

Fixed Income & Select Macroeconomic Data

United States and World

Alternative Investments

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Discussion Points

- US Treasury Yield Movements
- FOMC Policy Expectations | September 2024 and December 2024
- Select Macroeconomic Indicators | United States
- Policy Rates and Inflation | Major Economies
- FOMC Meetings | Insights and Minutes for June 2024

US Treasury Yield Movements

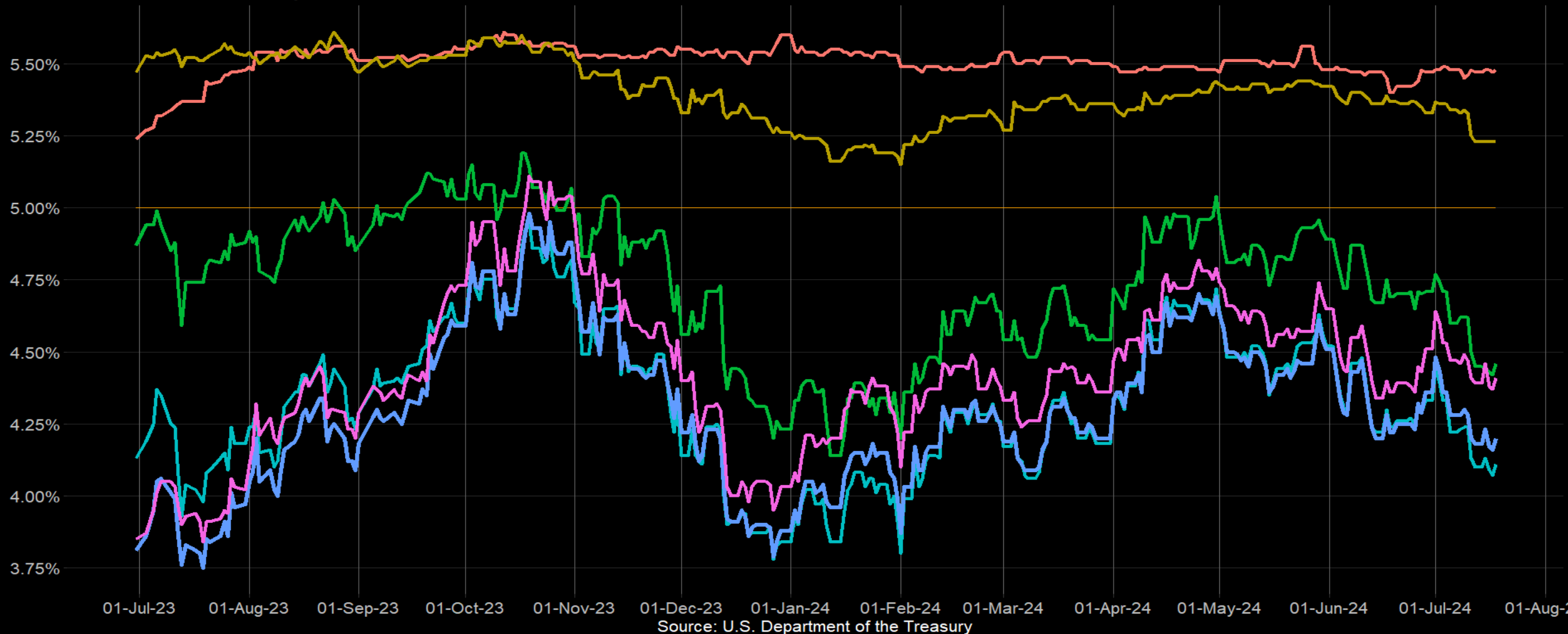
US Treasury Yields | Movements

Date	18-Jul-24
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Tenor	Last	Change in US Treasury Yields					
		1-Day	1-Week	2-Week	1-Month	2-Month	3-Month
1-Month	5.48%	+ 1 bps	+ 0 bps	- 1 bps	+ 8 bps	- 2 bps	- 1 bps
6-Month	5.23%	+ 0 bps	- 2 bps	- 13 bps	- 14 bps	- 18 bps	- 16 bps
1-Year	4.86%	+ 1 bps	- 5 bps	- 18 bps	- 23 bps	- 28 bps	- 31 bps
2-Year	4.46%	+ 4 bps	- 4 bps	- 25 bps	- 23 bps	- 37 bps	- 51 bps
5-Year	4.11%	+ 4 bps	- 2 bps	- 22 bps	- 13 bps	- 33 bps	- 55 bps
10-Year	4.20%	+ 4 bps	+ 0 bps	- 16 bps	- 2 bps	- 22 bps	- 42 bps
30-Year	4.41%	+ 4 bps	+ 0 bps	- 12 bps	+ 5 bps	- 15 bps	- 31 bps

