

U.S. Economic Comment

- The robust employment report: believable
- Other signs of resilience: supplier deliveries, vehicle sales, inventories
- Productivity: a thin cushion against inflation

Michael Moran

Daiwa Capital Markets America
212-612-6392
michael.moran@us.daiwacm.com

The Labor Market

The employment report for January involved three notable surprises, all favorable:

Employment growth remained strong despite the spread of the Omicron variant.

The size of the labor force and the labor force participation rate showed notable increases.

Average hourly earnings rose more than expected despite strong job growth in low-wage areas (which could have restrained the change).

Many observers will be skeptical of the first two changes, arguing that annual adjustments and new seasonal factors may have distorted the results. We do not share these doubts; we view the January report as robust.

The January employment report, as it does every year, included annual benchmark adjustments based on a universal payroll count as of March 2021. This annual adjustment also included revisions to seasonal adjustment procedures and a recalibration of models to estimate monthly readings. The universal count of jobs as of March 2021 generated only a small change in employment. Total employment last March, on a not seasonally adjusted basis, was only 7,000 shy of the estimate generated by the monthly sample last year. The average monthly employment change in 2021 also was little different (555,000 versus an average of 537,000 before the revision).

The monthly pattern of job growth, though, was radically different, largely because of new seasonal factors. Before the revision, monthly figures varied widely, with changes ranging from 199,000 to 1.091 million; now the range is notably tighter at 263,000 to 710,000. The changes to November and December were striking, as combined job growth of 448,000 before the revision now totals 1.157 million. This marked upward revision was countered by a combined downward adjustment of 807,000 in June and July (combined job growth of 1.246 million versus 2.053 million before adjustment).

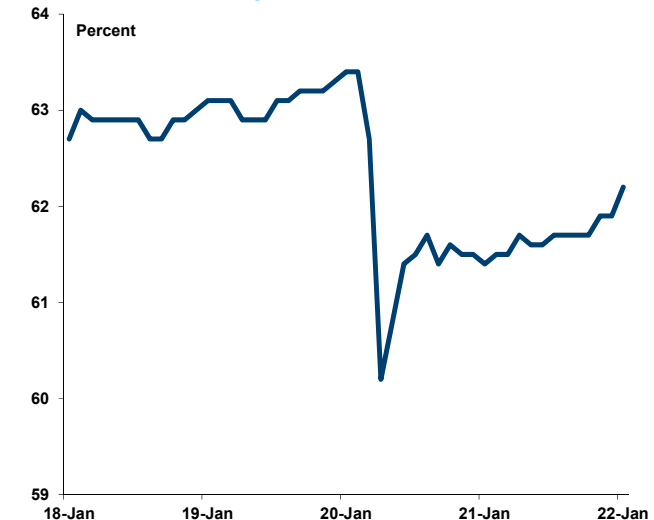
We understand that such pronounced revisions might shake confidence in the accuracy and reliability of the data, but we would emphasize the small adjustment to the annual figures. We would also note that pronounced shifts in seasonal factors are understandable in light of the pandemic. Covid has led to marked changes in behavior by individuals and businesses, and changes in behavior will alter normal seasonal patterns. Statistical models that generate the seasonal adjustment factors will have difficulty distinguishing seasonal, cyclical, and random movement with limited data. As time passes and more figures become available, seasonal patterns will become more evident. With another year of data now available, the seasonal estimates for this year are no doubt better than those last year. The seasonal factors could change sharply again next year with the inclusion of more data, and those figures will be more accurate than the ones from this year.

Some observers might note that the seasonal adjustment process added more workers this year than in other recent years. While true, this argument lacks force, as the adjustment this year was not sharply out of line with other results in other Januarys. Seasonal adjustment added 3.291 million workers this year, not far

from the average of 3.093 million in the prior 10 years and only slightly more than the next highest January at 3.232 million. (The seasonal factor for January is strong because of reductions in holiday-related employment and weather-sensitive jobs.)

Commentators might be even more skeptical about figures on the labor force. The month-to-month change in the size of the labor force as calculated from the published data was huge (1.393 million), and the shift in the labor force participation rate was sizeable as well (62.2 percent versus 61.9 percent in December). The Bureau of Labor Statistics indicated that the increases were due entirely to new estimates of the population and related figures. In the absence of the revisions, the size of the labor force would have declined slightly in January (off 137,000) and the labor force participation rate would have been unchanged. Some might view this as statistical manipulation.

