

December 12, 2024

Good Afternoon,

Markets remain resilient as we wait for the Fed's decision on interest rates next week. November's inflation came in as expected, with the Consumer Price Index (CPI) showing 2.7% price growth from last November. Among the costs creeping back up are groceries — including the dreaded return of egg-flation. US labor data continues to be strong and wage growth is leveling off. Fed Chair Powell is expected to give some insight into the direction of interest rates at the end of next week's meeting.

While we've seen inflation fall significantly, the Fed's target of 2% is proving to be a tough one to hit. Because of this, there has been a shift in rate-cut expectations. And while the odds are the Fed will cut rates next week, the sentiment of "higher for longer" is growing and we are likely to see only a couple of rate cuts in 2025 instead of four or more. A lot can change over the next few months, so we'll be watching closely.

With the fall of the Assad government in Syria, we can surmise that Russia is no longer in position to prop and support totalitarian regimes across the globe. The war with Ukraine has drained resources and personnel once used to influence foreign affairs. Will we see more Kremlin-dependent governments toppled as a result of the Syrian revolution? Perhaps. We wouldn't be surprised to see the US try to expand its influence, especially close to home, and specifically in Cuba. With a standard of living that has been steadily eroded, the population of Cuba may welcome a change.

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Have a great weekend!

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