# Article information:

What is the outlook for the relationship between stocks and bonds? | J.P. Morgan Asset Management  
<https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/on-the-minds-of-investors/what-is-the-outlook-for-the-relationship-between-stocks-and-bonds/>

# Article summary:

1. The relationship between stocks and bonds has been positive due to the Federal Reserve's rate hiking cycle, resulting in a distrust of duration.

2. The recent trend of disinflation suggests that this relationship will normalize in the future, with the Fed likely to hold rates steady.

3. When the Fed eventually pivots its policy and lowers rates, there is a chance that stock/bond correlation turns negative again, benefiting bond prices while equity markets may stagnate.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article discusses the outlook for the relationship between stocks and bonds, particularly in relation to interest rates and duration. It suggests that the positive correlation between stocks and bonds seen in recent years may normalize in the future, with a potential pivot in policy by the Federal Reserve leading to a negative correlation once again.

One potential bias in the article is its focus on the perspective of the Federal Reserve and its officials. It presents their views on inflation and interest rates as if they are objective facts, without considering alternative viewpoints or potential risks. This could be seen as promoting a particular narrative that aligns with the interests of J.P. Morgan Asset Management, which may have a vested interest in maintaining positive stock/bond correlation.

The article also makes unsupported claims about the future direction of interest rates and stock/bond correlation. While it suggests that lower rates will push bond prices higher and allow equities to benefit from easy monetary policy, it does not provide evidence or analysis to support these claims. It would be helpful to see more data or research supporting these assertions.

Additionally, there are missing points of consideration in the article. For example, it does not discuss potential risks or challenges that could impact the relationship between stocks and bonds. It only briefly mentions concerns about stock/bond correlation being stuck north of zero but does not explore this issue further or provide any counterarguments.

Furthermore, there is a lack of balance in presenting both sides of the argument. The article primarily focuses on the potential benefits of lower rates for both asset classes without adequately addressing any potential drawbacks or challenges.

Overall, while the article provides some insights into the outlook for stocks and bonds, it has biases towards promoting a particular narrative without providing sufficient evidence or considering alternative viewpoints. It would benefit from a more balanced analysis that explores potential risks and challenges associated with changing interest rates and stock/bond correlation.

# Topics for further research:

* Potential risks of changing interest rates on stock and bond correlation
* Counterarguments to the claim that lower rates will push bond prices higher and benefit equities
* Alternative viewpoints on inflation and interest rates
* Challenges that could impact the relationship between stocks and bonds
* Drawbacks of lower interest rates for stocks and bonds
* Research on the future direction of interest rates and stock/bond correlation

# Report location:

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