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The U.S. economy showed resilience in last week's data as manufacturing output rose in January and flash manufacturing PMI also ticked higher.

While a labor dispute—the continued strike by West Coast longshoremen—was a drag on the economy, the general labor market continued to improve. Initial jobless claims fell and its four-week moving average also decreased.

But inflation continues to be low. The report on domestic producer prices showed nearly a percentage point decline in January, with plummeting energy prices again largely to blame, and the housing market pulled back slightly in terms of starts and new building permit applications.

The 1- and 3-month London Interbank Offered Rate (Libor) remained at 17 and 26 basis points, respectively. The 1-month Treasury yield moved down to 1 basis point, while the 3-month remained at two basis points. The rate for the Fed's overnight reverse-repo facility was 0.05%, overnight Treasury and mortgage-backed repo were 0.05% and 0.06%, respectively.