US Treasury Yields | Movements

Interest Rates | United States



Source: U.S. Department of the Treasury

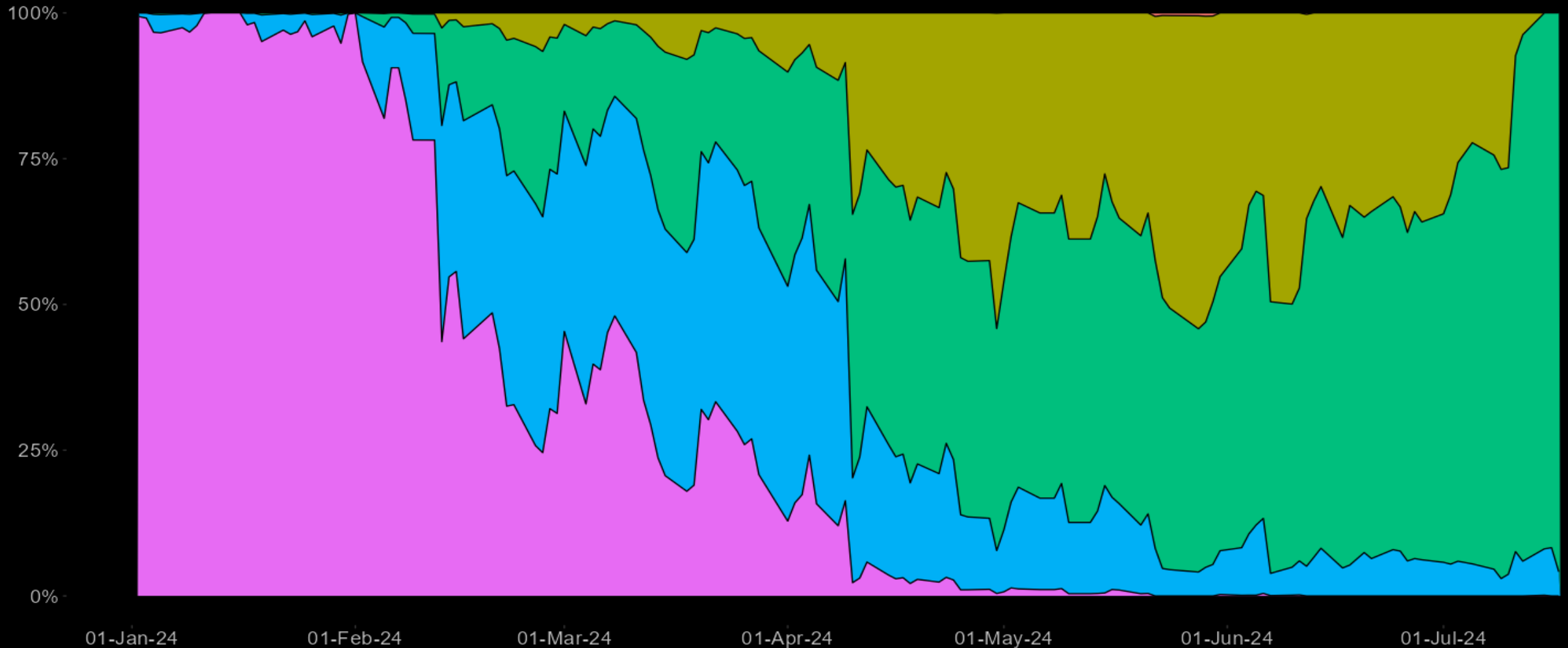
- M01: 1-Month
- M06: 6-Month
- Y02: 2-Year
- Y05: 5-Year
- Y10: 10-Year
- Y30: 30-Year

