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**Paige Wilhelm**  
*Senior Vice President  
 Senior Portfolio Manager  
 Federated Investment Counseling*

This week's meeting of Federal Reserve policymakers, the first Federal Open Market Committee (FOMC) meeting of 2013, is not likely to produce much change in policy, even with a shift in composition of voting members. It's just too early in the latest round of quantitative-easing bond purchases announced in December for a revision or rethinking. That said, it would not be surprising if the Fed does acknowledge a gradual improvement across the board in the domestic economy, particularly in housing and potentially employment. But the overall sluggish nature of the economy, on top of global risks to the downside in a recessionary Europe and Japan, negates any need to send a message about any potential shift in the Fed's all-in policy.

London interbank offered rates (Libor) were virtually unchanged for the week, with three-month steady at 0.30%, six-month steady at 0.48%, and one-year down less than a basis point to 0.80%. Short-term Treasuries were up slightly, with one-month up two basis points to 0.06%, three-month steady at 0.08%, six-month up a basis point to 0.11%, and one-year up a basis point to 0.15%. Overnight repo rates were up for the week.

The Conference Board gauge rose a slightly better-than-expected 0.5% in December, and November's initial decline was revised to no change. The showing, helped by improved jobless claims, interest-rate spreads, and the leading credit index and stock prices, suggests growth will improve modestly the next six to nine months. December new and existing home sales unexpectedly declined, however, reflecting in part an inventory problem, although other factors also played a role. And last week, House Republicans voted to suspend the debt limit through May 19, so the Treasury will be able to use accounting strategies known as "extraordinary measures" to continue borrowing for another few months. The move did not in any way solve the underlying issues and uncertainties surrounding U.S. fiscal policy, but it did push off, if only for three months, another stumbling block to the recovery.