



FOMC March Meeting Preview
March 14th 2017

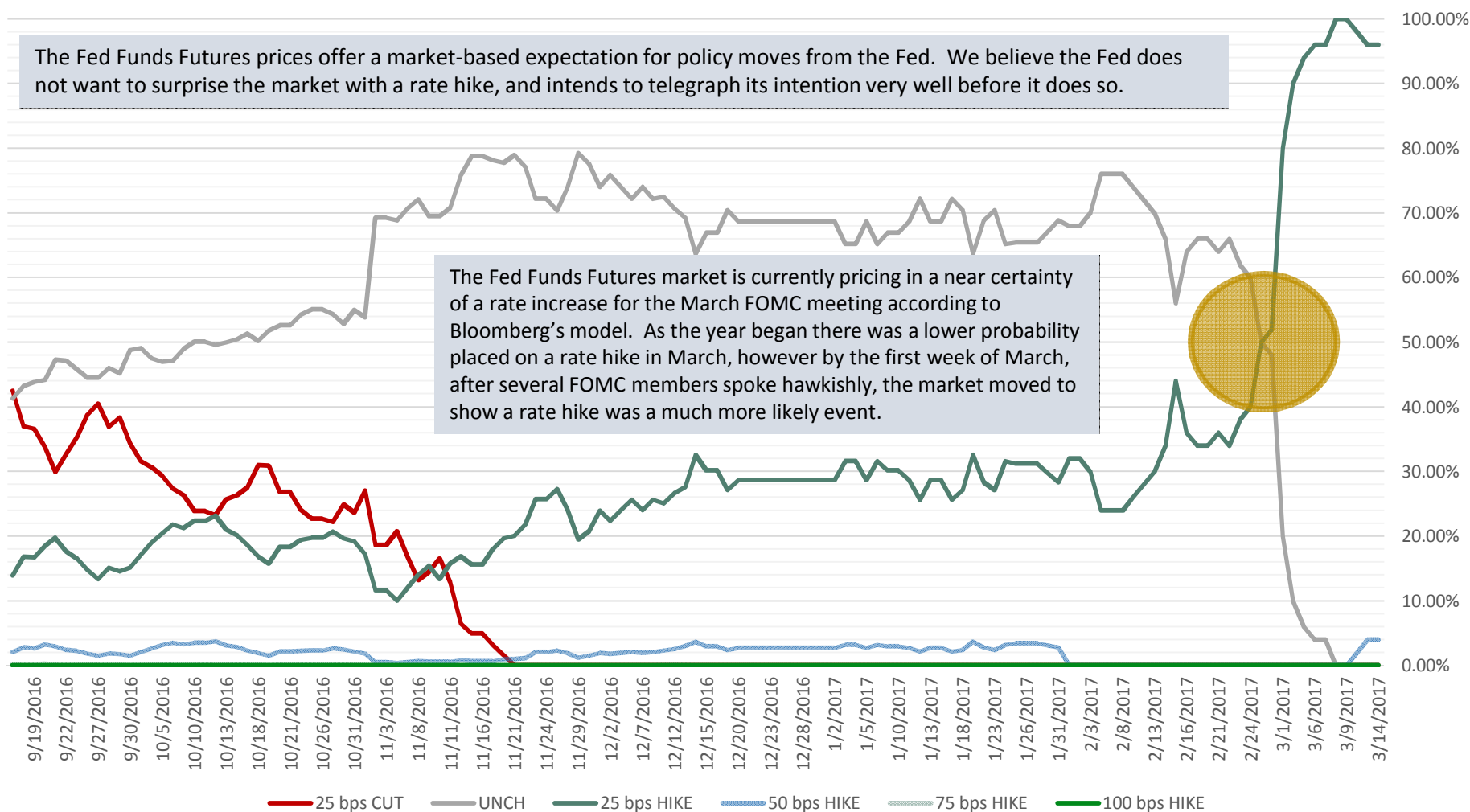
Market Expectations



March 2017 FOMC Rate Decision Fed Funds Futures Implied Probabilities

The Fed Funds Futures prices offer a market-based expectation for policy moves from the Fed. We believe the Fed does not want to surprise the market with a rate hike, and intends to telegraph its intention very well before it does so.

The Fed Funds Futures market is currently pricing in a near certainty of a rate increase for the March FOMC meeting according to Bloomberg's model. As the year began there was a lower probability placed on a rate hike in March, however by the first week of March, after several FOMC members spoke hawkishly, the market moved to show a rate hike was a much more likely event.

