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Still time to shop

The U.S. economy continues to throw us curveballs. Just when it would seem that improved levels of consumer confidence and rising wages would predict strong holiday sales, the Commerce Department said last week that November retail sales were poor. While the late Thanksgiving holiday—which means later Black Friday, Small Business Saturday and Cyber Monday stalwarts—might have skewed the numbers slightly, it is not the best news for retailers. Of course, this may just mean December figures will be robust as many shoppers panic realizing they aren't finished with gift buying. In any case, small business are confident about conditions, and they are crucial to the nation's retail picture.

In contrast, the Federal Reserve actually served up a softball at its policy-setting meeting last week. Not only did it leave rates unchanged, but removed a reference to an uncertain outlook from the policy statement. The new “dot plot” revealed at the meeting reflected expectations for both gross domestic product growth of 2% and Fed policy on hold in 2020.

The London interbank offered rate (Libor) ended the week from the previous with 1-month rising from 1.72% to 1.74% and 3- and 6-month unchanged at 1.89%.