Labor Force Participation Rate



Source: Bureau of Labor Statistics via Haver Analytics

The sharp changes occurred because BLS does not revise past data on the labor force when the new population figures are calculated; rather, it allows breaks in various series between December and January. The changes are not contrived, they are simply introduced on a once-yearly basis rather than smoothed over the course of the year.

We view the pickup in the labor force and the labor force participation rate as equally significant as the surge in payroll employment. Slow growth in the labor force has been a puzzling aspect of the current expansion, but the picture is now slightly better than previously believed. The change did not suddenly occur in January as it appears in the published data (and in the chart above), but gradual improvement that was occurring throughout last year is now apparent.

The jump of 0.7 percent in average hourly earnings does not challenge credibility; tightness in the labor market has been boosting compensation for several months. Still, the advance was notable because it occurred in a month when a low-wage sector (leisure and hospitality) accounted for much of the increase in employment. The series on average hourly earnings is not fixed weight, and thus changes in the composition of employment can affect the average wage (increases in low-wage areas pushing it downward). A marked gain in a month with hefty growth in a low-wage area suggests a strong underlying trend.

Corroboration

The employment report for January suggests that Omicron is not having a pronounced constraining influence on the economy, and other reports this week also provide some support for this view. The ISM indexes (both manufacturing and services) eased in January, but they remained in the upper portions of their historical ranges, signaling a still-solid pace of activity.

We were most interested in the supplier delivery components from the ISM indexes because of the insights they might provide on supply-chain developments. The spread of Omicron has the potential to disrupt supply lines and slow deliveries, but thus far the effect seems inconsequential. The average supplier delivery component for the manufacturing and services indexes rose in January, but the change was minuscule and the level of the index remained well below elevated readings from May through November (chart, next page). The elevated level indicates that supplies remain tight, but conditions have not worsened noticeably.

Recent developments in the motor vehicle sector also suggest that supply chain difficulties are beginning to ease. Sales of new cars and trucks totaled 15.0 million units in January, the best reading since June of last year, when supply-chain problems were just starting to bite. This industry is among the most severely affected by supply problems, but the jump in sales suggests that inputs are flowing more readily or that manufacturers are learning to adapt to tight conditions.

Auto production also has been encouraging, as the industrial production report from the Federal Reserve shows steady activity in recent months. The pace of production is slower than it was in late 2020 and early 2021, but it is holding its own rather than slipping.

We also were struck by the contribution of inventory investment to GDP growth in the fourth quarter (4.9 percentage points of the overall advance of 6.9 percent). If businesses were challenged by supply-chain problems, they would be drawing down inventories to deal with tight supplies, and they were doing so during much of last year. However, in Q4 businesses were again adding to stocks of goods, suggesting that supplies were more readily available or that firms were learning to adapt to tight supply conditions. Either way, good news.

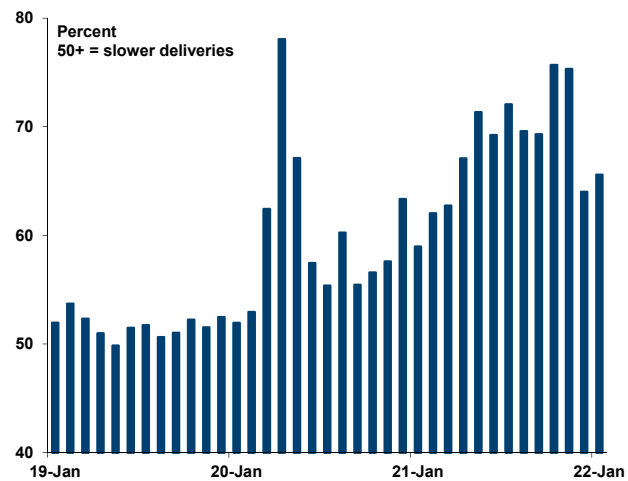
Productivity: Only Moderate Despite Q4 Surge

Strong productivity growth can be a powerful force in countering inflation, as efficiency gains can allow businesses to absorb cost increases rather than pass them on to the prices of their products. A jump in nonfarm business productivity of 6.6 percent (annual rate) in the fourth quarter might seem to have the potential to dampen recent price pressure, but we would not get too excited about this recent jump.