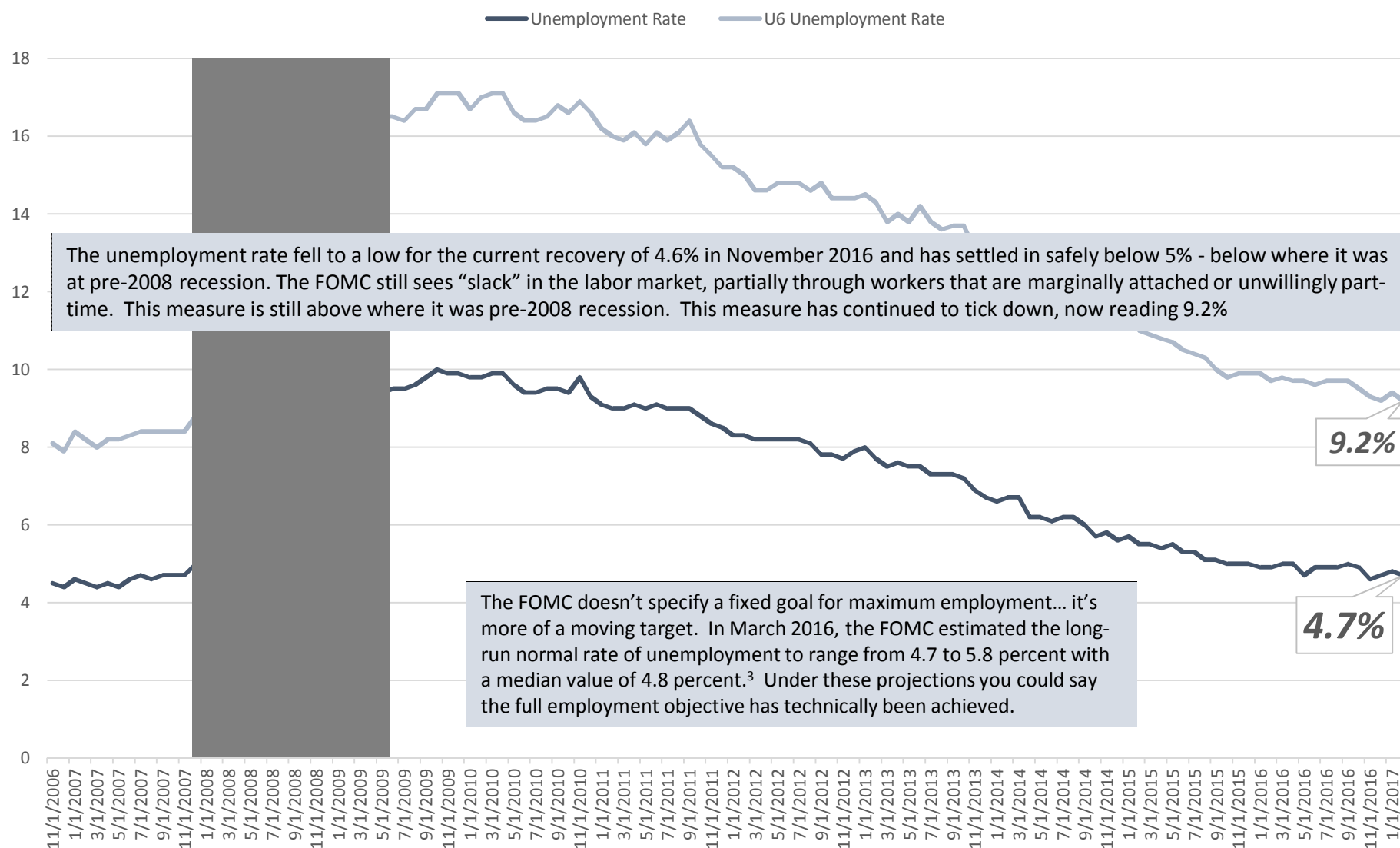


Source: Bloomberg as of 3/14/2017

Investors cannot invest directly into an index and advisors cannot mirror an index. Any performance quoted is past performance and is not a guarantee of future results. Diversification does not guarantee investment returns and does not eliminate the risk of loss. Individual results will differ based upon asset allocation, timing and fees.

