FLORIDA PRIME

Weekly Commentary

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All eyes were on the U.S. jobs report last Friday, but the results were blurry. On the positive side, the benchmark unemployment rate ticked down to 5.5%—its lowest rate in more than six years—and the economy added nearly 300,000 jobs, soundly beating expectations. But on the negative side, wage growth was essentially stagnant and average private workweek hours were unchanged. As drivers of consumption, the latter two are crucial to the domestic economy, so their continued sluggishness is concerning.

Other data was also less than clear, with two manufacturing metrics contradicting each other, productivity slipping and auto sales falling, although due largely to the poor weather.

The 1- and 3-month London Interbank Offered Rate (Libor) remained at 17 and 26 basis points, respectively. Yields on 1- and 3-month Treasuries both fell to 1 basis point last week. The rate for the Fed’s overnight reverse-repo facility was 0.05%, overnight Treasury and mortgage-backed repo were 0.06% and 0.08%, respectively.

Views are as of March 9, 2015, and are subject to change based on market conditions and other factors.