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Shutdown over; commence countdown to next one

Last week I asked you to stay tuned about the status of the federal government shutdown and the situation did indeed change. But anyone who thinks the temporary deal between President Trump and Congress to open the doors will easily stick hasn't been paying attention. The same issues are there; the proverbial can has just been kicked down the proverbial road.

In the meantime, while some data is still waiting to be released—not the least of it the important fourth quarter 2018 GDP growth number—the nonfarm payroll report released Friday was relatively untouched by the furlough. Its strength—an addition of more than 300,000 jobs—was confirmed by some nongovernment reports. The labor market is still red hot, something the Federal Reserve will pore over now that Chair Powell said he needed to see some compelling economic data to vote for a rate hike. To that point, two important gauges on manufacturing surprised to the upside in January.

The 1-month London interbank offered rate (Libor) was steady over the last week at around 2.51%, but the 3- and 6-month rates both dropped, from 2.76% to 2.74% and from 2.85% to 2.80%, respectively.