

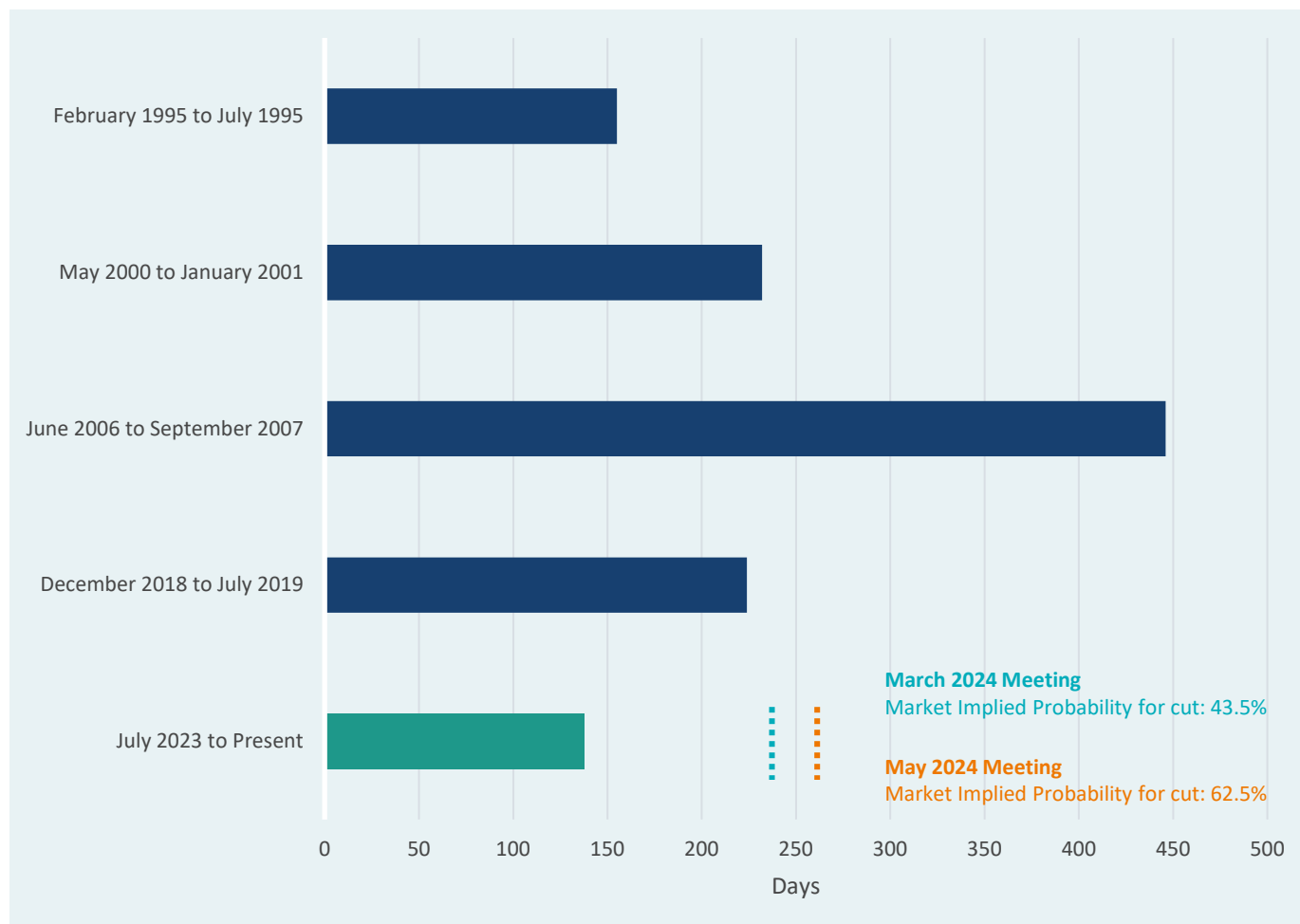
# Verus Market Note

## Days between FOMC's last hike and first cut

The Federal Reserve has held rates steady to achieve price stability. ***Growing speculation around rate cuts in 2024 align with the historical time between policy shifts relative to the most recent Fed tightening cycles.***

Commentary will be the focus of the Fed's last policy meeting of 2023 on Wednesday. Market participants will be focused on further clues around the Fed's timeline to shift policy from tightening to easing.

The rationale behind the Fed cutting rates matters, as cuts due to expectations for contracting growth paints a worse environment for risk assets relative to the Fed cutting due to confidence in controlling inflation. This carries into the ongoing "higher for longer" vs. "soft landing" narratives.



Source: Bloomberg, as of 12/11/23. Tightening cycles in the Fed Policy Announcement Era, post 1994. FFF implied probabilities as of 12/13/23.