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U.S. economic data provided no surprises over the holiday-shortened week. Even after a month of solid Christmas shopping, consumer confidence reports indicated their views of current and future conditions remain high, implying consumers could very well continue to spend in the early months of the new year. The favorable conditions are primarily low fuel cost and an improving labor market. House prices grew to gains not seen since mid-2014, and new house sales rose. But the domestic manufacturing sphere continued to disappoint. Core capital goods orders fell nationally, and regional manufacturing activity in Dallas and Chicago was poor.

The short end of the London interbank offered rate (Libor) ticked higher last week, with 1-month Libor rising from 42 basis points to 43 and 3-month Libor increased from 60 basis points to 61.