

Market Briefing: Federal Funds Rate

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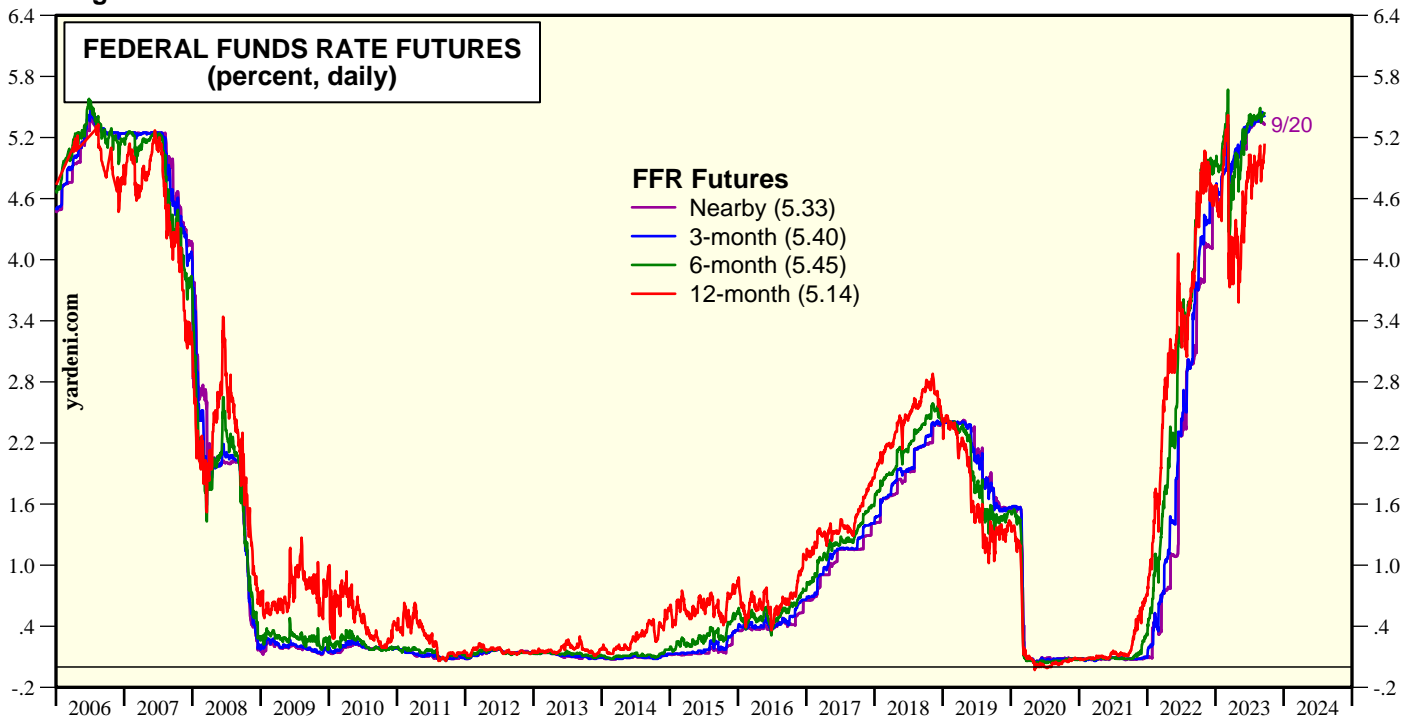
thinking outside the box

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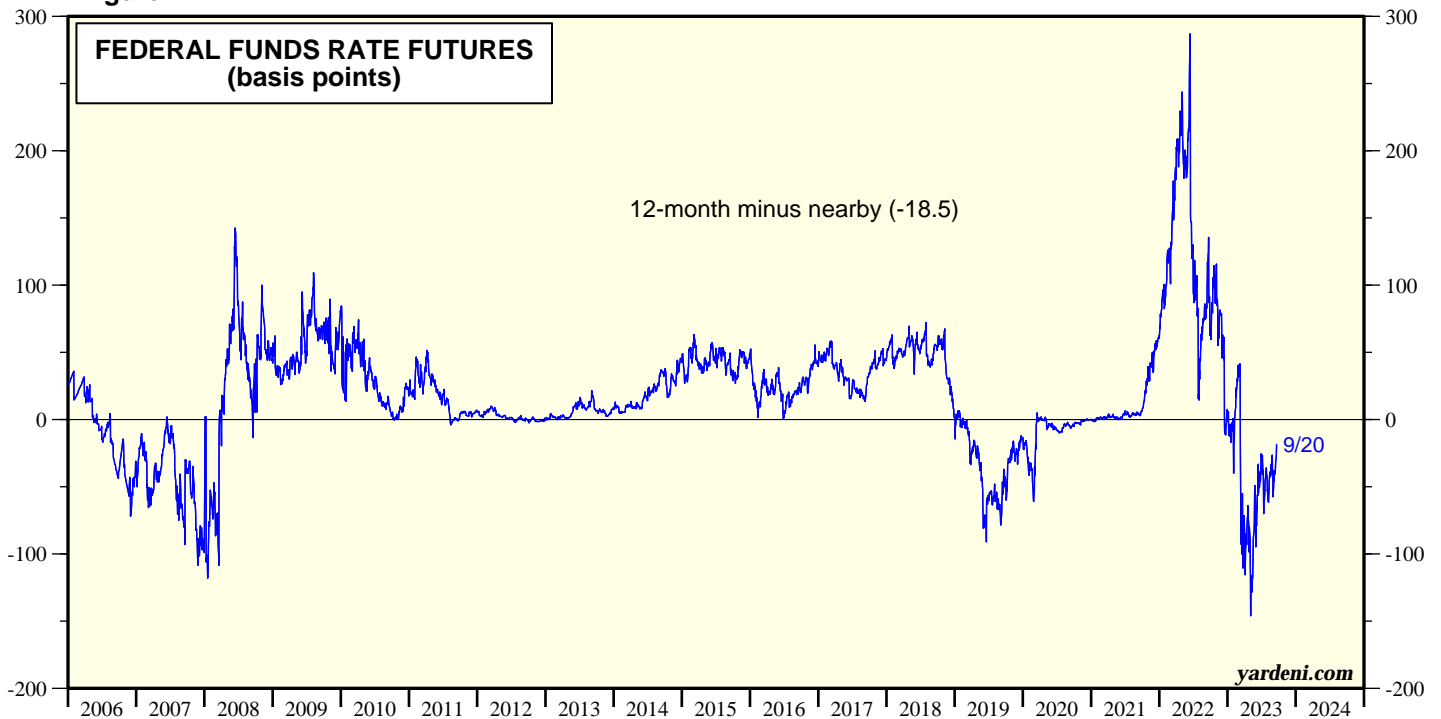
Federal Funds Rate Futures

Figure 1.



Source: Chicago Mercantile Exchange.

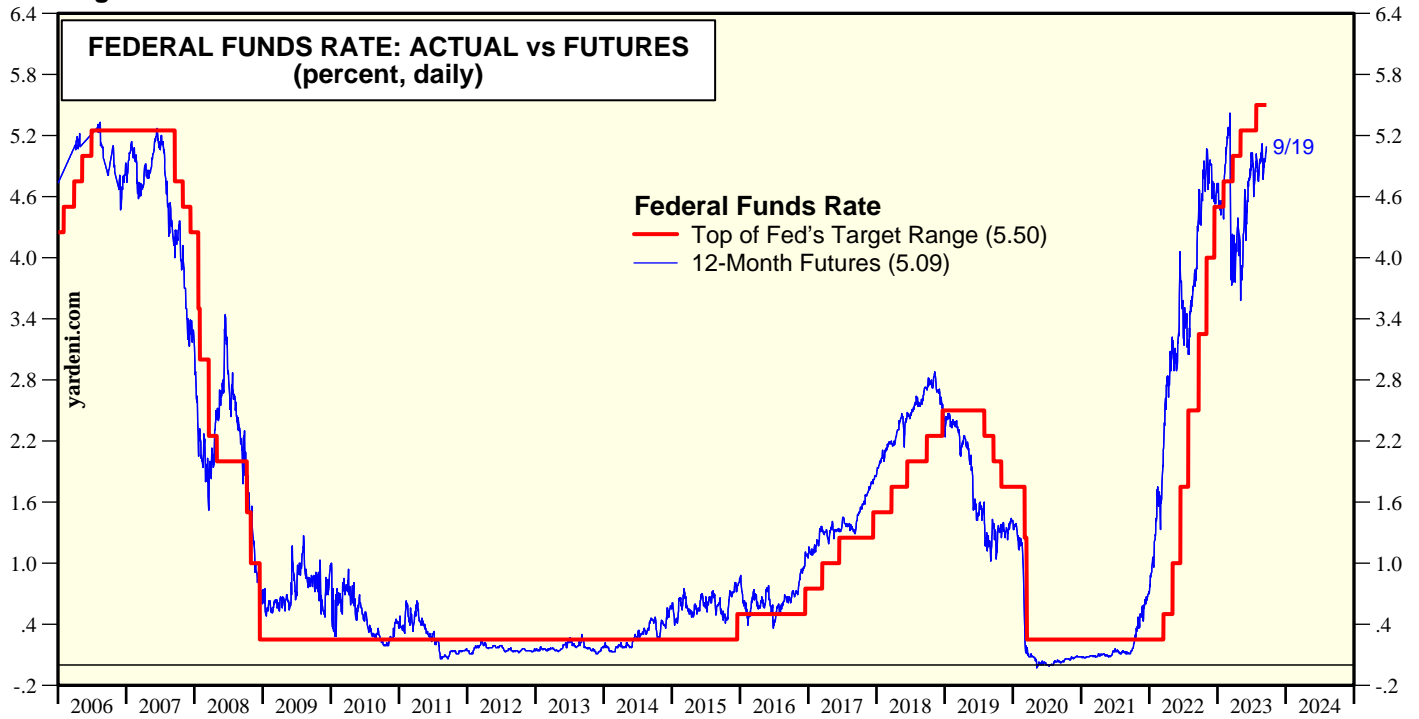
Figure 2.



Source: Chicago Mercantile Exchange.

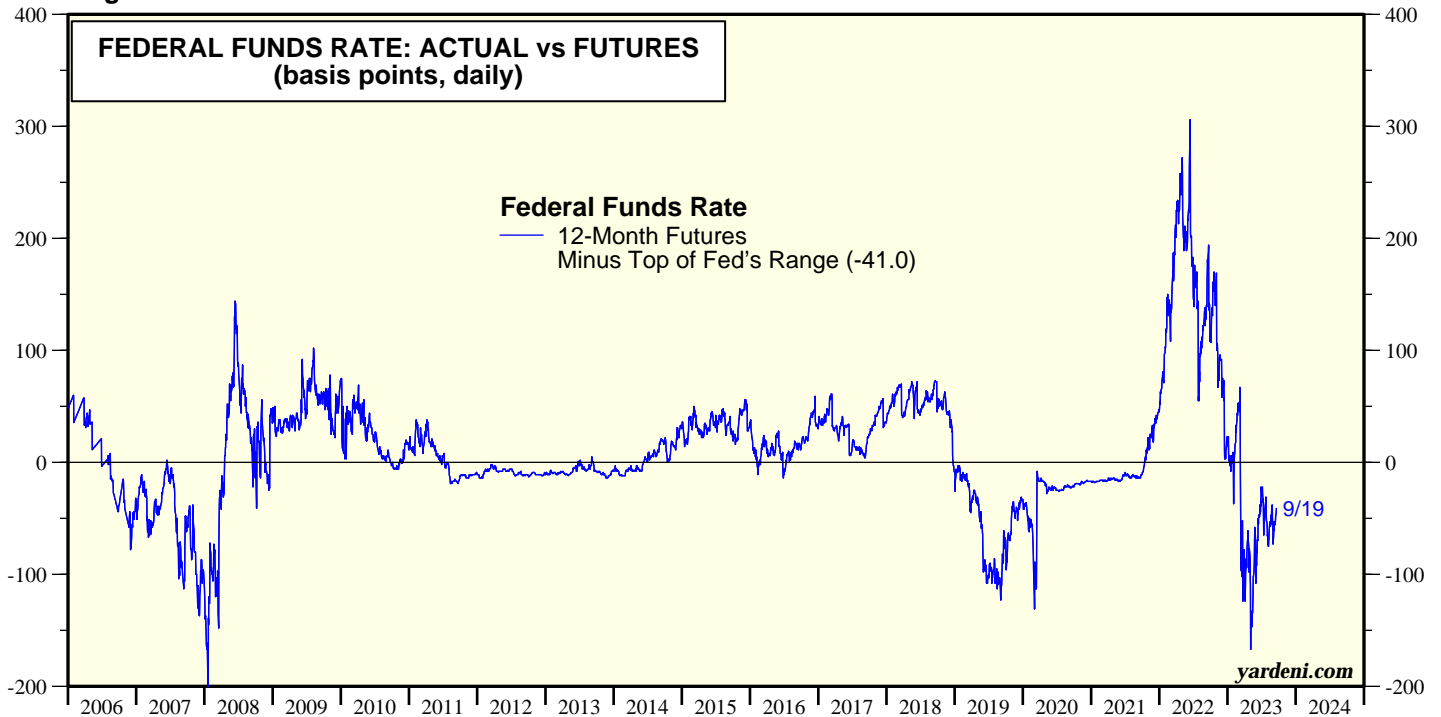
Federal Funds Rate Futures

Figure 3.



