

## 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

An open-ended commitment by the Federal Reserve to support American businesses and capital markets along with the passage of a \$2 trillion aid package improved investor sentiment and drove a strong rally in stock prices.

The Dow Jones Industrial Average jumped 12.84%, while the Standard & Poor 500 gained 10.26%. The Nasdaq Composite index rose 9.05% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, increased by 12.03%.<sup>1-3</sup>

### Stocks Rebound

A stunning string of Federal Reserve initiatives and the passage of a \$2 trillion aid bill buoyed stocks this week, with the Dow Jones Industrial Average jumping by over 11% on Tuesday, its best day since 1933. Stocks continued to strengthen the following day, registering their first back-to-back gains since February.<sup>4,5</sup>

Despite a record 3.28 million jobless claims, stocks added to their gains for a third straight day. Stocks gave back some gains on the final day of trading to end an otherwise welcomed week of positive price action.<sup>6</sup>

### A Shift in the Conversation

The conversation around the domestic spread of the coronavirus has been centered on “flattening the curve,” with closures of local businesses and schools, a shift to working from home, and appeals for social distancing.

Hitting the pause button on the U.S. economy, however, has had its consequences, including massive job losses, sharp declines in business revenues, and disarray in the capital markets. This week the conversation shifted to include how to restart the economy amid a pandemic that may not have yet peaked.

### Final Thought

On a strictly definitional basis, the three-day surge in stock indices this week signaled a new bull market (when stocks rise 20% after having fallen 20% or more). But it's hard for even professional investors to make sense of a market that enters a bear market and a bull market in the same month. This volatility certainly speaks to the deep health and economic uncertainties that exist.

It's not clear what the rally this past week means for the market going forward. Absent such clarity, markets are likely to remain volatile in the near term, requiring investors to be patient with their long-term investments and wait as calmly as possible for time to answer the big questions overhanging today's 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*

### WEEKLY QUOTE

*“Drama is life with the dull bits cut out.”*

*ALFRED HITCHCOCK*

### WEEKLY TIP

*Own a business? Negotiating with vendors may help you save a few hundred dollars in monthly operating costs. It doesn't hurt to try it; any vendor would prefer a satisfied customer over a search for a new one.*

### WEEKLY RIDDLE

*What famed North American landmark is constantly moving lower and moving backward?*

### Last week's answer:

*An egg.*

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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