Productivity often moves erratically from quarter-to-quarter, and thus a long-term focus is needed to assess its potential to dampen inflationary pressure. The latest results offer a perfect example of misleading signals that can arise. Growth of 6.6 percent is impressive when viewed in isolation, but combined with a decline of 5.0 percent in the third quarter, productivity in the second half of last year could be viewed as disappointing.

At the very least, a four-quarter average of productivity growth should be used to assess the underlying trend; an eight-quarter average is better, and even with this much smoothing the series contains a good bit of random movement (chart, next page). Productivity grew at an annual rate of 2.4 percent in the past eight quarters, a solid performance relative to the long-run average. However, it is not especially favorable for the early stages of a business expansion. Productivity tends to be strong as economies recover from downturns, reflecting the movement back to optimal levels of production and the incorporation of changes in business models triggered by recessions. The current cycle showed such a burst, but the peak of 2.9 percent lagged the performance in the prior expansion by a full percentage point; it was 1.5 percentage points slower than the experience in the early 2000s.

ISM Composite: Supplier Deliveries Index*

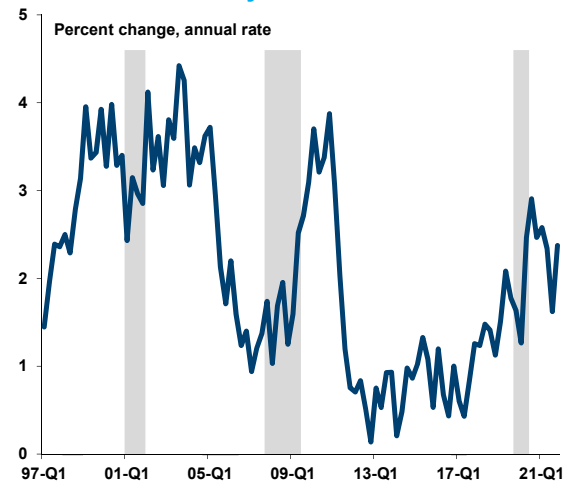


* A weighted average of the supplier deliveries components of the ISM manufacturing and ISM services indexes. Weights are calculated using GDP by industry data. Sources: Institute for Supply Management and Bureau of Economic Analysis via Haver Analytics; Daiwa Capital Markets America

We are not deeply disappointed in the performance of productivity; the advance thus far in the expansion is respectable. However, it is not strong enough to absorb price pressures now underway and likely to exist in coming months.

Unit labor costs also suggest that productivity will not provide much of a cushion against inflation. Strong productivity growth in the early stages of a business expansion typically leads to reductions in unit labor costs, but so far in this cycle, the growth of compensation per hour has outstripped by a wide margin the gain in productivity, leading to rapid growth in unit labor costs (chart, right).

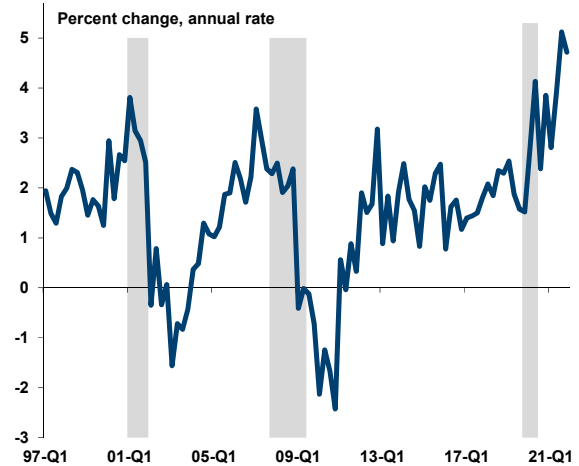
Nonfarm Productivity*



* The chart shows an eight-quarter moving average of productivity growth. The shaded areas show periods of recession in the United States.

Sources: Bureau of Labor Statistics and National Bureau of Economic Research via Haver Analytics

Unit Labor Costs*



* The chart shows an eight-quarter moving average of growth in unit labor costs. The shaded areas show periods of recession in the United States.

