



## Weekly Review—April 17, 2020

Hurry up and wait. This week was full of hard work, stress, economic data, more political drama, and some wonderful acts showing us the best of humanity. One of the most difficult parts of the week was weeding through the negativity and looking for signs of hope and promise of better times. Undeniably, many businesses and citizens were helped this week, while others are still waiting for help. As one who wants to help others, this has been a challenging and rewarding week and I look forward to next week to see more examples of goodness among us.

Bankers across the nation worked long hours, business owners worked phones, gathered financial information, and together they claimed much needed operating income through the SBA PPP loan program. This is the largest effort I have witnessed in my career. The fluid nature of information, required documentation, and the timing of funding caused confusion, some frustration, and ultimately gratitude once funds were received. Funding continues to be provided from banks to customers as loan closings continue. The key here lies in the collaboration of so many to get this done for customers who needed the funding. Nonetheless, we are all now waiting for Congressional efforts to provide more funding for small businesses. Many hurried this past week to achieve phenomenal results! Now we must wait.

Jobless claims continue to come in at record levels as shelter-in-place orders remain in place and in some instances have been extended into May. Technological issues across many state labor departments may be contributing to reported figures missing the total need. Some government computer systems run on COBOL programming language where there is limited availability of skilled programmers. One result is increased timelines to update changes to benefits included in the CARES Act.

Millions of citizens received the tax credit payments via direct deposit from the IRS this past Wednesday, while many millions wait to receive their payments. These direct payments should help but as with the many of the emergency actions taken to help businesses and individuals, we are seeing how difficult it is to coordinate intended results with the reality of systems and bureaucracies. The main difference I see between this crisis and the Great Recession, is the fact that there has been both monetary policy and fiscal policy changes. None of them have been perfect, but at least both the Federal Reserve and Congress are acting.

That is the hope I see in this – we have a better chance of getting through this if we work together. It will be messy for sure, but look for the positive examples of teamwork, of love, of caring for others. We will be different after this experience, my hope is we are less negative, less angry, and more loving, more giving. We continue to be available to you and we want to help. Keep up the incredible efforts to help others in your businesses and communities, it is truly awesome to witness!

Have a wonderful weekend, you deserve it!

Matthew Maggi | Vice President | Capital Markets Group | 800 548-2663 | [matthew.maggi.commercebank.com](http://matthew.maggi.commercebank.com)

### NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
04/20/2020	\$12,200,000	DALLAS CO MO R1 SD 2020 COP A-	2021-2045
04/20/2020	\$3,805,000	HUTCHINSON KS 2020A UT GO BQ Aa3	2021-2039
04/23/2020	\$835,000	KECHI KS TMP NTS 2020A UT GO BQ NR	2022

**ECONOMIC CALENDAR**

Monday 4/20	Tuesday 4/21	Wednesday 4/22	Thursday 4/23	Friday 4/24
Chicago Fed Nat Activity	Existing Home Sales	MBA Mortgage Applications FHFA House Price Index MoM	Initial Jobless Claims Continuing Claims Markit US Manufacturing PMI	Durable Goods Orders U of Mich. Sentiment

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	5.50	3 Mo.	0.73
Discount Rate	0.25	0.25	3.00	6 Mo.	0.81
Fed Funds Rate	0.05	1.10	2.41	1-Year	0.85
IOER	0.10	0.10	2.40	2-Year	0.89
1-Month Libor	0.72	0.80	2.47	3-Year	0.91
11th Dist COFI	0.99	0.98	0.81	5-Year	0.95
1-Yr. CMT	0.16	0.29	2.45	7-Year	1.01
Dow	24,242.49	21,237.38	26,449.54	10-Year	1.20
NASDAQ	8,650.14	7,334.78	7,996.08	30-Year	2.09
S&P 500	2,874.56	2,529.19	2,900.45		
Bond Buyer	2.25	2.72	3.86		

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	0.11					1-Year	N/A	+70
6 Mo. Bill	0.14					2-Year	70	80
1-Year Bill	0.14					3-Year	85	100
2-Year Note	0.19	13	34	23		5-Year	100	115
3-Year Note	0.23	18	46	37	22	<b>MBS Current Coupon Yields</b>		
5-Year Note	0.33	23	70	61	43	GNMA 30 Yr.		1.30%
7-Year Note	0.48	45	78	68	47	FNMA 30 Yr.		1.78%
10-Year Note	0.60	65	100	89	67	GNMA 15 Yr.		0.96%
30-Year Bond	1.20					FNMA 15 Yr.		1.26%



**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](mailto: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