

# Thank you for joining!

Market Update Call | March 10, 2023



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**Have a question?** Please use the Q&A function!

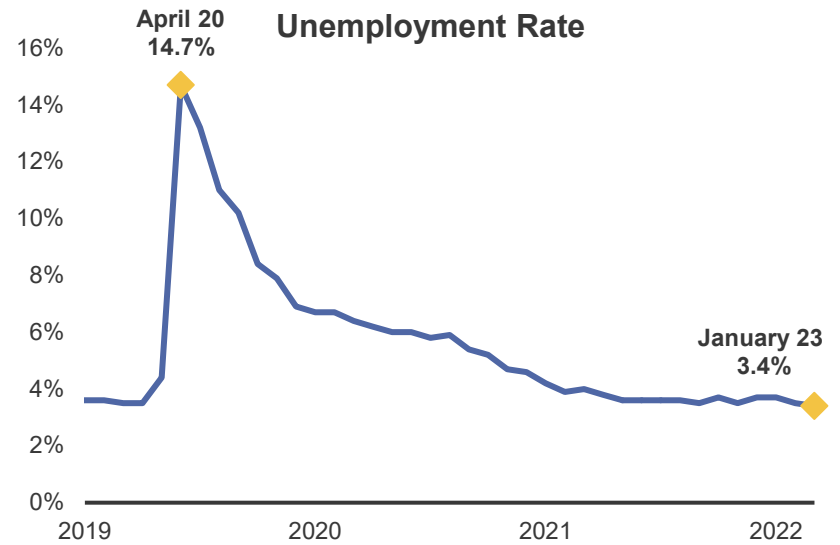
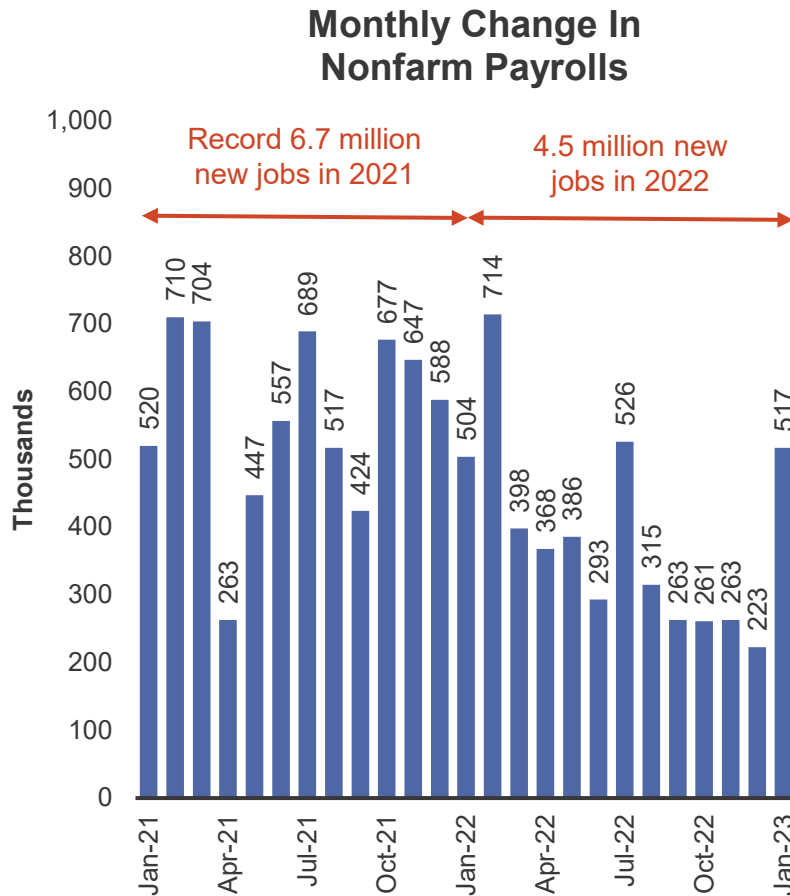
## **Save the Date:**

