



Weekly Review—April 16, 2021

Recently, I watched *Hemingway*, the 3-part documentary by Ken Burns and Lynn Novick. It was filled with new insights and what I felt an honest portrait of one of the most impactful writers in American literature. Hemingway was known for many things but perhaps his greatest contribution was how he captured what it was like to be human. His characters and his writing were not as simple as his sentence structure may imply; they consisted of good and bad, love and hate, kindness and cruelty, clarity and opacity. Most of all, his writing and his life demonstrate that none of us are perfect, yet many of us strive for that impossible goal.

During current market conditions the pressure to make to perfect decisions, capture the best price, or yield – to time the market – grows within many investors. When interest rates are moving up and down, equity markets ebb and flow, many market participants try to anticipate where and when to put their money to work in ways that mirror the volatility in the markets. The 10-year yield began the year around 0.90%, rose to just under 1.75% in March and sits below 1.60% at the time of writing. Investors should expect further volatility in this bond market indicator throughout the rest of the year. The key is not to expect to time the market perfectly but to continue to invest where and when you can. Over the long-term, it should pay off for your portfolio and more importantly, the people for whom you invest.

Hemingway was not always an easy person to live with. He often grew tired of his relationships and looked forward to the next one. In the bond world, there are investors like this as well. There are those who search for the highest return at any cost, those who like to tinker, or adjust their holdings quite often. There are appropriate times for altering strategies, the difficulty comes when we expect perfection from ourselves and others. The key is to remain disciplined. For all his searching for the next best thing, Hemingway remained focused on his writing. This focus resulted in the longevity of his work. Investors can also demonstrate the importance of their roles throughout their careers by remaining focused on long-term goals and investing with purpose.

On our first vacation together, my wife and I went to Key West. We visited the Hemingway home and saw one of the areas where he wrote and lived. I remember the feelings of awe and connection not only with my wife, but also with this legendary author. Life is not perfect, and we make it harder by expecting perfection from ourselves and others. If we do our best and remain focused on improving the lives of those around us, we too might be remembered as capturing what it is like to be human.

“The best way to find out if you can trust somebody is to trust them.” – Ernest Hemingway

Matthew Maggi | Senior Vice President | Commerce Bank – Capital Markets Group (CMG) | 800 548-2663
matthew.maggi@commercebank.com

NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
4/22/2021	\$1,125,000	KECHI KS -A UT GO BQ AA-	2022-2036
4/22/2021	\$1,410,000	KECHI KS -A -TEMP NTS UT GO BQ SP-1+	2023
4/22/2021	\$425,000	MINNEOLA KS UT GO BQ NR	2022-2041

ECONOMIC CALENDAR

Monday 4/19	Tuesday 4/20	Wednesday 4/21	Thursday 4/22	Friday 4/23
		MBA Mortgage Applications	Initial Jobless Claims Leading Index Existing Home Sales	New Home Sales Markit US Manufacturing PMI

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	3.25	3 Mo.	0.01
Discount Rate	0.25	0.25	0.25	6 Mo.	0.05
Fed Funds Rate	0.07	0.07	0.05	1-Year	0.07
IOER	0.10	0.10	0.10	2-Year	0.09
1-Month Libor	0.12	0.11	0.79	3-Year	0.18
11th Dist COFI	0.41	0.46	0.99	5-Year	0.41
1-Yr. CMT	0.06	0.08	0.19	7-Year	0.72
Dow	34,201.33	32,825.95	23,537.68	10-Year	1.06
NASDAQ	14,052.34	13,471.57	8,532.36	30-Year	1.71
S&P 500	4,185.54	3,962.71	2,799.55		
Bond Buyer	2.26	2.35	2.49		

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	0.01					1-Year	N/A	+40
6 Mo. Bill	0.03					2-Year	45	50
1-Year Bill	0.05					3-Year	50	60
2-Year Note	0.15	1	-5	-6		5-Year	60	70
3-Year Note	0.33	0	-2	-5	-6			
5-Year Note	0.82	0	12	8	0			
7-Year Note	1.25	2	20	13	3			
10-Year Note	1.58	4	34	25	14			
20-Year Bond	2.17							
30-Year Bond	2.27							

MBS Current Coupon Yields	
GNMA 30 Yr.	1.88%
FNMA 30 Yr.	1.84%
GNMA 15 Yr.	0.76%
FNMA 15 Yr.	1.21%

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.

If you no longer wish to receive this weekly review, please send an email to CapitalMarketsGroup@commercebank.com

The Weekly Review is a publication of the Capital Markets Group of Commerce Bank.

The opinions expressed herein reflect that of the author and are not a complete analysis of every material fact respecting any company, industry, or security. The author's opinions do not necessarily reflect that of Commerce Bank or its affiliates. Information contained herein is from sources deemed reliable but cannot be guaranteed. Prices and/or yields are subject to change and investments are subject to availability. CDs are direct financial obligations of the issuing financial institution and are not, either directly or indirectly, an obligation of Commerce Bank. The information provided is not an official trade confirmation or account statement. The Capital Markets Group (CMG) of Commerce Bank is not acting as your 'municipal advisor' within the meaning of Section 15B of the Securities Exchange Act, and does not act in a fiduciary capacity. CMG does not provide tax advice; please refer to your tax professional. Investments in securities are NOT FDIC Insured; NOT Bank-Guaranteed and May Lose Value.



commercebank.com