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Mixed Signals

Just when home sales reversed their recent down trend, several other economic indicators weakened. Sales of existing houses in October rose, and the September figure climbed slightly upon revision. That's a welcome mat for this crucial market that has been net negative this year. However, it may be short lived, as homebuyer confidence fell, likely on rising interest rates.

A report showed that orders of durable goods slipped in October and consumer confidence fell to a 3-month low. The question is whether or not sales data in the holiday shopping season of November and December shows this is a trend or just a dip.

Last week, the London interbank offered rate changed as follows: 1-month climbed 2 basis points to 2.32%, 3-month rose 5 basis points to 2.69% and 6-month increased 3 basis points to 2.89%.