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Due to the holiday-shortened week in observance of Independence Day, data was condensed. It was also a little contradictory. The consumer continued to show more confidence in the present and the future state of the American economy, with auto sales again strong and housing prices steady. However, the manufacturing sector disappointed and factory orders were down. The employment report was in between these: while the headline unemployment rate fell to 5.3%, nonfarm payrolls added fewer jobs than expected, wages did not increase and the labor participation rate fell.

Short term Treasury rates inched up last week. The 1-month Treasury yield rose from zero to two basis points, and the 3-month climbed from one basis point to two basis points. The London interbank offered rate (Libor) did not budge. 1-month and 3-month Libor again offered 19 and 28 basis points, respectively. The rate for the Fed's overnight reverse-repo facility was 0.05%, and the overnight Treasury and mortgage-backed repo rates remained elevated at 0.08% and 0.10%.