

Taking Care of Main Street, Not Wall Street.

Community Banking

Here at Citizens FSB, we know the best investments yield a high return. That's why we're investing time and money into the communities we serve. We're a part of our communities as a neighbor, a friend, and as family.



Weekly Economic News & Updates

www.citizensfsb.bank

THE WEEK ON WALL STREET

Markets remained exceptionally volatile, buffeted by the spreading impact of coronavirus, uncertain responses from federal policymakers, and the sudden drop in oil prices.

The Dow Jones Industrial Average fell 10.36%, while the S&P 500 declined 8.79%. The Nasdaq Composite index slid 8.18% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, dropped 17.75%.^{1,2}

Markets Grapple with Uncertainty

A dispute between Saudi Arabia and Russia over oil production cuts, mounting fears of the coronavirus, the declaration of the COVID-19 as a global pandemic by the World Health Organization, and the news of a travel ban from Europe unsettled markets throughout the week.

Stock trading was halted twice by circuit breakers, which are designed to briefly stop trading when losses in the S&P 500 reach 7%. Stocks sold off sharply Thursday before ending a tumultuous week with a strong rebound on Friday.³

Troubles in the Oil Patch

The failure of Russia to join Saudi Arabia in supporting lower oil production targets left Saudi Arabia fuming. In response, Saudi Arabia announced its intention to raise oil output.

Oil prices plummeted on the news, contributing to the stock market's drop on Monday. While lower oil prices may represent a boon to consumers in the form of lower gasoline prices and relief to companies with high energy consumption (e.g., airlines, chemical), they also pose a risk to the American energy industry. If low oil prices persist, it may lead to lower capital expenditures and potential issues in the credit markets as less-well-capitalized companies struggle to manage their debt obligations.⁴

Final Thought

The world's central bankers have already taken several steps to combat the economic impact of the coronavirus, including lowering short-term interest rates. The financial markets are now looking for a response from the U.S. government. In evaluating any actions from the federal government, investors may focus on the size and timing of policy proposals to determine if they can reduce current levels of economic uncertainty.

WEEKLY QUOTE

"Character is the virtue of hard times."

CHARLES DE GAULLE

WEEKLY TIP

Are you in your fifties and providing eldercare to one or both of your parents? As you help them in their retirements, remember not to neglect your own retirement planning, as these years of your life are among the most important for that effort.

WEEKLY RIDDLE

What can fill a room, yet takes up no physical space?

Last week's answer:

On a military base.

COVID-19 News

Effective March 17th at 12:00 pm our lobbies will be open by appointment only. Our drive thru's will be open. You may email your representative or call the mainline 913-727-1040 to schedule an appointment. Appointments will be made for loan application, loan closings, opening a new deposit account or access to your safe deposit box.

Sources: MarketingPro, Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial
Please feel free to forward this newsletter to friends, family and colleagues.



