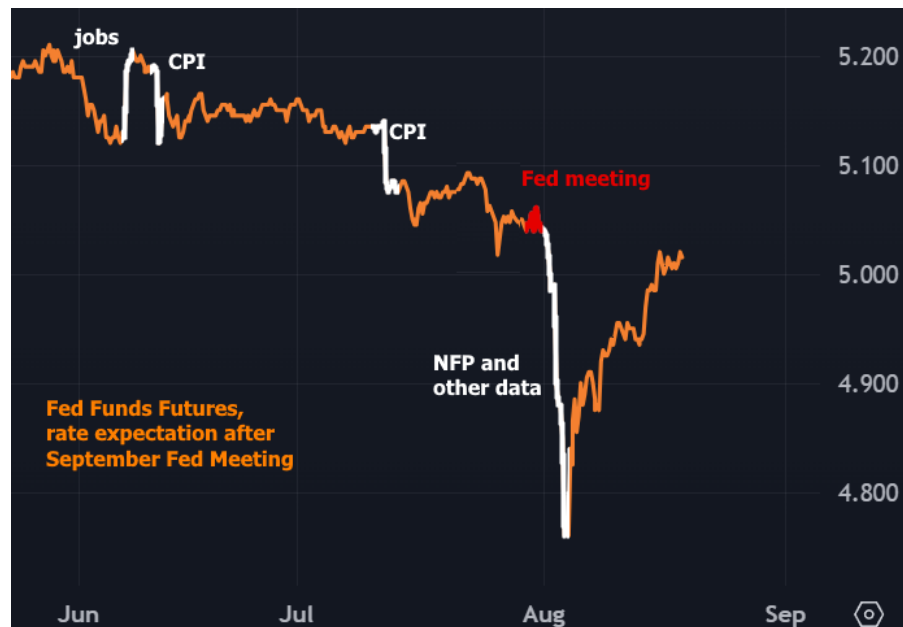


## The Day Ahead: Slow Start And Maybe a Slow Finish

In past examples of imminent shifts in Fed policy, the late August Jackson Hole symposium has been a relevant--and sometimes substantial--market mover. That impulse has faded in recent years amid the Fed's aggressive transparency efforts, but exceptions can't be ruled out depending on the circumstances. This year's installment raises some questions. In the days following Powell's last appearance, the bond market briefly traded rate cut probabilities into the 75bp range for the September Fed meeting before rapidly shifting back to a 25bp expectation.



We've had compelling data on both sides of the argument with distinct differences between inflation and labor market indicators. With the first rate cut seen as a virtual certainty next month, markets still expect more overt foreshadowing from Powell. The only question is whether or not traders will be disappointed when Powell keeps his options open this Friday. After all, there's another jobs report and CPI left to come before he needs to decide.

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