

JULY 31, 2017



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

## Economic data trumps Capitol Hill

In a week full of political drama in Washington, the bigger economic picture prevailed, bringing some optimism with it.

As the Republicans failed in numerous attempts to repeal and replace the Affordable Care Act early morning Friday, a few hours later the Department of Commerce released its first reading of second quarter gross domestic product (GDP). At 2.6%, it was decent, more than doubling the first-quarter reading. Reports on manufacturing showed improvement, if slow, and the consumer seems to have awakened, showing higher confidence.

The Federal Reserve had little to add in its meeting mid-week and did not change the consensus view of a hike in December.

The short end of the London interbank offered rate (Libor) yield was unchanged last week from the week prior: 1-month Libor at 1.23%, 3-month at 1.31% and 6-month at 1.46%.