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## A few words move the markets

You would have thought the Federal Open Market Committee meeting happened last week with so much attention given the Federal Reserve. That's the potency of even a few unexpected words by a Fed Chair. Jerome Powell simply said in a speech last week that interest rates—specifically the federal funds rate—may be much closer to the neutral level at which the economy needs no stimulus or tightening. Of itself this was newsworthy, but it was market moving because Powell had said nearly the opposite only a few weeks earlier.

In other news, the housing market continues to flounder, with October new home sales falling to levels last seen in early 2016 and pending sales plunging to a 4-year low.

Last week, the London interbank offered rate changed as follows: 1-month climbed 3 basis points to 2.35%, 3-month rose 5 basis points to 2.74% and 6-month increased 1 basis point to 2.90%.