Source: Chicago Mercantile Exchange and Federal Reserve Board.

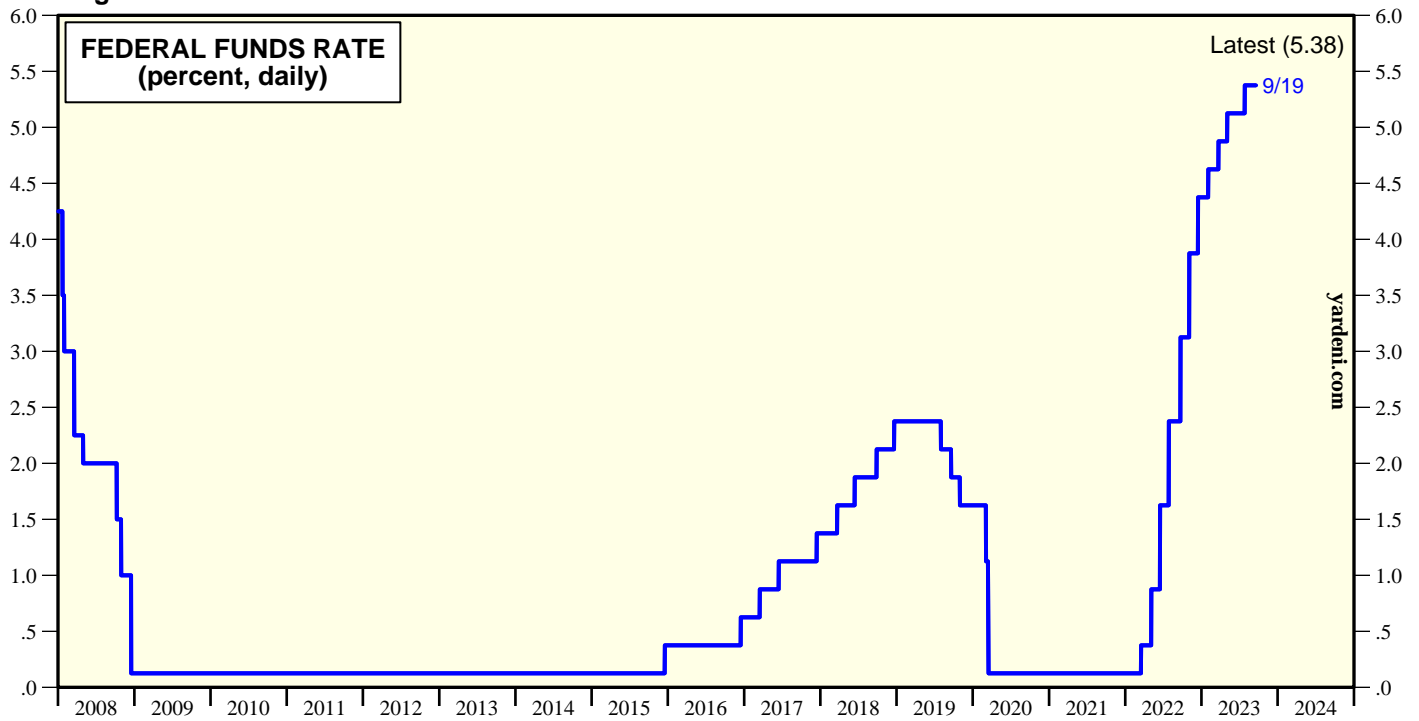
Figure 4.



Source: Chicago Mercantile Exchange and Federal Reserve Board.

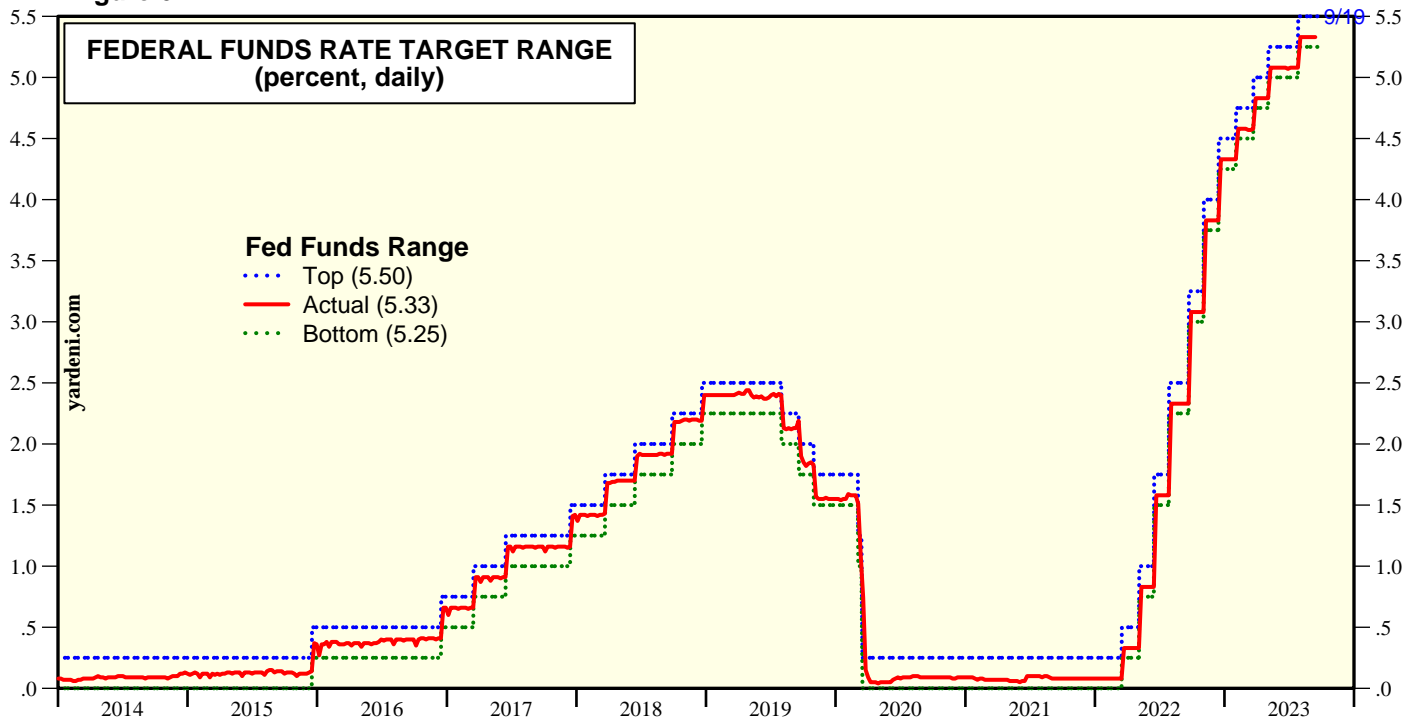
Federal Funds Rate

Figure 5.



Source: Federal Reserve Board.

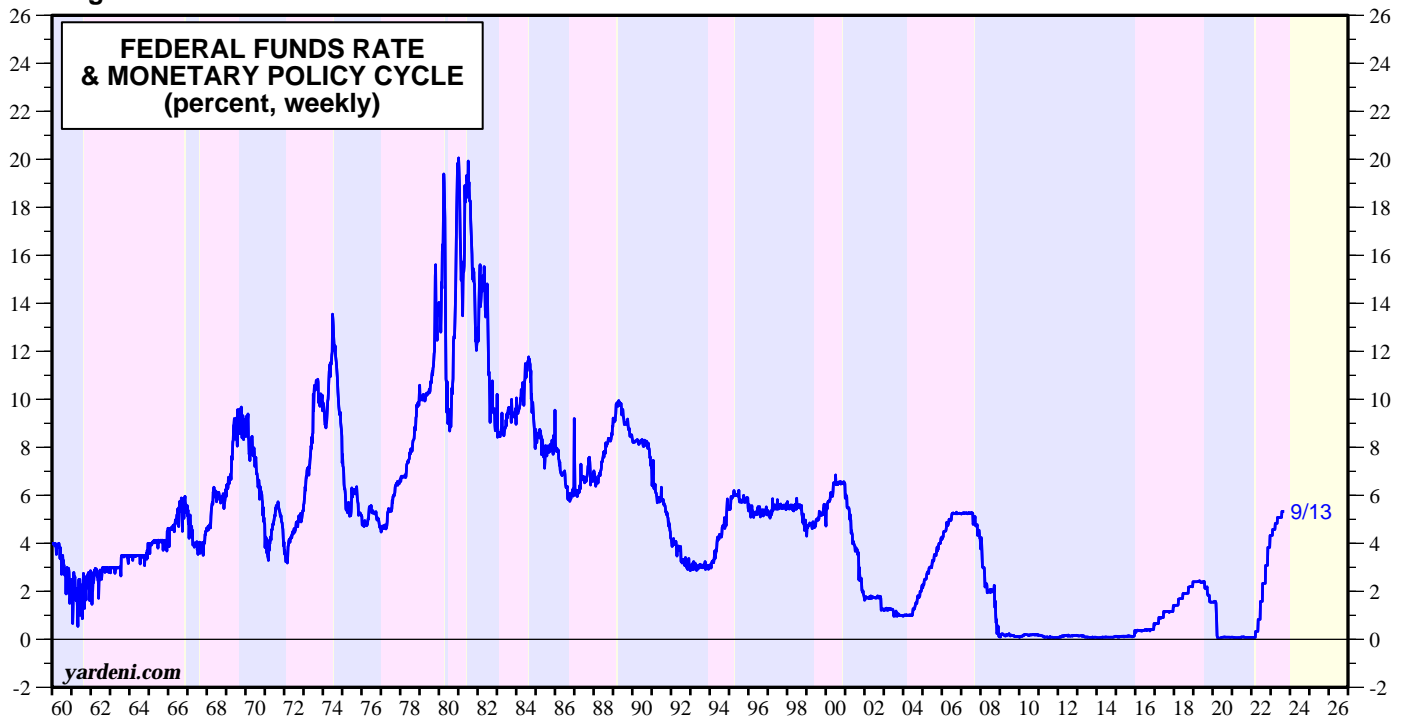
Figure 6.



Source: Federal Reserve Board.

