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

Take consensus with a grain of salt

When you read about an economic report in the media, don't give too much weight to how much it differed from the consensus. This usually dominates the description of the report, but it is opinion. It's the actual data that matters, not experts' projections.

Case in point is the December jobs report released last week. It said the U.S. economy added 145,000 new jobs, which is solid, especially considering November's huge gain of 256,000. But the figure came in below consensus, prompting many media outlets and analysts to view it as a negative.

The economy always must be viewed in the long term. With the unemployment rate (3.5%) sitting at its lowest level in half a century, and with average hourly earnings (despite slipping in December) beating inflation, the labor market is just fine. And actual weak spots of the economy, such as manufacturing, might perk up if the U.S. and China's signing of the Phase One trade deal this week gives confidence to businesses. Consumers are already confident in their ability to spend, a key to our service-dominated economy. Facts can be manipulated to fit opinion, of course, but they are a better place to start than actual opinion.

The London interbank offered rate (Libor) ended the week from the previous with 1-month falling from 1.71% to 1.68% and 3-month decreasing from 1.87% to 1.85% and 6-month slipping from 1.89% to 1.88%.