Sources: Bureau of Labor Statistics and National Bureau of Economic Research via Haver Analytics

Review

Week of Jan. 31, 2022	Actual	Consensus	Comments
ISM Manufacturing Index (January)	57.6% (-1.2 Pct. Pts.)	57.5% (-1.3 Pct. Pts.)	The decline in the ISM index marked the third consecutive retreat, but the changes have been small and they occurred from an elevated level of 60.8% in October. The new orders component led the decline in the headline measure in January with a drop of 3.1 percentage points to 57.9%, a still-solid performance. With orders down, production also softened, although the change was modest (off 1.6 percentage points) and the level was favorable at 57.8%. The employment index posted a small advance to 54.5% (up 0.6 percentage point). The employment index was merely average relative to readings in the prior expansion, but difficulty in finding workers has probably been a restraint. The supplier deliveries component slipped 0.3 percentage point, a favorable surprise, as Omicron had the potential to disrupt supply chains, slow delivery times, and push this measure higher.
Construction Spending (December)	0.2%	0.6%	An advance of 1.1% in private residential construction accounted for all of the advance in total activity in December. Private nonresidential building (business, health care, educational, religious) stalled after five consecutive increases. Much of the strength before December probably reflected higher prices, as real business investment in structures in the GDP accounts has been weak in the current expansion. The drop in government-sponsored building (off 1.6%) offset a good portion of a net advance in the prior five months. Higher prices were probably a factor in previous increases in government building.
Nonfarm Productivity (2021-Q4)	6.6%	3.9%	The measure of output used in the productivity report rose 9.2% (annual rate) in Q4, which eclipsed an increase of only 2.4% in labor hours and left a burst in productivity. The sizeable increase should be interpreted cautiously, as productivity often moves erratically (the latest reading followed a drop of 5.0% in Q3). The increase over the four quarters of the year totaled 2.0%, a solid performance relative to historical standards but mediocre for the early phases of a business expansion. The pressure seen in various measures of wages and benefits also was evident in this report, as labor compensation per hour rose 6.9%. The jump in productivity was nearly equal to the gain in compensation, leaving a minuscule increase in unit labor costs (0.3%). The modest advance, though, followed sharp increases in the prior two quarters, which left an increase of 3.1% over the four quarters of 2021, a noticeable inflation impulse.

Review Continued

Week of Jan. 31, 2022	Actual	Consensus	Comments
ISM Services Index (January)	59.9% (-2.4 Pct. Pts.)	59.5% (-2.8 Pct. Pts.)	The decline in the ISM services index in January followed a sharper fall in the prior month (off 6.1 percentage points), and the combined changes left the index noticeably below elevated readings seen during most of 2021 (average of 62.5% in 2021 and a high of 68.4% in November). However, the latest observation was still firm relative to historical standards. The business activity component has declined sharply in the past two months (off 8.4 percentage points in January and 4.2 percentage points in December). However, these changes occurred from a record reading in November (72.5%), and thus the level of business activity remained in the upper portion of the historical range. The new orders component dipped (off 0.4 percentage point to 61.7%), but remained at a firm level. The employment index slipped 2.4 percentage points to 52.3%, perhaps influenced more by worker shortages than slow activity. The supplier delivery index rose 1.8 percentage points to 65.7%, a small change considering the potential effect of Omicron.
Factory Orders (December)	-0.4%	-0.4%	Both durable and nondurable bookings contributed to the decline in total factory orders in December (off 0.7% and 0.2%, respectively). The softness in durable orders was led by a retreat of 13.5% in the volatile aircraft component. Durable orders ex-transportation rose 0.6%, their 19th increase in the past 20 months. Nine of the 11 industries in the nondurable sector posted gains in new orders, but a drop of 2.1% in petroleum bookings, which likely reflected lower prices, was a notable drag. Excluding the petroleum and coal category, nondurable orders rose 0.3%, the 19th increase in the past 20 months.
Payroll Employment (January)	467,000	125,000	Market participants were expecting the spread of the Omicron variant to constrain payroll employment figures in January, but job growth in January was not radically different than the average of 555,000 in 2021. The latest report included benchmark revisions to past data based on a universal count of jobs as of March 2021. The update led to notable month-to-month changes in 2021, but the net effect was small (average job growth of 550,000 per month in 2021 versus a pre-benchmark average of 537,000 per month). The unemployment rate increased one tick to 4.0%, but revisions based on new population estimates showed firm labor force growth, a favorable development. Average hourly earnings surged in January, jumping 0.7%, which left year-over-year growth at 5.7%. The only soft element of the report was a drop of 0.2 hour in the length of the average workweek.

