Weekly Commentary

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While last week saw another slew of economic news vacillating between good and poor, cash-rates were again relatively stable. The 1-month Treasury bumped up only a basis point to 0.055%, up 2.5 basis points since late February, and the 3-month note was flat at 0.05%. The London interbank offered rate (Libor) did not budge, with the 1-month rate staying at 0.16%. The Fed's overnight fixed-rate reverse repo facility traded at 0.05%, and overnight Treasury and mortgage-backed repo rates stayed pat at 0.06% and 0.07%, respectively.

U.S. economic data was yet again mixed last week. On the one hand, jobless benefit claims decreased by 9,000 to 315,000, reported for the first week of March. This is the lowest figure seen since November of 2013 and indicated that employers are cautiously optimistic about the economy. Supporting this theory was a drop in those receiving jobless benefits to the lowest level of the New Year. Retail sales also had a rosy glint to them, ticking up a basis point over previous measurement.

But on the other hand, the University of Michigan consumer sentiment index for March decreased nearly two points from February's reading. The producer price index followed suit, falling 0.1% in February compared to January.

The overall takeaway is that the U.S. is still experiencing a slowly growing domestic economy rather than a resurgence that usually happens in the period after a recession.

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