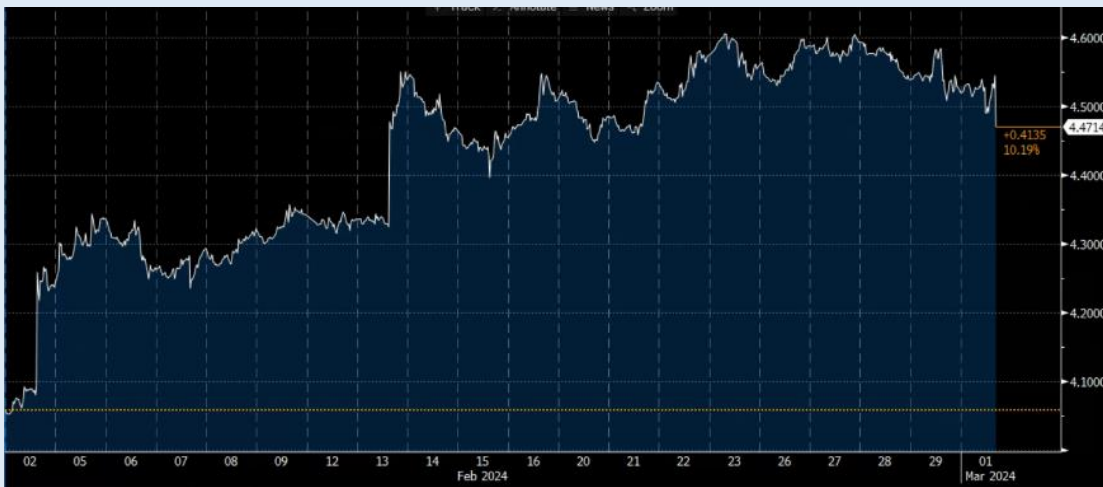


Chart 2 & 2A: 1Y & 2Y SOFR SWAP RATES – PRIOR 30 DAYS

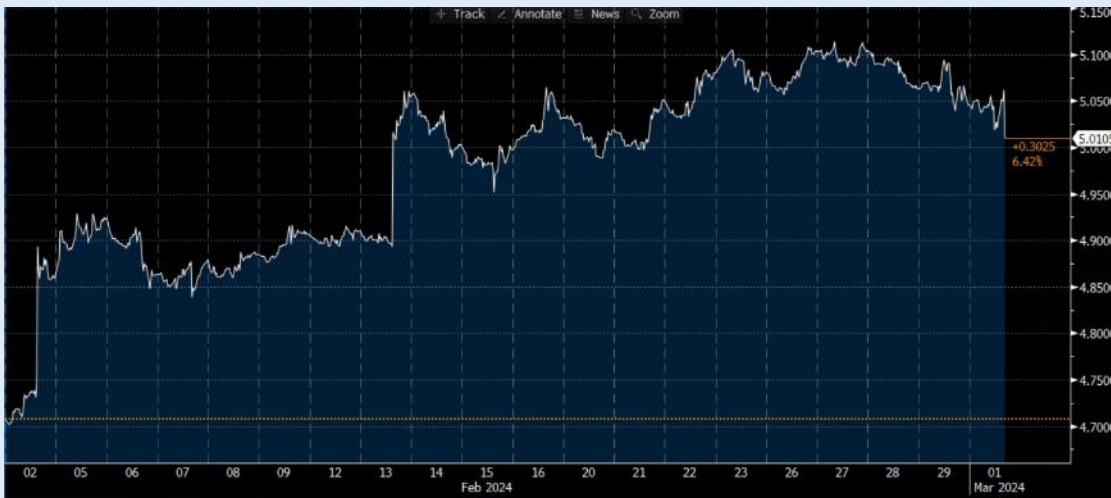
Despite heightened intra-day volatility, 1Y and 2Y SOFR swap rates have been trading in a relatively narrow 20 bp range over the prior 2 weeks. You can see that the market began repricing Fed rate cut expectations almost exactly one month ago. In the span of two weeks, the market removed more than 2 rate cuts from forward pricing. This week, the market bounced around in reaction to economic data releases and Fed-speak, but market participants were unwilling to break out of the range. At the moment, The FOMC and “the market” are actually on the same page – the FOMC has three potential rate cuts in their most recent “dot-plot” and the market is pricing in ~3.5 rate cuts. That is the closest the two camps have been in a long time. It also explains the range bound market. Now that the market and Fed are basically aligned, it becomes a waiting game. We simply will need to see more data.

CHART 2: 2-YEAR SOFR SWAP – PRIOR 30 DAYS



Source: Bloomberg, LLP | 2Y SOFR Swap – PRIOR 30 DAYS

CHART 2A: 1-YEAR SOFR SWAP – PRIOR 30 DAYS



Source: Bloomberg, LLP | 1Y SOFR Swap – PRIOR 30 DAYS

Chart 3: FED SPEECH CALENDAR THROUGH 3/8/24

The table below details the calendar of Fed speaking engagements through March 8, 2024. You can see the schedule is *jam packed*. Fed-speak always has the potential to create volatility as the market reacts real-time to



the comments. The market may also have a delayed reaction to Fed comments made after market hours. Fed-speak will be front and center today and next week – prepare for a jumpy market.

FED SPEECH CALENDAR THROUGH MARCH 8, 2024

	Date	Time	A	M	R	Event
21)	03/01	08:30				Fed's Barkin Speaks on CNBC
22)	03/01	10:00				Fed's Goolsbee Appears on CNBC
23)	03/01	10:15				Fed's Waller, Logan Discuss Paper at US Monetary Policy Forum
24)	03/01	12:15				Fed's Bostic Speaks on Economic Outlook, Real Estate
25)	03/01	13:30				Fed's Daly Participates in Panel Discussion w/ Fed's Schmid
26)	03/01	15:20				Fed's Kugler Speaks on the Dual Mandate
27)	03/01	16:00				Fed's Goolsbee Appears on Fox News
28)	03/04	11:00				Fed's Harker Remarks on Economic Impact of Higher Education
29)	03/05	12:00				Fed's Barr Speaks on Panel about CRA Modernization
30)	03/06	10:00				Fed Chair Powell Testifies Before Congress
31)	03/06	12:00				Fed's Daly to Give Keynote Address
32)	03/06	14:00				Federal Reserve Releases Beige Book
33)	03/06	16:15				Fed's Kashkari Speaks at WSJ Event
34)	03/07	10:00				Fed Chair Powell Testifies Before Congress
35)	03/07	11:30				Fed's Mester Gives Speech on Economic Outlook
36)	03/08	07:00				Fed's Williams Participates in Moderated Discussion

The "big event" next week: Chairman Powell's semi-annual Congressional testimony and Q&A

Disclaimer: The information provided in this communication is intended for discussion purposes only. Nothing presented in this communication should be taken as a recommendation or forecast. All market data shown is indicative only and subject to change depending on current market conditions.

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Rate Cap Advisors was established in 2015 that focus on providing commercial real estate interest rate cap solutions. Our innovation and desire to explore new possibilities that benefit our clients have allowed us to save our clients millions of dollars. No matter the service or product, we take great pride in our pursuit of perfection with a unparalleled closing track record.
