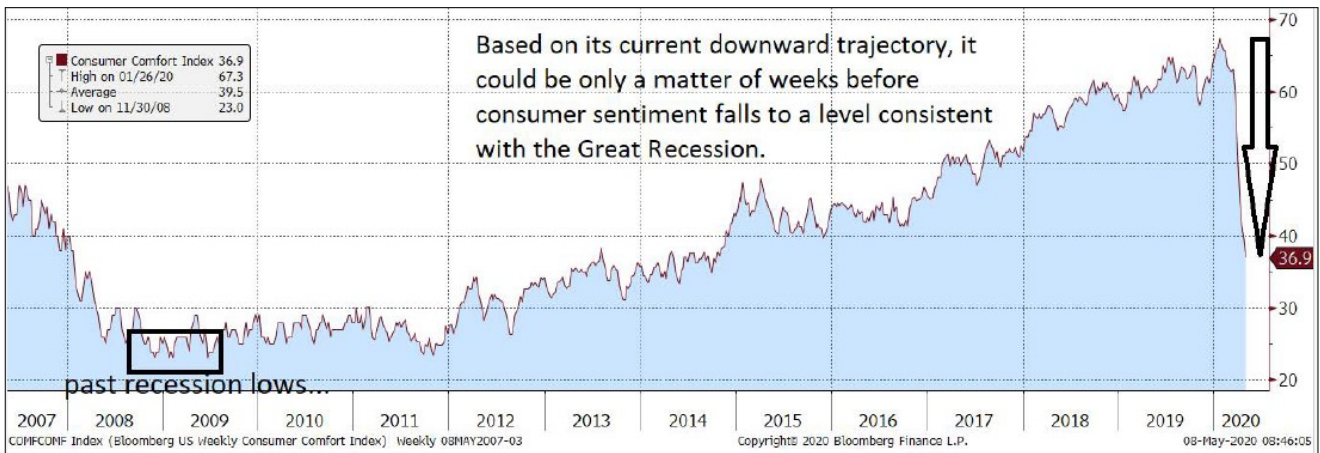


Consumer spending is the lifeblood of our economy and right now Americans are stressed. The health crisis has forced an economic shutdown, resulting in millions of layoffs putting household finances in a precarious position. When asked to rate the economy, the buying climate and their personal finances as either excellent, good, not so good, or poor, the results of Bloomberg’s weekly Consumer Comfort Index survey showed consumer sentiment has dropped to levels not seen since 2014. Based on the graph below, the recent rate of deterioration in the comfort index doesn’t appear to be slowing and could easily fall below the lows of our last economic recession.

Economic recessions are marked with rising unemployment, which creates even more stress on the economy as the unemployed curb their spending behaviors. Those who are still employed increase their savings out of fear that they might be next. This widespread decline in spending reduces the revenue businesses take in – leading to more layoffs and further spending declines – causing a downward spiral effect. As expected, today’s release of April’s employment data revealed that the unemployment rate increased from 4.4% in March to 14.7% as job losses exceeded 20 million last month. April’s 14.7% is materially higher than February’s 3.5% rate which matched a 50-year low. While the fear of a downward spiral will likely force the Fed to keep pumping money into the economy in hopes of creating a “V-shaped” economic recovery, I’m thinking the recovery will look more like a “U” at best.

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NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
		No Missouri or Kansas Deals this week	

ECONOMIC CALENDAR

Monday 5/11	Tuesday 5/12	Wednesday 5/13	Thursday 5/14	Friday 5/15
	CPI MoM CPI YoY	MBA Mortgage Applications PPI Final Demand MoM	Initial Jobless Claims Continuing Claims	Retail Sales Advance MoM Empire Manufacturing Industrial Production MoM

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	5.50	3 Mo.	0.51
Discount Rate	0.25	0.25	3.00	6 Mo.	0.59
Fed Funds Rate	0.05	0.05	2.40	1-Year	0.63
IOER	0.10	0.10	2.35	2-Year	0.69
1-Month Libor	0.20	0.92	2.47	3-Year	1.74
11th Dist COFI	0.88	0.99	1.10	5-Year	0.97
1-Yr. CMT	0.15	0.20	2.37	7-Year	1.11
Dow	24,331.32	23,433.57	25,967.33	10-Year	1.31
NASDAQ	9,121.32	8,090.90	7,943.32	30-Year	2.18
S&P 500	2,929.80	2,749.98	2,879.42		
Bond Buyer	2.60	2.49	3.63		

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	0.09					1-Year	N/A	+60
6 Mo. Bill	0.12					2-Year	60	70
1-Year Bill	0.12					3-Year	75	80
2-Year Note	0.12	7	16	13		5-Year	85	100
3-Year Note	0.18	10	27	23	12			
5-Year Note	0.30	21	48	44	30			
7-Year Note	0.50	47	59	55	39			
10-Year Note	0.66	57	76	71	57			
30-Year Bond	1.36							

MBS Current Coupon Yields	
GNMA 30 Yr.	1.47%
FNMA 30 Yr.	1.61%
GNMA 15 Yr.	0.91%
FNMA 15 Yr.	1.26%

About the Author, Dennis Zimmerman



In 2015, Dennis joined Commerce Bank's Capital Markets Group as Manager of Asset/Liability Services. With his leadership, the Capital Market's ALM team provides asset/liability management consulting services to community banks.

Prior to joining Commerce, he was employed for nearly 26 years at one of the largest privately-held banks in Kansas. In addition to managing a \$775 million bond portfolio, his Asset/Liability Chairman responsibilities included managing margin, interest rate risk, liquidity and capital. Prior to becoming the bank's Finance Treasury Officer, he was a Registered Investment Representative and Supervising Principal in the bank's Capital Markets division.

As a seasoned professional, Mr. Zimmerman offers a comprehensive understanding of bank finance treasury, fixed income, complex financial analysis as well as regulatory and operational awareness. As a banker, he understands the challenge of balancing shareholder expectations within appropriate levels of risk.

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