



# VICTORY PARTNERS

## MIDDLE MARKET INSIGHT

## What Business Owners Need To Know

### ST. LOUIS

FEDERAL RESERVE PRESIDENT SAID IT MAY HAVE TO RAISE ITS BENCHMARK RATE MUCH HIGHER TO COMBAT INFLATION

### Fed Official Suggests Substantial Rate Hikes May Be Needed

- At each of its last four sessions, the central bank aggressively increased its benchmark rate by three-quarters of a point, the fastest series of increases since the early 1980s. The overall result has been to increase the cost of many consumer and commercial loans and to increase the danger of a recession.
- These rises have brought the Fed's short-term rate to its highest level in over 15 years, up from nearly zero as recently as last March to a range of 3.75% to 4%.
- Bullard indicated that in order to stop inflation, which is close to a four-decade high, the rate may need to go to a level between 5% and 7%. However, he continued, if inflation were to slow down in the upcoming months, that threshold might decrease.

### BULLARD'S

COMMENTS RAISED WORRIES THAT THESE RATE HIKES WILL MAKE BORROWING BY CONSUMERS AND BUSINESSES COSTLIER

### Musk's Twitter Ultimatum

- The company notified employees that it will close its offices and cut badge access until Monday, according to two sources. Security officers began kicking some employees out of one office on Thursday evening, one source said.
- "Taking exit option, I'm free!" was chosen by 42% of 180 respondents in a poll on the workplace app Blind, which verifies employees by their work email addresses and allows them to share information anonymously.
- According to a source with knowledge of the situation, the version of the Twitter app used by employees started to slow down on Thursday night. This source predicted that the public version of Twitter was in danger of going down overnight.

### MUSK'S EMAIL

MUSK SENT OUT AN EMAIL ASKING EMPLOYEES TO COMMIT "TO WORK FOR LONG HOURS AT HIGH INTENSITY"

### Major Retailers Bracing For Disappointing Holiday Season Due To Inflation

- "There's frankly little doubt that consumers are already 1) Reining in spending and 2) Becoming more value conscious," Sevens Report analyst Tom Essaye wrote in a Thursday note.
- Even the traditionally festive Black Friday and Cyber Monday are unlikely to save merchants, since they have been giving out steep discounts for months to clear out excess stock, and retail sales growth is anticipated to be far lower than in previous holiday seasons.
- 20%. The average Thanksgiving feast across the country is now that much more expensive than it was a year ago, according to a survey issued on Wednesday by the American Farm Bureau.

### KOHL'S AND TARGET

BOTH FORESEE NEGATIVE OUTCOMES FOR THIS HOLIDAY SEASON

### CONSUMERS

ARE ALLOCATING MORE SPENDING TOWARDS ESSENTIALS LIKE GROCERIES (UP 12.4%) AND GAS (UP 68.5%)

Sources: [www.apnews.com](http://www.apnews.com) | [www.reuters.com](http://www.reuters.com) | [www.forbes.com](http://www.forbes.com)