

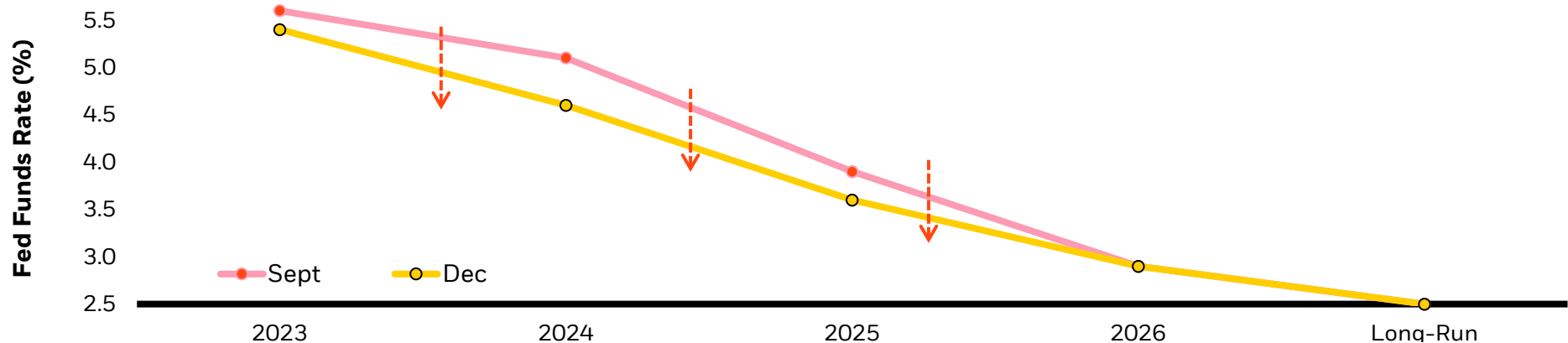
On... the Dec. FOMC: it's beginning to look a lot like rate cuts

“One of our highest-conviction views in 2023 has been that inflation will surprise to the downside and likely dent the crowded ‘higher-for-longer’ trade. The October CPI report further strengthens this thesis and lends support to our recent bets on a tech-led rally into year-end. Headline, core, and supercore – one of the measures most focused on by the Fed – all undershot consensus expectations. Month-over-month headline CPI came in at ZERO while supercore came in at 0.2%, which the Fed should likely find comforting. Price action across stocks and bonds suggest market participants are increasingly confident the Fed is likely done hiking rates. We’re inclined to agree.”



Michael Gates
Managing Director
Lead portfolio manager

Fed Median Projected Year-End Fed Funds Rate



Source: Federal Reserve, Federal Open Market Committee (FOMC) Summary of Economic Projections, as of December 13, 2023.

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