

# Financial Week Newsletter

...as summarized by Smith Shellnut Wilson

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## Equity Markets

- U.S. equity indexes rose last week, fueled by the technology sector.

	2/7 Close	2/14 Close	Price Change
Dow Jones	29,103	29,398	Up 1.0%
S&P 500	3,328	3,380	Up 1.6%
NASDAQ	9,521	9,731	Up 2.2%
KBW Bank Index	108.67	109.23	Up 0.5%

## Financials

- Regulators closed one bank last week, the first closure since November 2019.
- Online-only banking startup Varo Money is set to become the first chartered fintech bank after the FDIC approved its application for deposit insurance.

## Credit Markets

- U.S. Treasury yields rose slightly last week on steady if uninspiring economic data.

	2/7 Close	2/14 Close	Yield Change
3-month Tsy	1.55%	1.57%	Up 2 bps
2-year Tsy	1.40%	1.43%	Up 3 bps
5-year Tsy	1.41%	1.42%	Up 1 bp
10-year Tsy	1.58%	1.59%	Up 1 bp

- The average issuer yield in the Bloomberg Barclays U.S. Corporate Bond Index fell to 2.57% last week, the lowest level since 1973, as investors clamor for relatively safe assets that still pay a higher yield than U.S. Treasuries; the yield on the Index has fallen by approximately 180 basis points since December 2018.

## Treasury/Fed/Administration/Congress

- Federal Reserve Chairman Jerome Powell in testimony before the House Financial Services Committee said last week that the central bank is keeping a close eye on fallout from the deadly coronavirus outbreak in China, singling it out among risks threatening the U.S. and world economies; Powell stopped short of saying that the outbreak had changed the Fed's baseline outlook for the U.S. economy, or the expectation among many members of the Federal Open Market Committee that rates will remain on hold this year.

## Economy

- U.S. businesses sharply cut the number of jobs they advertised in December for the second straight month, with the number of job openings falling by 5.4%; the total of available jobs has dropped by more than 1 million in the past year, the largest annual drop since the Great Recession.
- A key measure of consumer prices remained subdued in January as an acceleration in shelter and apparel costs was offset by weakness in used vehicle and prescription drug prices; the core consumer price index, which excludes volatile food and energy costs, rose 0.2% for the month and 2.3% on a year-over-year basis.
- Retail sales increased 0.3% in January versus 0.2% prior, driven by an unusually large contribution from building materials, likely a result of milder weather this winter, which is boosting construction activity relative to seasonal trends.

## This Week

Economic data scheduled to be released this week include producer prices, housing starts, and the Conference Board's leading economic index.

## Quote

"If you don't think every day is a good day, just try missing one."

-- Cavett Robert

*The source for the information above is Bloomberg News unless otherwise noted.*

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