Sources: Institute for Supply Management (ISM Manufacturing Index, ISM Nonmanufacturing Index); U.S. Census Bureau (Construction Spending, Factory Orders); Bureau of Labor Statistics (Payroll Employment, Nonfarm Productivity); Consensus forecasts are from Bloomberg

Preview

Week of Feb. 7, 2022	Projected	Comments
Trade Balance (December) (Tuesday)	-\$83.5 Billion (\$3.3 Billion Wider Deficit)	The December trade report will likely be dominated by the already reported widening of \$2.9 billion in the goods trade deficit. A pickup in travel and tourism boosted the surplus in trade services in November, but the acceleration in the number of Covid cases probably dampened such activity in December.
CPI (January) (Thursday)	0.5% Total, 0.5% Core	Energy prices eased in December after surging in the prior six months (average monthly increase of 2.5%), but available quotes suggest a pickup in January. Food prices appear likely to continue moving along their firm upward trajectory (average increase of 0.7% per month in the second half of 2021). In the core component, Omicron could limit price pressure in some pandemic-sensitive areas in January (airfares, apparel), but strong demand and price pressure from supply disruptions are likely to persist. Additionally, rents have accelerated in recent months.
Federal Budget (January) (Thursday)	\$0.0 Billion	Year-over-year growth in Federal revenues is unlikely to match the 41% surge in December, but it could post its sixth consecutive advance of at least 19%. Outlays are likely to remain elevated, but they have eased substantially from those in 2020 and the first half of 2021, when pandemic-related expenditures were causing a surge in federal spending. If the forecast is realized, the deficit in the first four months of FY2022 would total \$378 billion, down from \$765 billion in the same period in FY2021.
Consumer Sentiment (February) (Friday)	66.0 (-1.8%)	The spread of Omicron, along with elevated inflation and marked volatility in the equity market, is likely to sour moods in early February. The expected reading would be the sixth observation in the past seven months below the recession low of 71.8 in April 2020.

