

Markets Take Minutes in Stride

The much-anticipated January FOMC meeting minutes ultimately provided very little insight on the mindset of Fed officials. This afternoon, the release of the January 28-29 meeting notes indicated committee members were in no hurry to cut rates again after easing a total of 100 basis points since September. Members expressed optimism over the economy, believe the labor market is relatively strong, and would like to see further progress on inflation before easing further. *Nothing new here.*

Fed officials did cite *upside* risks to the inflation outlook, with uncertainties related to trade and immigration policy, possible supply disruptions resulting from geopolitical developments, and strengthening household spending. The vast majority of committee members still see monetary policy as restrictive and will continue to assess the evolving outlook. Various participants noted uncertainty over the upcoming debt ceiling deadline and suggested a temporary pause in balance sheet runoff may be required.

So far, the financial markets appear satisfied that *no new information isn't a bad thing*. Committee members are clearly operating in a wait-and-see mode. *We knew that already*. Tariffs are inherently inflationary unless they're simply bargaining chips.

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Market Indications as of 2:39 P.M. Central Time

DOW	Up 44 to 44,601 (HIGH: 45,014)
NASDAQ	Down -3 to 20,038 (HIGH: 20,174)
S&P 500	Up 14 to 6,143 (NEW HIGH)
1-Yr T-bill	current yield 4.22%; opening yield 4.21%
2-Yr T-note	current yield 4.27%; opening yield 4.31%
3-Yr T-note	current yield 4.29%; opening yield 4.33%
5-Yr T-note	current yield 4.37%; opening yield 4.40%
10-Yr T-note	current yield 4.53%; opening yield 4.55%
30-Yr T-bond	current yield 4.76%; opening yield 4.77%

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