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## Despite Fading Rate Cut Hopes, Stocks Could Still Rise

### Description

Many investors are adjusting their expectations for when the Federal Reserve will start cutting interest rates, but experts believe that this won't stop stocks from continuing to rise in 2024. Following a surprising increase in consumer prices last month, investors are now only expecting two interest rate cuts in 2024, down from a high of seven earlier in the year. Despite some market volatility in response to the inflation data, stocks have remained strong, with the S&P up around 8% so far this year. Wells Fargo's chief investment strategist, Christopher Harvey, remains optimistic, pointing out that the Fed is likely to begin a multiyear easing cycle. Market analysts believe that earnings growth will drive stock performance, even if the Fed doesn't cut rates this year. The focus is not on when the Fed cuts rates, but on the reasons behind the decision. These factors could lead to further growth in the economy and stock market, with a potential shift towards more cyclical sectors.

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### Vocabulary List:

1. **Adjusting** // (verb): Making small changes to something to make it fit or suitable.
2. **Expectations** // (noun): Beliefs or hopes about what is likely to happen in the future.
3. **Interest Rates** // (noun): The proportion of a loan that is charged as interest to the borrower typically expressed as an annual percentage.
4. **Volatility** // (noun): The degree of variation of a trading price series over time.
5. **Optimistic** // (adjective): Having a belief that good things will happen in the future.
6. **Earnings Growth** // (noun): The increase in a company profit over a specific period of time.

### Vocabulary quizzes

#### Multiple Choice (Select the Correct answer for each question.)

1. Which items are typically bought at a grocery store?

Option: Books  
Option: Clothing  
Option: Fruits and Vegetables  
Option: Electronics

2. What is affected by changes in interest rates?

Option: Unemployment rates



Option: Inflation rates  
Option: Stock prices  
Option: Housing prices

3. What process involves improving the condition of a building or space?

Option: Expanding  
Option: Dismantling  
Option: Demolition  
Option: Renovation

4. Which term refers to the state of being resistant to sudden changes?

Option: Volatility  
Option: Stability  
Option: Uncertainty  
Option: Escalation

5. Which term describes a positive outlook or expectation?

Option: Pessimistic  
Option: Optimistic  
Option: Ambivalent  
Option: Indifferent

6. What strategy involves increasing business operations or market reach?

Option: Contraction  
Option: Consolidation  
Option: Stagnation  
Option: Expansion

7. Which term describes handling situations tactfully and with sensitivity?

Option: Aggressive  
Option: Diplomatic  
Option: Confrontational  
Option: Abrasive

8. What economic term refers to the increase in prices of goods and services over time?

Option: Deflation  
Option: Stagflation  
Option: Inflation  
Option: Recession

9. What is the action of counterattacking to defend oneself?

Option: Compromise  
Option: Negotiation



Option: Retaliation

Option: Submission

10. Who is responsible for creating and implementing government policies?

Option: Economists

Option: Policymakers

Option: Activists

Option: Analysts

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. What term describes the process of reaching an agreement or resolution?

12. What term means making small changes to achieve a desired result?

13. Businesses often strive to stay ahead in a \_\_\_\_\_ environment.

14. Unexpected events can lead to \_\_\_\_\_ in the market.

15. A \_\_\_\_\_ city has a lively and busy atmosphere.

16. Meeting or exceeding customer \_\_\_\_\_ is crucial for business success.

17. The plaintiff \_\_\_\_\_ that the defendant acted unlawfully.

18. Efforts are being made to \_\_\_\_\_ the economy after the recent downturn.

19. The candidate showed great promise and \_\_\_\_\_ for growth.

20. Investors look for companies with consistent \_\_\_\_\_ as a sign of financial health.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. Stock markets are typically characterized by frequent and significant price changes.

22. Disagreements between nations can lead to prolonged disputes and tensions.

23. To qualify for the scholarship students must meet certain academic criteria.

24. The ongoing trade war between the two countries resulted in increasing tariffs.



25. The new technology has great possibilities for revolutionizing the industry.

26. Putting money into stocks or real estate with the expectation of future profit.

27. A steady and predictable economic environment is essential for long-term planning.

28. The whistleblower claims that the company financial misconduct.

29. In response to the competitor's aggressive marketing the company planned a countermove.

30. The retail chain announced its plans to open 50 new stores nationwide.

## Answer

**Multiple Choice:** 1. Fruits and Vegetables 2. Housing prices 3. Renovation 4. Stability 5. Optimistic 6. Expansion 7. Diplomatic 8. Inflation 9. Retaliation 10. Policymakers

**Gap-Fill:** 11. Settling 12. Adjusting 13. Competitive 14. Uncertainties 15. Bustling 16. Expectations 17. Alleges 18. Stabilize 19. Potential 20. Earnings Growth

**Matching sentence:** 1. Volatility 2. Conflict 3. Eligible 4. Escalating 5. Potential 6. Investment 7. Stability 8. Alleges 9. Retaliation 10. Expansion

## CATEGORY

1. Business - LEVEL2

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