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## Housing market heating up

With all the focus on the federal tax bill last week, there was less attention on what ended up to be a raft of strong economic data. In particular, housing data for November and December was resoundingly good. Starts, permits, existing home sales and builder confidence combined to confirm the strength of this significant sector. Inflation at the individual level remained flat, which continues to concern the Federal Reserve, but not so consumers and home buyers. The final read on third-quarter gross domestic product (GDP) remained high.

The short end of the London interbank offered rate (Libor) jumped again last week. One-month Libor yield increased from 1.50% to 1.55%, 3-month Libor rose from 1.61% to 1.67% and 6-month Libor jumped from 1.77% to 1.82%.