

Weekly Cash Commentary

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Strong Jobs report kicks off New Year

The U.S. economy gave a late present of an unexpectedly strong labor market report for December. Combined with comments by Federal Reserve Chair Jerome Powell on Friday that the central bank might pause its rate-hike cycle if inflation doesn't materially rise, the news pushed markets upward. The jobs report showed the U.S. experienced an enormous increase of 312,000 jobs, with both the labor participation rate and wages moving up a tick. Though manufacturing has softened recently and the housing market remains weak, the sign that the economy shows no sign of imminent recession was welcome, especially with the continued turbulence of the government shutdown and tariff battles.

The London interbank offered rate (Libor) move very little during the past week. One-month and 3-month Libor were unchanged at 2.52% and 2.80%, respectively, and 6-month Libor slipped one basis point to 2.86%.