Friday, April 14, 2023

8:30 a.m. Eastern

**pfm**  **asset  
management**

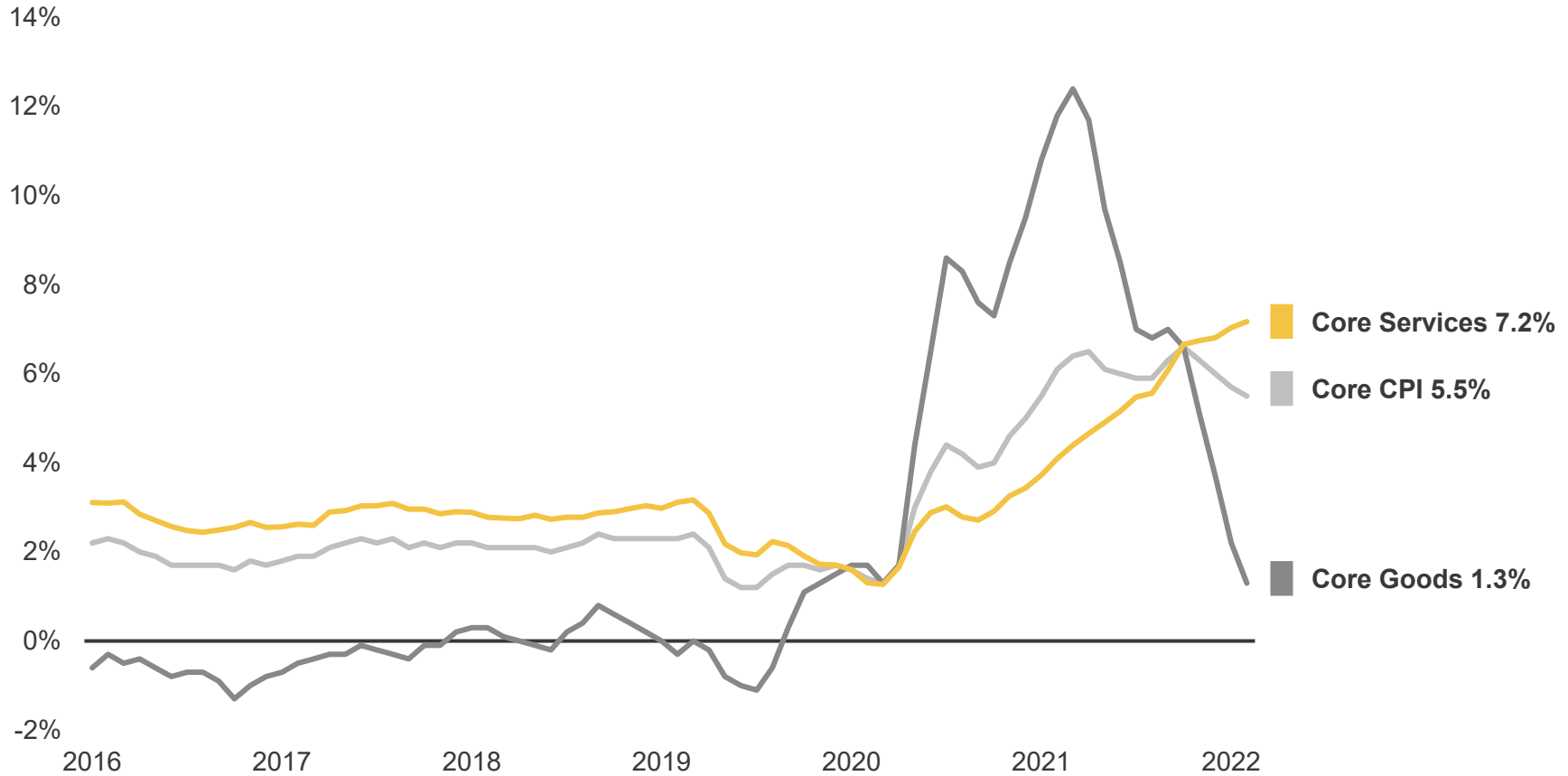
# Labor Market Conditions Remain Tight



Source: Congressional Budget Office January 2023 economic projections, Bureau of Labor Statistics. Bloomberg, as of January 2023. Data is seasonally adjusted.

