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The light load of economic releases last week were unlikely to have an impact on the Federal Reserve's policy decisions this week regardless of their content. But the positive bias of the reports made that a moot point. With a jump in factory orders and a solid rise in consumer sentiment—including a leap in the current conditions aspect of that index—the Federal Open Market Committee will almost certainly raise the target federal funds rate at its meeting this week.

The short end of the London interbank offered rate (Libor) curve leveled last week, with 1-month Libor rising 1 basis point to 0.66% and 3- and 6-month Libor unchanged at 0.95% and 1.29%.