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# SHORT-TERM INVESTING PART 2: FED MEETING ANALYSIS AND 2024 OUTLOOK



**DEBORAH CUNNINGHAM**

**SUSAN HILL**

**JOHN MOSKO**

Federated Hermes

**CRAIG JEFFERY**

Strategic Treasurer



## WHAT

Discussing the Federal Reserve's recent actions and key factors that investors should consider.



## WHEN

Thursday, February 1, 2024  
11:00 AM - 11:30 AM EST



## WHERE

Live online presentation  
Replays at [StrategicTreasurer.com](https://StrategicTreasurer.com)



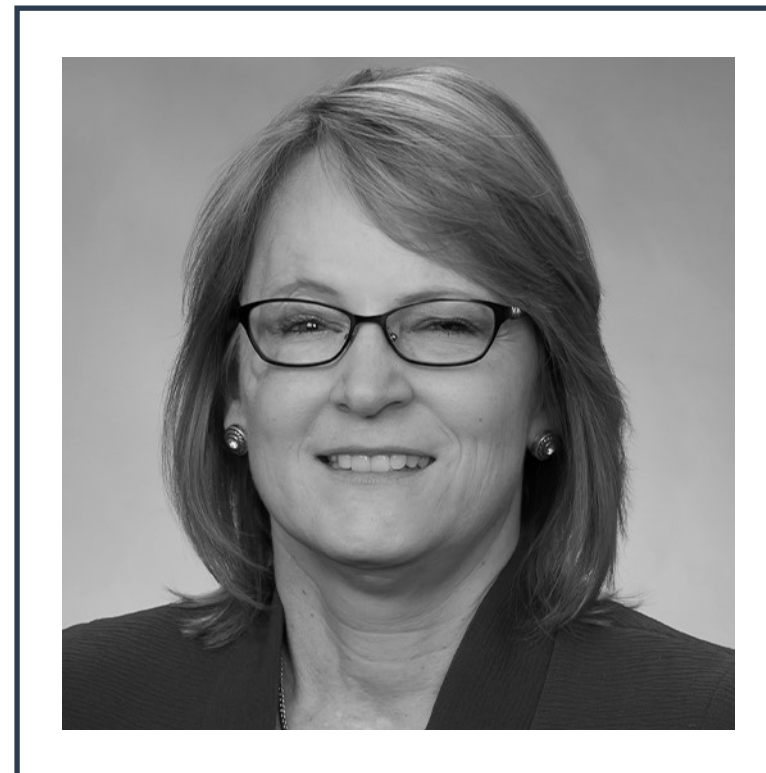
# ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



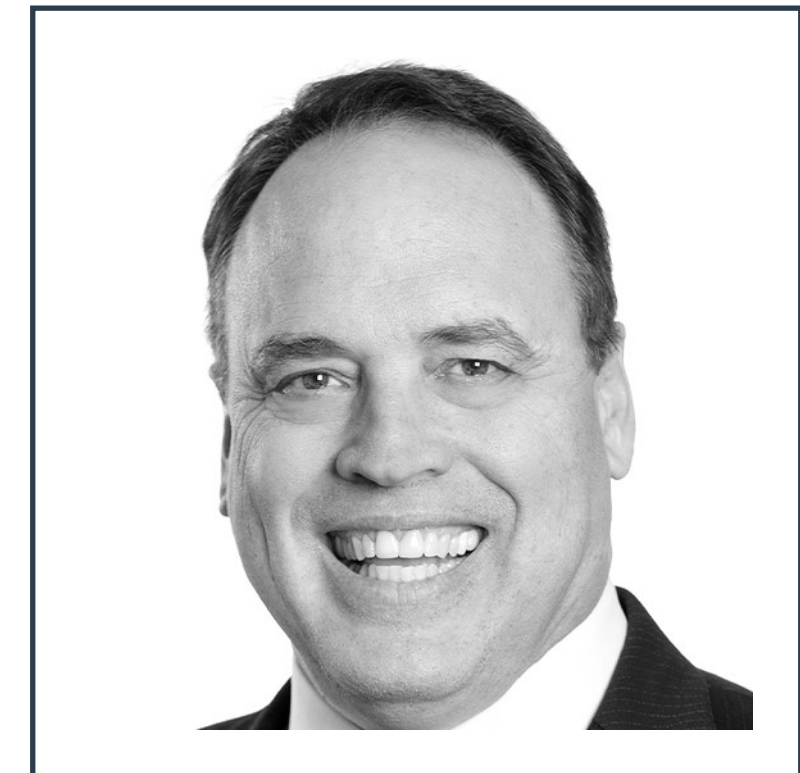
**DEBORAH CUNNINGHAM**

Chief Investment Officer, Global  
Liquidity Markets



**SUSAN HILL**

Head of Government  
Liquidity Group



**JOHN MOSKO**

Senior Vice President,  
Liquidity Management Division,  
Federated Securities Corp.