Source: Forecasts provided by Daiwa Capital Markets America

Economic Indicators

January / February 2022											
Monday			Tuesday			Wednesday		Thursday		Friday	
31			1			2		3		4	
<div>MNI CHICAGO BUSINESS BAROMETER INDEX</div> <div><div>Index</div><div>Prices</div></div> <div><div>Nov</div><div>63.5</div><div>93.6</div></div> <div><div>Dec</div><div>64.3</div><div>90.9</div></div> <div><div>Jan</div><div>65.2</div><div>89.0</div></div>			<div>ISM MFG INDEX</div> <div><div>Index</div><div>Prices</div></div> <div><div>Nov</div><div>60.6</div><div>82.4</div></div> <div><div>Dec</div><div>58.8</div><div>68.2</div></div> <div><div>Jan</div><div>57.6</div><div>76.1</div></div> <div>CONSTRUCTION SPEND.</div> <div><div>Oct</div><div>0.9%</div></div> <div><div>Nov</div><div>0.6%</div></div> <div><div>Dec</div><div>0.2%</div></div> <div>JOLTS DATA</div> <div><div>Openings (000)</div><div>Quit Rate</div></div> <div><div>Oct</div><div>11,091</div><div>2.8%</div></div> <div><div>Nov</div><div>10,775</div><div>3.0%</div></div> <div><div>Dec</div><div>10,925</div><div>2.9%</div></div> <div>VEHICLE SALES</div> <div><div>Nov</div><div>13.0 million</div></div> <div><div>Dec</div><div>12.5 million</div></div> <div><div>Jan</div><div>15.0 million</div></div>			<div>ADP EMPLOYMENT REPORT</div> <div>Private Payrolls</div> <div><div>Nov</div><div>496,000</div></div> <div><div>Dec</div><div>776,000</div></div> <div><div>Jan</div><div>-301,000</div></div>		<div>UNEMPLOYMENT CLAIMS</div> <div><div>Initial</div><div>Continuing</div></div> <div><div>(Millions)</div></div> <div><div>Jan 08</div><div>0.231</div><div>1.624</div></div> <div><div>Jan 15</div><div>0.290</div><div>1.672</div></div> <div><div>Jan 22</div><div>0.261</div><div>1.628</div></div> <div><div>Jan 29</div><div>0.238</div><div>N/A</div></div> <div>PRODUCTIVITY & COSTS</div> <div><div>Productivity</div><div>Unit Labor Costs</div></div> <div><div>21-Q2</div><div>2.4%</div><div>5.9%</div></div> <div><div>21-Q3</div><div>-5.0%</div><div>9.3%</div></div> <div><div>21-Q4</div><div>6.6%</div><div>0.3%</div></div> <div>ISM SERVICES INDEX</div> <div><div>Index</div><div>Prices</div></div> <div><div>Nov</div><div>68.4</div><div>83.0</div></div> <div><div>Dec</div><div>62.3</div><div>83.9</div></div> <div><div>Jan</div><div>59.9</div><div>82.3</div></div> <div>FACTORY ORDERS</div> <div><div>Oct</div><div>1.2%</div></div> <div><div>Nov</div><div>1.8%</div></div> <div><div>Dec</div><div>-0.4%</div></div>		<div>EMPLOYMENT REPORT</div> <div>Payrolls</div> <div>Un. Rate</div> <div><div>Nov</div><div>647,000</div><div>4.2%</div></div> <div><div>Dec</div><div>510,000</div><div>3.9%</div></div> <div><div>Jan</div><div>467,000</div><div>4.0%</div></div>	
7			8			9		10		11	
<div>CONSUMER CREDIT (3:00)</div> <div><div>Oct</div><div>\$16.0 billion</div></div> <div><div>Nov</div><div>\$40.0 billion</div></div> <div><div>Dec</div><div>--</div></div>			<div>NFIB SMALL BUSINESS OPTIMISM INDEX (6:00)</div> <div><div>Nov</div><div>98.4</div></div> <div><div>Dec</div><div>98.9</div></div> <div><div>Jan</div><div>--</div></div> <div>TRADE BALANCE (8:30)</div> <div><div>Oct</div><div>-\$67.2 billion</div></div> <div><div>Nov</div><div>-\$80.2 billion</div></div> <div><div>Dec</div><div>-\$83.5 billion</div></div>			<div>WHOLESALE TRADE (10:00)</div> <div><div>Inventories</div><div>Sales</div></div> <div><div>Oct</div><div>2.5%</div><div>2.5%</div></div> <div><div>Nov</div><div>1.7%</div><div>1.3%</div></div> <div><div>Dec</div><div>2.1%</div><div>1.5%</div></div>		<div>INITIAL CLAIMS (8:30)</div> <div>CPI (8:30)</div> <div><div>Total</div><div>Core</div></div> <div><div>Nov</div><div>0.8%</div><div>0.5%</div></div> <div><div>Dec</div><div>0.5%</div><div>0.6%</div></div> <div><div>Jan</div><div>0.5%</div><div>0.5%</div></div> <div>FEDERAL BUDGET (2:00)</div> <div><div>FY2022</div><div>FY2021</div></div> <div><div>Nov</div><div>-\$191.3B</div><div>-\$145.3B</div></div> <div><div>Dec</div><div>-\$21.3B</div><div>-\$143.6B</div></div> <div><div>Jan</div><div>\$0.0B</div><div>-\$162.8B</div></div>		<div>CONSUMER SENTIMENT (10:00)</div> <div><div>Dec</div><div>70.6</div></div> <div><div>Jan</div><div>67.2</div></div> <div><div>Feb</div><div>66.0</div></div>	
14			15			16		17		18	
			<div>PPI</div> <div>EMPIRE MFG INDEX</div> <div>TIC DATA</div>			<div>RETAIL SALES</div> <div>IMPORT/EXPORT PRICES</div> <div>IP & CAP-U</div> <div>BUSINESS INVENORIES</div> <div>NAHB HOUSING INDEX</div> <div>FOMC MINUTES</div>		<div>INITIAL CLAIMS</div> <div>HOUSING STARTS</div> <div>PHILY FED INDEX</div>		<div>EXISTING HOME SALES</div> <div>LEADING INDICATORS</div>	
21			22			23		24		25	
<div>PRESIDENTS' DAY</div>			<div>FHFA HOME PRICE INDEX</div> <div>S&P CORELOGIC CASE-SHILLER 20-CITY HOME PRICE INDEX</div> <div>CONSUMER CONFIDENCE</div>					<div>INITIAL CLAIMS</div> <div>CHICAGO FED NAT'L ACTIVITY INDEX</div> <div>REVISED GDP</div> <div>NEW HOME SALES</div>		<div>PERSONAL INCOME, CONSUMPTION, PRICE INDEXES</div> <div>DURABLE GOODS ORDERS</div> <div>PENDING HOME SALES</div> <div>REVISED CONSUMER SENTIMENT</div>	

Forecasts in Bold.

