Weekly Commentary

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It takes a lot to overshadow a Federal Open Market Committee (FOMC) meeting and monthly employment situation report, but the contentious U.S. election accomplished that last week. The Federal Reserve did not raise interest rates at its midweek meeting, but essentially pointed to the December meeting (the last of 2016) as a probable time for a hike.

At the end of the week, the Labor Department announced U.S. nonfarm payrolls rose in October to the tune of 161,000 new hires. That was lower than expected, but not by much, and September's count increased significantly. Adding to the positive was a rise in average hourly earnings and the related boost in the number of people who voluntarily left their jobs to find other work. The unemployment rate fell from 5% to 4.9%. It remains to be seen how soon the improving economy again becomes a dominant narrative following Election Day.

The short end of the London interbank offered rate (Libor) curve was essentially unchanged last week, with 1-month Libor at 0.54%, 3-month at 0.88% and 6-month at 1.25%.

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