FOMC Policy Expectations

FOMC Policy Expectations | September 2024

Policy Expectations Over Time | September 2024

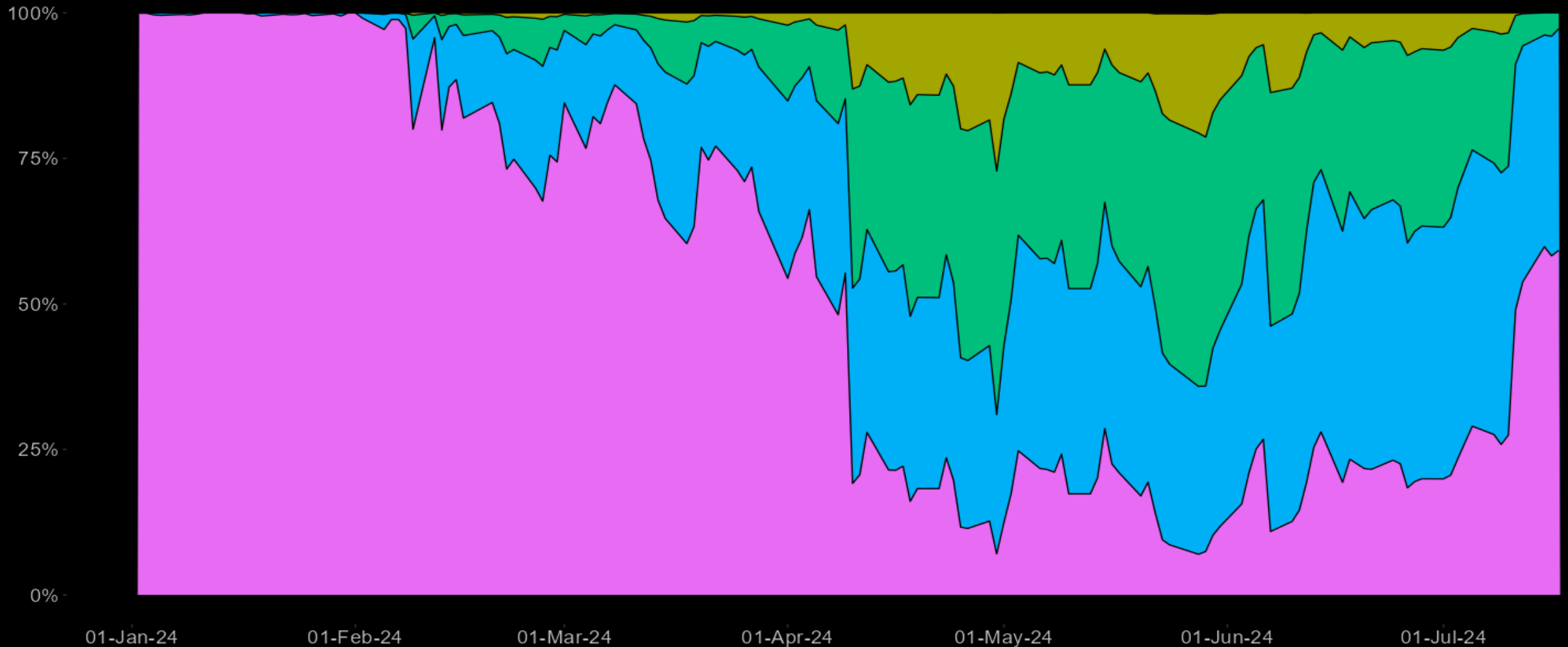
■ Above 550 bps ■ 525-550 bps ■ 500-525 bps ■ 475-500 bps ■ Below 475 bps



FOMC Policy Expectations | December 2024

Policy Expectations Over Time | December 2024

Above 550 bps 525-550 bps 500-525 bps 475-500 bps Below 475 bps



Select Macroeconomic Indicators United States

Macroeconomic Variables | United States

Macroeconomic Variable	Data For	Last	Previous	Change
Inflation Indicators United States				
Annual Change in US CPI	Jun-24	3.0%	3.3%	-0.3%
Annual Change in US Core CPI	Jun-24	3.3%	3.4%	-0.1%
Annual Change in US PCE	May-24	2.7%	2.7%	0.0%
Annual Change in US Core PCE	May-24	2.8%	2.8%	0.0%
Average Mortgage Rates Weekly Release				
15-Year Mortgage Rate	18-Jul-24	6.05%	6.17%	-0.12%
30-Year Mortgage Rate	18-Jul-24	6.77%	6.89%	-0.12%

