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Counting down the days

Santa's big day notwithstanding, Dec. 13 is the date that can't come soon enough for investors. That's when the next Federal Open Market Committee (FOMC) convenes again, a meeting that should clear up uncertainty about Federal Reserve monetary policy in 2024.

In the last month, the financial markets have decided the Fed will cut interest rates as many as four times next year despite the central bank's insistence it has not claimed victory over inflation. Chair Jerome Powell made this point again in an appearance last week. The mere fact that he said policymakers are still considering hiking rates again should have the markets retracting their optimism. His words hold tremendous weight, but the FOMC Summary of Economic Projections speaks louder. We will get an updated report at the meeting next week, and policymakers' forecasts of rates, GDP, labor and inflation for 2024 should reset market expectations. We think they will support our position that the Fed won't start easing until late 2024, and then likely just one time.

Children are counting down the days to the 25th, but investors can hardly wait for an early present of clarity at next week's meeting.

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The Chicago Fed National Activity Index is a gauge the level of economic activity in the United States.

The Conference Board's Composite Index of Leading Economic Indicators is published monthly and is used to predict the direction of the economy's movements in the months to come.

The University of Michigan Consumer Sentiment Index is a measure of consumer confidence based on a monthly telephone survey by the University of Michigan that gathers information on consumer expectations regarding the overall economy.

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