# TOPICS OF DISCUSSION

## KEY AREAS OF FOCUS



### FED SPEAK

THE FED'S RECENT DECISION



### FED FUNDS FUTURES

AND THE PHYSICAL CASH MARKET



### 2024 POTENTIALITIES

ECONOMIC IMPLICATIONS AND  
CONSIDERATIONS



### KEY TAKEAWAYS

AND FINAL THOUGHTS

# FED SPEAK

## QUESTIONS TO CONSIDER



- What did we hear yesterday from the Fed?
- Was there a change in language or word choice?
- What factors influenced their decision?

# FED'S VIEWS OVER TIME

IN RESPONSE TO SHIFTING ECONOMIC FACTORS



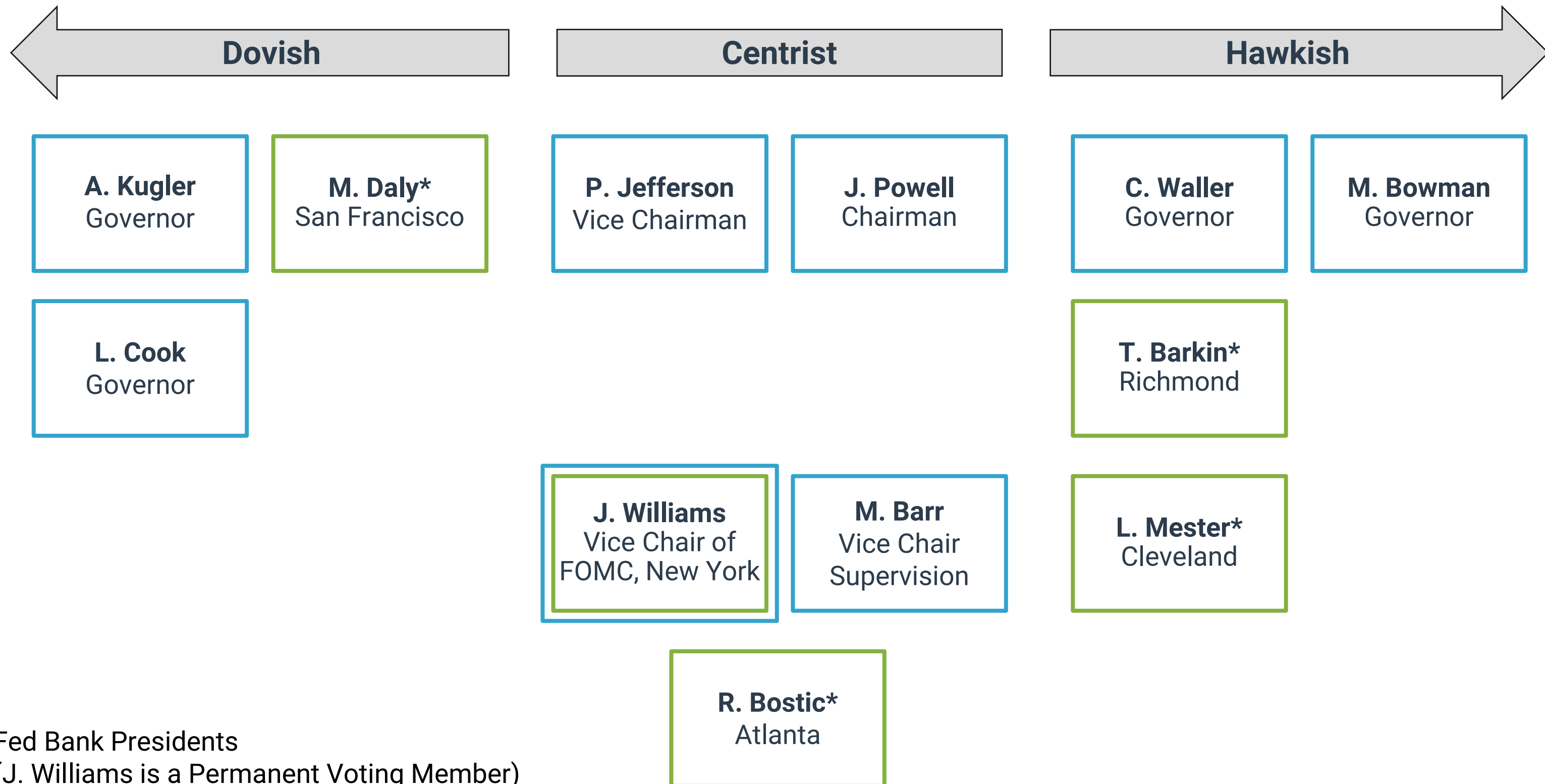
Expectations for 2024:

