

Chart of the Day



Historically, policymakers rarely wait for recessions to arrive before cutting policy rates. The market is currently pricing the first full Fed rate cut in November 2024.

Federal Reserve Easing Cycles Since 1980

Date of Last Rate Hike	Time Between Last Rate Hike & First Rate Cut	Total Rate Cuts in 12 months After Last Rate Hike	Total Rate Cuts Over Entire Easing Cycle	Time Between Last Rate Hike & Start of Recession
May 1981	5 months	200 bps	550 bps	2 months
May 1984	6 months	119 bps	350 bps	Soft Landing
Feb 1989	3 months	150 bps	675 bps	17 months
Feb 1995	5 months	75 bps	75 bps	Soft Landing
Mar 1997	18 months	0 bps	75 bps	48 months
May 2000	8 months	250 bps	550 bps	10 months
Jun 2006	15 months	0 bps	500 bps	18 months
Dec 2018	7 months	75 bps	225 bps	14 months
Median	7 months	97 bps	425 bps	18 months

Source: (1) Bloomberg, Fred Economic Data St. Louis Fed. Note: Discount rate used before 1988. Fed Fund based on upper bound.

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“Macro stability isn’t everything, but without it, you have nothing.”