

# Economic Commentary

October 02, 2001

## **Federal Reserve Expected to Cut Fed Funds Rate 1/2 Point Today!**

The Federal Reserve is expected to cut the fed funds rate 50 basis points today. This cut (the ninth in a row) will bring the fed funds rate down to 2.5%, the lowest level in 39 years.

The Bank of Canada is expected to almost certainly follow with a 50 basis point cut of its own, which will bring the target rate for the overnight rate to 3.0%. The Bank of Canada has its regularly scheduled meeting on October 23rd. Don't be surprised if the BOC cuts rates sooner than that.

Also expect the ECB to come up with a rate cut of its own this month as well.

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