop development," said Tom Fritz, commodity broker at EFG Group.*
- Condition: 69% "good" or "excellent" as of July 19.



# wheat

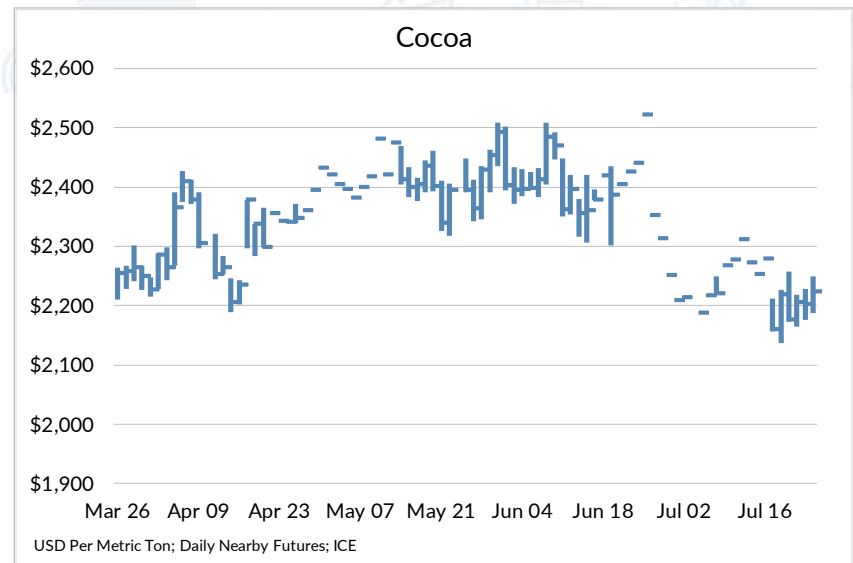
- Chicago wheat closed at \$5.3950 per bushel, up 0.9%. Kansas City wheat gained 0.1%, with Minneapolis prices down 0.5%.
- *Successful Farming* reports: Heat indexes in parts of the US Northern Plains are expected to crawl into the triple digits today, according to weather forecasters, which could cause stress on some spring wheat plants. About 52% of North Dakota, the biggest producer of spring wheat, was facing only abnormally dry or moderate drought conditions, according to the US Drought Monitor.





## softs

- Cocoa closed at \$2,224 per metric ton, up 3.0%.
- The Wall Street Journal reports: *Hershey said subdued Halloween celebrations this year as a result of the coronavirus pandemic could hurt candy demand during a holiday that typically generates a tenth of its sales. The owner of Reese's and Jolly Rancher said that it is planning to make less Halloween-themed candy to avoid having loads of leftovers that it would have to sell at a discount.*
- Coffee closed at \$1.0820 per pound, up 7.1%.
- World #11 sugar: 11.49 cents per pound, down 2.0%.





# A better way of doing business.

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