Treasury Financing

January / February 2022				
Monday	Tuesday	Wednesday	Thursday	Friday
31	1	2	3	4
AUCTION RESULTS: Rate Cover 13-week bills 0.240% 2.84 26-week bills 0.500% 2.74 SETTLE: \$20 billion 20-year bonds \$16 billion 10-year TIPS \$26 billion 2-year FRNs \$54 billion 2-year notes \$55 billion 5-year notes \$53 billion 7-year notes	ANNOUNCE: \$50 billion 4-week bills for auction on February 3 \$40 billion 8-week bills for auction on February 3 \$40 billion 17-week CMBs for auction on February 2 SETTLE: \$50 billion 4-week bills \$40 billion 8-week bills \$40 billion 17-week CMBs	AUCTION RESULTS: Rate Cover 17-week CMB 0.340% 3.21 ANNOUNCE MID-QUARTER REFUNDING: \$50 billion 3-year notes for auction on February 8 \$37 billion 10-year notes for auction on February 9 \$23 billion 30-year bonds for auction on February 10	AUCTION RESULTS: Rate Cover 4-week bills 0.035% 3.18 8-week bills 0.140% 3.26 ANNOUNCE: \$111 billion 13-,26-week bills for auction on Feb. 7 Settle: \$111 billion 13-,26-week bills	
7	8	9	10	11
AUCTION: \$111 billion 13-,26-week bills	AUCTION: \$50 billion 3-year notes ANNOUNCE: \$50 billion* 4-week bills for auction on February 10 \$40 billion* 8-week bills for auction on February 10 \$40 billion* 17-week CMBs for auction on February 9 SETTLE: \$50 billion 4-week bills \$40 billion 8-week bills \$40 billion 17-week CMBs	AUCTION: \$37 billion 10-year notes \$40 billion* 17-week CMBs	AUCTION: \$50 billion* 4-week bills \$40 billion* 8-week bills \$23 billion 30-year bonds ANNOUNCE: \$111 billion* 13-,26-week bills for auction on Feb. 14 \$19 billion* 20-year bonds for auction on February 16 \$9 billion* 30-year TIPS for auction on February 17 SETTLE: \$111 billion 13-,26-week bills	
14	15	16	17	18
AUCTION: \$111 billion* 13-,26-week bills	ANNOUNCE: \$50 billion* 4-week bills for auction on February 17 \$40 billion* 8-week bills for auction on February 17 \$40 billion* 17-week CMBs for auction on February 16 SETTLE: \$50 billion* 4-week bills \$40 billion* 8-week bills \$40 billion* 17-week CMBs \$50 billion 3-year notes \$37 billion 10-year notes \$23 billion 30-year bonds	AUCTION: \$19 billion* 20-year bonds \$40 billion* 17-week CMBs	AUCTION: \$50 billion* 4-week bills \$40 billion* 8-week bills \$9 billion* 30-year TIPS ANNOUNCE: \$111 billion* 13-,26-week bills for auction on Feb. 22 \$34 billion* 52-week bills for auction on February 22 \$22 billion* 2-year FRNs for auction on February 23 \$52 billion* 2-year notes for auction on February 22 \$53 billion* 5-year notes for auction on February 23 \$50 billion* 7-year notes for auction on February 24 SETTLE: \$111 billion* 13-,26-week bills	
21	22	23	24	25
PRESIDENTS' DAY	AUCTION: \$111 billion* 13-,26-week bills \$34 billion* 52-week bills \$52 billion* 2-year notes ANNOUNCE: \$50 billion* 4-week bills for auction on February 24 \$40 billion* 8-week bills for auction on February 24 \$40 billion* 17-week CMBs for auction on February 23 SETTLE: \$50 billion* 4-week bills \$40 billion* 8-week bills \$40 billion* 17-week CMBs	AUCTION: \$22 billion* 2-year FRNs \$53 billion* 5-year notes \$40 billion* 17-week CMBs	AUCTION: \$50 billion* 4-week bills \$40 billion* 8-week bills \$50 billion* 7-year notes ANNOUNCE: \$111 billion* 13-,26-week bills for auction on Feb. 28 SETTLE: \$111 billion* 13-,26-week bills \$34 billion* 52-week bills	SETTLE: \$22 billion* 2-year FRNs

*Estimate