



## Weekly Review—January 8, 2021

*You say it's your birthday...it's my birthday too, yeah!* I love math and found that in order to create formulas using addition, subtraction, multiplication, or division to equal my age, I can use the following numbers 5, 6, 9, 12, and 17. Nerdy, yes. Fun, I think so. So here we go. And I'll add a few lessons learned.

Five...when I was five years old, we lived in an apartment complex in Independence, Missouri. It had tennis courts and I acted as ball boy for two women who played regularly. I told them my name was Terry. I learned I enjoyed helping others.

Six...we were living in Plattsburg, Missouri and I was in Kindergarten. My parents played tennis and it was on the court that I first saw them argue. Later that year, my parents divorced, and my mother and I moved to Columbia, Missouri. I learned that things don't always work out the way you planned but you move on and try to do the best you can going forward.

Nine...I was in the third grade at Blue Ridge Elementary (Go Mustangs!) I was starting to become chubby or as the Sears jeans department would call me, Husky. But I still had my sit-ups record from kindergarten to remind me how athletic I was (56 in one minute. It stood for almost a decade). I learned the importance of education. I was fortunate to be in classes with very smart kids who taught me a lot about life.

Twelve...My voice changed, and I noticed my first chest hair. It was so long, I thought I was turning into Teen Wolf. I didn't. It was also the year of the Challenger catastrophe. I learned that power of tragedy is the bonds we form in the aftermath: I saw my teacher cry; she was human just like me.

Seventeen...I had my first big experience with failure. I was a pretty good drummer and my Jazz Band instructor at Lindbergh High School (Go Flyers!) in St Louis, Missouri even told me I had what it took to make in the business. I auditioned for the State Jazz Band and realized that I could not just wing it and expect to be the best. I wasn't.

Forty-Seven...I have a wonderful wife and two sons, great friends, a dream job, fantastic co-workers, and the best clients I could ever wish for. I am so grateful for the experiences in my life and I look forward to many more with each of you. I know I need to be helpful to others - even when what I do is not what I planned, I am surrounded by very smart co-workers who teach me everyday more about life, even during the worst of times, we ban together as human beings and work toward a better world, and if I want to do any of these things, I need to prepare and work at being the best.

CMG is here to help you achieve your best, we are here to help you face the challenges ahead and we will succeed with your help.

Thank you very much and I wish you and your families much joy and happiness.

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Economic Data	
January 4-8, 2021	
Markit US Manufacturing PMI	57.1
Construction Spending MoM	0.9%
ISM Manufacturing	60.7
MBA Mortgage Applications	1.7%
ADP Employment Change	-123k
Factory Orders	1.0%
Durable Goods Orders	1.0%
Challenger Job Cuts YoY	134.5%
Initial Jobless Claims	787k
Continuing Claims	5072k
Trade Balance	-\$68.1b
Change in Nonfarm Payrolls	-140k
Unemployment Rate	6.7%
Labor Force Participation Rate	61.5%

Source: Bloomberg, LP

NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount (\$)	Description	Maturity
01/11/2021	\$3,005,000	Public Water Dist #1 Nodaway CO MO Revs BQ AA	2035-2041
01/11/2021	\$475,000	Udall KS UT GO BQ NR	2023
01/13/2021	\$60,730,000	KDFA K STATE REVS Aa3	2021-2040
01/14/2021	\$4,075,000	MULVANE KS UT GO BQ	2021-2026

**ECONOMIC CALENDAR**

Monday 1/11	Tuesday 1/12	Wednesday 1/13	Thursday 1/14	Friday 1/15
	NFIB Small Business Optimism JOLTS Job Openings	MBA Mortgage Applications CPI MoM/YoY Monthly Budget Statements	Initial Jobless Claims Import Price Index MoM Continuing Claims	PPI Final Demand MoM/YoY Empire Manufacturing Retail Sales MoM

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	4.75	3 Mo.	0.04
Discount Rate	0.25	0.25	2.25	6 Mo.	0.13
Fed Funds Rate	0.09	0.09	1.55	1-Year	0.18
IOER	0.10	0.10	1.55	2-Year	0.21
1-Month Libor	0.13	0.15	1.69	3-Year	0.24
11th Dist COFI	0.47	0.50	1.04	5-Year	0.36
1-Yr. CMT	0.10	0.10	1.53	7-Year	0.58
Dow	31,097.97	30,173.88	28,745.09	10-Year	0.88
NASDAQ	13,201.98	12,582.77	9,129.24	30-Year	1.60
S&P 500	3,824.68	3,702.25	3,253.05		
Bond Buyer	2.17	2.13	2.73		

Treasuries & New Issue Agencies ( <i>Spread to Treasuries</i> )						CMO Spreads to Treasuries		
	Treasuries	Bullets	NC-6 Mo.	NC-1 Year	NC- 2 Year		PAC	Vanilla
3 Mo. Bill	0.08					1-Year	N/A	+45
6 Mo. Bill	0.08					2-Year	50	55
1-Year Bill	0.10					3-Year	55	62
2-Year Note	0.13	0	-2	-4		5-Year	60	72
3-Year Note	0.21	1	3	1	-3			
5-Year Note	0.47	2	15	11	6			
7-Year Note	0.79	2	21	16	7			
10-Year Note	1.09	15	29	22	13			
20-Year Bond	1.65							
30-Year Bond	1.86							

  

MBS Current Coupon Yields	
GNMA 30 Yr.	1.43%
FNMA 30 Yr.	1.45%
GNMA 15 Yr.	0.28%
FNMA 15 Yr.	0.79%

**About the Author, Matthew Maggi**



Prior to joining CMG in 2016, Matthew was the Corporate Treasurer at a \$1.2 billion publicly-traded community bank headquartered in Missouri. During his tenure, he developed and implemented balance sheet strategies to maximize margin while managing acceptable levels of interest rate risk, liquidity, and capital. Matthew not only managed the investment portfolio, but also conducted extensive loan portfolio performance analyses.

Previously, he was a Treasury Analyst for one of the largest privately held banks in the U.S. He monitored cash flow and liquidity and developed funding strategies. Matthew leverages his extensive balance sheet management experience to provide tactical and strategic solutions to maximize performance while mitigating risks for the community banks.

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