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Jobs: Unemployment Rate



Source: Fred - Federal Reserve Bank of St. Louis Economic Data ^{1,2} (Graph Data), Federal Reserve³

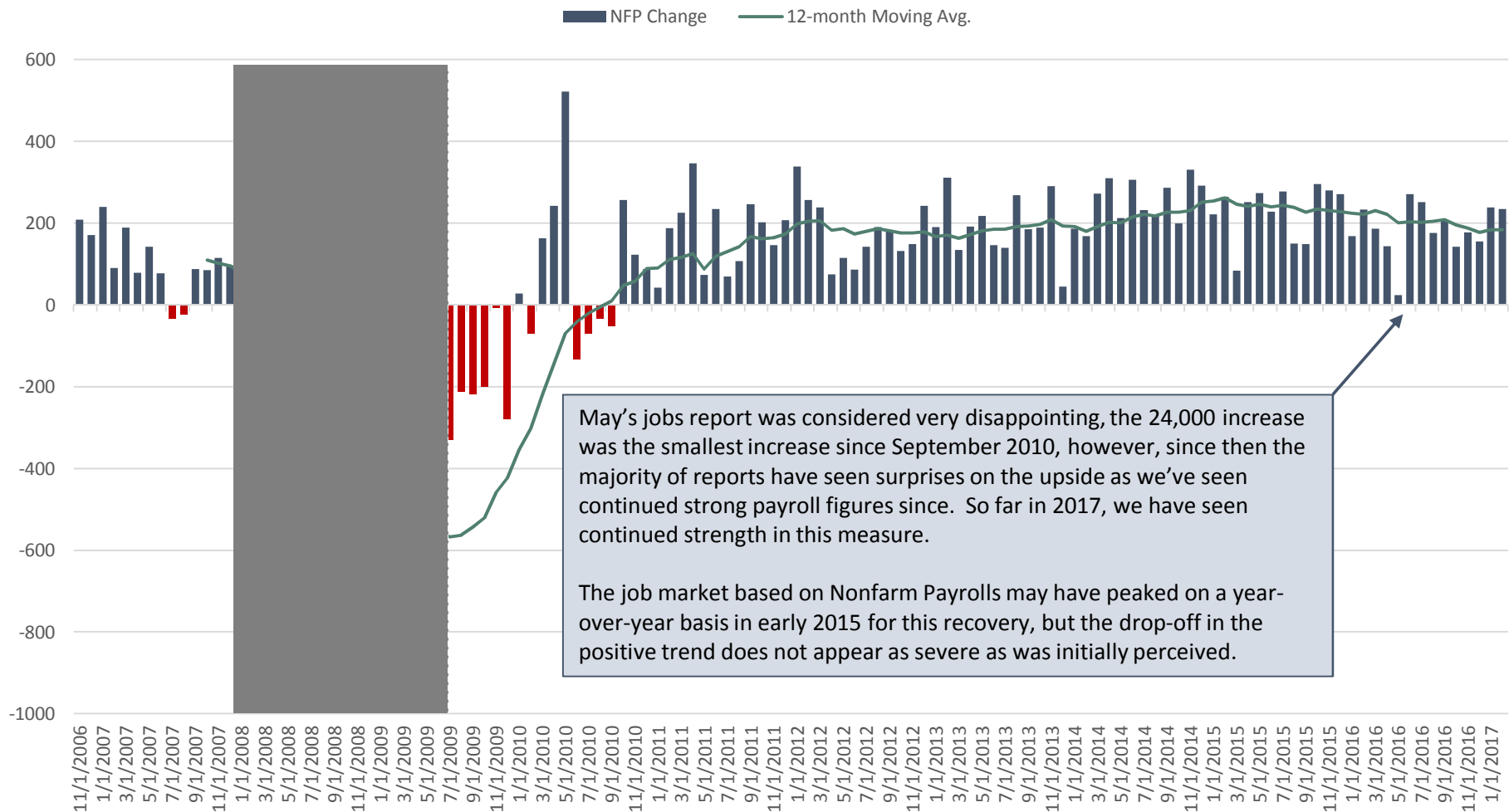
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Jobs: Change in Non-Farm Payrolls



