

ECONOMY & RATES

Yesterday

Yields dropped 3bp as global investor concerns remained and oil softened.

Rates As Of: 07/20/2016 12:47PM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.32	0.00	0.00
6M	0.43	0.00	0.00
1Y	0.55	0.00	0.00
2Y	0.71	0.00	0.00
5Y	1.14	0.00	0.00
10Y	1.58	0.00	0.00
30Y	2.30	0.00	0.00
FF Market	FF Target	Fed Disc	
0.00	0.50	0.00	
Prime	Unemployment	Oil	
3.50	0.00	\$0	

[More Market Rates](#)

BANK NEWS

Profit Decline

For community banks tracking the performance of the largest banks, we note their 2Q earnings reports indicate net incomes have declined YOY as follows: Bank of America (-19%), Citigroup (-18%), Wells Fargo (-3%) and JPMorgan (-1%). As such, analysts expect these largest banks to move more aggressively to cut costs, including more layoffs and ramped up branch closures.

Theft Profile

A study of embezzlement by US employees by Hiscox finds more than 40% of thefts are committed by an employee in the finance or accounting function, the median age of the perpetrator is 49 and women commit more embezzlements than men Payday Crackdown: The CFPB has filed a lawsuit against payment processor Intercept Corp (ND) for allegedly knowing about and allowing its clients to withdraw millions of dollars of illegal charges from consumer bank accounts. The CFPB said the actions violated the Dodd-Frank Act's prohibition against unfair acts and practices.

Debt Collection

At the end of this month the CFPB is expected to release a proposal to regulate debt collection practices. The proposal is expected to expand the definition of debt collector and tighten up activities.

Fined

Spanish bank Santander has been fined \$10mm by the CFPB over allegations of deceptive overdraft practices. The bank used a telemarketing vendor to enroll customers in its overdraft service, but the vendor reportedly did so without customer consent.

Rate Forecast

A Morgan Stanley economist projects the 10Y Treasury yield will dip to 1.0% in Q1 2017, as overseas investors continue to purchase US assets amid turmoil in their own countries economies.

Growth Forecast

The IMF has reduced its world growth forecast to 3.1% this year and 3.4% for 2017, following additional uncertainty around the Brexit issue. Meanwhile, closer to home, the IMF forecasts US growth will be 2.2% this

year and 2.5% in 2017.

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