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

## Shoppers doing their part

Much has been made of the slip in manufacturing production since the U.S.-China trade war worsened. But consumer spending comprises the lion's share of U.S. gross domestic product (GDP), and a reading of consumer sentiment last week showed a jump in confidence. The report, compiled by the University of Michigan, indicated that Americans are feeling positive about their financial situations. When asked for their opinions about current conditions, respondents largely said they were not very worried about a recession.

One reason for the rosy outlook is that household debt relative to disposable income is low, jobs are plentiful and consumer credit is strong. Also, housing continues to be positive, as Federal Reserve easing has led to lower rates for new mortgages and refinancing.

As for businesses, they still can't find enough workers and the uncertainty caused by the trade war has hurt confidence. While this has been the case for large companies, many of whom have slowed capital expenditures, it is troubling that optimism by independent businesses is now falling.

Movement in the London interbank offered rate (Libor) was mixed last week from the previous week as 1-month fell to 1.91%, 3-month dipped to 2.00%, but 6-month rose to 1.98%.