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What to watch

Market to Fed: We can survive rate hike

Adam Shell

@adamshell
USA TODAY

The Federal Reserve's statement Wednesday hinted strongly that an interest rate hike may still be on the table for December. And stocks rallied on the news.

Maybe a rate hike is not the end of the world for stocks. Maybe the Fed finally moving off 0% rates could signal that the U.S. economy can finally stand on its own two feet without the benefit of Fed steroid-like stimulus. Maybe the Fed's slightly more upbeat assessment of the economy is good news, and good news is again good news for the stock market. And maybe, just maybe, Wall Street is starting to warm up to the idea that now's the time to start normalizing rates.

The stock market's bullish re-

action to the Fed's statement, which dialed back concerns about global market tumult and international issues as headwinds for the U.S. economy, seems to be sending a message to the Fed to take the plunge and hike rates for the first time in nearly a decade.

Barring any unforeseen hiccups, like more lousy job reports, more sinister-looking economic data or another inflation relapse, the pieces are falling into place for a Fed rate hike without upsetting the stock market in any major way. Stocks have nearly erased all of their correction lows. China's economy hasn't stopped in its tracks as feared. Wall Street is getting more comfortable with the idea of a rate hike.

The Fed's window to hike rates, which looked like it had passed, is open again. Investors are acting like they want the Fed to hike rates while they still can.