Federal Funds Rate

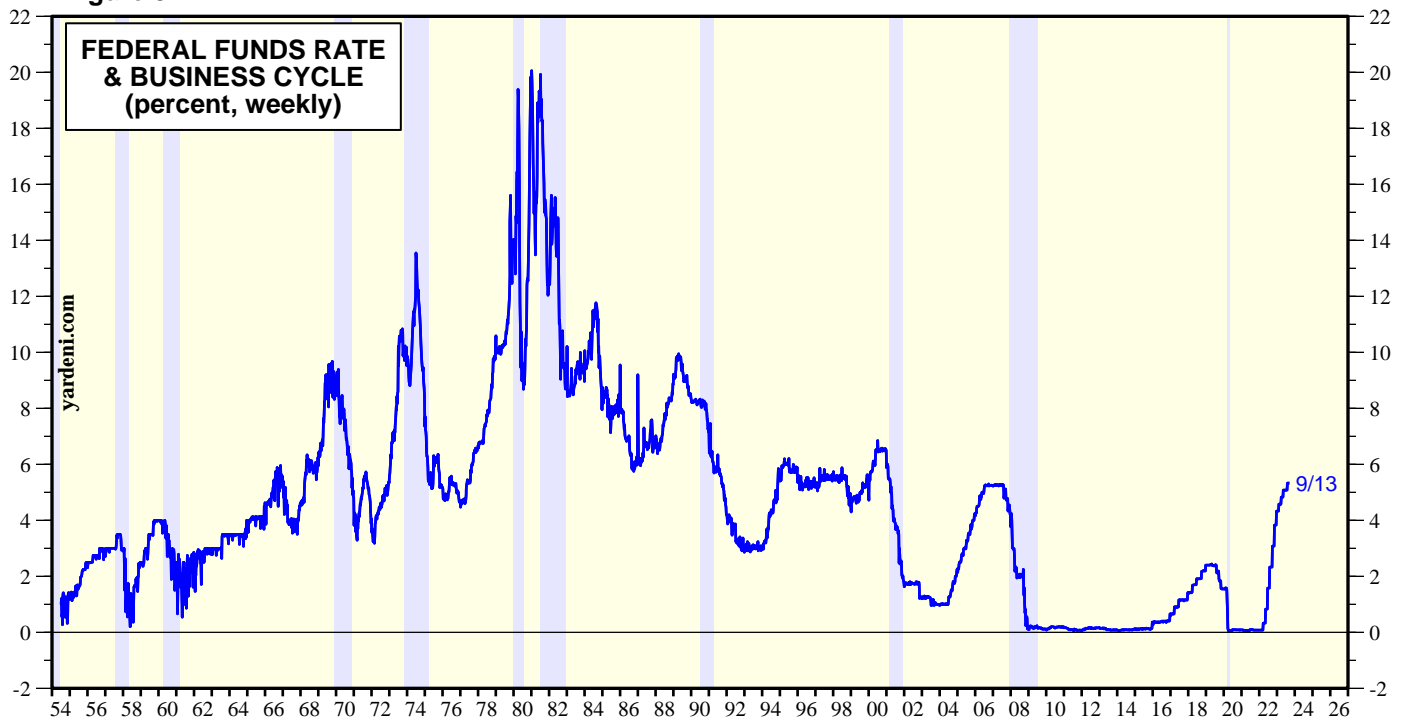
Figure 7.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.

Source: Federal Reserve Board.

Figure 8.

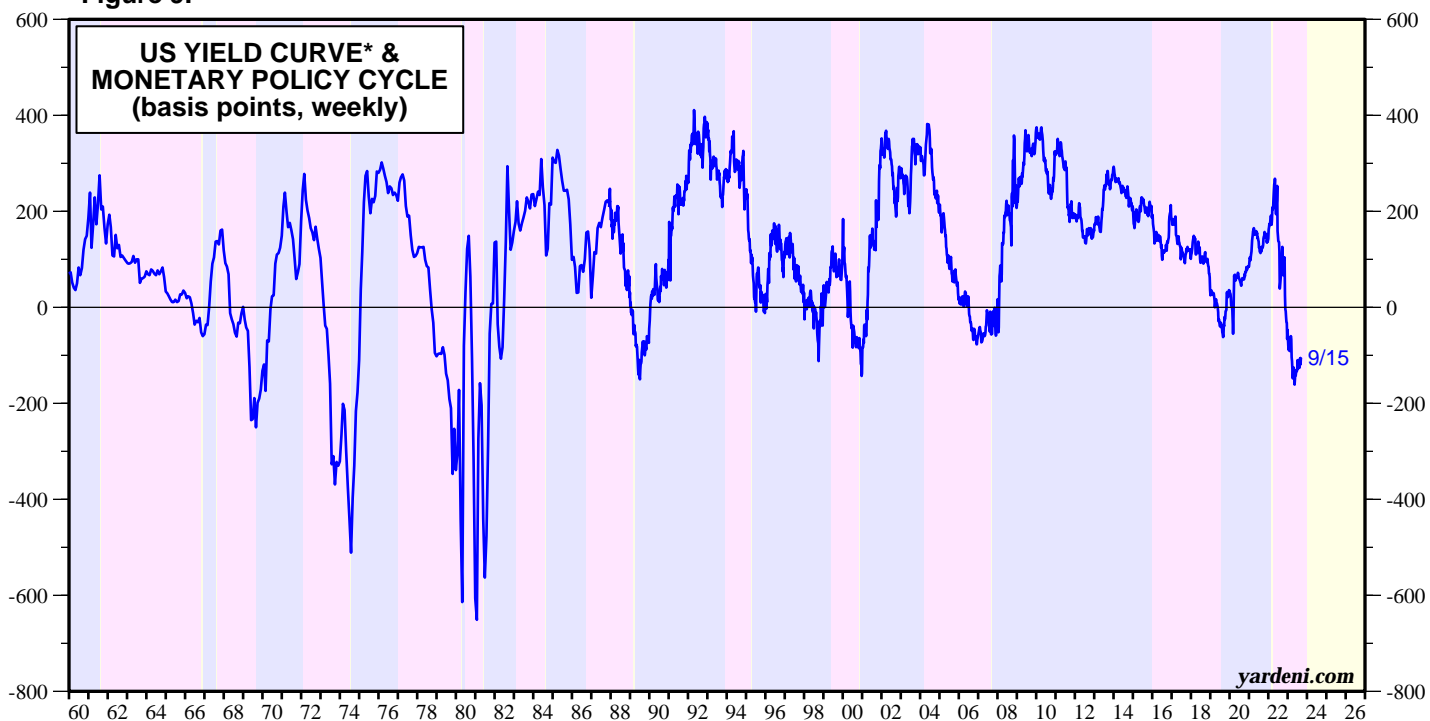


Shaded areas are recessions according to the National Bureau of Economic Research.

Source: Federal Reserve Board.

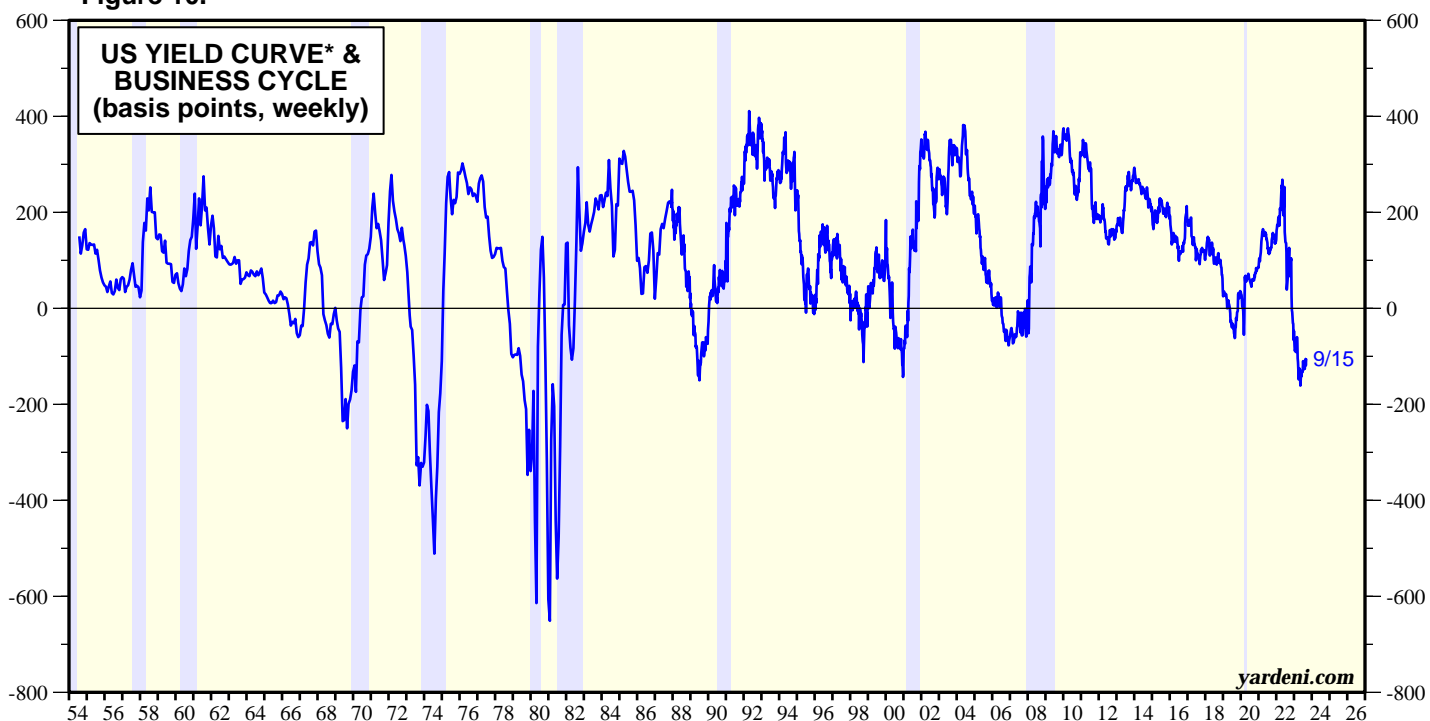
Yield Curve

Figure 9.



* 10-year Treasury yield less federal funds rate. Monthly through 1987, then weekly.
 Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
 Source: Federal Reserve Board.

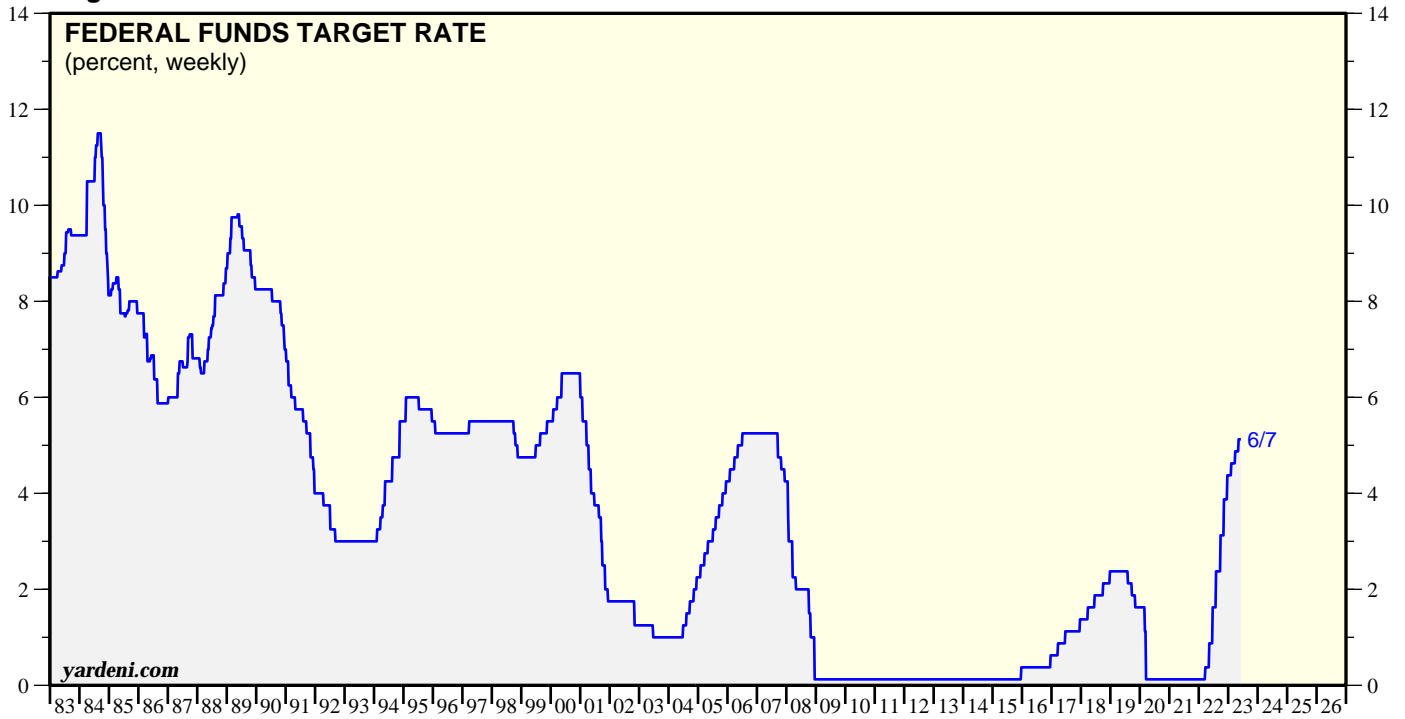
Figure 10.



