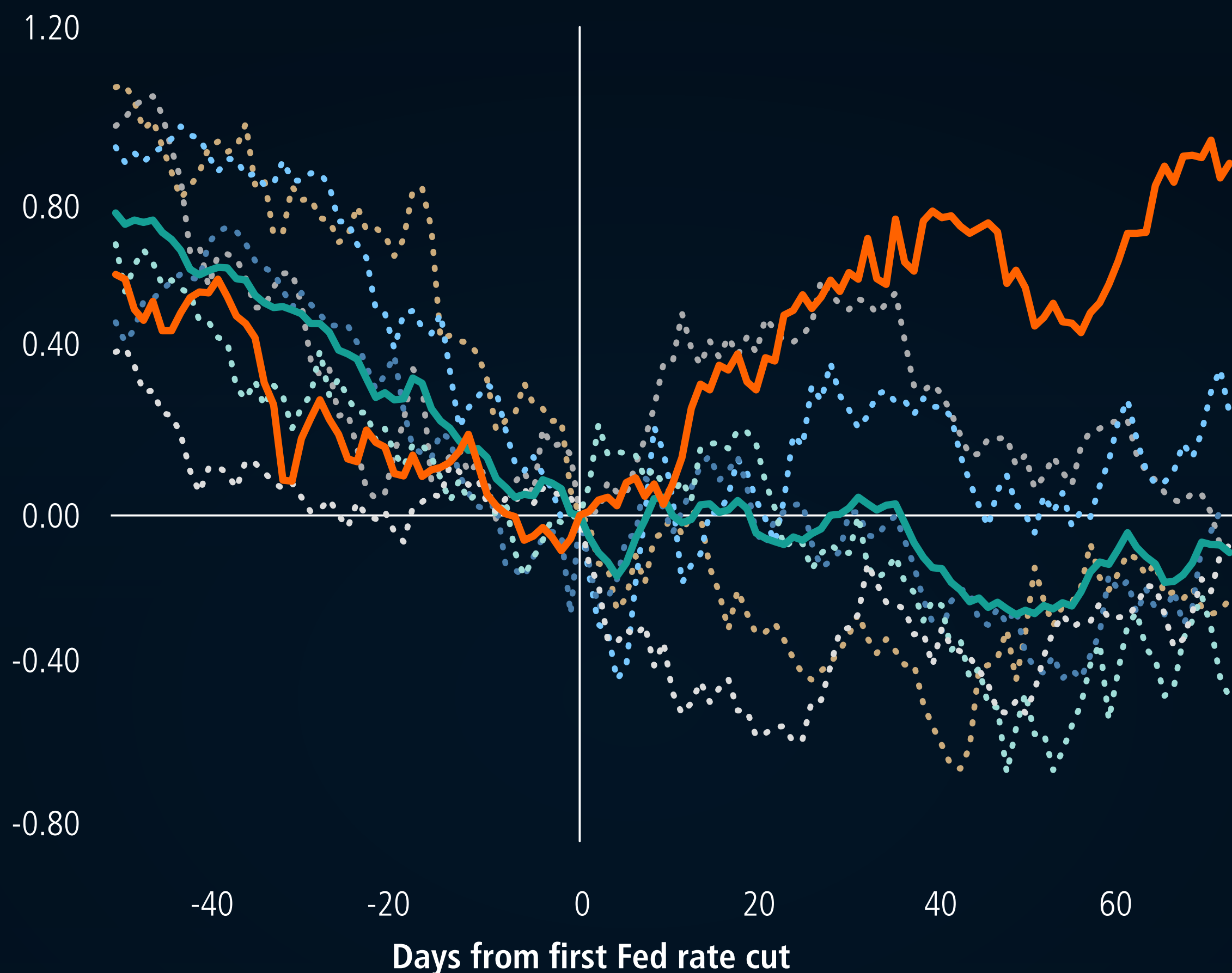


N | B

POST

When Does the Cutting
Cycle Become an Easing Cycle?

Change in 10Y UST yields from start of Fed rate cutting cycle (%)



Jun-89 Jul-95 Sep-98 Jan-01 Sep-07
Jul-19 Sep-24 Average ex-Current

Past performance is no guarantee of future results.

Source: Neuberger Berman, Bloomberg, as of December 2024. For illustrative purposes only. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal.

The logo consists of a dark square containing the letters 'N' and 'B' in a white serif font, separated by a thin vertical line.

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"The market has not witnessed **a move higher in 10-year yields to this degree** in any previous cutting cycle dating back to 1989."



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"Financial conditions started tightening immediately after the Fed implemented its first reduction of the policy rate in the current cycle."



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"This is important because of its **future implications for the growth outlook**, we believe investors should be demanding a higher, not lower, premium for risk assets."

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POST

"Investors should be wary of the potential for growth to start weakening, which could create a poor risk/reward setup for growth assets despite the rosy consensus outlook."

Rebekah McMillan, CFA

Associate Portfolio Manager - Quantitative & Multi-Asset Strategies



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