

Member Insights



**MERCK EMPLOYEES
FEDERAL CREDIT UNION**

From the desk of the President/CEO:

Plenty of Global and Homegrown Issues Impacting the Economy



2022 is not off to a banner start economically. Stocks have stalled out of the gates, with the Dow Jones Industrial Average down 7% and the S&P 500 down 10% at the time

of the writing of this column (April 25).

The more you look around, the harder it is to find safe havens in the stock market. Big Tech (Microsoft, Apple, Google, Meta, etc.) are all down for the year. Big banks for a while looked like a great safe haven for 2022, but their stocks have stalled as well as the yield curve has flattened and higher interest rates may cool lending, impacting bottomlines.

We are a credit union and not a Wall Street firm, but it's important to look at the market as it tells a bigger story of what's happening in the economy. Big tech is stalling largely because bond yields have risen dramatically in 2022. The 10-Year Treasury has ballooned from 1.6% at the start of the year to 2.8%. The shorter end has seen an even higher spike with the 5-Year Treasury going from 1.3% to 2.9%. Conventional wisdom is when yields rise stocks suffer...and that can be for many reasons. Rising rates often mean an effort by the Fed to lower economic growth, which naturally wouldn't be good for corporate bottomlines. Also, the value of large caps is somewhat devalued with higher yields in bonds.

There doesn't seem to be many good places to hide right now. Commodities are also erratic. The price of oil is another wildcard, with drastic swings from week to week. The latest fears are on the lockdowns in China, which is the largest importer of crude oil. We, of course, also

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Coming Soon: Self-Service Tools to Better Manage Your Debit Cards

Merck Employee's FCU Card Management tools put you in control. This self-service tool allows you to set card alerts, lock and unlock cards, notify MEFCU of upcoming travel, cancel a lost or stolen card and more. You can now conveniently manage your debit card in our mobile app.

Benefits of Card Management

Our Card Management tools allow you to:

- Temporarily pause access to your cards at your convenience
- Place restrictions on card usage based on location, spend limits, merchant type or transaction type
- Set alerts for each time the card is used or when a transaction is declined
- Activate a card, report a card as lost/stolen or set a PIN
- Set travel alerts
- Keep track of merchants with stored card information and those drawing recurring payments
- Get spend insight analytics on how, what and when transactions take place



More About Card Management

Q: Where do I go to access the Card Management tools?

A: After logging in to your mobile banking app, you will be taken to the Accounts screen. Tap "My cards" to get started. You will be brought to your card controls dashboard. Here you can view your spending, transactions by type, date and location, as well as a list of your cards, most recent purchases and a shortcut to your digital wallet. Tap your card from the list to manage it and view more details.

Q: What type of alerts can I set?

A: Alerts can be set for all transactions (default setting), any transactions over a defined amount, transactions of any amount made at a select list of merchant types including contactless transactions (ex. mobile payments such as Apple Pay) and/or any transaction that is declined based on a control you have set. You can also set alerts for in-store transactions based on location.

Q: What type of limits can I place on everyday spending?

A: A "per transaction" limit can be set that applies to any transaction, and/or limits can be set for a select list of transaction categories (such as ATM, brick and mortar stores

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Featured Loan & Deposit Rates

Auto Loans
as low as
3.00% APR*

E-Checking
as high as
0.25% APR*

Credit Cards
as low as
8.50% APR*

Savings
as high as
1.00% APR*

IRAs
as high as
1.50% APR*

Home Equity
as low as
3.50% APR*

*Annual percentage rate. Visit www.merckcu.com or visit a branch for more information.



(Continued from Plenty of Global...)

have the sad situation in Ukraine with the war certainly impacting Russia's gas and oil flow, and thus causing much of Europe to rethink their energy futures.

If we think of 2020 and 2021 we had all the economic impacts of the coronavirus pandemic, yet the stock market hit records in those two years. One of the big criticisms of the Federal Reserve is it made things too easy during the pandemic by keeping rates at their record level of effectively 0%. Now that is changing. The Fed for the first time in over a year raised rates 25 basis points and at least another 25 or possibly 50 was expected at their May meeting. So while the pandemic was viewed as the most lifechanging thing we've seen in decades, its financial impact varied depending on where you were in the economy, but for the most part consumers did pretty well. Between stimulus money and higher prices in equities and homes, the story was generally positive financially.

Now we see our country with record inflation levels, still elevated home prices, and the kicker is the Fed is swinging into action and raising rates making borrowing money the least attractive it's been in well over a decade. The 30-year mortgage hit 5% in March, which historically is not a bad number but consumers have become accustomed to 3 or sub 3% mortgage rates. Those days seem to be over, so the impact on housing and overall economic growth will be felt far and wide.

We are clearly in a time of not just national but global uncertainty and all markets are being affected. In these times, we tend to see members rushing out of the market and back into the safe haven of the credit union. And your credit union is a safe haven, with more than 10% capital and a rock-solid balance sheet. We can certainly handle the influx of deposits, but we always advise members not to make rash financial moves based on current events which may be fleeting and to consult with their financial planners or trusted resources.

Paul Gentile
President/CEO



Member Services: 732-594-3317
Loan Department: 732-594-3018
Debit Card Lost/Stolen: 800-554-8969
Credit Card Lost/Stolen: 800-237-6211

Established in 1936, Merck EFCU is federally-chartered and federally insured by the National Credit Union Administration.



Beware of Amazon Texting Scams

A Texas police department recently issued a warning regarding people receiving phony text messages that purport to be sent from Amazon telling you that your account has been hacked. These phony text messages, called "smishing" will either attempt to lure you into providing personal information that will be used to make you a victim of identity theft or try to persuade you to click on a link that will download malware.

A famous bank robber was once asked why he robbed banks to which he responded, "because that is where the money is" which is why it is not surprising that scammers have used Amazon as the basis for a wide variety of scams due to so many people buying products through Amazon, particularly during the Coronavirus pandemic.

You can provide a phone number for Amazon to text you alerts and notifications regarding your account so how can you tell if a text message is legitimate? The real Amazon will never ask for your password or personal information in a text message.

TIPS

If you have a question about your Amazon account, you can either contact them through their website at www.amazon.com/gp/help/customer/display.html or call them at (888)280-4331. Don't trust any text message that purports to be from Amazon. If you think it might be legitimate, merely call them at 1-888 280-4331.

Here is a link to information Amazon provides about steps you can take to make your account more secure:

www.amazon.com/b?ie=UTF8&node=21599686011

Source: Scamicide

(Continued from Self-Service Tools...)

or international transactions). Both are subject to maximum daily card limits set by Merck Employees FCU.

Q: Will I need to call MEFCU after I make a travel notification using the Mobile App?

A: No, there's no need to call. Your updates are recorded in real-time and will automatically take effect on the days you are traveling.

Q: If I lose my card, can I lock access to my cards through this tool?

A: After logging in to your mobile banking app, you will be taken to the Accounts screen. Tap "My cards" to get started. Tap your card from the list to manage it. Toggle the "Card is ON" switch to lock card access.

