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Weekly Economic News & Updates

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THE WEEK ON WALL STREET

The stock market staged a broad rally this week, buoyed by the prospect that the COVID-19's grip on the nation may be easing and news of another Federal Reserve program to help stabilize businesses.

The Dow Jones Industrial Average jumped 12.67%, while the Standard & Poor's 500 climbed 12.10%. The Nasdaq Composite Index rose 10.59% for the week. The MSCI EAFE Index, which tracks developed overseas stock markets, advanced 6.32%.^{1,2,3}

A Change in Sentiment

Market sentiment took a more hopeful turn on news of an apparent peaking of cases in Italy and New York State. Investors also welcomed comments by Dr. Anthony Fauci that the start of a turnaround in the outbreak is close at hand.

The S&P 500 Index surged 7.03% to start the week and added to gains as the week progressed. Positive trends in COVID-19 cases, an agreement between Russia and Saudi Arabia to cut oil production, and the Fed's unveiling of a \$2.5 trillion loan program to assist small and mid-sized businesses fueled the rally.^{4,5}

Credit Markets Stabilize

As the economy shut down in March, credit markets began to exhibit deep stresses. A functional bond market is essential to economic and financial health, which is why the Federal Reserve initiated a number of actions aimed at helping them to operate.

Intervention by the Fed appears to have helped. A raft of new bond offerings may be signaling that investors are now willing to take on more risk. Last week, 11 investment-grade companies sold nearly \$20 billion in bonds.⁶

A stable credit market helps the stock market, and while the bond market is not yet out of the woods, its improving health is a positive sign.

Final Thought

One of the major challenges for investors in the last month has been determining realistic stock valuations amid uncertainty over corporate earnings. With earnings season about to unfold, investors may be able to better gauge the impact of the pandemic on company profits. Investors will get to hear from corporate leaders about the state of their businesses and possibly their outlook for the next few quarters. This may help fill in the gap that currently exists, but what remains uncertain is whether that information proves to be positive or negative for the market.

Lobbies are 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

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WEEKLY QUOTE

"One worthwhile task carried to a successful conclusion is worth half-a-hundred half-finished tasks."

MALCOLM FORBES

WEEKLY TIP

If you are marrying, take a moment to see how your new marital status will affect your federal and state taxes and whether it would be best to file jointly or separately.

WEEKLY RIDDLE

Can you name a vegetable or fruit that is never sold frozen, canned, processed, cooked, or in any other form except fresh?

Last week's answer:

An Shoes, socks, sandals, sneakers, slippers, skis, skates, snowshoes, stockings, stilts.

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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