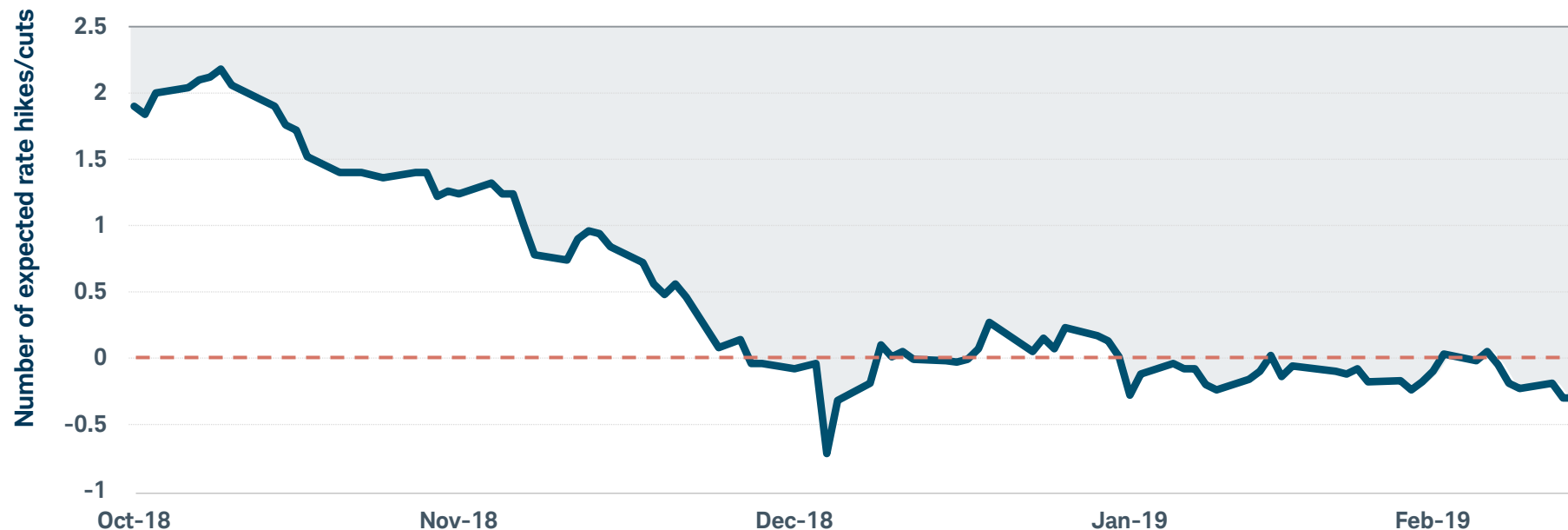


Rate-hike expectations for 2019: going, going . . . gone?

Total rate hikes/cuts expected for 2019



Expectations for the Federal Reserve (Fed) to raise interest rates in 2019 have fallen since Thanksgiving, reflecting market uncertainty amid low inflation and slow economic growth.

The markets now believe it's more likely for the Fed to cut interest rates than raise them this year. Meanwhile, slowing corporate profits are another worrisome sign that slower growth may be ahead.

Volatility often follows market uncertainty, a time when high-quality bonds tend to shine. These bonds may provide ballast when an equity-heavy portfolio usually needs it most.

Sources: Charles Schwab Investment Management; Bloomberg. The line represents federal funds futures, with data from 10/31/18 to 03/13/19.

What does this mean for investors?

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