Total Nonfarm Payrolls
Change, Thousands of Persons, Seasonally Adjusted



Source: Fred - Federal Reserve Bank of St. Louis Economic Data⁵

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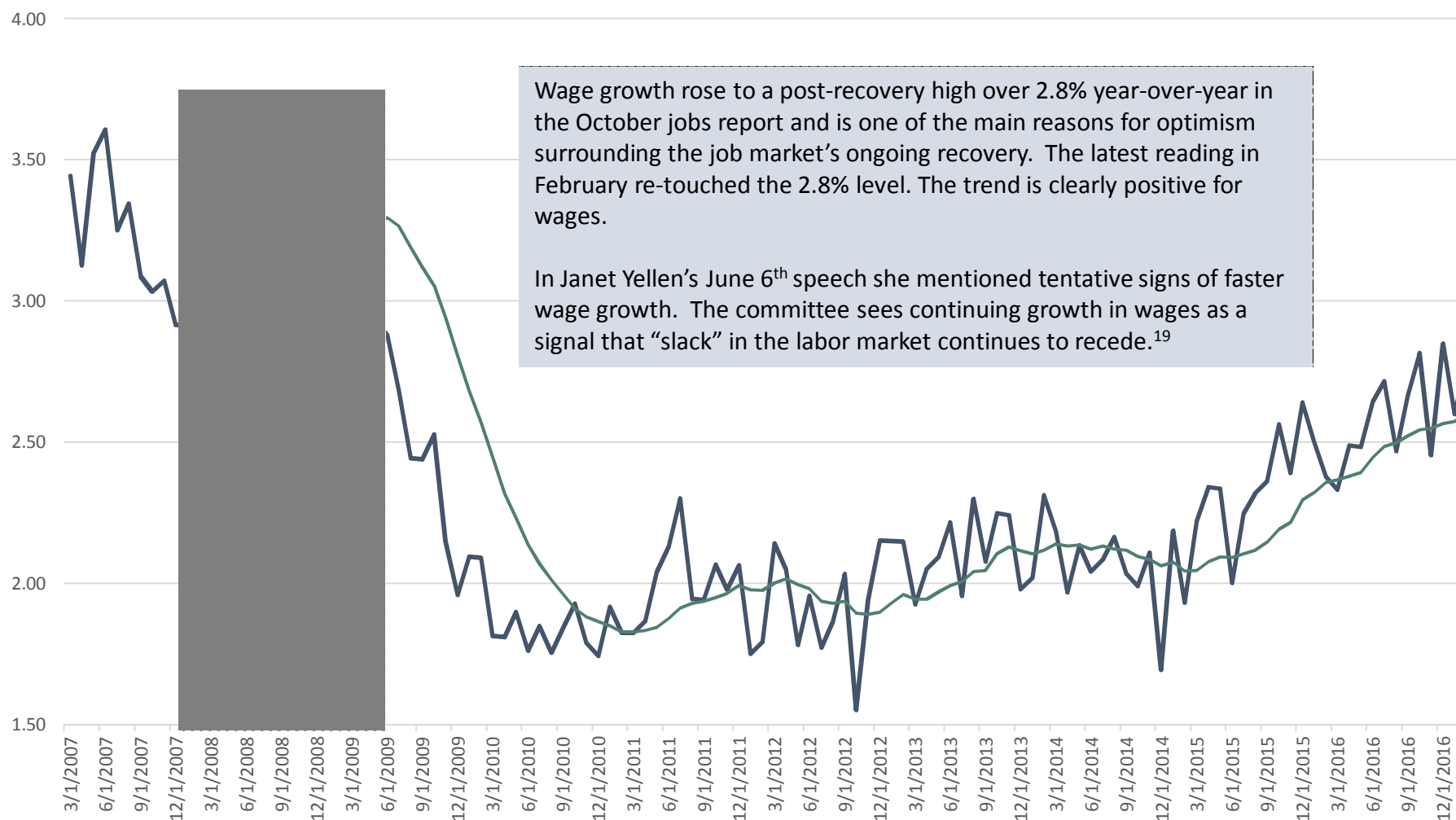
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Jobs: Wage Growth



