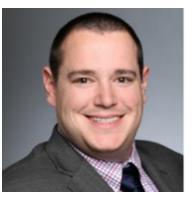
Daily Coverage. Industry Leading Perspective.

## **UPDATE: CORRECTION: Not Dots. QT Tapering**

The previous post-Fed update focused on the dot plot, but the before and after chart was not accurate. This is the real version, and much more in line with our expectations for a 'light shuffling' of dots.

	Before and		
Rate	2025	2026	2027
	DEC MAR	DEC MAR	DEC MAR
5.5			
5.25			
5.0			
4.75			
4.5			
4.5			
	• • • • •		
4.25			
4.0			
	••••••	••• •	•• ••
3.75			
	••• ••		••••
3.5			
	•	•••••	• ••
0.05			
3.25			
	•	••••	•••••
3.0			
		• • • •	
2.75			
2.15		•	•
			• ••
2.5			
2.0			
			· ·
		•	•

## **Before and After Dot Plot Comparison**



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This would imply the market movement motivation is instead coming from the announcement of the Fed tapering the quantitative tightening in Treasuries. In other words, they will be able to reinvest more of the balance sheet proceeds that had previously been running off into the void. Simplest brass tacks: the Fed can buy more bonds.