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## Yellen's last meeting ends with a hike

By most indications, the Federal Reserve had been planning to raise rates at last Wednesday's policy-setting meeting, and the decision to do so looked all the better the next day. After the Fed hiked its federal funds rate 0.25% to a range of 1.25-1.50%, two key economic reports supported the decision. Wholesale and consumer prices rose more than 2%, with food and energy a main part of the positive story, and jobless claims fell again. The combination of the two bodes well for the strength of the U.S. economy, whose growth, other than of inflation, has improved over the tenure of departing chair, Janet Yellen.

The London interbank offered rate responded to the hike by leaping in the short end. One-month Libor yield increased from 1.44% to 1.50%, 3-month Libor rose, from 1.55% to 1.61%, and 6-month Libor jumped from 1.73% to 1.77%.