

Weekly Cash Commentary

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Paige M. Wilhelm
Senior Vice President
Senior Portfolio Manager

Washington turmoil puts consumers on edge

Consumer sentiment plunged last week, yet another indication that the U.S. economy may have a rough ride this year. Not affected by the federal government shutdown, the University of Michigan revealed consumers likely are wary of its impact and seem nervous in general about the economy. The government will eventually be fully staffed—the question is how much consumers will recover their confidence of late 2018. The data for housing starts, business inventories and retail sales were not updated last week due to the shutdown.

Two exceptions to the disappointing tone of last week's data were jobless claims and industrial production. Both had fresh data and were positive.

One-, 3- and 6-month London interbank offered rates (Libor) each slipped 1 basis point to 2.50% and 2.78% and 2.85%, respectively, over the past week.