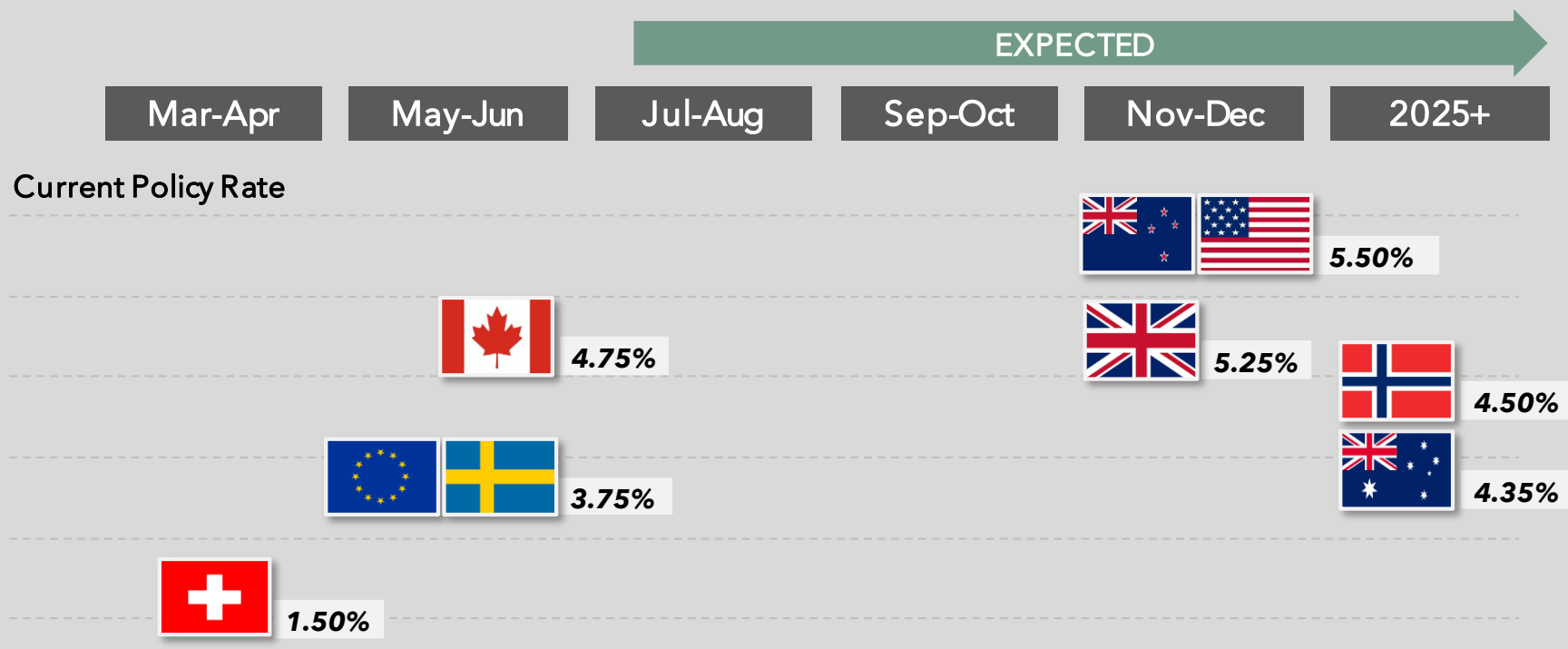


# Chart of the Day



Historically, the Fed leads the global financial cycle, typically leading the pivot to new policy regimes. For example, the ECB typically moves 3-4 months behind the Fed, but this time jumped ahead (as did Switzerland and Sweden earlier this year). With the US economy outperforming its G10 peer group even after 525 bps of tightening, the policy sequencing is different this time. With 8 of the G10 central banks meeting in June, more clarity on relative policy pivots will be forthcoming. For global markets, the implications will be formidable across rates, currencies, capital flows and portfolio allocations.

## Actual or expected timing in 2024 of first rate cut (G10 Central Banks)



Source: (1) Bloomberg. Data as of June 6, 2024. ECB is the deposit rate. US Fed Funds rate is upper bound.

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