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## Weekly Economic News & Updates

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### THE WEEK ON WALL STREET

Overlooking stalled efforts by Congress to pass a new fiscal stimulus bill, stocks marched higher last week with the Dow Jones Industrials leading the way and the NASDAQ Composite setting multiple fresh record highs. The Dow Jones Industrial Average gained 3.80%, while the Standard & Poor's 500 rose by 2.45%. The Nasdaq Composite index climbed 2.47% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, advanced 2.31%.<sup>1-3</sup>

### Earnings Season Winds Down

A string of encouraging news reports, including a decline in new COVID-19 cases nationwide, pushed stock prices higher throughout the week. Stocks also rallied on signs of a pick-up in manufacturing activity, factory orders that came in well above estimates, and a better-than-expected new jobless claims number.<sup>4,5</sup>

Congress wasn't able to come to an agreement on a stimulus package, which disappointed some investors. But it wasn't enough to slow the daily climb in the equity markets, with the NASDAQ Composite index closing above 11,000 for the first time, while the S&P 500 index closed in on its record high set in February of this year.<sup>6</sup> Stocks drifted on Friday even though the employment report showed that employers added 1.8 million jobs in July, lowering the unemployment rate to 10.2%.<sup>7</sup>

### One Eye on Bonds, Gold

The continued rally in stock prices appears to suggest that the U.S. economy may maintain its recovery through the second half of the year and into 2021. But the bond market and gold prices suggest a different outlook.

Last week the yield on 10-year Treasuries touched their lowest level since early March, signaling that bond investors may be less convinced about economic prospects.<sup>8</sup>

Meanwhile, gold traded over \$2,000 per ounce. While the rise in gold prices this year has been largely propelled by historically low interest rates, its reputation as a store of value has attracted investors worried about stock market volatility and a potential uptick in inflation.<sup>9</sup>

### FINAL Thoughts

It was reported last week that the U.S. and China agreed to meet by videoconference on August 15 to discuss compliance with the terms of the Phase One trade deal.<sup>10</sup>

With tensions running high between the two nations, expect Wall Street to keep a close eye on any developments that may appear connected to the virtual meeting.

### WEEK AHEAD

*Lobbies are open by appointment*

### WEEKLY QUOTE

*"Friendship marks a life even more deeply than love."*

ELIE WIESEL

### WEEKLY TIP

*If a major financial or life event is coming up on your calendar, talk to a financial professional about it now. See what ideas they may have about how to manage the event.*

### WEEKLY RIDDLE

*Nancy was born in summer, yet she was born in January. How is this possible?*

### Last week's answer:

*: \$200. \$200 - \$40 = \$160, then \$160 - \$32 = \$128 with \$72 of the original \$200 spent.*

Sources: MarketingPro, Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

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Jobless claims and not commodities that will have the markets' attentions on Thursday morning when the BLS is expected to report that, for the week ending August 8<sup>th</sup> 1.1 M people filed for Initial Jobless Claims, a slight come down from the prior week's 1.2 M Continuing Claims are forecast to show a reduction to 15.8 M from 16.1 M for the week ending August 1<sup>st</sup>. Have a great, fuss free week be careful out there.