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## Slow house sales remains an issue

U.S. employment is strong, so it is no mystery that industrial production and manufacturing levels rose in September. Core retail sales—which do not count restaurants, gas, autos and building supplies—remained strong. But it is a bit unknown why the housing market has remained stunted. The latest indicator for this is that housing starts, permits and sales of existing homes fell in September, despite the fact that builder confidence rose. High among the suspects are rising mortgage rates, but also likely contributing are a lack of buildable lots, higher material costs and a tight labor market. No conclusive reason has surfaced.

Last week, the London interbank offered rate increased from the previous week: 1-month stayed at 2.28%, 3-month rose 5 basis points to 2.48% and 6-month rose 8 basis points to 2.72%.