

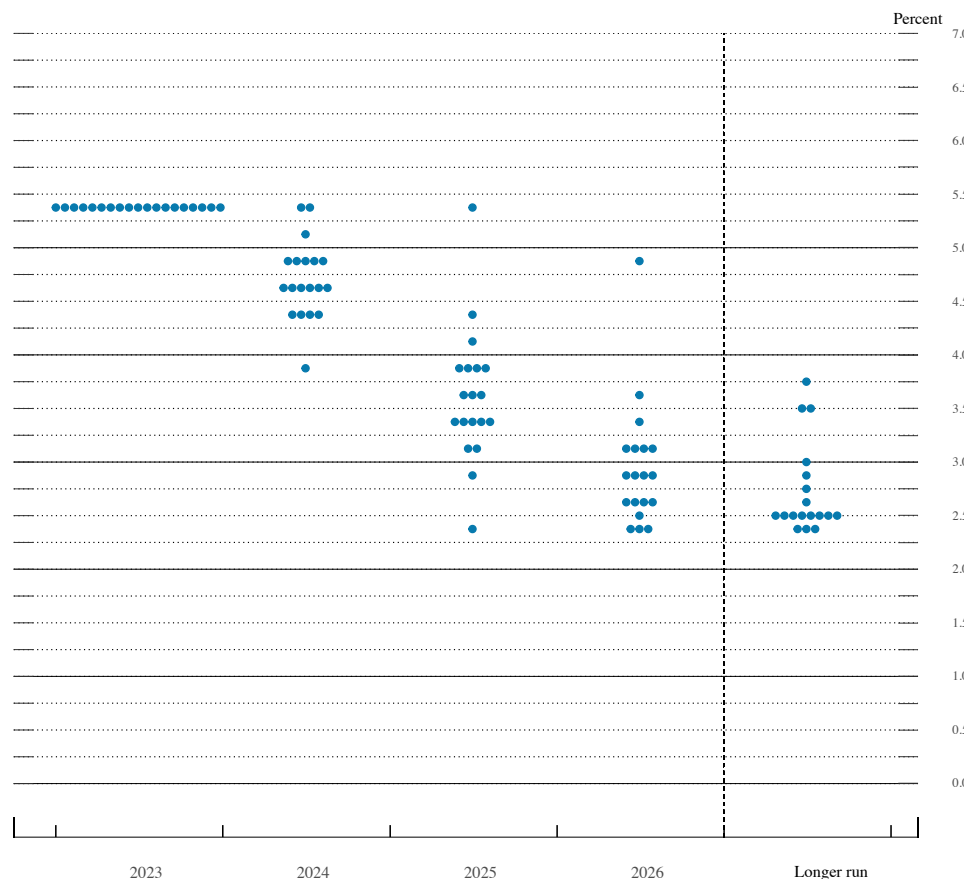
FED CONTINUES TO HOLD RATES STEADY

DECEMBER 13, 2023

The Federal Reserve Open Market Committee (FOMC) released their decision on the federal funds rate earlier today at the December meeting and maintained the fed funds rate at 5.25-5.50%. Comments included that recent indicators suggest economic activity has slowed, and job growth has moderated throughout 2023. As evidenced by yesterday's CPI release, inflation has eased but still remains above the long term target of 2.0%.

The Federal Reserve's Summary of Economic Projections provides some insight into the committees' thoughts on the outlook. The Federal Reserve Dot Plot below is the graphical representation of each FOMC member's interest rate forecast over the next three years and shows three to four interest rate cuts in 2024 with the rate exiting 2024 at 4.6%. Comparatively, prior expectations were 5.1% and the current range of 5.25-5.50%.

FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Source: Federal Reserve

NOTE: Each shaded circle indicates the value (rounded to the nearest 1/8 percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. One participant did not submit longer-run projections for the federal funds rate.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Lisa D. Cook; Austan D. Goolsbee; Patrick Harker; Philip N. Jefferson; Neel Kashkari; Adriana D. Kugler; Lorie K. Logan; and Christopher J. Waller.

Per today's Federal Reserve's news release, members reemphasized their commitment to using the tools at their disposal to try and tackle inflation. The FOMC's next decision regarding fed fund rates will be announced on Jan. 31.

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