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The Fed's Hawkish Turn Clobbered Your Favorite Stocks. Here's What Happens Next.

By [Ben Levisohn](#) [Follow](#) Updated Jan. 7, 2022 8:16 pm ET / Original Jan. 7, 2022 8:11 pm ET



A Tesla electric vehicle drives through the Las Vegas Convention Center loop at the CES 2022 show this past

The Federal Reserve released the [minutes of its December meeting](#) this past Wednesday, and what was inside them apparently took the market by surprise. Observers pointed to the fact

By the end of the week, the [Nasdaq Composite](#) had dropped 4.5% and the [S&P 500](#) had fallen 1.9%. Only the [Dow Jones Industrial Average](#), which dipped 0.3%, managed to end the week relatively unscathed.

It was more a change in tone than any one thing the Fed said that was most likely responsible for the market's reaction, says Chris Harvey, U.S. equity strategist at Wells Fargo Securities. Before the minutes, the market might have thought of the Fed as being reluctant to tighten. After, it knew that wasn't the case, as [odds of a March rate hike](#) jumped from just over 50% before the minutes' release to more than 75% on Friday.