* 10-year Treasury yield less federal funds rate. Monthly through 1987, then weekly.
 Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
 Source: Federal Reserve Board.

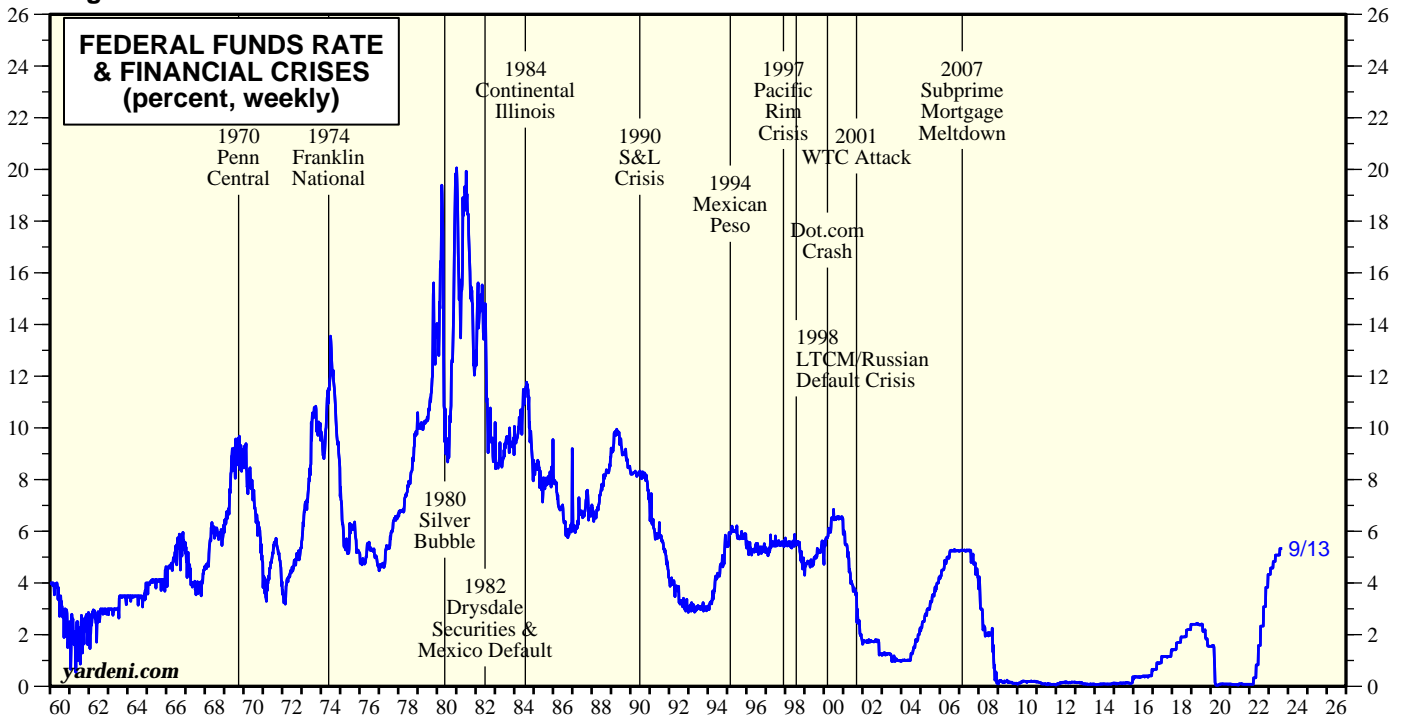
Federal Funds Rate

Figure 11.



Source: Federal Reserve Board.

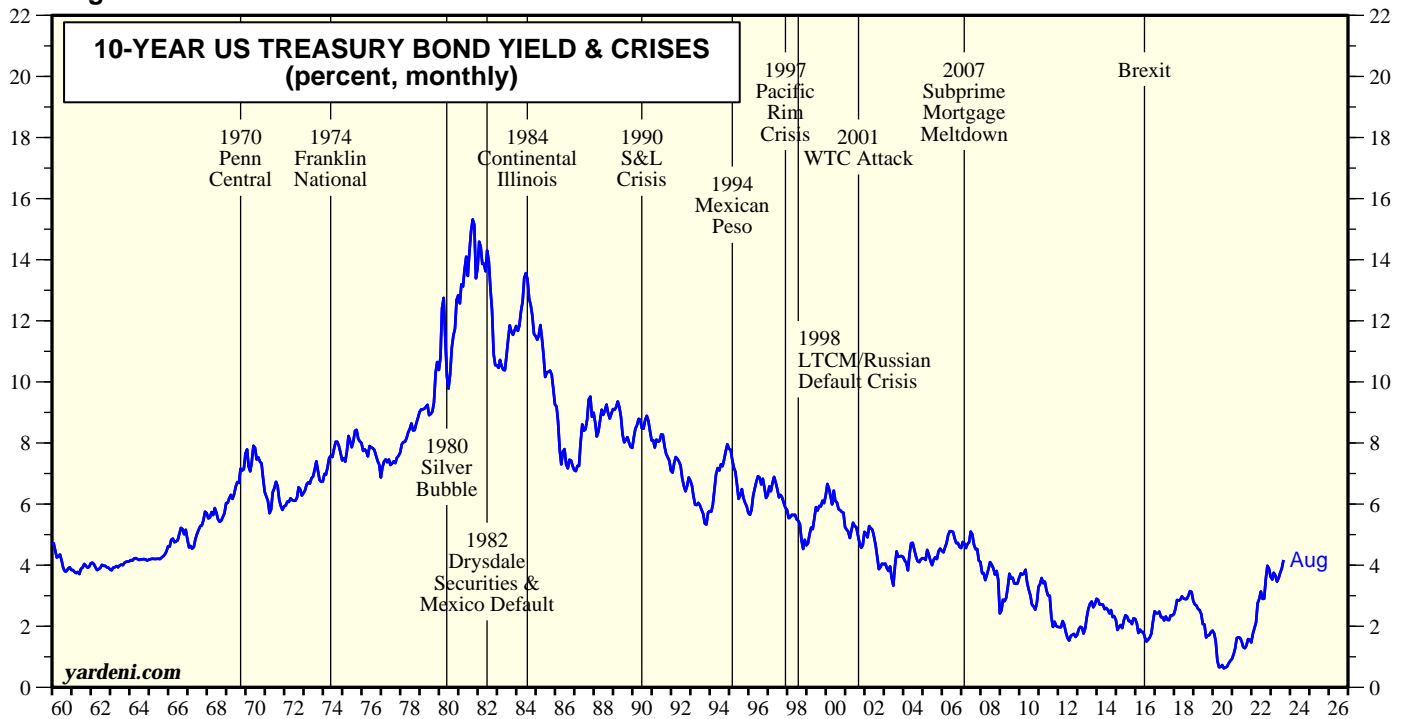
Figure 12.



Source: Federal Reserve Board.

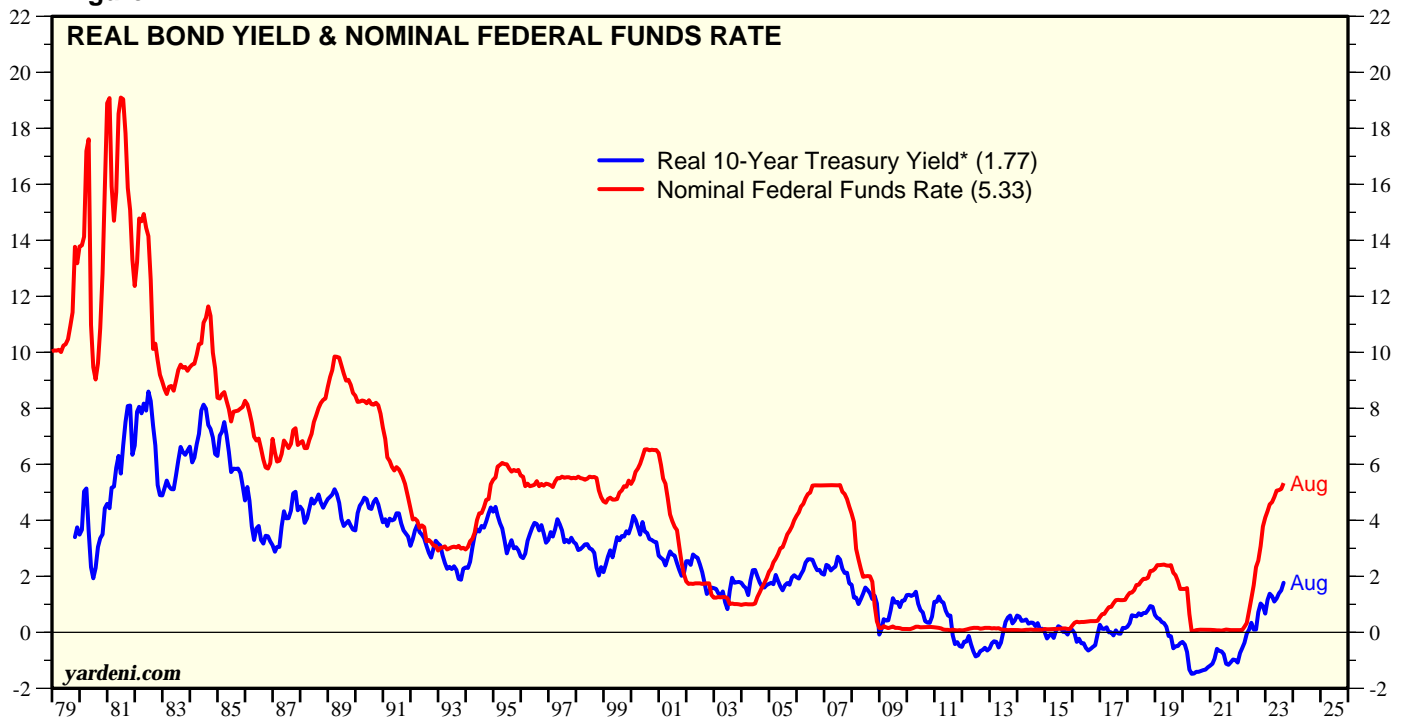
10-Year Treasury Yield

Figure 13.



Source: Federal Reserve Board.

Figure 14.



* US Treasury 10-year bond yield minus median forecast of year-over-year CPI inflation rate over the next 10 years using Philadelphia Fed Survey of Professional Forecasters data (monthly series interpolated from quarterly data starting as two quarters per year during Q4-1979 until Q4-1991 when the data continue with four quarters a year).
Source: Federal Reserve Board, US Treasury, Thomson Reuters I/B/E/S, and Federal Reserve Bank of Philadelphia.

