Weekly Commentary

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Several key indicators were markedly up last week, headed by the broadest measure of all, Gross Domestic Product. The revised calculation of GDP in the fourth-quarter of 2013 was a robust 2.6% growth. This shows a U.S. economy that truly was hamstrung by poor weather in the first quarter of this year rather than a slowdown.

The rest of the measures trended up, although some were still mixed. Domestic consumer confidence rose to a 6-year high, personal consumption and income grew, though inflation was tame and another gauge of consumer sentiment was down. Similarly, reports showed a decrease in home sales and construction, yet house prices rose. But good news came in a drop in jobless claims. It would appear that the economy finally has its sea legs and will steadily grow from here.

Seemingly immune to it all again, cash rates stayed put as they have and likely will for some time. The 1-month Treasury fell a basis point to 0.05%, with the 3-month note lingering there, as well. The London interbank offered rate (Libor) did not budge, with the 1-month rate staying at 15 basis points and the 3-month at 23. The Fed's overnight fixed-rate reverse repo facility traded at 0.05%, and overnight Treasury and mortgage-backed repo rates traded at 0.04% and 0.06%, respectively.