

Technical analysis as of 04/01/2024:

- **Trend:** The chart shows the S&P 500 in a clear uptrend, making higher highs and higher lows, consistently above the rising 50-day (green line) and 200-day (red line) moving averages.
- **Support Levels:** The initial support is around the 50-day moving average near 5175; further support might be found at 5050, where the 100-day moving average (blue line) lies, followed by the 200-day moving average at approximately 4622.
- **Relative Strength Index (RSI):** The RSI is just above 63, indicating strong bullish momentum without being overextended, suggesting there may still be room for upward price movement before becoming overbought.

Below you will see a chart of the S&P 500 Index (Daily candles):



Fundamental analysis: (FED's Meeting. FOMC 03/2024)

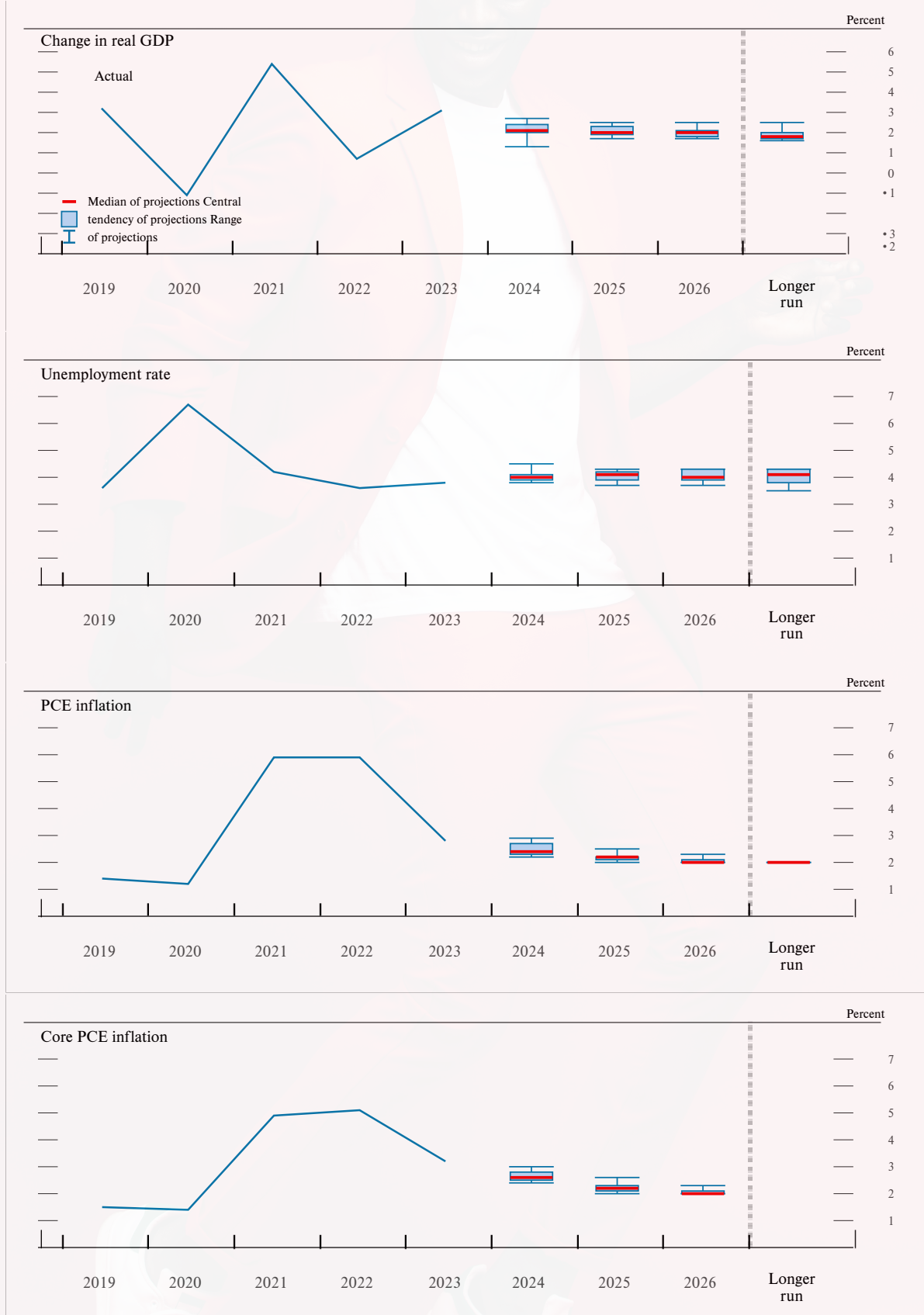
- Despite an increase in the median 2024 core PCE inflation projection to 2.6%, the median Federal Open Market Committee (FOMC) participant continues to expect three rate cuts in 2024, aiming for the first cut by the June meeting. This indicates a strong inclination towards not postponing rate cuts for too long, even with a slightly higher inflation forecast.
- The median projections for the longer-run neutral rate and the terminal rate for 2026 were raised, suggesting the FOMC's anticipation of higher neutral rates in both the long run and short run over time, with a terminal rate significantly above the last cycles.
- From Powell's press conference, it was noted that he was not worried about the firmer inflation data from January and February, the raised 2024 GDP growth forecast was seen as compatible with rate cuts due to increased labor supply, and there was a consensus on slowing the pace of balance sheet runoff soon.

