



As expected, this morning's November employment data showed more Americans headed back to work last month albeit at a slower pace as compared to previous months. Labor Department figures showed that nonfarm payrolls increased only 245k while the headline unemployment rate fell 0.2% to 6.7%. The median nonfarm consensus estimate was 460k while the jobless rate came as expected. Understanding that the employment survey data is gathered around the 12th of each month according to the Bureau of Labor Statistics (BLS), jobs lost in the back half of the month will not be reflected until the December jobs report. Meaning, the current jobs market is probably weaker than just reported as the impact of newly enacted COVID-19 restrictions and lockdowns was not captured in the November data.

Of the 22 million jobs lost as the initial result of the pandemic-induced economic shutdown, the economy has recovered 12.2 million leaving approximately 9.8 million workers without jobs – some being unemployed since March and April. According to the BLS – those out of work 27 weeks or more, increased by 385k November to nearly 4 million, the most since 2013. This long-term joblessness group makes up 40% of the total unemployed. With the labor market continuing to lose momentum, markets are expecting a policy response. As such, Congress may want to pass another fiscal relief package sooner than later as the cost of their inaction continues to grow. As for a monetary policy response, the Fed may be more inclined to provide additional stimulus yet this month. The FOMC's final meeting of 2020 is scheduled for December 15-16.

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NEW ISSUE MUNICIPAL CALENDAR

Date	Amount (\$)	Description	Maturity
12/07/2020	\$3,465,000	LOTAWANA FPD MO 2020 UT GO BQ A+	2022-2032
12/07/2020	\$4,240,000	WINFIELD KS 2020B UT GO BQ A+	2021-2040
12/08/2020	\$1,880,000	LIBERAL KS 2020B UT GO BQ NR	2021-2030
12/08/2020	\$4,910,000	ANDOVER KS 2020C UT GO RATING APPLIED	2021-2041
12/10/2020	\$465,000	ISD 19 PONTOTOC CO OK TAXABLE UT GO NR	2023-2024

ECONOMIC CALENDAR				
Monday 12/7	Tuesday 12/8	Wednesday 12/9	Thursday 12/10	Friday 12/11
Consumer Credit	NFIB Small Business Optimism Nonfarm Productivity (3Q F)	MBA Mortgage Applications Wholesale Inventories MoM JOLTS Job Openings	CPI MoM/YoY Initial Jobless Claims Continuing Claims	PPI Final Demand Mom/YoY U. of Mich. Sentiment

	KEY INDICES			MUNI AA-BQ	
	Current	Last Month	One Year Ago		
Prime Rate	3.25	3.25	4.75	3 Mo.	0.05
Discount Rate	0.25	0.25	2.25	6 Mo.	0.14
Fed Funds Rate	0.09	0.09	1.55	1-Year	0.19
IOER	0.10	0.10	1.55	2-Year	0.21
1-Month Libor	0.15	0.14	1.69	3-Year	0.24
11th Dist COFI	0.50	0.52	1.10	5-Year	0.34
1-Yr. CMT	0.10	0.14	1.69	7-Year	0.55
Dow	30,218.26	27,847.66	27,649.78	10-Year	0.87
NASDAQ	12,464.23	11,590.78	8,566.67	30-Year	1.61
S&P 500	3,699.12	3,443.44	3,112.76		
Bond Buyer	2.13	2.34	2.77		

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	0.07					1-Year	N/A	+50
6 Mo. Bill	0.08					2-Year	53	60
1-Year Bill	0.10					3-Year	60	68
2-Year Note	0.15	2	3	3		5-Year	68	78
3-Year Note	0.21	5	9	9	6			
5-Year Note	0.42	9	23	22	18			
7-Year Note	0.70	11	33	28	22			
10-Year Note	0.96	20	50	44	35			
20-Year Bond	1.52							
30-Year Bond	1.73							

MBS Current Coupon Yields	
GNMA 30 Yr.	1.33%
FNMA 30 Yr.	1.39%
GNMA 15 Yr.	0.13%
FNMA 15 Yr.	0.90%

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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