- Three 25 basis point cuts
- 4.5% - 4.75% at year-end

	Unemployment	Inflation	Fed's decision	Fed funds target rate
Jan. 31, 2024	3.7%	3.9%	Held Steady	5.25%-5.50%
Dec. 13, 2023	3.7%	3.9%	Held Steady	5.25%-5.50%
Nov. 1, 2023	3.9%	4.0%	Held Steady	5.25%-5.50%
Sept. 20, 2023	3.8%	4.1%	Held Steady	5.25%-5.50%
July 26, 2023	3.5%	4.7%	Raised +25 bps	5.25%-5.50%
June 14, 2023	3.6%	4.9%	Held steady	5.00%–5.25%
May 3, 2023	3.7%	5.3%	Raised +25 bps	5.00%–5.25%
March 22, 2023	3.5%	5.6%	Raised +25 bps	4.75%–5.00%
Feb. 1, 2023	3.6%	5.5%	Raised +25 bps	4.50%–4.75%

# 2024 VOTING FOMC

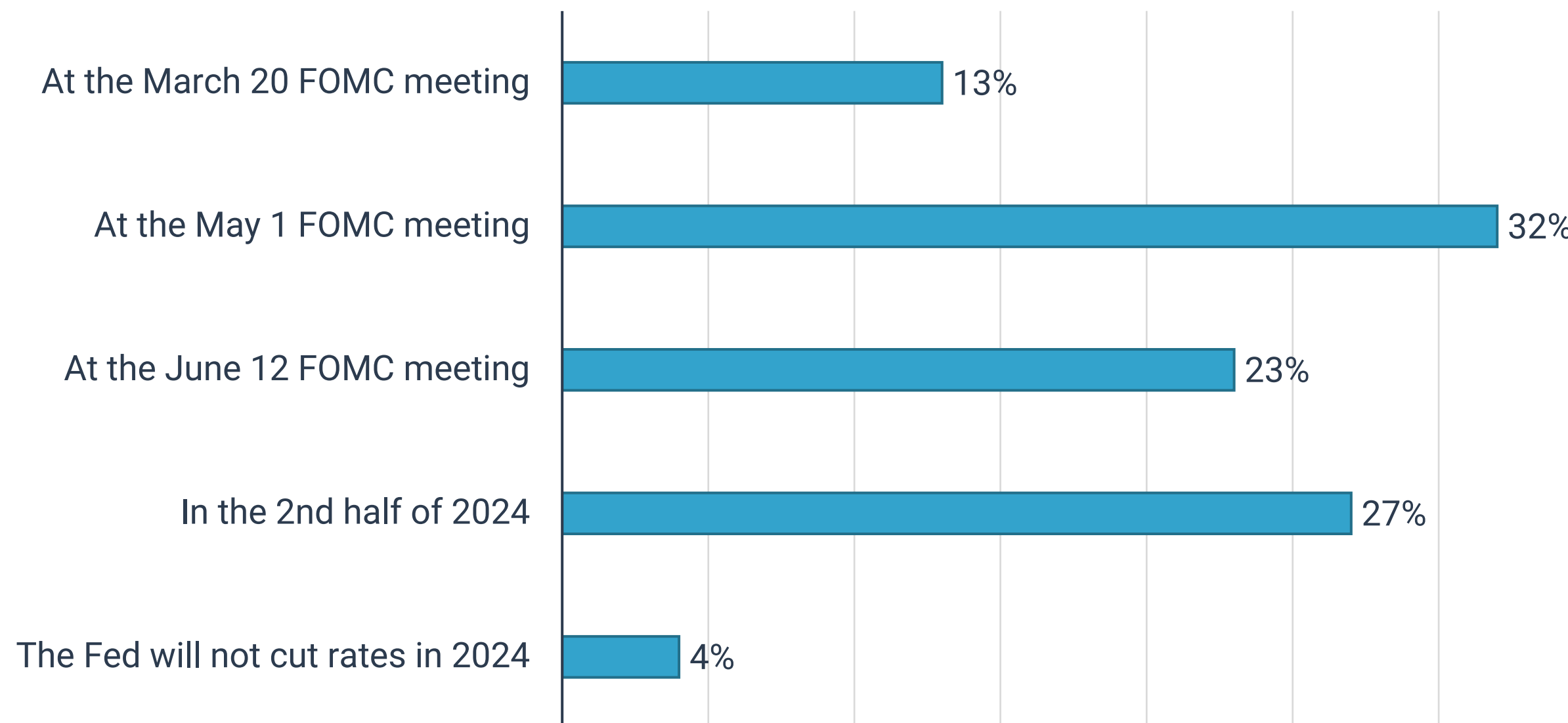
## CURRENT SENTIMENTS



- Fed Bank Presidents  
(J. Williams is a Permanent Voting Member)
- Board of Governors/Permanent Voting Member
- \*** Voting Regional FRB Presidents in 2024