Average Hourly Earnings of All Employees: Total Private

Percent Change from Year Ago, Seasonally Adjusted



Source: Fred - Federal Reserve Bank of St. Louis Economic Data⁷

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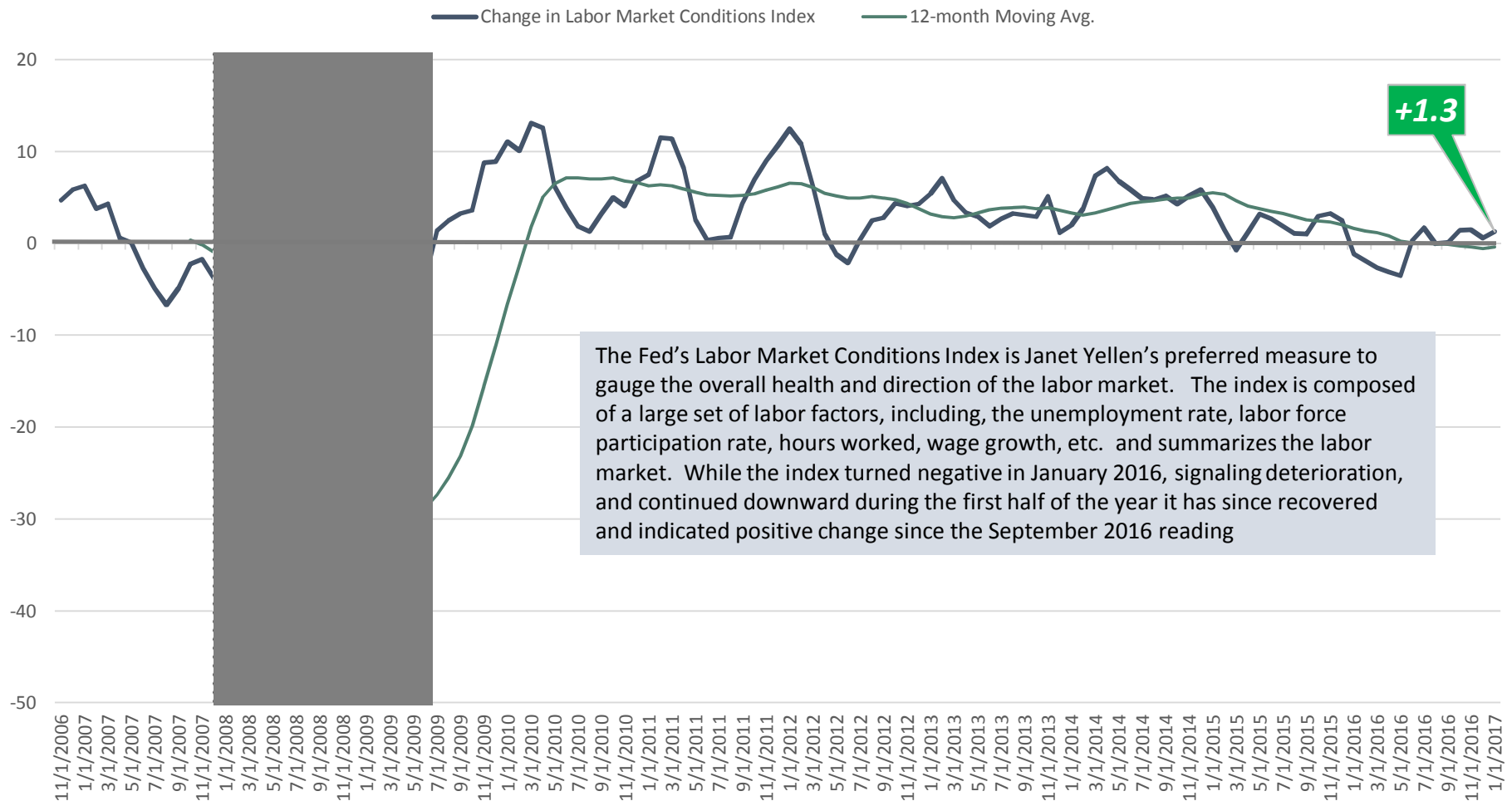
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Jobs: Labor Market Conditions Index



