



# News

July 2017



Mike Jacobson  
President & CEO

## Message from Mike

We continue to live in very interesting times. On November 8, 2016, the yield on the 10-year Treasury note was 1.88% and the yield on the 2-year Treasury note was .88%. On March 13, 2017 the yield on the 10-year had risen to 2.60% and yield on the 2-year had risen to 1.40%. On June 20, 2017 the yields have fallen to 2.16% and 1.36% respectively. Meanwhile, the Federal Reserve raised the (Overnight) Fed Funds Rate four times, taking it to 1.25% from .25%. So what does this mean?

The difference in yield (spread) between short-term rates and long-term rates, plotted on a graph, create a curve referred to as the yield curve. The yield curve in “normal” times will display an upward slope. The steepness of the slope generally suggests the markets concern about the future rate of inflation. If the slope is steep, the suggestion is that inflation rate will rise and investors need a higher interest rate to account for the risk of rising inflation. Inflation generally is associated with a strong economy where there are “too many dollars chasing too few of goods and services”. Meanwhile, a “flat” yield curve suggests low future inflation. Additionally, a “negative” yield curve (slope is downward) suggests recession.

So what can we glean from the rate changes since November 8, 2016? The spread between the 2-year and 10-year Treasury was 100 basis points (1%). On March 13, 2017 (when the 10-year treasury yield peaked), the spread increased to 120 basis points (1.2%). Although this spread was historically narrow, it did widen out. However, on June 20, 2017, the spread narrowed to 80 basis points (.80%). Meanwhile the Fed Funds Rate has risen to 1.25%, just 11 basis points below the 2-year Treasury.

Although it is hard to make accurate predictions, it is clear that without strong improvements in economic growth, the bond market is telling the Fed that inflation is not eminent and therefore they are willing to take a lower return over a longer period of time. But the Fed, on the other hand, is suggesting that the economy is stronger and they are taking steps to head off inflation that could begin to come into the market as labor conditions continue to tighten. Time will tell who is right, but for the investor, we live in very interesting times.

### Lobby Hours:

Monday - Friday  
9:00 am to 5:00 pm

### Drive-Thru Hours:

Monday-Thursday  
8:00 am to 5:00 pm

Friday  
8:00 am to 6:00 pm

1575 Dewar Drive  
Suite 100  
Rock Springs, WY 82901

**307-362-4455**



## CYBERSECURITY: DON'T FALL VICTIM TO VIRUS SCAMS



Computer security is more important than ever before. The more time you spend on your computer, the more likely you are to encounter some sort of malicious computer virus or scam. Some of these scams ask for your information under the guise of a legitimate company, or tell you that your computer is infected and that you need to click on a link to fix it.

At Commerce Bank of Wyoming, our community banking services are dedicated to the well-being of our customers, financially and otherwise. Because using a computer and internet is such an integral part of today's world, we want to educate you about the dangers of online virus scams, how to avoid them and safely navigate the web, as well as what to do if you happen to fall victim to one of these scams or viruses.

- ▶ Browse the web cautiously, and do not be quick to give out any personal information, especially if it's related

to any of your bank account information. One form of "internet fraud" is email or phishing scams, which involves receiving an email that appears to be from a legitimate company or institution. They will ask for you to "update" or "verify" your personal information, in an attempt to get your bank account information, credit card number(s), etc.

- ▶ Do not click on anything without verifying its legitimacy. If your computer doesn't have a firewall or another sort of internet safeguard program installed, you might want to give that extra protection some thought. Either way, skepticism is a good way to stay safe online.

With NebraskaLand National Bank's With Commerce Bank of Wyoming's identity theft protection services, you can rest assured that you're in good hands. Your identity is a very important asset, and that's why we're partnered with CyberScout to help safeguard your identity online so that your sensitive financial information doesn't fall into the wrong hands.

We Take Identity Protection Seriously, And So Should You

If you even remotely think it's possible that you have fallen victim to a virus scam or provided your information to wrong source, simply call us and we'll put you in touch with a fraud specialist at CyberScout's Resource Center. There are no additional costs for these services, as they are complimentary for our valued customers! Contact us with any of your questions!

## COMMUNITY SHRED DAY



Commerce Bank of Wyoming hosted the second annual Shred Day event in May. Community members were invited to bring sensitive personal documents to safely shred and destroy. As Identity Theft crimes continue to rise, it's more important than ever to take preventative precautions. Shredding documents with sensitive personal data such as credit card or bank statements can help decrease the risk of identity theft. At the Community Shred Day event this year, the Bank served approximately 100 people and shredded nearly 6,770 lbs. of paper!