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Weekly Commentary

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Paige Wilhelm
Senior Vice President
Senior Portfolio Manager
Federated Investment Counseling

The Federal Reserve is almost out of the basis-point territory.

Last week, the Fed's policy-setting Federal Open Market Committee (FOMC) meeting concluded with a hike of the benchmark rate range to between 75 and 100 basis points, tantalizingly close to a solid 1.00%. And we might not need to wait long to reach and exceed that number, as the meeting also included the Fed's economic and rate projections. The latter, known as the dot plot, showed that policymakers still expect to raise rates two additional times in 2017.

Other economic news released last week was mostly positive. Manufacturing measures continue to surprise to the upside, single-family housing activity in February was the highest in nearly a decade, and small business owners indicated they are as optimistic about conditions as they have been since the financial crisis.

The short end of the London interbank offered rate (Libor) rose in response to the rate hike, ending the week with 1-month Libor jumping from 0.89% to 0.98% and 3-month climbing from 1.12% to 1.15%. Six-month Libor did not move, remaining at 1.43%.

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