



*“Old man, take a look at my life, I’m a lot like you.”* As a Gen Xer, I have questioned authority most of my life. As with each generation, I longed to change the world. For a long time, I fought against advice of older, more experienced people, especially my family. I was stubborn and didn’t think they could relate to how I felt or what I believed. Now, I’m the old man in the song, a reliable person who is there for the younger man to come home to. My job is to consult on ways to make things better, or at least less risky for my clients. I still have the instinct in me to not trust authority (even when I am supposed to be it!); however, it is less driven by thinking what I believe is right and more driven by what I’ve learned listening to a diverse group of other people over my life. It is because I listen and observe that I can act in ways to make things better.

*“Always look on the bright side of life.”* This week we heard from Federal Reserve (Fed) Chair Powell after their June meeting. His dire presentation and the outlook for an extended period of the current low interest rate environment (through the end of 2022!) left markets feeling like actor John Hurt of both Alien and Spaceballs, saying “oh no not again.” Equity markets reacted with a major sell-off yesterday but are attempting to recover today. Investors went into the safety of the bond market yesterday and some are exiting today as prices dipped back down, primarily on the longer end of the curve. The points are twofold. Firstly, the Fed is by nature analytical and by and large conservative in its outlook; therefore, it could be possible that a recovery to prior levels will be shorter than almost two years, though not immediate. Secondly, volatility has come back. Volatility is driven by higher levels of uncertainty. With volatility, there are opportunities. Please contact your Capital Markets Group Investment Representative, they are good at what they do!

*“But I know a change is gonna come, oh, yes, it will.”* I grew up in a lot of different neighborhoods filled with diverse groups of people, but we had one thing in common, we did not have much money. Most of my friends came from broken families but we had each other. And we had music, great music to listen to while playing outside or to dance to if we had the courage. Music remains a unifying force and I hope it continues to bring people of different backgrounds together to do great things. One critical aspect of music is you listen to it and then you can participate (act) with others to make it great. We are living through a critical time of change. The pandemic, the civil unrest, the market volatility, all can cause negative emotive responses. The responsibility lies with each of us on how to respond. We know a change is going to come, it is up to all of us to make sure it results in a better world, a world we dreamed of when we were younger, a world where we are kind, listen to each other, and act with good intention to help one another.

Music quotes: *Old Man by Neil Young, Always Look on the Bright Side of Life by Monty Python, and A Change Is Gonna Come by Sam Cooke.*

Have a great weekend!

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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount (\$)	Description	Maturity
06/15/2020	\$7,000,000.00	MANCHESTER MO 2020 UT GO BQ AA - (NEG)	2023-2040
06/15/2020	\$1,205,000.00	AUGUSTA KS TMP NTS 2020-1 UT GO BQ NR	2021-2023
6/16/2020	\$2,360,000.00	LAWRENCE KS TAXABLE 2020B UT GO RATING REQ	2021-2034
6/16/2020	\$32,240,000.00	OLATHE KS SERIES 233 UT GO AA +	2021-2031
6/17/2020	\$6,250,000.00	MISSION KS UT GO BQ RATINGS REQ	2021-2029

**ECONOMIC CALENDAR**

Monday 6/15	Tuesday 6/16	Wednesday 6/17	Thursday 6/18	Friday 6/19
Empire Manufacturing	Retail Sales Advance MoM Industrial Production MoM	MBA Mortgage Applications Housing Starts	Initial Jobless Claims Leading Index Continuing Claims	Current Account Balance

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	5.50	3 Mo.	0.13
Discount Rate	0.25	0.25	3.00	6 Mo.	0.22
Fed Funds Rate	0.07	0.05	2.37	1-Year	0.25
IOER	0.10	0.10	2.35	2-Year	0.28
1-Month Libor	0.18	0.20	2.41	3-Year	0.31
11th Dist COFI	0.74	0.88	1.14	5-Year	0.48
1-Yr. CMT	0.19	0.16	2.05	7-Year	0.76
Dow	25,605.54	23,764.78	26,004.83	10-Year	1.00
NASDAQ	9,588.81	9,002.55	7,792.72	30-Year	1.82
S&P 500	3,041.31	2,870.12	2,879.84		
Bond Buyer	2.19	2.49	3.52		

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	0.17					1-Year	N/A	+60
6 Mo. Bill	0.18					2-Year	60	70
1-Year Bill	0.18					3-Year	77	83
2-Year Note	0.19	8	19	15		5-Year	85	93
3-Year Note	0.22	9	26	22	15			
5-Year Note	0.33	17	43	39	30			
7-Year Note	0.53	27	47	43	32			
10-Year Note	0.70	40	67	62	50			
20-Year Bond	1.23							
30-Year Bond	1.46							

  

MBS Current Coupon Yields	
GNMA 30 Yr.	1.49%
FNMA 30 Yr.	1.55%
GNMA 15 Yr.	0.69%
FNMA 15 Yr.	0.97%

**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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