

## ***Fed Governors and Economists Speak Out as 2024 Beckons***

As we approach the end of 2023 and the start of the New Year, recent comments from various Federal Reserve Governors and economists provide less than a clear consensus on where they see the economy and market wrapping up in 2023 and starting in 2024.

In a speech on November 30th, New York Fed President John Williams said that he sees inflation falling to 2.25% next year but expects "it will be appropriate to maintain a restrictive stance (on interest rates) for quite some time." He also acknowledged the possibility of future rate hikes, saying "additional policy firming may be needed." That same day, FHN Financial's Chief Economist Chris Low commented that "Consumer spending carried the economy in the first three quarters of this year and will decide its fate in the fourth. That brings up the other major anomaly pushing back against the soft-landing mania shaping markets in November. Every story about Black Friday spending expressed shock that sales were so good, despite better-than-expected spending in November before Thanksgiving. There is no doubt, judging from wavering consumer sentiment surveys, Americans are complaining about the economy at the moment, but it is not stopping them from spending." Also in late November, Fed Governor Christopher Waller said he is "increasingly confident that policy is currently well positioned to slow the economy and get inflation back to 2 percent." He continued, saying the Fed might start lowering rates if inflation continues to ease over the next three to five months. Fed Governor Michelle Bowman provided a different view, commenting that more rate hikes likely will be needed as evolving dynamics keep inflation elevated. In its Fixed Income Market Strategy Update published on November 27th, economists from D.A. Davidson noted that minutes from the Fed's last Open Market Committee meeting "reinforced the Fed's messaging that patience is warranted while the disinflation process is working...and higher interest rates are working to cool the economy." "There needs to be clear evidence that inflation is on a solid trajectory back to 2% before easing" up on interest rates." Earlier in the month, Fed Chair Jerome Powell said "we are not confident" that the Fed's key short-term interest rate was high enough to fully defeat inflation. The Fed's Open Market Committee's next policy meeting will be held on December 12th and 13th. Market participants remain evenly divided as to whether the Fed will keep its key lending rate steady at between 5.25%-5.5%. The Fed has raised its rate 11 times in the past year and a half.

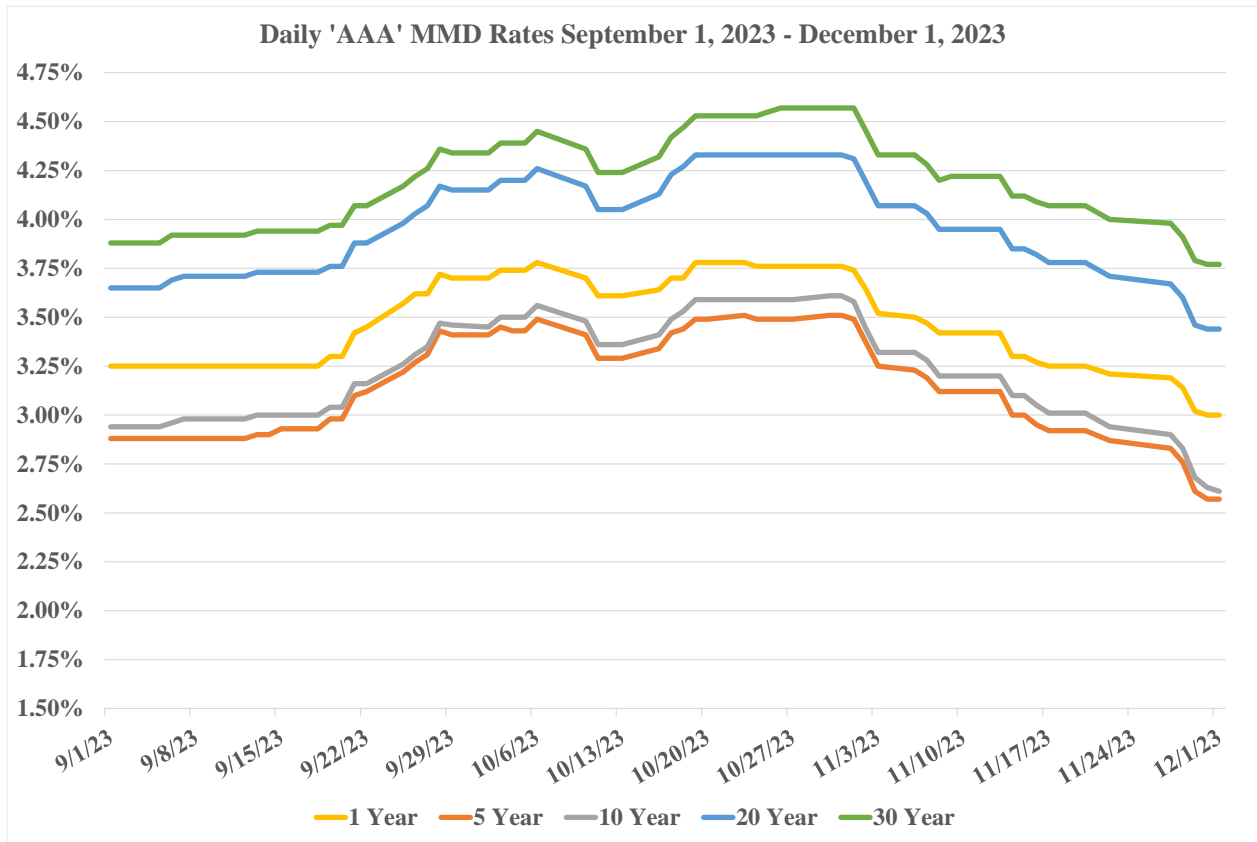
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### **RECENT CMA CLIENT SALE RESULTS**