# POLL QUESTION

## Poll 1 - My view on when the Fed will cut rates for the first time is:

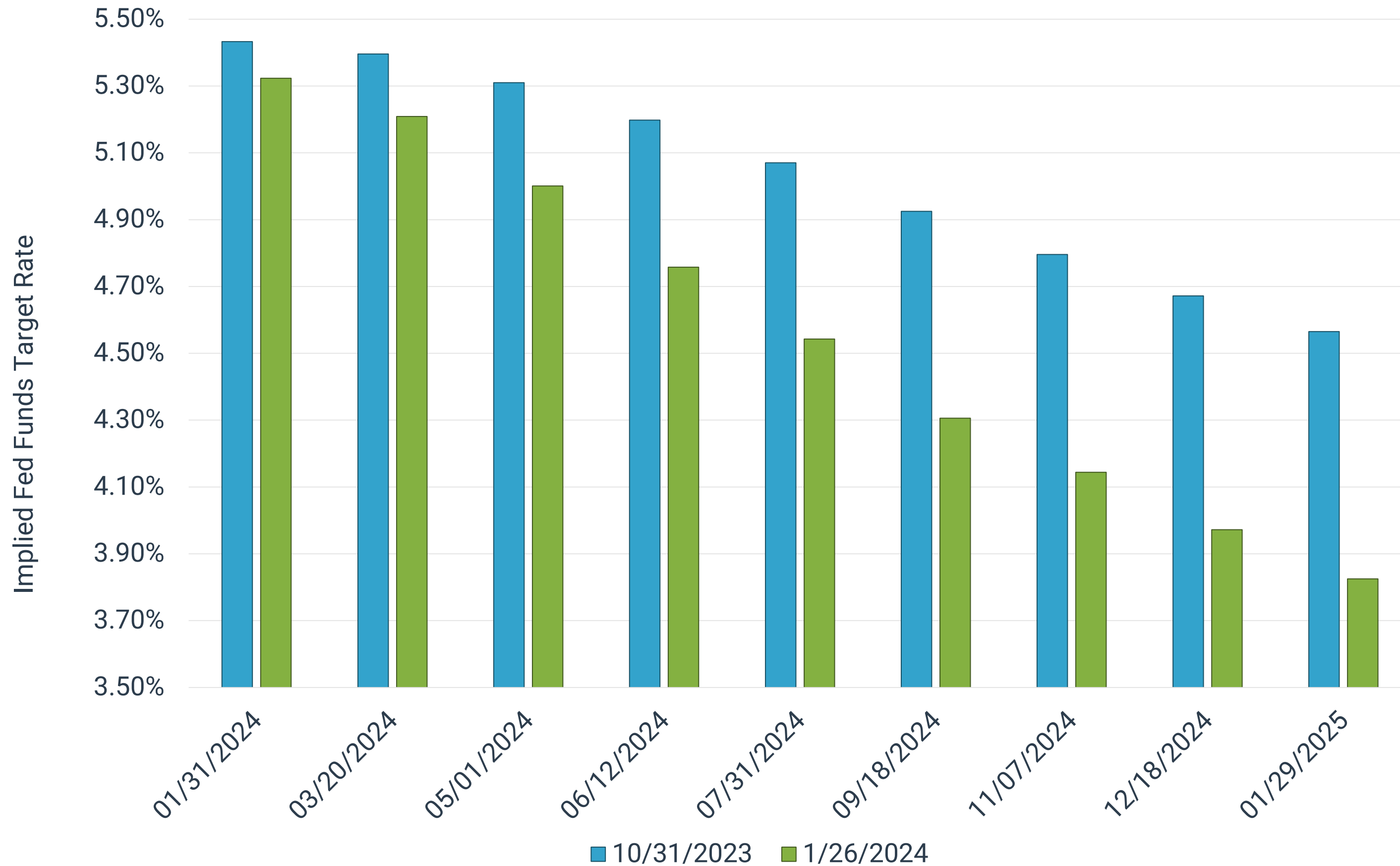




# MARKET PRICING

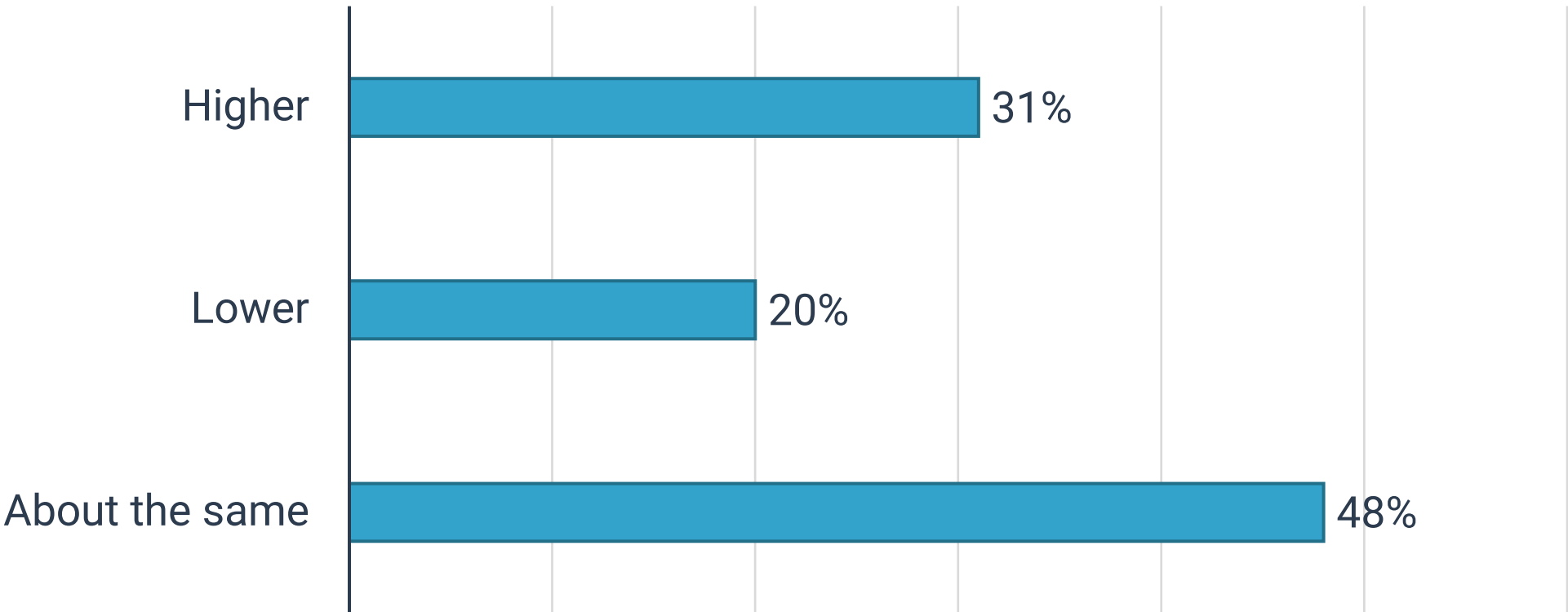
## FUTURE CONTRACTS AND THE PHYSICAL CASH MARKET

Fed Funds Futures Contracts



# POLL QUESTION

**Poll 2 - In my estimation, cash balances at my firm at the end of 2024 will be:**



# OUTLOOK ON THE HORIZON

LOOKING FORWARD



Inflation



Employment



Growth in assets



Credit



Money fund reform



Election

# PORTFOLIO POSITIONING

PURSUING ATTRACTIVE RETURNS



Cash as an asset class



Reasons for cash now and throughout the year

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## STRATEGIC TREASURER

Craig A. Jeffery,  
*Managing Partner*

✉ [craig@strategictreasurer.com](mailto:craig@strategictreasurer.com)

☎ +1 678.466.2222



## FEDERATED HERMES

John Mosko,  
*Senior Vice President, Liquidity Mgmt. Div.*

✉ [John.Mosko@federatedhermes.com](mailto:John.Mosko@federatedhermes.com)

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Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

You could lose money by investing in a money market fund. Although some money market funds seek to preserve the value of your investment at \$1.00 per share, they cannot guarantee they will do so. An investment in money market funds is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Company or any other government agency. Money market fund sponsors are not required to reimburse the funds for losses, and you should not expect that the sponsors will provide financial support to the funds at any time, including during periods of market stress.

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