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## Positive October sales welcome news heading into big shopping week

American retailers likely will be showing gratitude this Thanksgiving as decent retail sales in October portend a good Christmas shopping season. It's especially welcome news that the Census Bureau report shows a gain after the hurricane-induced bump in September, meaning there was underlying strength during that month beyond the rebuilding. Core sales, excluding vehicle and gasoline sales, were the most positive. While consumer prices did not grow significantly, producer prices did, inching toward the Federal Reserve's target level.

Housing starts and industrial production also were pleasant surprises in October, including manufacturing, the largest component of the latter.

The short end of the London interbank offered rate (Libor) jumped last week as the solid economic reports caused the markets to become more convinced that the Fed will raise the federal funds target rate in December and may make four similar moves in 2018. One-month Libor yield increased 5 basis points, from 1.24% to 1.29%, 3-month Libor rose 3 basis points, from 1.41% to 1.44%, and 6-month Libor increased by 2 basis points, from 1.61% to 1.63%.