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Back-to-school shopping buoys retail sales

While many Americans take long vacations in August, the various economic reports don't. Last week saw data on consumer and housing activity both continuing trends with caveats about future results. Retail sales were strong in July but housing, especially starts, softened. However, consumer sentiment and homebuilder confidence decreased, and housing permits grew, so both broad sectors are not experiencing much change overall. The back-to-school shopping season, which typically helps to drive spending in July, will soon be winding down, and likely will lead to slower retail sales in August. The U.S. employment picture remains strong, with last week's initial jobless claims report again very low.

The London interbank offered rate was unchanged last week: 1-month at 2.07%, 3-month at 2.32% and 6-month at 2.51%.