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Weekly Economic News & Updates

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THE WEEK ON WALL STREET

Stock prices fell last week as investors considered the potential health and economic risks of the flu-like coronavirus.

Foreign stock markets, as tracked by the broad MSCI EAFE index, fell 1.03% for the week. Coincidentally, the S&P 500 lost exactly that much across a 4-day Wall Street trading week. The Dow Jones Industrial Average declined 1.22%, the Nasdaq Composite 0.79%.^{1,2}

Futures Markets Eye Coronavirus Outbreak

By Friday's closing bell, two cases of coronavirus had been confirmed in the U.S. by the Centers for Disease Control and Prevention. Sixty-three other potential cases were being monitored. Twenty-six people had died from the virus in China, where more than 30 million people faced travel restrictions.

This news exerted a drag on stocks in multiple industries. Oil prices also slipped: West Texas Intermediate crude lost 7.4% for the week to settle at \$54.19 Friday. Stock and commodity traders wondered if the virus would mimic the SARS scare of 2002-03, which kept Chinese workers and shoppers at home and hurt corporate earnings worldwide.^{3,4}

Fewest Homes for Sale in 20 Years

Existing home sales improved 3.6% in December, according to the National Association of Realtors. This happened even as the number of listed properties hit a 20-year low. The NAR says that the rate of total U.S. home sales (existing and new) increased 10.8% in 2019.⁵

WHAT'S AHEAD

This week's FOMC meeting is widely expected to result in policy unchanged. But while rates are unlikely to budge from the current range of 1.50% to 1.75%, the statement and the Chairman's comments made during the post-meeting press conference could offer welcomed clarity on the direction of policy, the Fed's focus on the data, and recent growth in the Federal Reserve's balance sheet. This week we ask and answer the top questions that are no doubt at the forefront of investors' – and Fed watchers' – minds.

WEEKLY QUOTE

*"It's not the things **we do** in life that we regret on our death bed, it is the things **we do not.**"*

RANDY PAUSCH

WEEKLY TIP

*If you make your retirement money **hard to reach**, you may be doing yourself a **favor**. Tax-advantaged retirement accounts have rules that help to discourage early withdrawals. Those rules are designed with your future self in mind, and they exist to **make you think twice** about tapping such accounts for current needs.*

WEEKLY RIDDLE

*I'm a **word** some use to measure bits of **time**, but you won't find me on a clock or anything that chimes. I will never fit upon a clock face, but I am used to identify a **place**. What word am I?*

Last week's answer:

An odometer.

Sources: MarektingPro, 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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