

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

Stocks moved higher last week on news of more Federal Reserve market support and diminished concerns that new COVID-19 cases might lead to another economic shutdown.

The Dow Jones Industrial Average rose 1.04%, while the Standard & Poor's 500 gained 1.86%. The Nasdaq Composite Index jumped 3.73% for the week. The MSCI EAFE Index, which tracks developed overseas stock markets, increased 1.88%.^{1,2,3}

Investor Sentiment

News on Monday that the Fed would be expanding its bond-buying program to include the debt of individual companies sparked a sharp jump in stocks. The momentum gained through the week as investors focused on positive economic signals, especially with retail sales. A midweek report of an effective COVID-19 treatment for critically ill patients boosted investor optimism.

Market sentiment also was helped by talk of more fiscal stimulus and a report that China would be moving ahead with agricultural purchases to comply with phase one of the trade deal, easing concerns over growing friction in the U.S.-China relationship.

Mixed Economic Data

Last week's economic data illustrated the uneven nature of the nation's nascent economic recovery.

Retail sales, which were up by 17.7% in May, reflected a strong, encouraging rebound in the U.S. consumer. Consumer spending was particularly strong in clothing, furniture, sporting goods, and autos.^{4,5}

But industrial production (up by only 1.4%) and new housing starts (ahead by just 4.3%) showed tepid rebounds, indicating that recovery has yet to reach all corners of the American economy. Jobless claims posted their best number since mid-March (1.5 million), but remained high by historical standards.^{6,7,8}

Final Thoughts

Last week saw the flare-up of border tensions in two geopolitical hotspots: North Korea and the disputed border region between China and India. The hope, of course, is that escalation can be avoided through diplomacy, but any heightening in tensions may become a concern for global markets.

Lobbies are open

WEEKLY QUOTE

"We do not quit playing because we grow old, we grow old because we quit playing."

OLIVER WENDELL HOLMES

WEEKLY TIP

Update your will. It is just as important as having one. If you drafted a will years ago, the information is likely in need of some adjustments. Be sure to revisit your will often and keep it up to date.

WEEKLY RIDDLE

What is the only planet within our solar system that rotates clockwise?

Last week's answer:

Austin and Boston

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.

