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Data keeping Fed on track for hike

The Federal Reserve will likely bump up the target range of the federal funds rate when policymakers meet later this month, but they won't do it to tame inflation. This half of the Fed's dual mandate slipped in August when comparing core prices on a year-over-year basis. However, the other side of the mandate—employment—remains strong. If anything, businesses continue to have trouble filling jobs they have open. But that hasn't stopped them from being optimistic about the future, indicating in a private industry survey that they expect to sell and spend more, the latter on capital expenditures and to attract workers.

Last week, the London interbank offered rate crept up from the previous week as the Fed's next policy-setting meeting nears: 1-month rose 3 basis points to 2.16%, 3-month remained at 2.33% and 6-month rose 3 basis points to 2.57%.