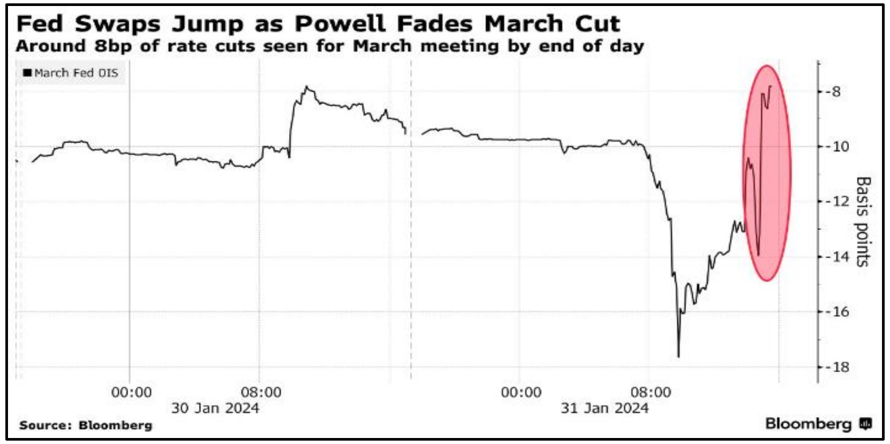
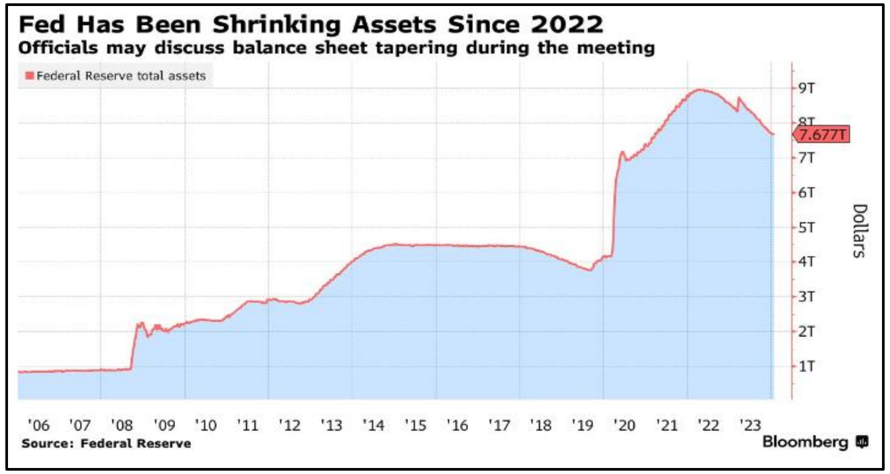
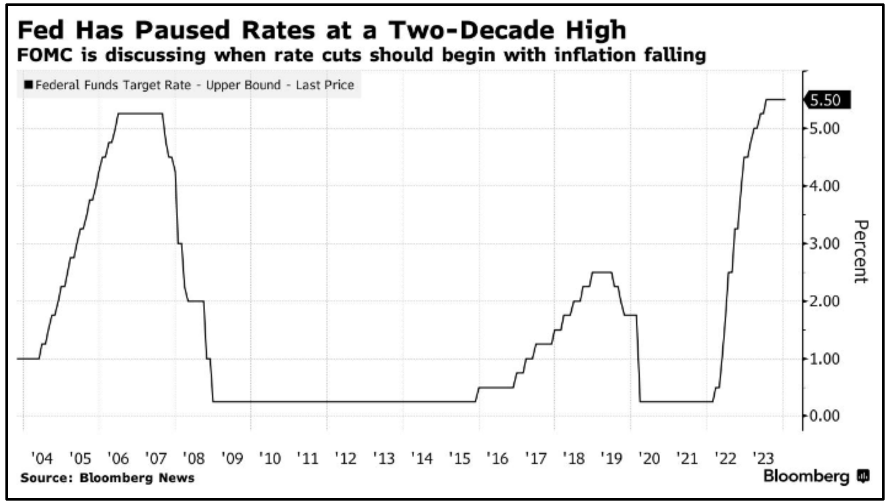
FOMC 2024 Key Highlights







Fed Keeps Rates Steady While March Cut Unlikely

- The Federal Reserve has opted to **maintain interest rates at 5.25%-5.5%** for the fourth consecutive meeting.
- Powell **dismisses market expectations for five or six rate cuts in 2024**, asserting readiness to maintain the current target range for a more extended period if deemed appropriate and signals an **unlikelihood of a rate cut in March.**
- Powell underscores the necessity for more data confirming a sustained downward trend in inflation before considering any rate cuts.
- **The pace of quantitative tightening continues, with $60 billion of Treasuries and $35 billion of mortgage-backed securities** rolling off the balance sheet each month.
- **Economic growth is characterized as "solid,"** particularly after a better-than-expected fourth-quarter GDP.
- **Job gains are noted to "remain strong,"** and while inflation is acknowledged to have eased over the past year, it still remains elevated.
- Language about the banking system being "sound and resilient" is omitted, along with the **warning about tighter credit conditions likely to weigh** on the economy.
- The Federal Reserve, maintaining interest rates and emphasizing patience, navigates a delicate balance amid signals of economic strength.
- The ongoing quantitative tightening and upcoming discussions on the balance sheet reveal a meticulous approach. Despite acknowledging inflation easing, the Fed remains vigilant, reflecting a nuanced outlook amidst economic complexities.

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