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**Paige Wilhelm**  
*Senior Vice President  
Senior Portfolio Manager  
Federated Investment Counseling*

The first quarter of 2017 got upgraded, while the current quarter got complicated. The Department of Commerce revised first-quarter U.S. GDP growth from 0.7% to 1.2% last week, yet another sign that the government needs to find a more accurate means of measuring the first three months. The last several advance readings have come in surprisingly low, only to be recalculated higher as more information comes in. In any case, it was good news, as were the minutes of the March Federal Reserve meeting that indicated a hike in June is likely.

The housing market took a hit, with sales of existing and new homes grinding lower in April. Durable goods sales were down in April, despite high consumer confidence. In sum, while the first quarter is now looking better, the second is now looking mediocre.

The short end of the London interbank offered rate yield curve rose slightly last week, with 1-month Libor rising 2 basis points to 1.04%, 3-month moving up 2 basis point to 1.2% and 6-month bumping up 1 basis point to 1.42%.