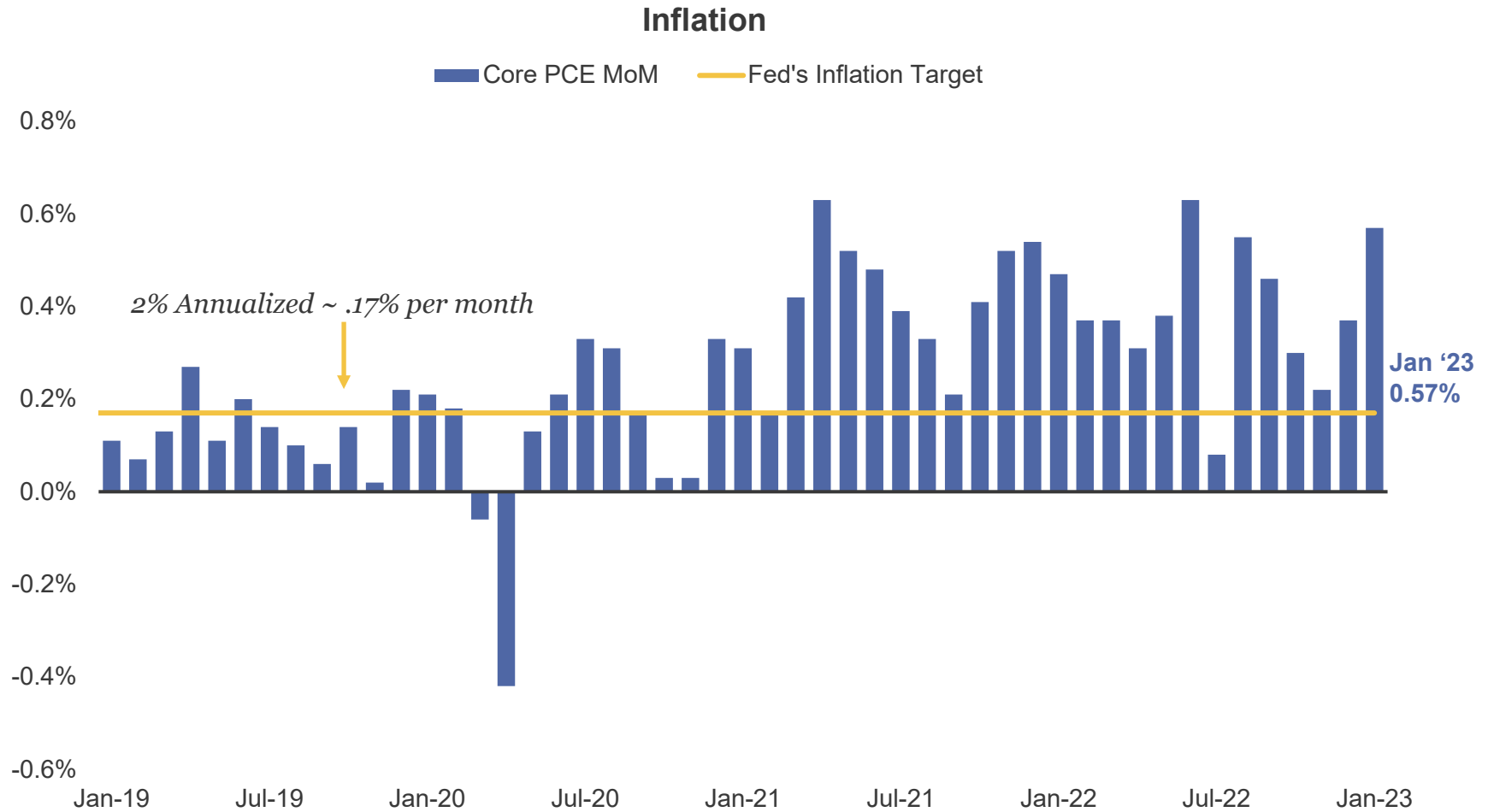
# Services Inflation Has Shown No Signs of Slowing Down

**Core Services and Goods Prices**  
*Consumer Price Index - Change from a year earlier*



Source: Bloomberg, Bureau of Labor Statistics as of January 2023.

# Fed's Preferred Gauge of Inflation Moving in the Wrong Direction



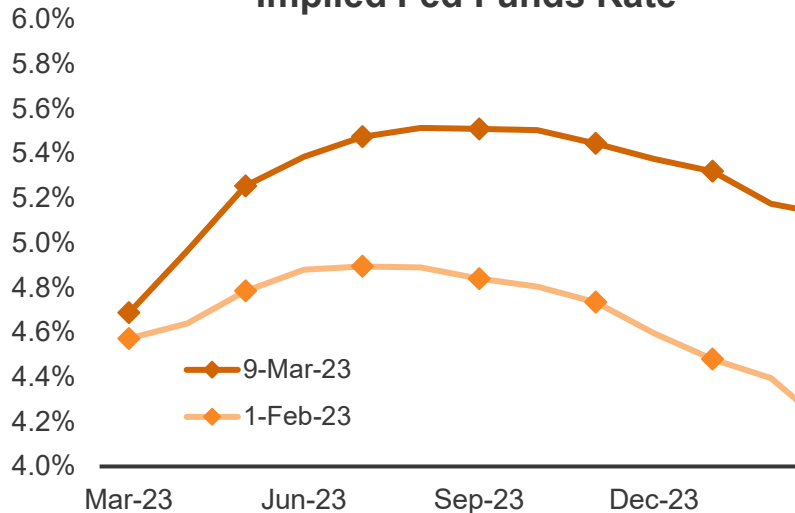
Source: Bloomberg, as of 2/28/2023.