Change in Labor Market Conditions Index

Index Points, Seasonally Adjusted

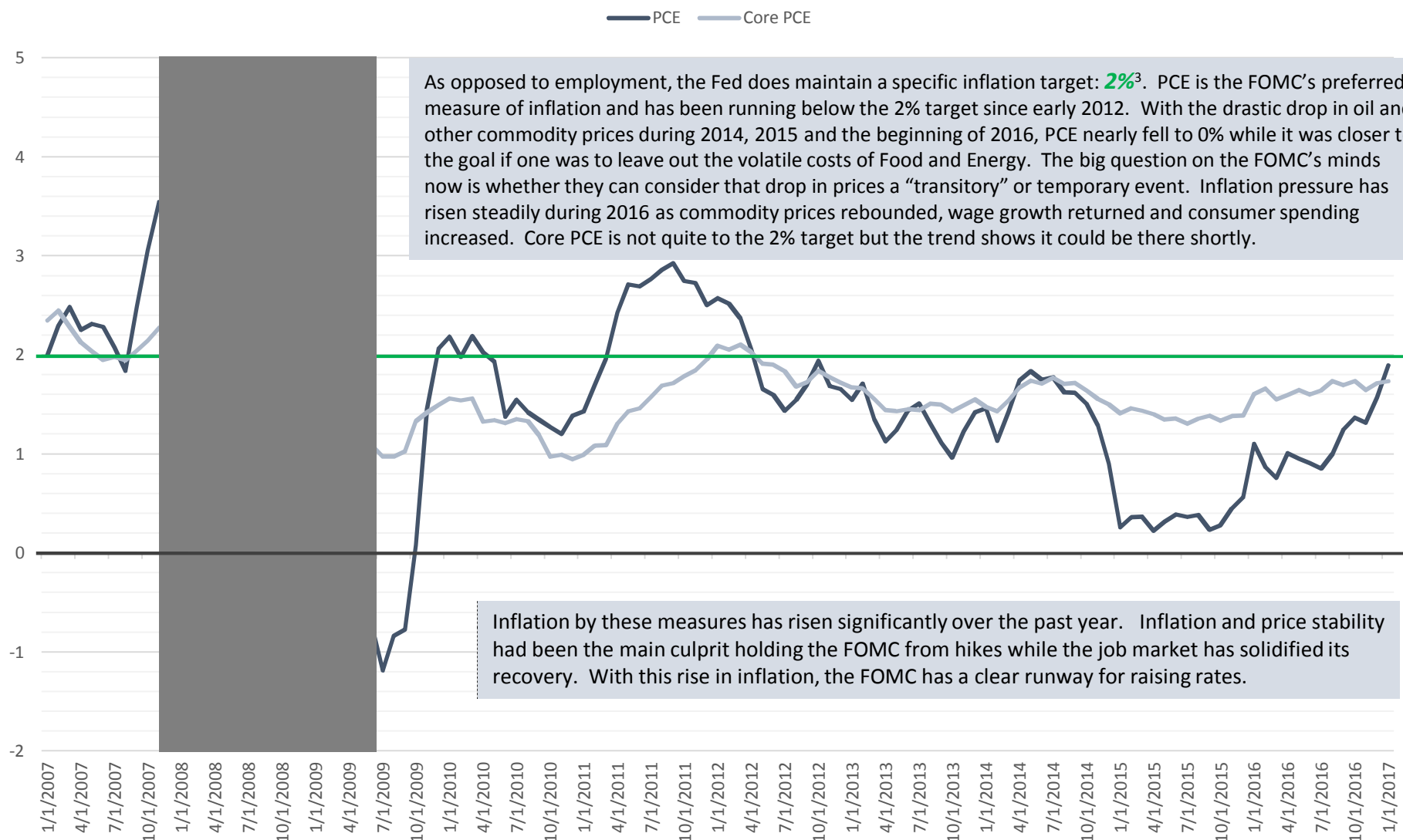


Source: Fred - Federal Reserve Bank of St. Louis Economic Data ⁸

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Inflation: Personal Consumption Expenditures