10-Year Treasury Yield

Figure 15.

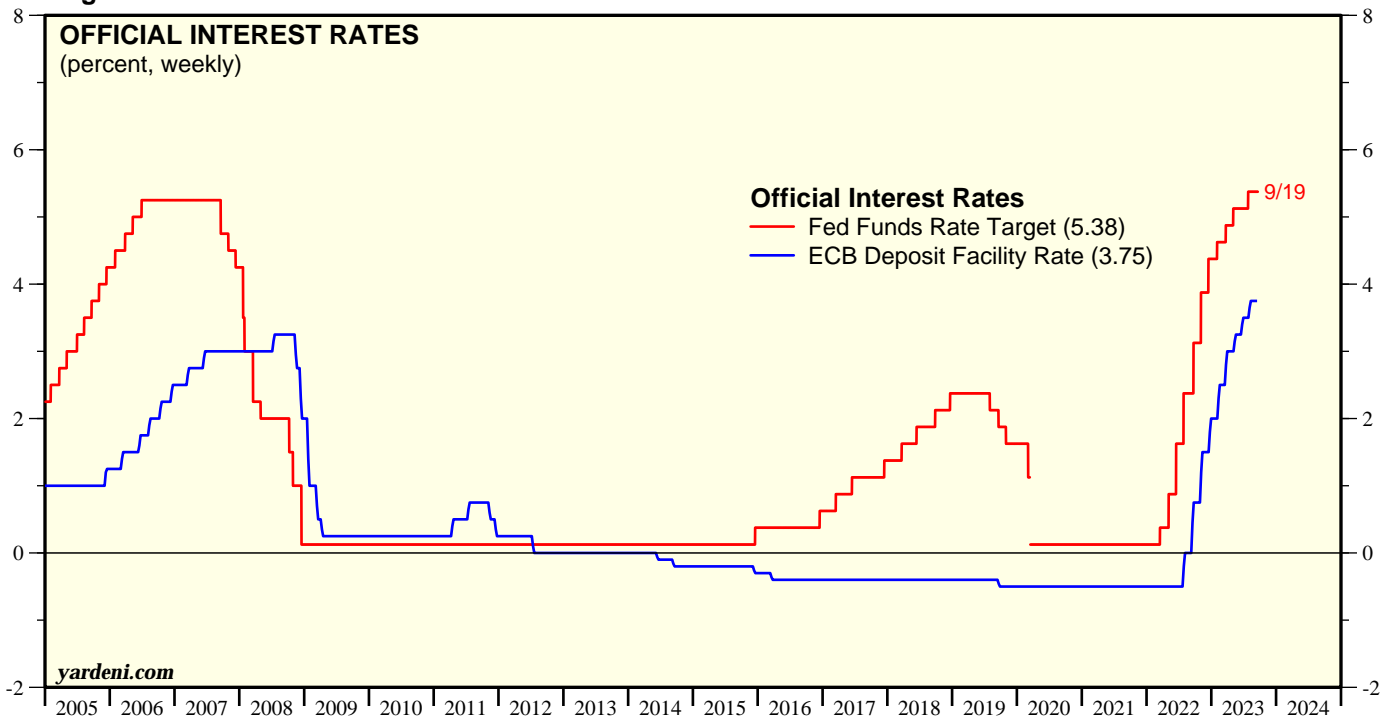
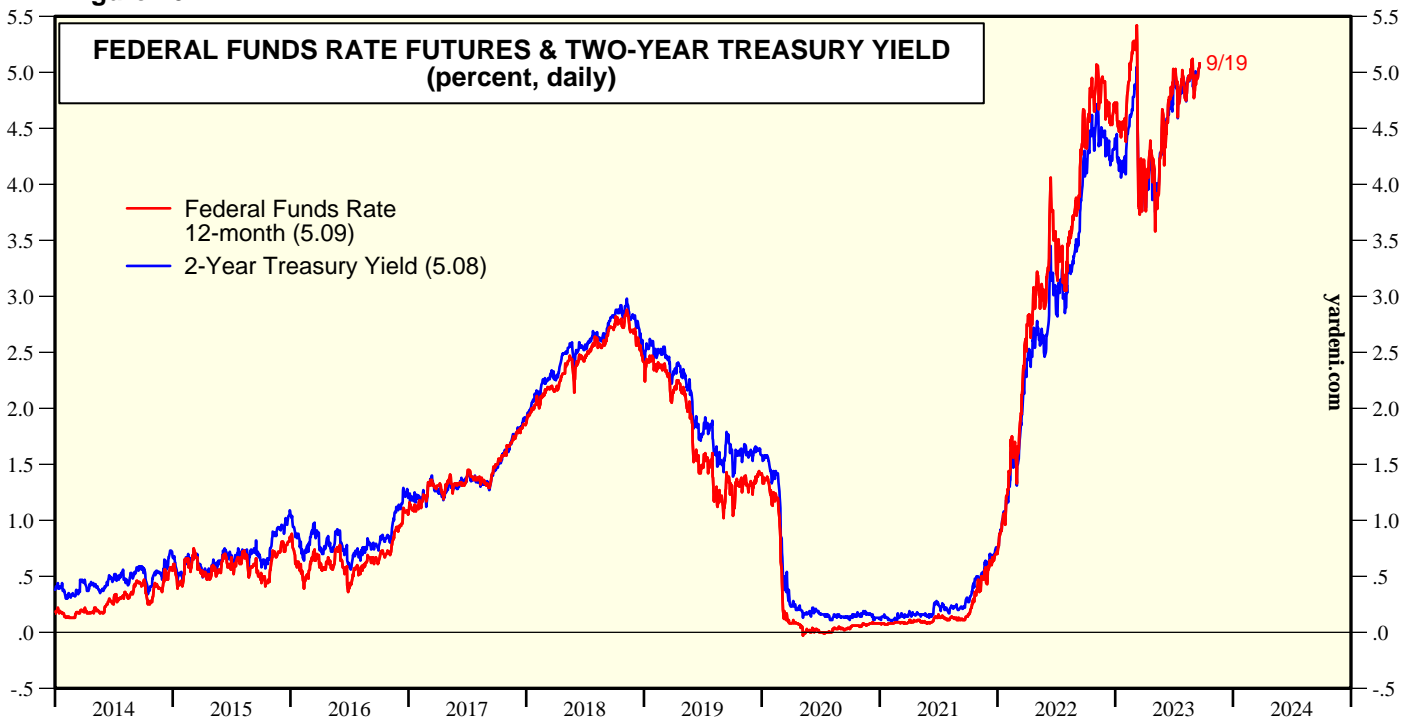
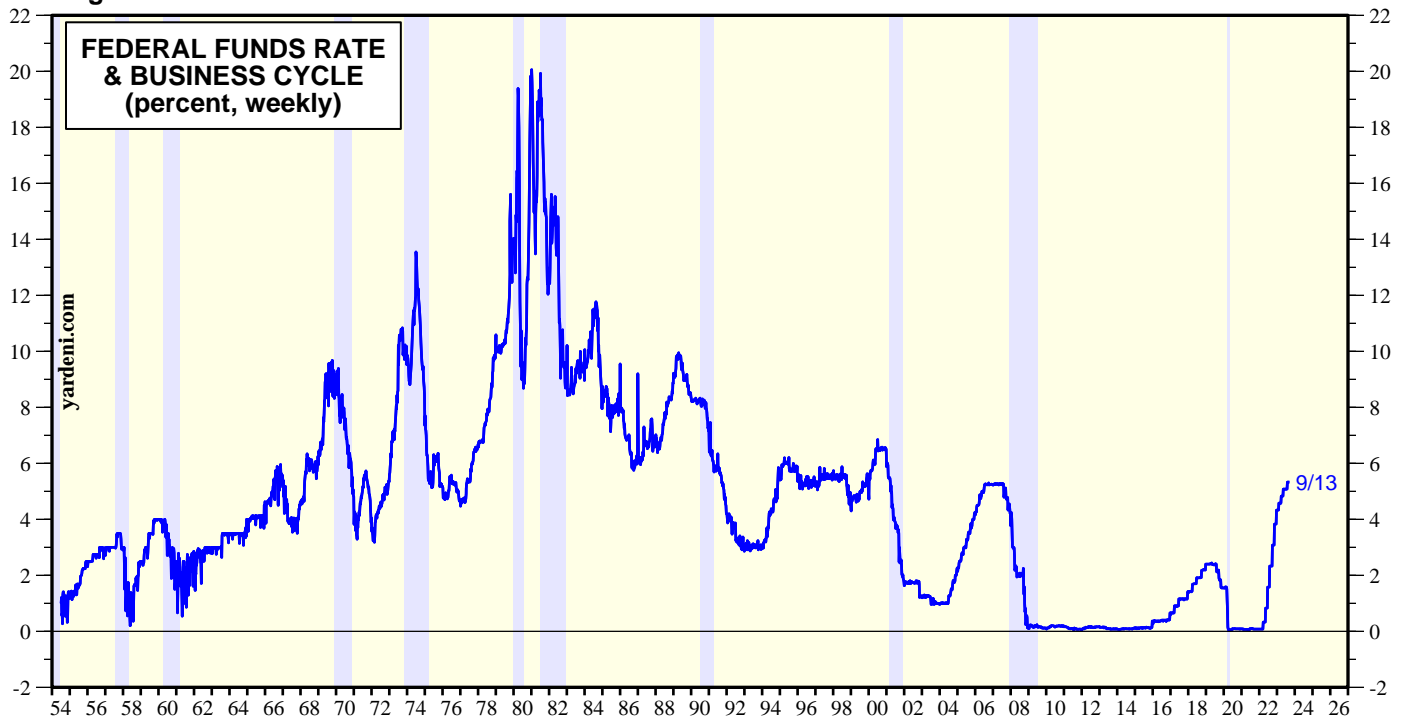


Figure 16.



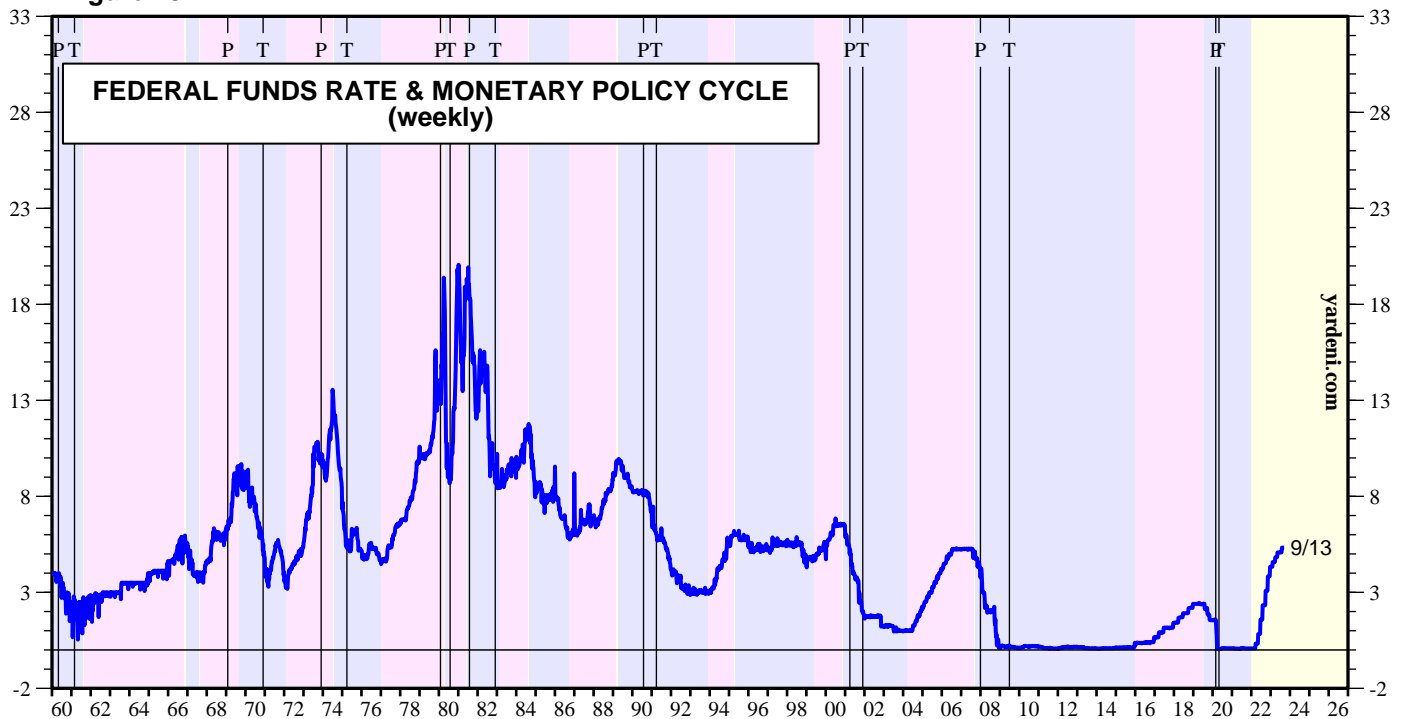
10-Year Treasury Yield

Figure 17.



Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board.

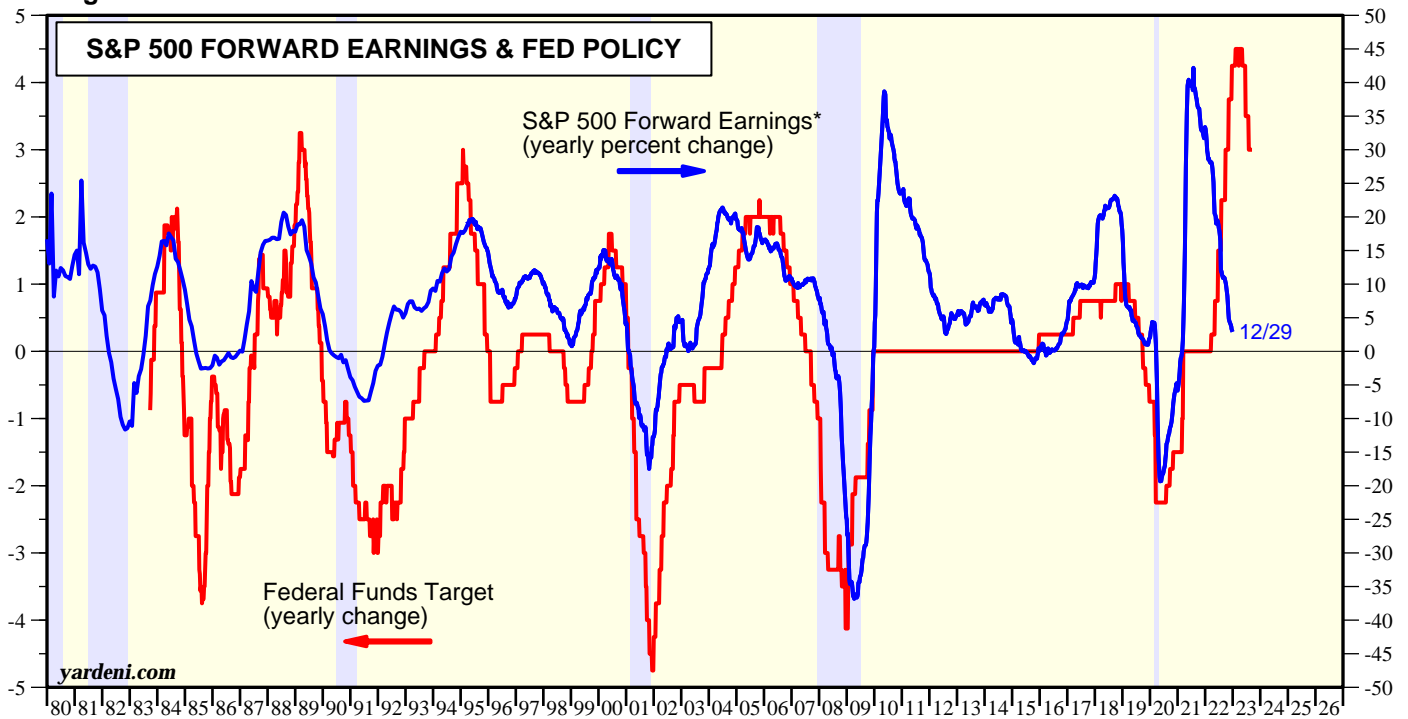
Figure 18.



Note: Numbers above time scale are weeks from recession trough to first increase in federal funds rate.
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Standard & Poor's.

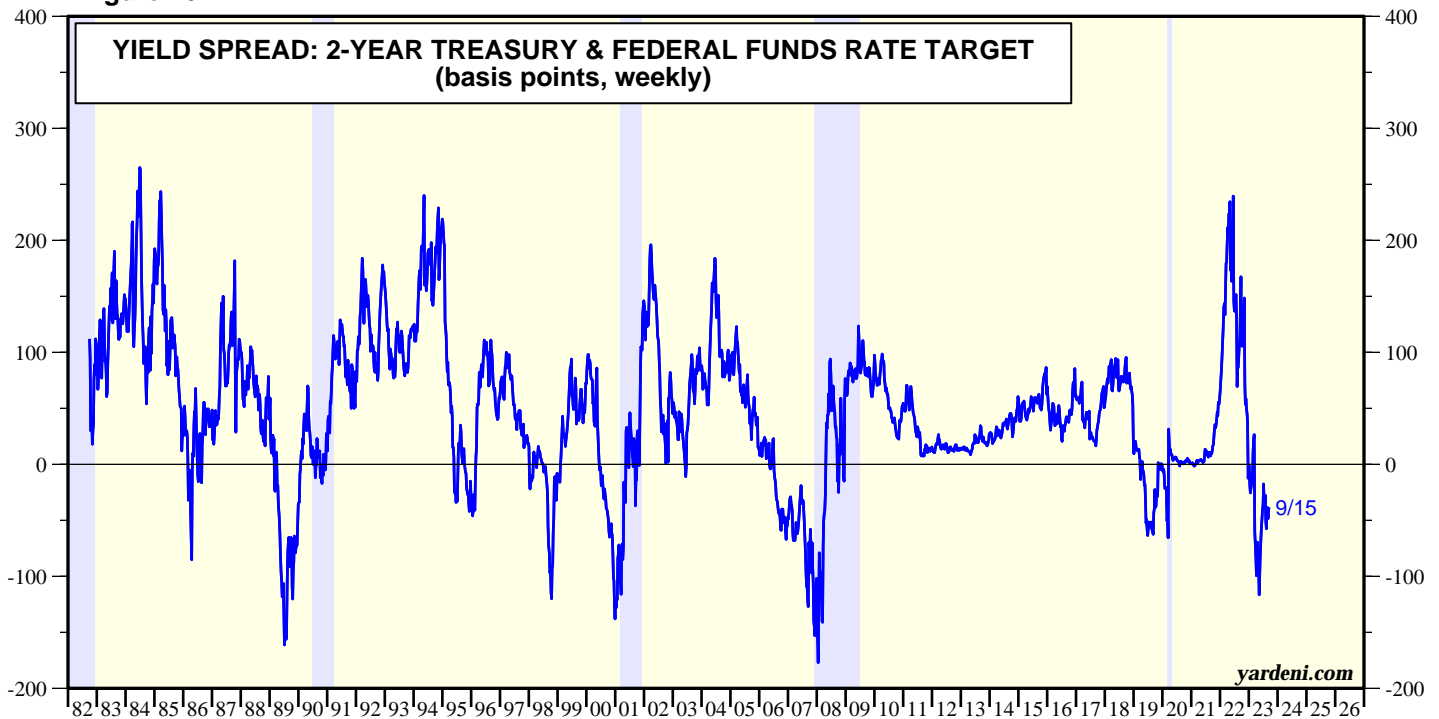
10-Year Treasury Yield

Figure 19.



* 52-week forward consensus S&P 500 operating earnings per share. Monthly through March 1994, weekly after. Time-weighted average of current and next year's consensus earnings estimates.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Thomson Reuters I/B/E/S and Board of Governors of the Federal Reserve System.

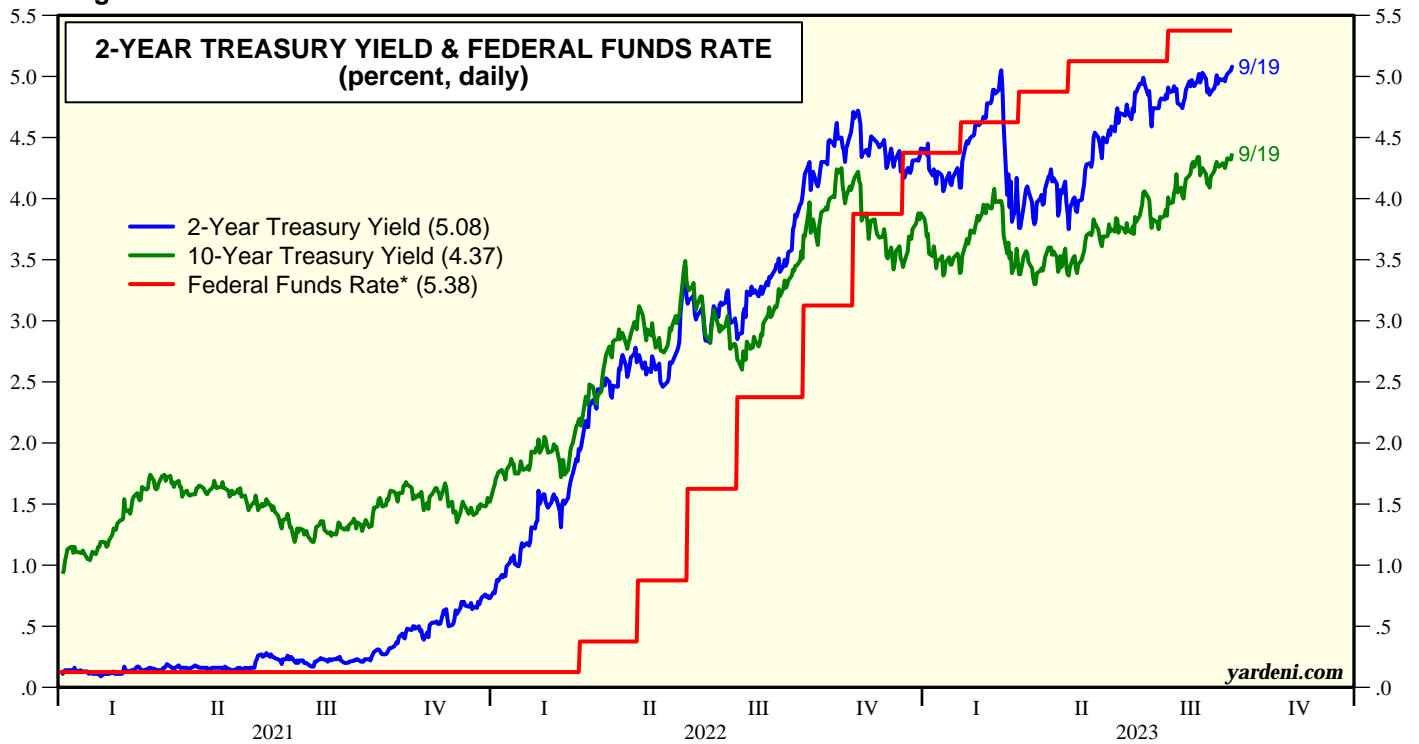
Figure 20.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: US Treasury & Chicago Mercantile Exchange.