Macroeconomic Variables | United States

Macroeconomic Variable	Data For	Last	Previous	Change
Purchasing Managers Index United States				
Manufacturing PMI	Jun-24	51.6	51.3	0.3
Services PMI	Jun-24	55.3	54.8	0.5
Employment Indicators				
Unemployment (%)	Jun-24	4.1%	4.0%	0.1%
Non-farm Payrolls ('000)	Jun-24	206	218	-12

Policy Rates and Inflation

Major Economies

Policy Rates | Major Economies

Country	Central Bank	Policy Date	Policy Rate	Prev. Rate	Change
United States	Federal Reserve (Upper Bound)	Jun-24	5.50%	5.50%	No Change
Eurzone	European Central Bank	Jul-24	4.25%	4.25%	No Change
Japan	Bank of Japan (Upper Bound)	Jun-24	0.10%	0.10%	No Change
United Kingdom	Bank of England	Jun-24	5.25%	5.25%	No Change
Canada	Bank of Canada	Jun-24	4.75%	5.00%	- 25 bps
Sweden	Sveriges Riksbank	Jun-24	3.75%	3.75%	No Change
Switzerland	Swiss National Bank	Jun-24	1.25%	1.50%	- 25 bps
India	Reserve Bank of India	Jun-24	6.50%	6.50%	No Change
China	People's Bank of China	Jun-24	3.45%	3.45%	No Change
South Korea	Bank of Korea	Jul-24	3.50%	3.50%	No Change
Taiwan	Central Bank of the Republic of China	Jun-24	2.00%	2.00%	No Change
Australia	Reserve Bank of Australia	Jun-24	4.35%	4.35%	No Change

Annual CPI Change | Major Economies

Country	Data For	Last	Previous	Change
United States	Jun-24	3.00%	3.30%	-0.3%
Eurzone	Jun-24	2.50%	2.60%	-0.1%
Japan	Jun-24	2.80%	2.80%	0.0%
United Kingdom	Jun-24	2.00%	2.00%	0.0%
Canada	Jun-24	2.70%	2.90%	-0.2%
Sweden	Jun-24	2.60%	3.70%	-1.1%
Switzerland	Jun-24	1.30%	1.40%	-0.1%
India	Jun-24	5.08%	4.75%	0.3%
China	Jun-24	0.20%	0.30%	-0.1%
South Korea	Jun-24	2.40%	2.70%	-0.3%
Taiwan	Jun-24	2.42%	2.24%	0.2%
Australia	Q1-2024	3.60%	4.10%	-0.5%

FOMC Meetings

June 2024

- The Federal Reserve **held interest rates steady at their current range of 5.25% to 5.5%**. The Fed **revised its outlook for rate cuts to just one in 2024** as reflected in the Summary of Economic Projections, also known as '*Fed's Dot Plot*'.
- Policymakers at the Federal Reserve noted "**modest further progress**" toward the **2% inflation objective**. Fed Chair Jerome Powell mentioned that the restrictive monetary policy has had the desired effect on inflation. However, he cautioned that sufficient progress is still needed.
- Jerome Powell stated that the **central bank does not yet have the confidence to cut rates**, despite inflation having eased from its peak levels. Recent readings show **signs of easing inflation**.
- Rate hikes by the Federal Reserve have **increased interest costs on mortgages and credit cards** but **improved yields on savings**

- **Longer-term inflation expectations remain well anchored.** The ECB and BOC started their rate-cut cycles. Market participants expect the most advanced economy central banks to begin easing within the next several months.
- US economic activity has expanded at a solid pace this year with labor market conditions remaining solid. **Consumer price inflation is well below the level seen last year. In April, total PCE inflation was 2.7% and Core PCE inflation was 2.8%.** Short-term inflation expectations have increased.
- **Market participants anticipate higher odds of policy easing by early 2025** as indicated by the market-implied path for the Federal Funds Rate through 2024.
- **The unemployment rate is expected to reduce slightly** in 2024 and 2025.
- After a significant decline in inflation in H2 2023, **progress toward the 2% inflation objective was modest early this year.** Data-dependent approach is emphasized.



Let's Begin



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