

## The Fed

For the second time in two weeks, the Fed made an unexpected move and cut rates from 1.0%-1.25% to 0.0%-0.25%. This cut came just days ahead of its scheduled meetings Tuesday and Wednesday this week. On Tuesday, the Fed injected an additional \$500 billion into short-term funding markets, reinstated its commercial paper funding facility, and opened a number of other credit facilities in an effort to keep financial markets functional.

**Our Take:** The Fed continues to do all it can to help support the market. Unfortunately, the Fed is running out of tools and markets remain under stress.

## Jobless Claims

Jobless claims for the week ending March 14 rose from 211,000 to 281,000.

**Our Take:** The worst is yet to come. Jobless claims could increase dramatically in the coming weeks, as major parts of the economy have shut down. Whether this is a temporary blip or a sign of a longer trend depends entirely on the response to and duration of the coronavirus crises. Right now, the outlook is concerning.

## Retail Sales

Retail sales fell 0.5% in February. The retail sales control group, used to calculate GDP, was unchanged.

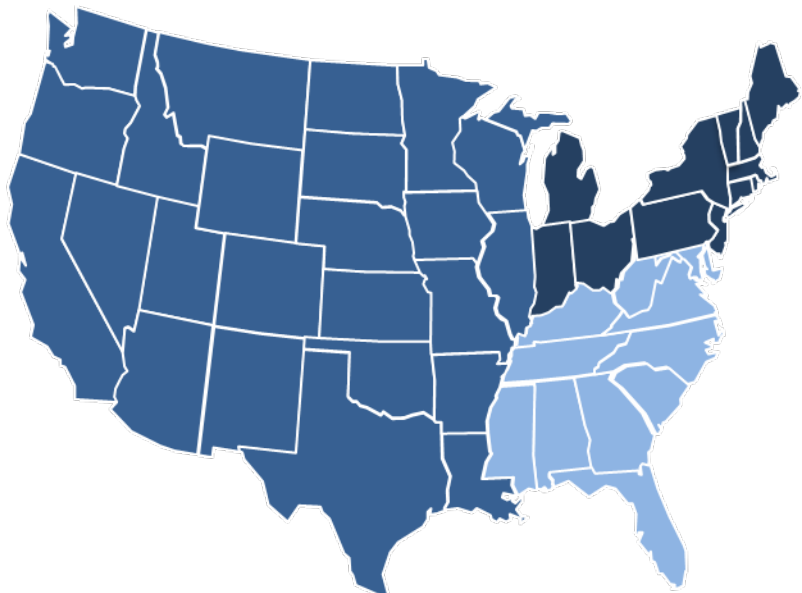
**Our Take:** This report shows that consumer spending was slowing before the Covid-19 outbreak in the U.S. Future reports are likely to worsen.

## Municipals

At least \$9.7 billion of new issue municipal bond deals have been cancelled or postponed recently, according to Bloomberg.

**Our Take:** Many state and local governments are avoiding new issuance in volatile markets. It is likely that municipalities with pending new issuance will monitor the market environment and only come to market once there is less uncertainty.

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