Global Economy
The Federal Open Market Committee of the US Federal Reserve hiked the federal funds rates in its last meeting for the year 2018. It raised its target range for the federal funds rate by 25 basis points to 2.5% - 2.75%. This is the fourth hike this year on the back of solid economic data and strong labor market. The US economy continued to expand during the third quarter at an annualized rate of 4.2%, according to the Commerce Department, the highest pace since 2014. Meanwhile, the labor market remained strong, with the unemployment rate at 3.7%, the lowest level in nearly 50 years. The Federal Reserve also lowered forecasts for interest rate hikes in 2019 to 2 rates increases from three rates in 2018. The central bank is also expected to continue raising interest rates in a measured way, with its median forecast suggesting a rate hike in each of the next two years. However, the Fedwill continue to monitor the global economy and financial markets closely.

Domestic Economy
The President of the Federal Reserve in Dallas, South Korea, commented that the US economy is on a path of steady growth and that the Fed is likely to continue raising interest rates in a measured way. He also noted that the Fed will continue to monitor the global economy and financial markets closely.

Bond Market
The bond market has been volatile in recent weeks, with yields moving higher and lower in response to changes in economic data and central bank policies. The 10-year Treasury yield has been trading between 2.5% and 3.0%, while the 30-year Treasury yield has been trading around 3.0%. The yield curve has steepened modestly in recent weeks, with the 2-year Treasury yield up 5 basis points to 1.50% and the 10-year Treasury yield up 10 basis points to 2.60%. The Fed will be releasing its updated economic projections at the December FOMC meeting, which will provide more insight into the Fed’s expectations for future economic growth and inflation.

Commodities
Oil prices have been volatile recently, with Brent crude rising to $65 per barrel and WTI crude rising to $58 per barrel. The rally in oil prices is being driven by a reduction in supply from OPEC+ and a tighter market due to higher demand. However, there are concerns about the impact of rising US crude production and the potential for a global recession. The US Energy Information Administration (EIA) reported that US crude production rose to 11.8 million barrels per day in November, up from 11.5 million barrels per day in October, driving up US supplies and putting pressure on oil prices.

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