



Earlier today, the Bureau of Labor Statistics reported that June payrolls rose 4.8 million while the unemployment rate declined from 13.3% in May to 11.1%. Both prints beat market forecasts which expected non-farm payrolls to increase 3.2 million with an unemployment rate of 12.5%. June’s better-than-expected employment data was largely driven by job increases in leisure and hospitality as the economy continues its effort to reopen.

While the nation looks to be on the slow road to economic recovery, COVID-19 remains in the driver’s seat as material increases in infection rates will likely weigh on consumer behaviors. On Tuesday, Fed Chairman Powell stressed that getting the coronavirus under control was vital as the economy rebounds from the sharpest contraction on record. “We have entered an important new phase and have done so sooner than expected,” Powell told the House Financial Services Committee. “While this bounceback [sic] in economic activity is welcome, it also presents new challenges-- notably, the need to keep the virus in check.” When asked about the possibility of additional policy action, Powell responded “the path forward will also depend on the policy actions taken at all levels of government to provide relief and to support the recovery for as long as needed.” The Fed continues to be “all-in” in terms of helping mitigate the damage caused by the Great Shutdown!

Enjoy the 4th – Celebrate our nation’s independence with conviction!

Dennis Zimmerman Jr.
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NEW ISSUE MUNICIPAL CALENDAR			
Date	Amount (\$)	Description	Maturity
7/06/2020	\$1,950,000	CONCORDIA MO WTR SEW REVS BQ AA BAM	2021-2040
7/08/2020	\$10,000,000	FULTON SD 58 CALLAWAY CO MO BQ AA+ MO DIR DEP	2036-2040

ECONOMIC CALENDAR

Monday 7/6	Tuesday 7/7	Wednesday 7/8	Thursday 7/9	Friday 7/10
Markit US Services PMI Markit US Composite PMI ISM Non-Manufacturing Index		MBA Mortgage Applications	Initial Jobless Claims Continuing Claims Wholesale Inventories MoM	PPI Final Demand MoM PPI Final Demand YoY PPI Ex Food and Energy YoY

KEY INDICES				MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	5.50	3 Mo.	0.18
Discount Rate	0.25	0.25	3.00	6 Mo.	0.27
Fed Funds Rate	0.08	0.05	2.39	1-Year	0.30
IOER	0.10	0.10	2.35	2-Year	0.33
1-Month Libor	0.17	0.18	2.39	3-Year	0.35
11th Dist COFI	0.76	0.74	1.14	5-Year	0.51
1-Yr. CMT	0.16	0.17	1.94	7-Year	0.79
Dow	25,827.36	25,742.65	26,786.68	10-Year	1.05
NASDAQ	10,207.63	9,608.38	8,109.09	30-Year	1.84
S&P 500	3,130.01	3,080.82	2,973.01		
Bond Buyer	2.21	2.16	3.51		

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	0.14					1-Year	N/A	+60
6 Mo. Bill	0.15					2-Year	60	68
1-Year Bill	0.15					3-Year	75	84
2-Year Note	0.15	8	15	20		5-Year	83	93
3-Year Note	0.18	12	27	24	26			
5-Year Note	0.30	17	46	40	55			
7-Year Note	0.50	25	53	46	68			
10-Year Note	0.67	46	73	64	56			
20-Year Bond	1.19							
30-Year Bond	1.43							

MBS Current Coupon Yields	
GNMA 30 Yr.	1.49%
FNMA 30 Yr.	1.54%
GNMA 15 Yr.	0.44%
FNMA 15 Yr.	0.98%

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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