

As you can see from the chart below, MET's stock fell Tuesday, March 22, 2005 by more than the market. This was due to the announcement of the Fed on that day that they were raising rates (from 2.50% to 2.75%) due to increased inflation. This presages an increase in interest rates overall. As a large financial intermediary, an increase in rates is not positive for MetLife.

Also, you can see that Citigroup got hit worse ... that is because they are even more of a financial institution than MET. They have a worse Asset/Liability duration gap (long term assets financed by short term liabilities).

