

JULY 22, 2019



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Shoppers up, rates down

June marked the fourth straight month retail sales beat consensus expectations. The buying climate likely stemmed from improvement in personal finances for many consumers. One gauge of shopper mood last week was at a nearly two-decade high and Michigan consumer sentiment remained solid in its preliminary reading for July. Online retail sites performed the best.

Manufacturing also is signaling good news. A Fed monthly survey of manufacturers jumped the most in 10 years in July to its best level in a year. The housing market is showing continued strength, especially single-family permits and starts, which in turn helped take builder confidence higher.

Reflecting the likelihood that the Federal Reserve cuts rates this month, the short end of the London interbank offered rate curve (Libor) fell last week, with the 1-month rate dropping from 2.33% to 2.26%, the 3-month decreasing from 2.30% also to 2.26% and the 6-month falling from 2.21% to 2.14%.