

# BUSINESS INSIDER

## Oracles of Wall Street: 11 pros who nailed 2024's top trend

### *Phillip Colmar, Global Strategist at MRB Partners*

Colmar leaned against the overwhelming market consensus that the Fed was poised to slash rates early in the year.

He argued in January this year that the economy didn't need rate cuts, and that the Fed signaling them would essentially lead to a scenario where financial conditions eased on bullish sentiment, making inflation stickier, further hindering their leeway to cut. Realizing this, the Fed would then need to push rate cuts out as it sought to justify them, he said.

Colmar said the Fed would end up cutting by 50-75 basis points in 2024. The central bank has cut by 75 basis points so far, and is expected to drop them again in December, but the market at the time was pricing in more than an 85% chance that rates would be even lower by the end of 2024. Plus, rate cuts have come far later than the market originally expected.

"Our view was that interest rates weren't restrictive. Powell had just said that it was very restrictive, and we need to cut rates to bring it back down to equilibrium not to put us into recession. The market seemed to buy into that, and we said, 'No, no, no, he's got it wrong.'"

In 2025, Colmar said he sees inflation hovering around 3%, above the Fed's 2% target.

