

## 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](http://www.citizensfsb.bank)

### THE WEEK ON WALL STREET

The shortened week, which began with a powerful two-day rally of trading, was enough to drive the markets into another week of solid gains.

The Dow Jones Industrial Average rose 3.75%, while the Standard & Poor's 500 advanced 3.01%. The Nasdaq Composite Index climbed 1.77% for the week. The MSCI EAFE Index, which tracks developed stock markets overseas, gained 6.18%.<sup>1-3</sup>

### Rising Optimism

Returning from Memorial Day weekend, stocks surged on rising optimism over economic re-opening, declines in new infections, and progress in the development of a vaccine.

Stocks continued their march higher, lifted by signs that the White House and Congress may be working together to put together another stimulus package. But the momentum lost steam, in part due to news of China's vote to override Hong Kong's autonomy. Comments by President Trump on the last day of trading eased concerns.<sup>4,5</sup>

### Rotation in Leadership

The recovery from the March lows has been powered by large-cap growth stocks, especially the mega-cap technology names. However, this week saw new sectors leading the market higher, notably the financials and industrials, while the technology and health care sectors lagged.

This leadership rotation is being referred to by some market commentators as the "re-opening trade." If these sectors are to remain leaders, it may hinge on a steady economic recovery and escaping a second wave of COVID-19 infections.

### A Look Ahead

On Thursday, Initial Jobless Claims for the week ending May 30th are forecast to notch another jump of 1.8M; down from the prior week's 2.12M. Continuing Claims for the week ending May 23rd are expected to have fallen to 19.5M from the

*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.*

Need help with the CARES Act, PPP Funding still available. [Learn More](#)

### WEEKLY QUOTE

*"Nothing can stop the man with the right mental attitude from achieving his goal; nothing on earth can help the man with the wrong mental attitude."*

THOMAS JEFFERSON

### WEEKLY TIP

*Spammers love to create emails that mimic ones from your bank or credit card issuer. How can you be safe? Never use a "click here to log in" link. Always go directly to the website address for your bank or credit card provider and log in there.*

### WEEKLY RIDDLE

*Can you name two English words (longer than two letters) that both begin and end with the letters "he" (in that order)?*

### Last week's answer:

*A mule, the offspring of a male donkey and a female horse.*

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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prior week's 21M. Other news on Thursday may reveal that first quarter Non-farm Productivity fell 2.6% as Unit Labor Costs jumped 4.9%. As dismaying as those statistics sound, they still miss most of the lockdown period.

Friday brings us a new Unemployment Report and, as has been long advertised, it will not be pretty. The Unemployment Rate is forecast to jump to 19.7% from 14.7% as Non-Farm Payrolls could show a drop of 8M. The economy shed over 20M jobs in April. Perversely, in recognition of who's working and who isn't, Average Hourly Earnings are expected to record a gain in May of almost 1% after April's jump of 4.7%. This could bring the year-over-year growth rate to a whopping 8.5% from the previous month's already whopping 7.9%. Just remember, this metric has been heavily skewed by the pandemic-induced lockdown. On Friday afternoon, the Federal Reserve is expected to report that Consumer Credit in April fell by \$17.5B on an annualized basis on the heels of April's \$12B drop. This is not consumption-friendly news.

So far this morning, equities are slightly in the green while Treasury prices have slipped a little bit. The Ten-Year's yield has been moved up by a couple of basis points to around 0.67%. Crude Oil, at just under \$35/barrel is off slightly as investors contemplate another OPEC+ meeting later in the week. Gold is up almost \$4 to around \$1,734/ounce. Have a safe week; be careful out there!