Markets Roar as the Fed Teases Rate Cuts

Scott McIntyre

As widely expected, Fed officials voted unanimously today to hold the overnight funds rate steady in a range of 5.25% to 5.50% for the third straight meeting, but it was a shift in the FOMC outlook and dovish comments by Chairman Powell that fueled a massive post-meeting rally in both stocks and bonds.

The new "dot plot" showed rate cuts totaling 75 basis points for 2024, bringing the end-of-year midpoint down to 4.625%. By comparison, the previous dot plot from the September meeting had indicated a year-end overnight target of 5.125%. The new rate projection was widely dispersed with six committee members at the median, eight expecting fewer cuts and five expecting more. By the end of 2025, the dot plot indicates the overnight target will be another 100 bps lower with a midpoint of 3.625%, and by the end of 2026, 2.875%.

Read the full article

Read more Economic Commentary

©2026 Hilltop Securities Inc. \ All rights reserved \ MEMBER: NYSE/FINRA/SIPC