Weekly Commentary

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The raft of economic data released last week was joined by the latest Federal Reserve policy-setting meeting, making it one of the more busy weeks in the year for reports. But it turns out that none of the slew of releases were earthshattering, making the five-day period among the least surprising of the year. From measures of regional manufacturing (firming) to housing (still solid) to employment (healthy) and even inflation (still low), nothing shocked or massively missed consensus estimates.

Another expectation was that the Fed would not raise interest rates at this meeting, and that was the case, with the Federal Open Market Committee voting to keep the federal funds rate in the 0.25-0.50% range. It also lowered its projections for hikes in 2016 to two from four (four were implied in the December meeting's "dot chart"). The Fed also reduced its forecast for gross domestic product (GDP) growth, rising 2.2% in 2016, down from 2.4%, and 2.1% in 2017, down from 2.2%.

The London interbank offered rate (Libor) dipped slightly from the previous week, with one- and three-month Libor ticking down a basis point to 43 and 62, respectfully.

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