

JANUARY 11, 2016



Paige Wilhelm
*Senior Vice President
Senior Portfolio Manager
Federated Investment Counseling*

The much-watched employment situation report started again, revealing robust numbers. More than 290,000 jobs were created in December, with upward revision to the last two month's figures. That puts the total number of 2015's total to 2.7 million new jobs, or more than 220,000 per month. The unemployment rate stayed at 5.0% and the labor participation rate rose slightly to 62.6%, but wages ticked lower.

Hiring in manufacturing also improved, but the sector itself continued to be weak with worries over China's growth and the export issues related to the strong dollar. A bright spot was the high tally of auto sales in December, with automakers setting a record with 17.5 million vehicles sold.

The London interbank offered rate (Libor) ended essentially flat after last week, with 1-month Libor slipped from 43 basis points to 42 but 3-month Libor increased from 61 basis points to 62.