Bottom line:

- The Federal Reserve is looking forward to looser financial conditions by cutting rates and slowing the pace of balance sheet runoff. (Very Positive).
- Geopolitical uncertainty is the only relevant risk for the markets (Positive/Negative).
- Recent PMI readings, indicating improving manufacturing activity in the US (50.3 = expansion), suggest a supportive environment for credit investments (Positive).

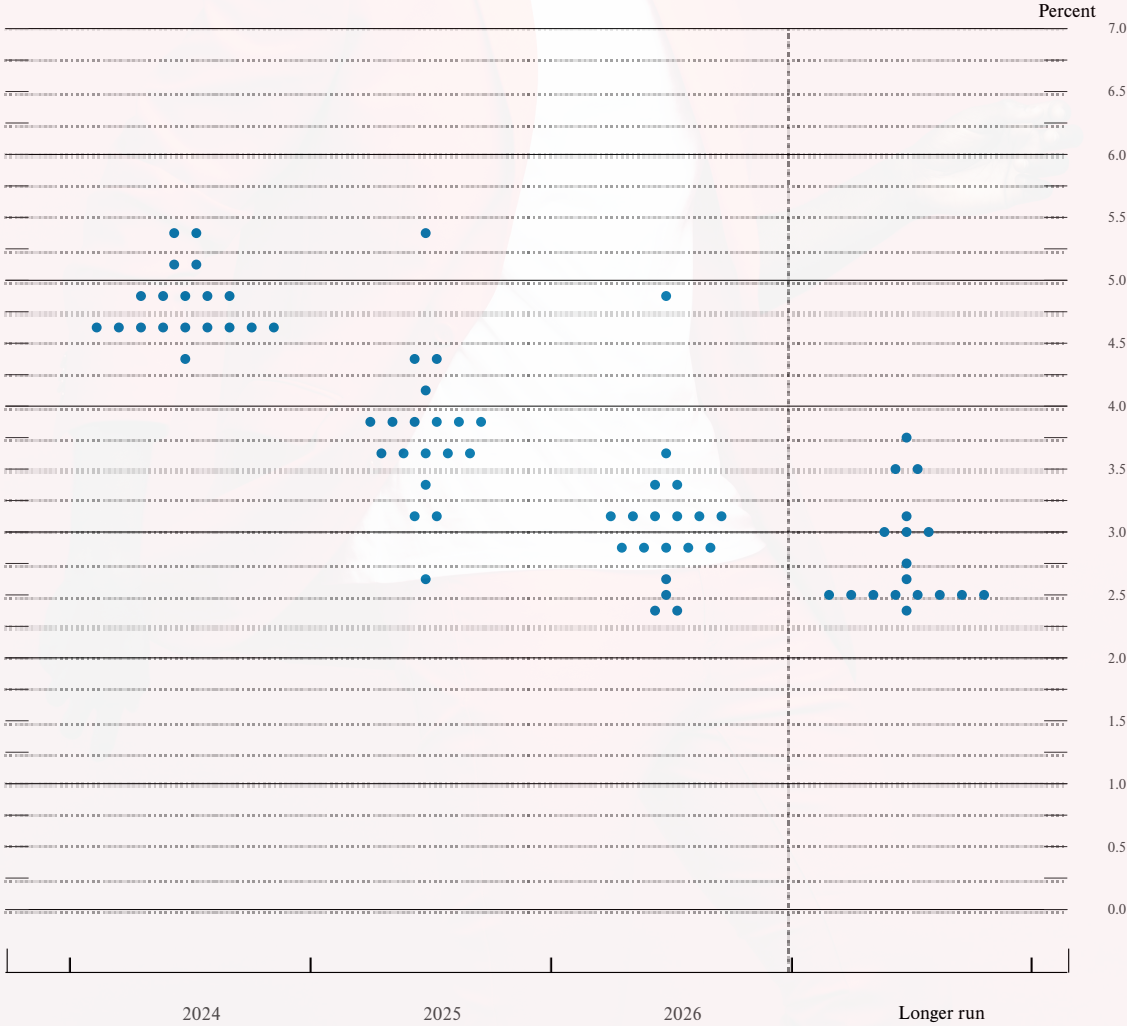


Figure 1. Medians, central tendencies, and ranges of economic projections, 2024–26 and over the longer run



NOTE: Definitions of variables and other explanations are in the notes to table 1. The data for the actual values of the variables are annual.

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



NOTE: Each shaded circle indicates the value (rounded to the nearest 1/8 percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. One participant did not submit longer-run projections for the federal funds rate.