# Powell's Remarks Opened the Door to a Return of 50bps Hike

## March 7 Senate Banking Committee Testimony

- ▶ “The latest economic data have come in stronger than expected, which suggests that *the ultimate level of interest rates is likely to be higher than previously anticipated.*”
- ▶ “If the totality of the data were to indicate that faster tightening is warranted, *we would be prepared to increase the pace of rate hikes.*”

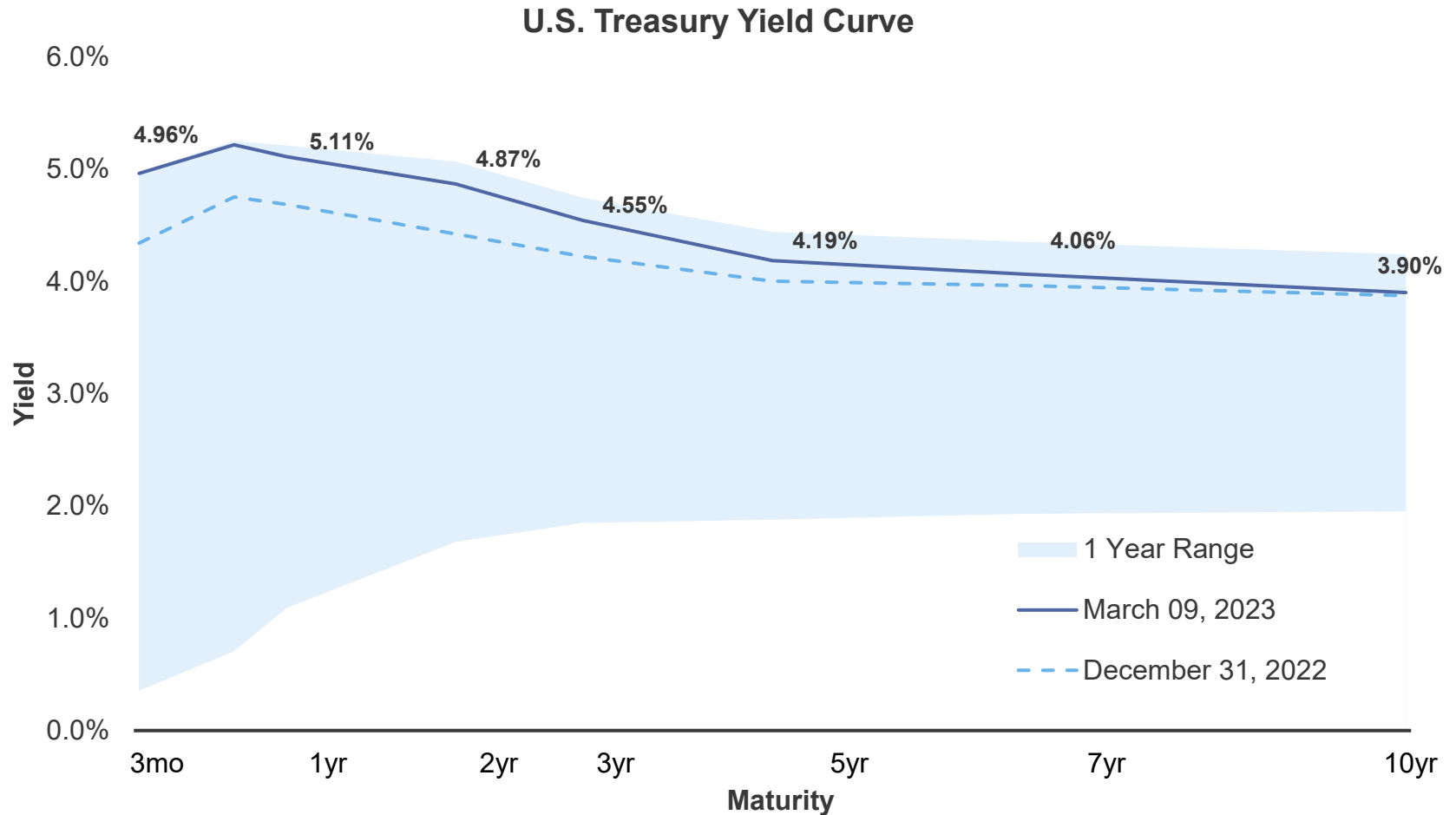
### Implied Fed Funds Rate



### 2-Year Treasury Yield



# Treasury Curve Climbs Higher as Interest Rate Expectations Shift



Source: Bloomberg, as of 3/9/2023.

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