Source: Fred - Federal Reserve Bank of St. Louis Economic Data ^{9,10}

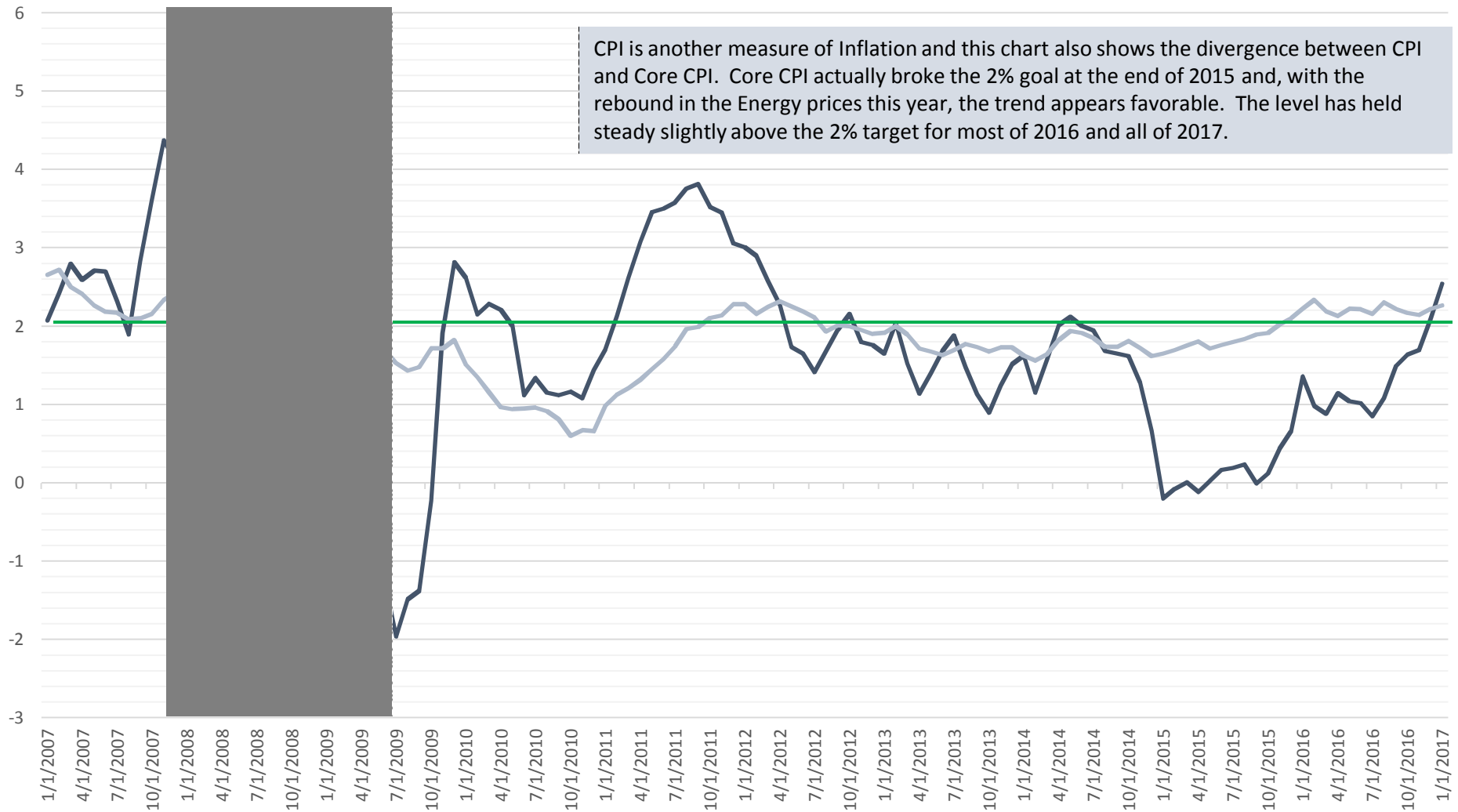
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Inflation: Consumer Price Index