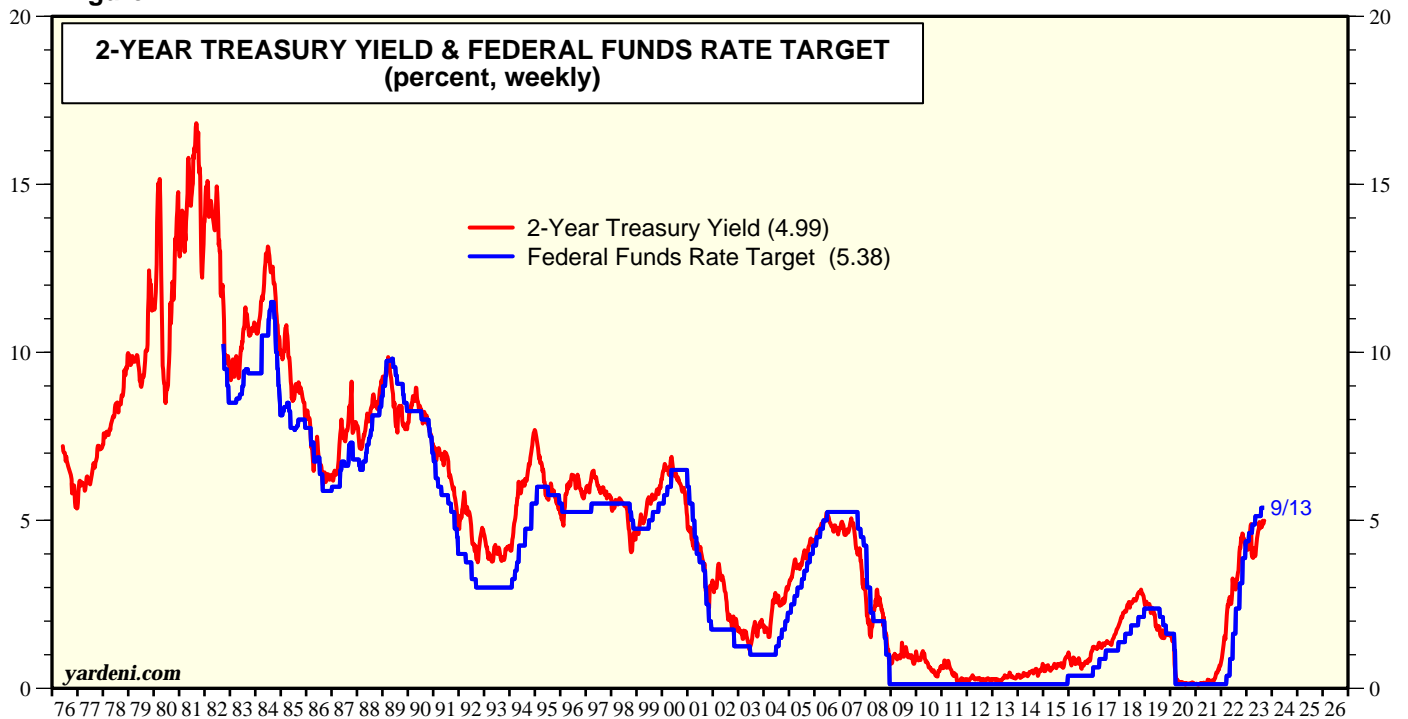
10-Year Treasury Yield

Figure 21.



* Midpoint of FOMC's target range
Source: Federal Reserve Board.

Figure 22.



Source: Federal Reserve Board.

10-Year Treasury Yield

Figure 23.

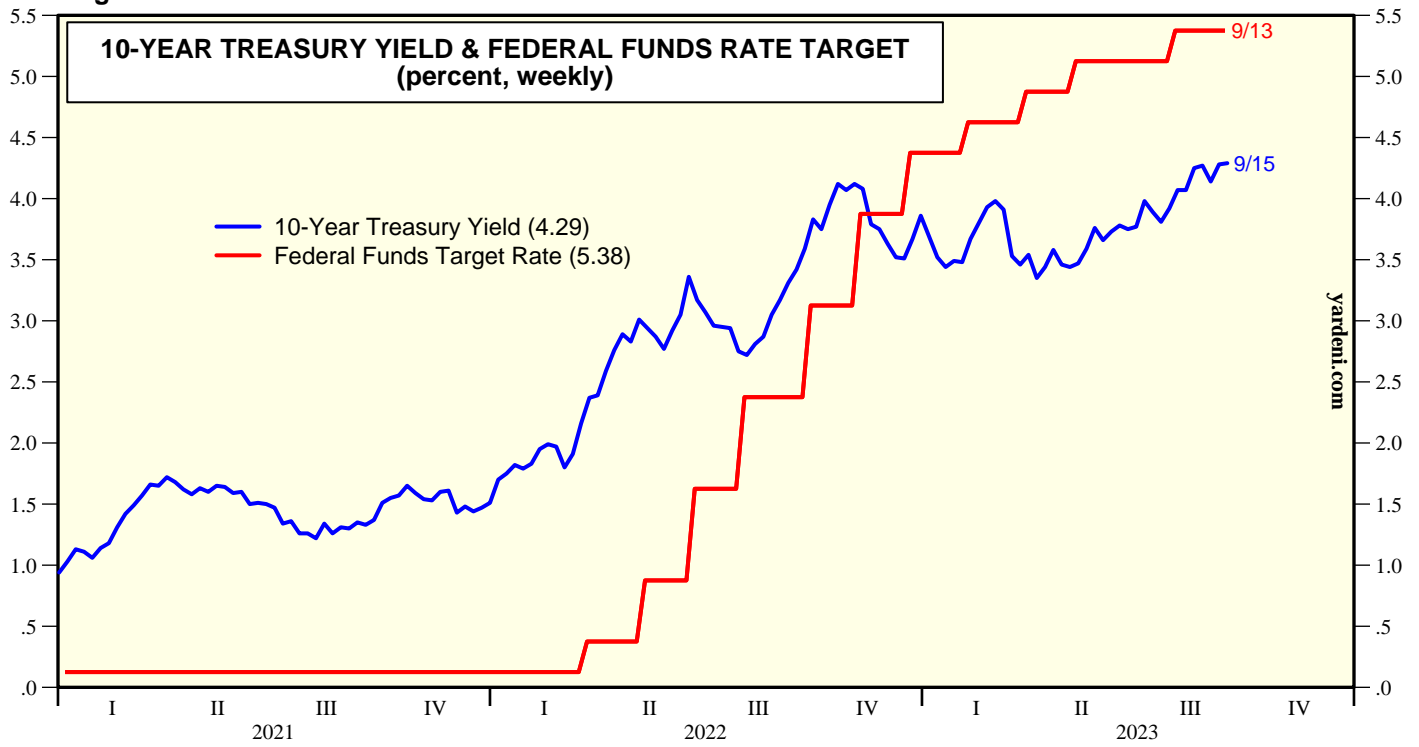
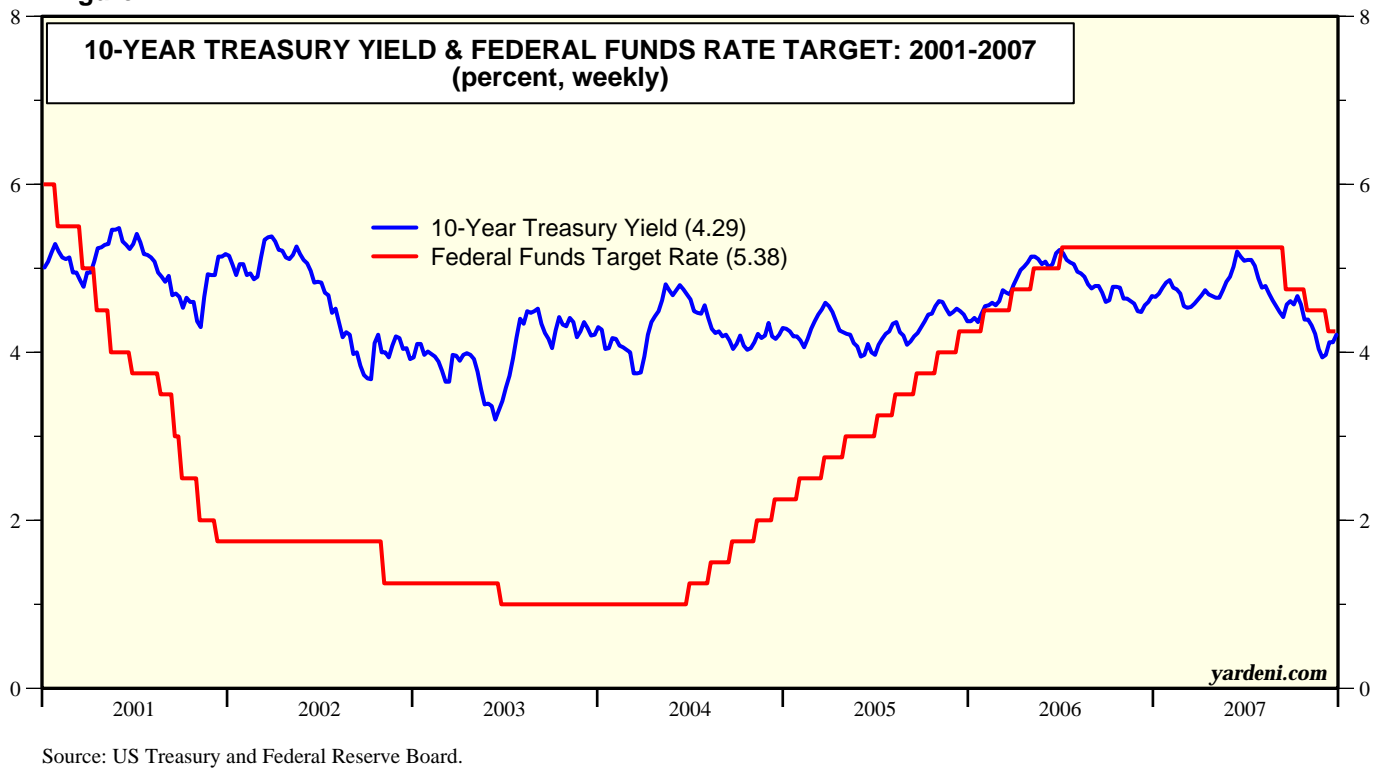
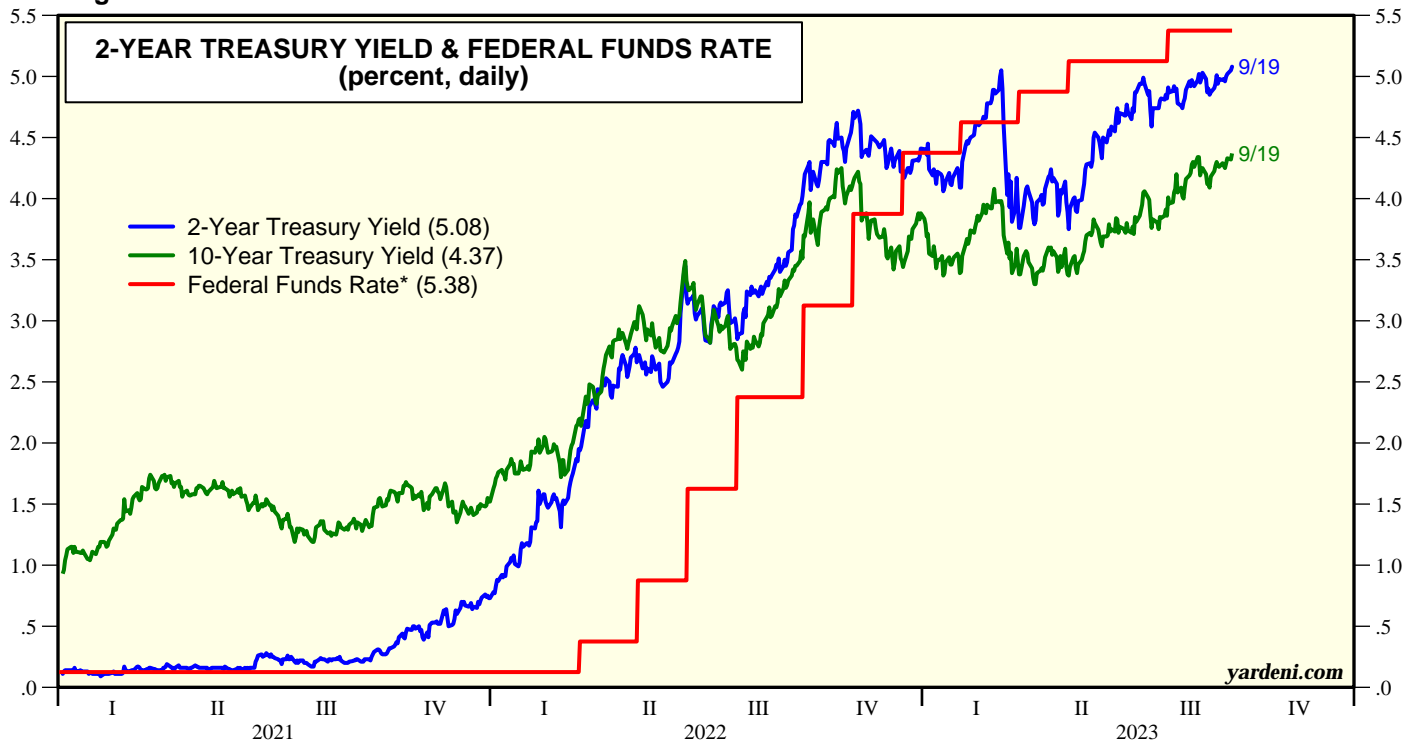


Figure 24.



