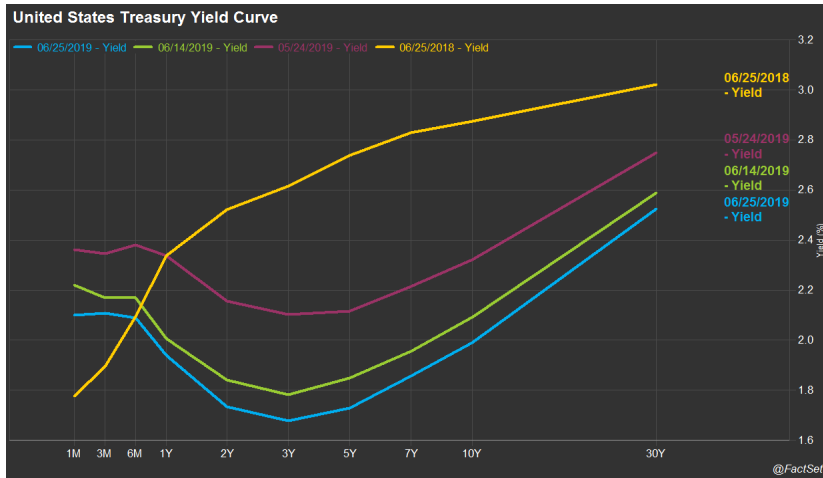
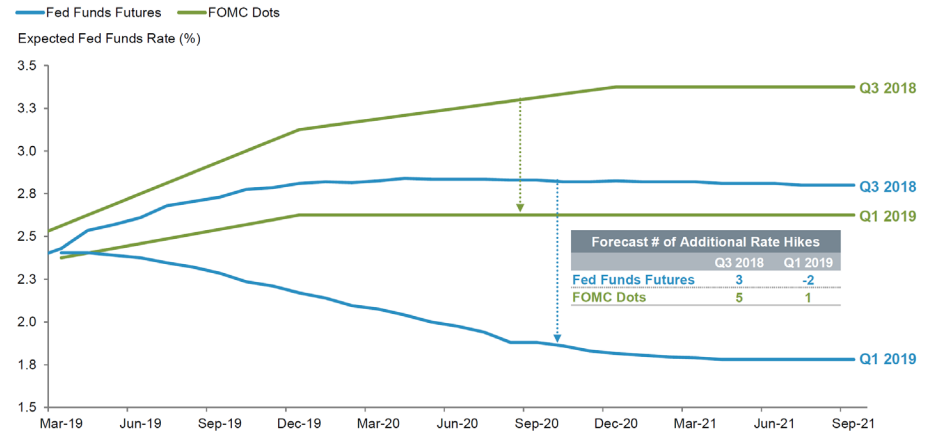


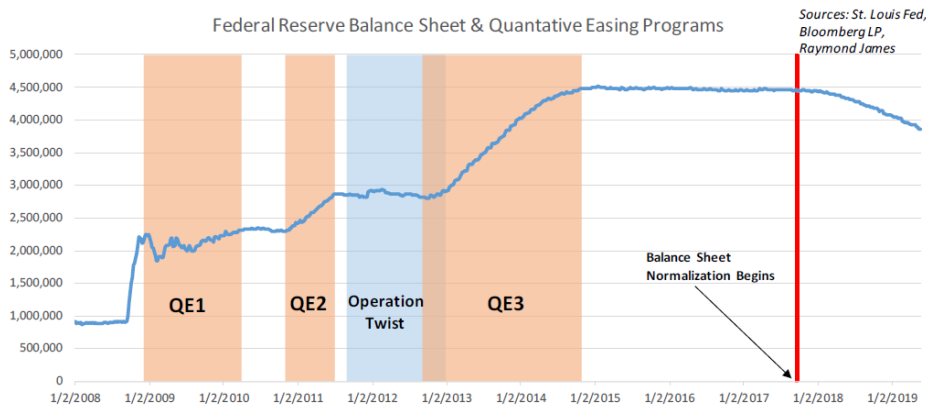
# Interest Rates and Trump's Managed Trade War



**FOMC vs. Market Expectations of Fed Funds Target Rate**



**Federal Reserve Balance Sheet & Quantative Easing Programs**



- ❑ **Market expectations are calling for lower rates**, certainly much lower than the Fed has signaled. Between market expectations and multiple trade wars, Trump will likely get what he wants – a round of monetary stimulus that will help his 2020 campaign.
- ❑ **Our expectation is for a “one and done” 50 basis point rate cut.** This anticipated rate cut combined with an economy that – overall – remains in decent shape would temper near-term recession risks and repair the short end of the inverted yield curve.

Data Sources: FactSet Insights "5 U.S. Economic Charts to Watch in H2 2019", Fidelity Investment "Quarterly Market Update", Raymond James "Fixed Income Quarterly"  
 No representation or warranties either expressed or implied are made as to the accuracy of the information presented.