FLORIDA PRIME

Weekly Commentary

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Paige Wilhelm
Senior Vice President
Senior Portfolio Manager
Federated Investment Counseling

U.S. consumers weren't putting their money where their mouths were last week. Although consumer sentiment and homebuilder confidence rose, retail spending and housing starts were still below expectations, suggesting that the weight of a cold-as-ice winter had not yet completely melted away.

There was also some conflict between the Federal Reserve's modestly positive Beige Book and poor readings from industrial production, the latter feeling the softness in oil and the strength of the dollar. The job market was steady, with the four-week moving average of initial jobless claims still low compared to the last decade-plus time frame.

The 1 and 3-month London Interbank Offered Rate (Libor) did not change from last week, remaining at 18 and 27 basis points, respectively. The story was the same for the yields on the 1- and 3-month Treasuries: ending at one and two basis points, respectively. The rate for the Fed's overnight reverse-repo facility was 0.05%, overnight Treasury and mortgage-backed repo were unchanged for the week at 0.10% and 0.12%.

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