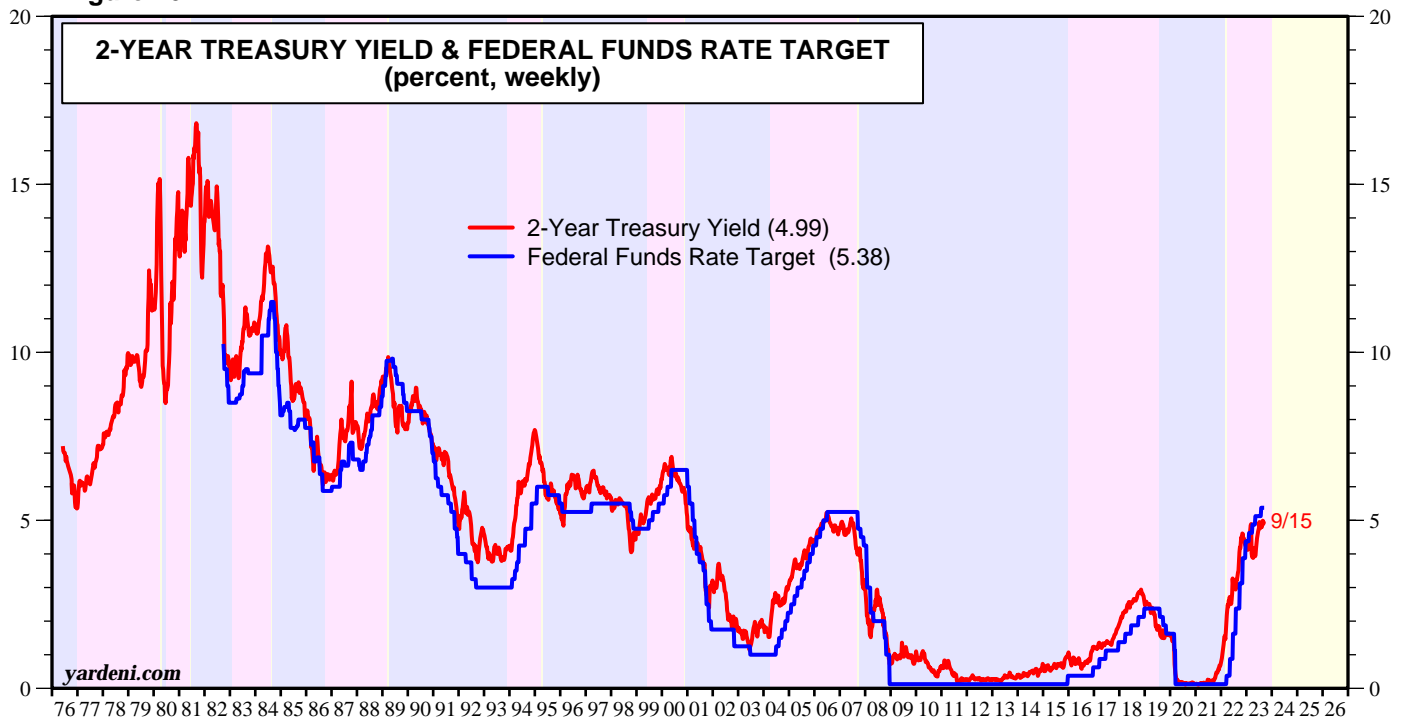
10-Year Treasury Yield

Figure 25.



* Midpoint of FOMC's target range
Source: Federal Reserve Board.

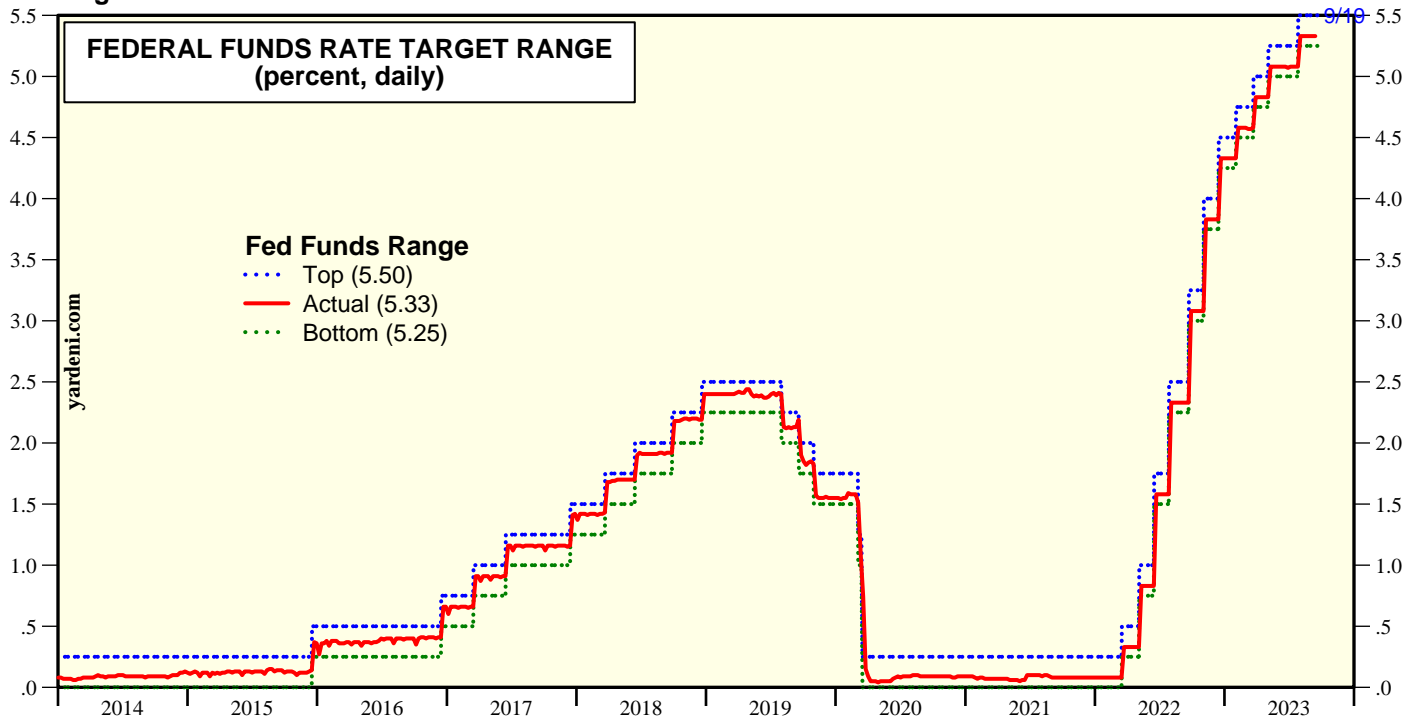
Figure 26.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
Source: Federal Reserve Board.

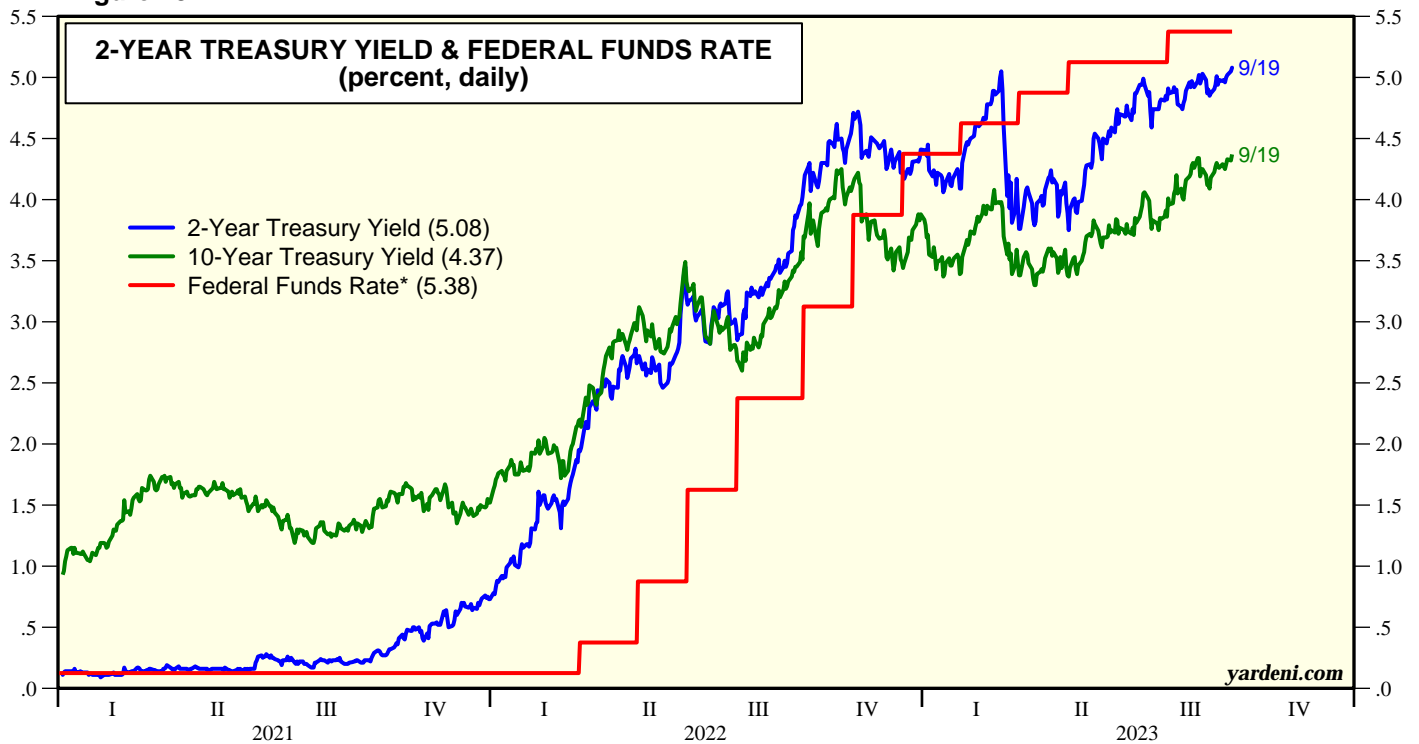
10-Year Treasury Yield

Figure 27.



Source: Federal Reserve Board.

Figure 28.



* Midpoint of FOMC's target range
Source: Federal Reserve Board.

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