

Weekly Cash Commentary

Views as of April 1, 2019



Paige M. Wilhelm
Senior Vice President
Senior Portfolio Manager

Consumers aren't splurging, but are confident

Last week brought the final tally of fourth quarter 2018 GDP growth, and it hit expectations of a 2.2% annual rate. Interestingly, consumer spending was strong in the quarter, despite the weak showing of retail sales in December. Consumer confidence was steady in March, if one averages out several key reports.

The week also brought several updates on the housing market, and combined they depicted optimism in this crucial sector that had been floundering in much of 2018. In February, new home sales rose and housing starts slipped but were still respectable. Forward-looking measures are more important for the all-important spring sales season, and so it was good news that prices moderated and mortgage rates fell in January (the most recent data reports).

Last week the 1-, 3- and 6-month London interbank offered rates (Libor) slipped, ending at 2.49%, 2.63% and 2.69, respectively.