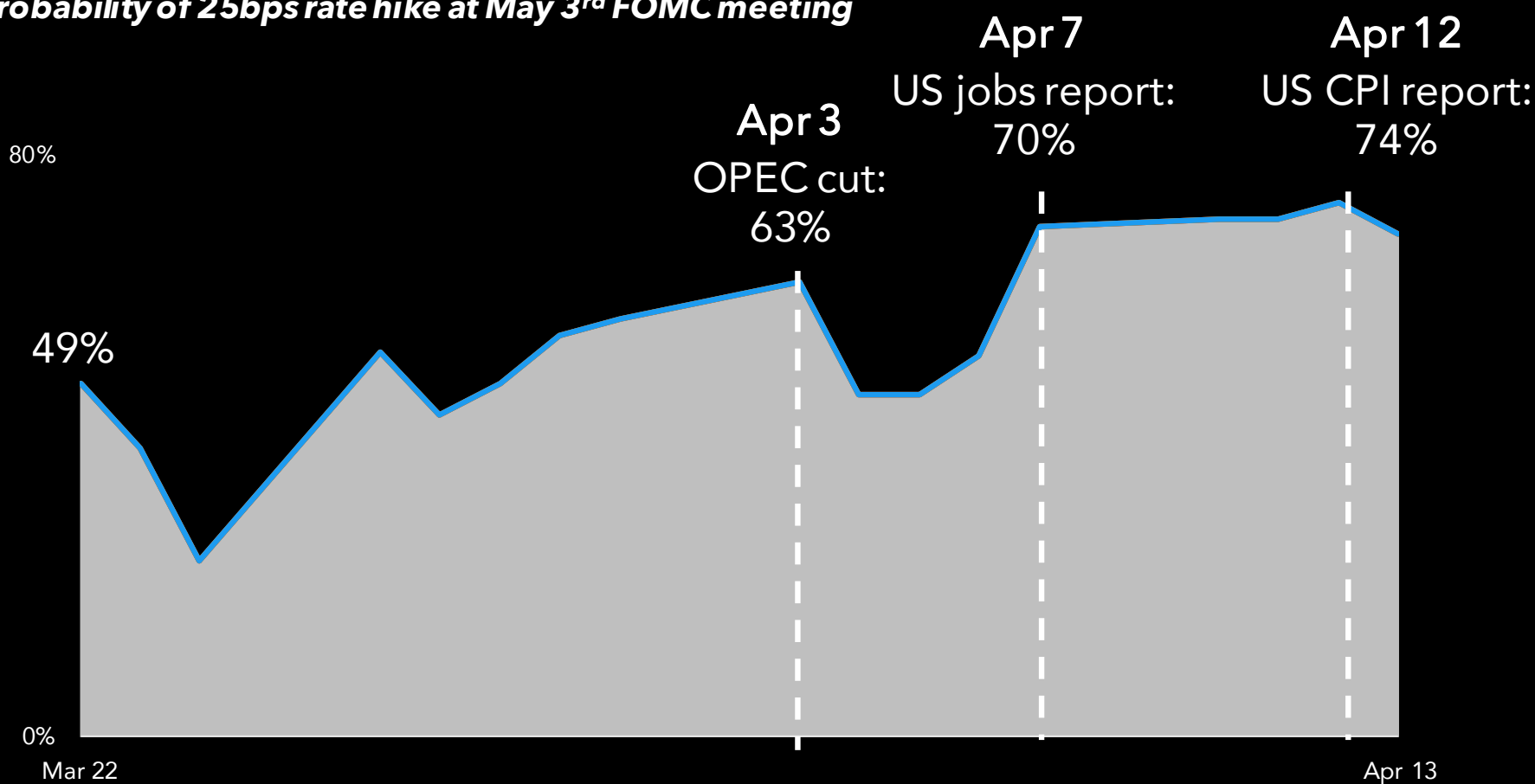


# Chart of the Day

Following the bank stress of early March, markets began contemplating (and pricing) whether the Fed tightening cycle was complete. Several recent developments – stabilizing bank sector, OPEC production cuts, a strong US jobs report and “sticky” services inflation – have since reinforced the notion that at least one more rate hike is likely. While the Fed is clearly approaching the end of the cycle, the baton has now been passed to the private sector (banks and financial markets) to continue the tightening.

## Probability of 25bps rate hike at May 3<sup>rd</sup> FOMC meeting



Source: (1) Bloomberg. Data as of April 13, 2023. WIRPscreen.

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“Macro stability isn’t everything, but without it, you have nothing.”