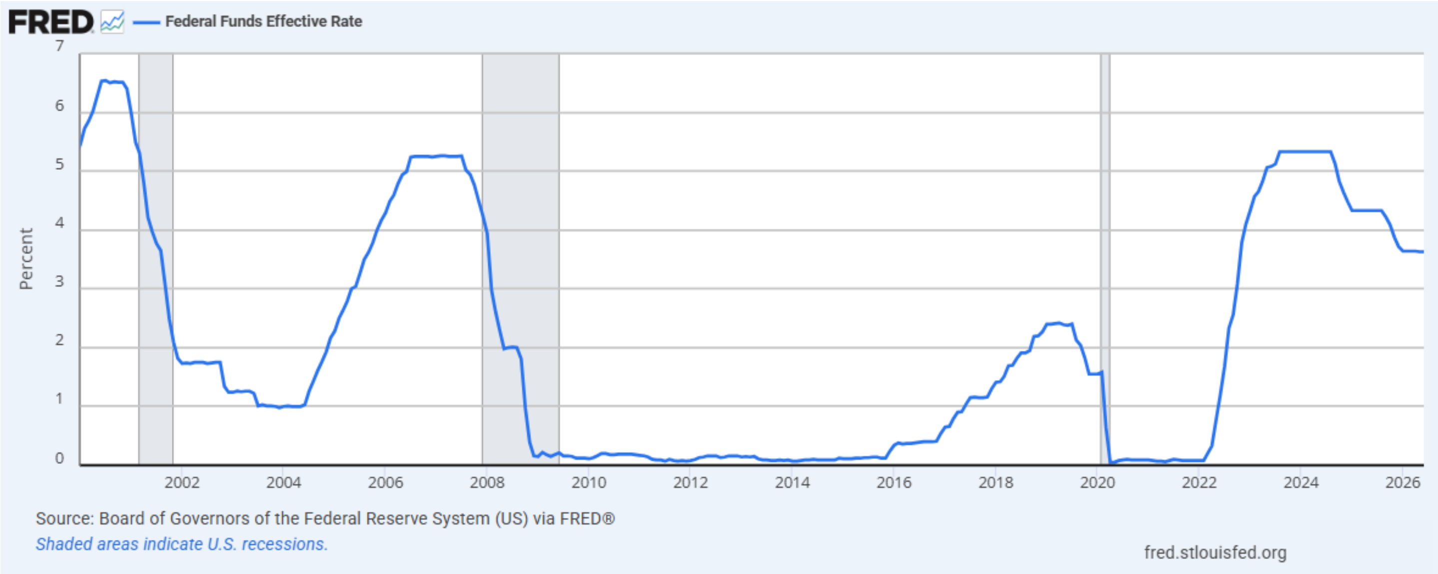
FEDERAL FUNDS RATE INCREASES

SEPTEMBER 16, 2026

Fed Raises Policy Rate, Hints at Future Hikes

The Federal Open Market Committee (FOMC) announced its September policy decision today, raising the federal funds rate 25 bps to the 3.75% - 4.00% target range, an outcome that was widely anticipated. In its statement, the Committee cited a solid pace of economic expansion despite heightened uncertainty, particularly due to the conflict in the Middle East. Productivity growth and capital investment remain strong, with job gains keeping pace with the workforce and little change to the unemployment rate. The statement noted that today's action is meant to support a quicker return to the Committee's 2% inflation target. Members voted 12 to 0 in favor of the decision.



Federal Funds Effective Rate Chart will not be updated with the current rate until 9-17-26

The FOMC reiterated its commitment to achieving its dual mandate of maximum employment and price stability, emphasizing its long-run inflation objective of 2%.

Policy Outlook Tilts Hawkish

The FOMC's statement cited persistent, elevated inflation as the driving factor for their decision to increase the target range. The unanimous decision indicates that the committee has a unified stance regarding current economic conditions and the state of the US Economy.

Along with the rate hike, the September meeting included a new Summary of Economic Projections (SEP). The report indicates that the Committee is projecting future rate hikes, with sixteen members expecting at least one more 25 bp hike by the end of 2026. In Chair Warsh's press conference, he noted that the American economy is strengthening despite elevated prices, and raising the target range will help them achieve the inflationary side of their dual mandate.

Souce: Federal Reserve

DISCLAIMER

The information in the FOMC update has been prepared solely for informative purposes and is not a solicitation, or an offer, to buy, sell or hold any security or a recommendation of the services supplied by any money management organization. It does not purport to be a complete description of the securities, markets or developments referred to in the report. We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed.

Data displayed on this site or printed in such reports may be provided by third party providers.

This document is intended only for the addressee and may not be reproduced or redistributed. If the reader is not the intended recipient, you are notified that any disclosure, distribution or copying is prohibited.

Additional information is available upon request. Please contact your Financial Consultant with any questions.