— CPI — Core CPI

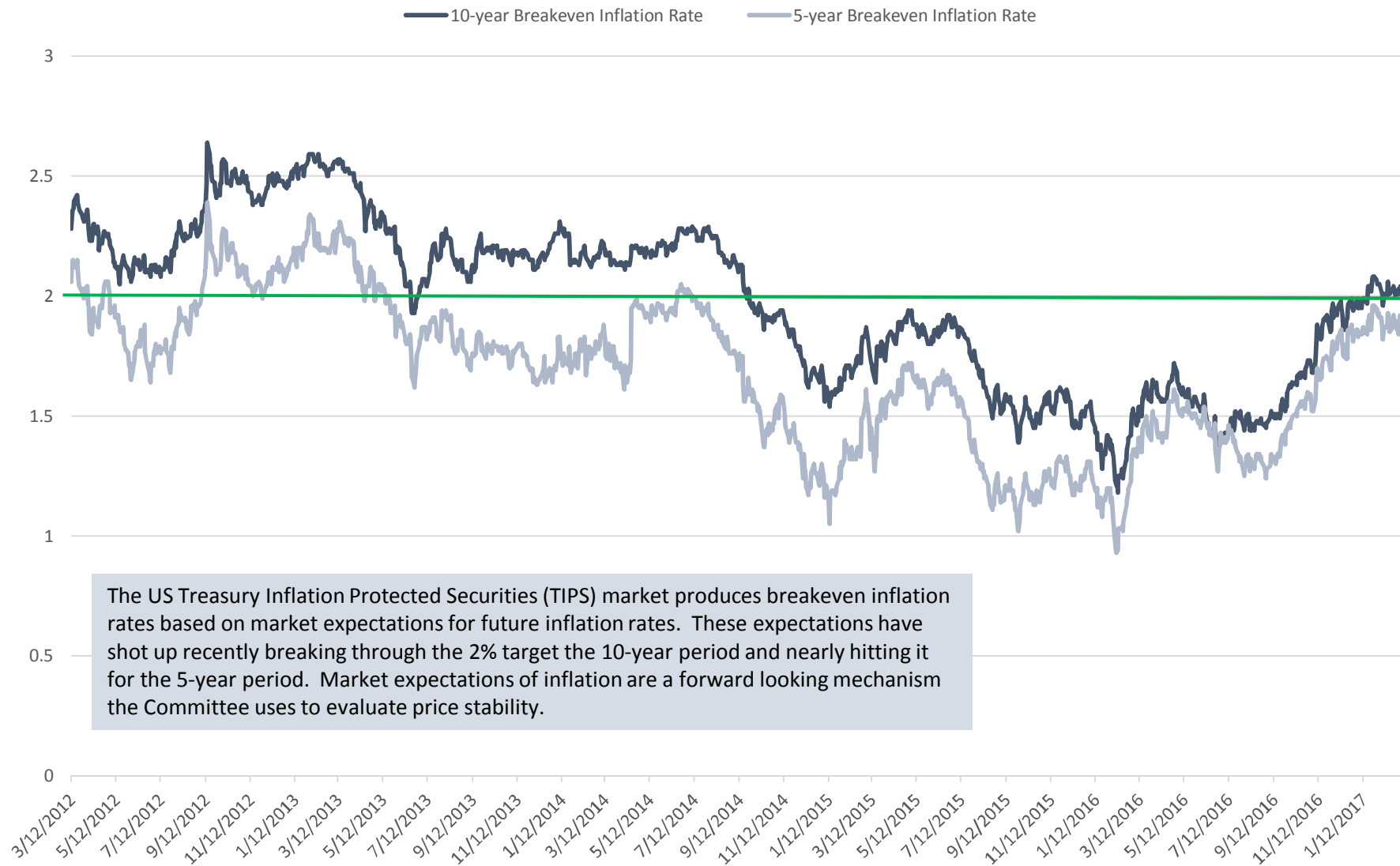


Source: Fred - Federal Reserve Bank of St. Louis Economic Data¹⁴

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Inflation: TIPS Breakeven



Source: Fred - Federal Reserve Bank of St. Louis Economic Data¹⁵

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Important Disclosures



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Footnotes

1. <https://research.stlouisfed.org/fred2/series/UNRATE>
2. <https://research.stlouisfed.org/fred2/series/U6RATE>
3. https://www.federalreserve.gov/faqs/money_12848.htm
4. <https://research.stlouisfed.org/fred2/series/CIVPART>
5. <https://research.stlouisfed.org/fred2/series/PAYEMS>
6. <https://www.federalreserve.gov/newsevents/speech/yellen20160606a.htm>
7. <https://research.stlouisfed.org/fred2/series/AHETPI>
8. <https://research.stlouisfed.org/fred2/series/FRBLMCI>
9. <https://research.stlouisfed.org/fred2/series/PCECTPI>
10. <https://research.stlouisfed.org/fred2/series/PCEPILFE>
11. <https://research.stlouisfed.org/fred2/series/T10YIE>
12. <https://research.stlouisfed.org/fred2/series/T5YIE>
13. <https://research.stlouisfed.org/fred2/series/TWEXB>
14. <https://fred.stlouisfed.org/series/CPIAUCSL,CUUS0000SA0L1E>
15. <https://fred.stlouisfed.org/graph/?id=T10YIE,T5YIE>
16. <https://www.federalreserve.gov/newsevents/speech/2016speech.htm>
17. <http://www.federalreserve.gov/newsevents/speech/yellen20140822a.htm>



KAVAR

CAPITAL PARTNERS

*11460 TOMAHAWK CREEK PKWY
SUITE 420, LEAWOOD, KS 66211*

KAVARCAPITAL.COM