<b><u>Issuer</u></b>	<b><u>Issue Type</u></b>	<b><u>Par Amount</u></b>	<b><u>Sale Date</u></b>	<b><u>Term</u></b>	<b><u>Rate</u></b>	<b><u>Purchaser</u></b>
Westchester County (AAA/Aa1/AA+)	Bonds	\$114,220,000	30-Nov.	15 yrs.	2.99%	Morgan Stanley
East Hampton Town (Aaa)	BAN	\$5,000,000	28-Nov.	8 mos.	3.73%	Fidelity
Irvington Village (Aa1)	BAN	\$7,702,275	21-Nov.	1 yr.	3.86%	Jefferies LLC
Erie County IDA (Aa2/AA)	Ref. Rev Bonds	\$57,270,000	Neg.	5yrs.	3.26%	Citi Group Loop Capital Markets
Smithtown CSD (Aa2)	Bonds	\$26,595,000	8-Nov.	15 yrs.	3.48%	FHN Financial
West Islip UFSD (Aa2)	TAN	\$20,000,000	2-Nov.	7 mos.	4.08%	Jefferies LLC

In the municipal market, interest rates have steadily declined over the past few weeks with issuers seeing strong market support for their offerings as they receive bids below 3.50% for bonds with maturities out to 20 years. Note rates, while also falling, have stayed above bond yields through the years one to seven as the yield curve remains inverted.

*Happy Holidays to All!!*



**MMD GENERAL OBLIGATION INTEREST RATES**

Term	December 1, 2023					1 Month Ago - November 1, 2023					1 Year Ago - December 1, 2022				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	3.00%	3.01%	3.09%	3.07%	3.46%	3.74%	3.77%	3.86%	3.86%	4.25%	2.39%	2.44%	2.54%	2.55%	2.88%
5	2.57	2.60	2.71	2.72	3.13	3.49	3.55	3.66	3.69	4.10	2.53	2.63	2.72	2.77	3.12
10	2.61	2.68	2.86	2.88	3.47	3.58	3.70	3.87	3.92	4.51	2.61	2.79	2.92	2.99	3.51
15	3.13	3.29	3.47	3.52	4.03	4.07	4.31	4.45	4.56	5.06	3.05	3.35	3.45	3.56	4.00
20	3.44	3.63	3.82	3.86	4.37	4.31	4.60	4.74	4.84	5.35	3.27	3.61	3.72	3.82	4.26