

# US Monetary Policy: Winding & Unwinding QE

Yardeni Research, Inc.

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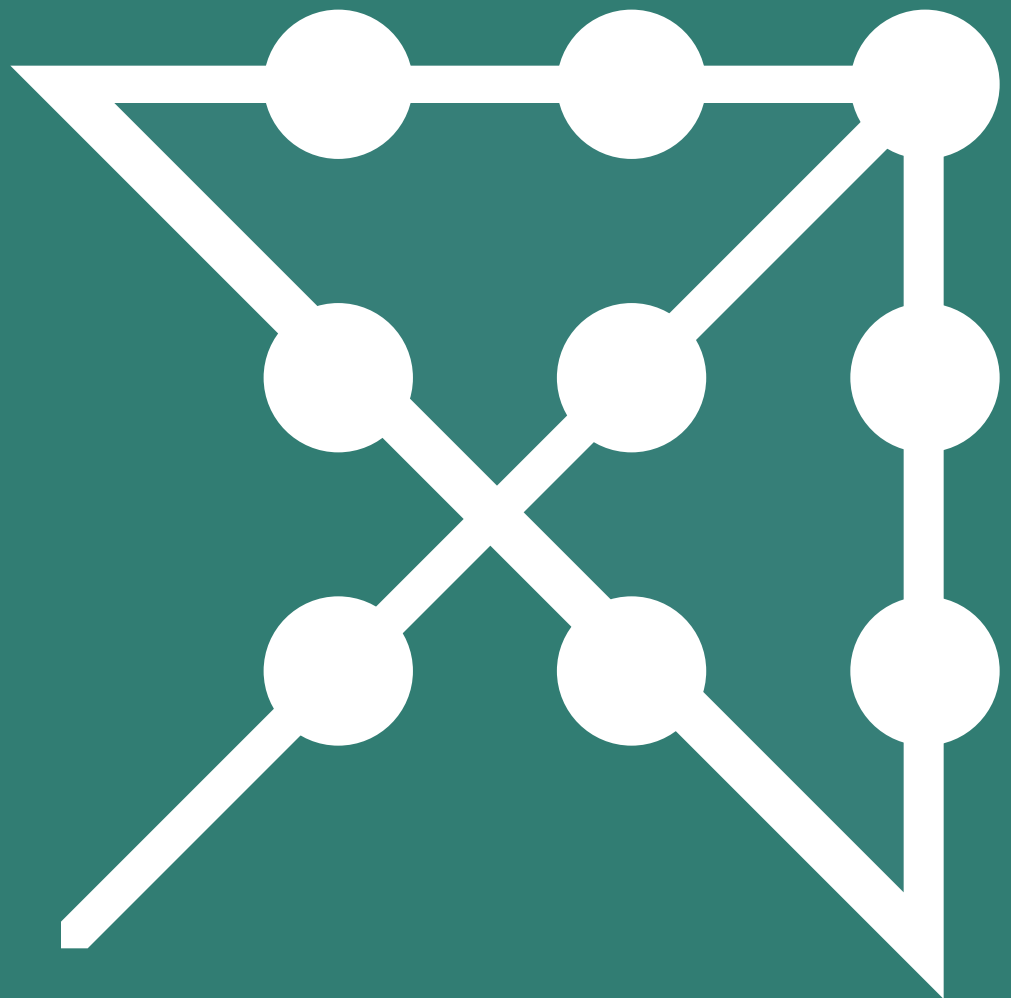
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*thinking outside the box*

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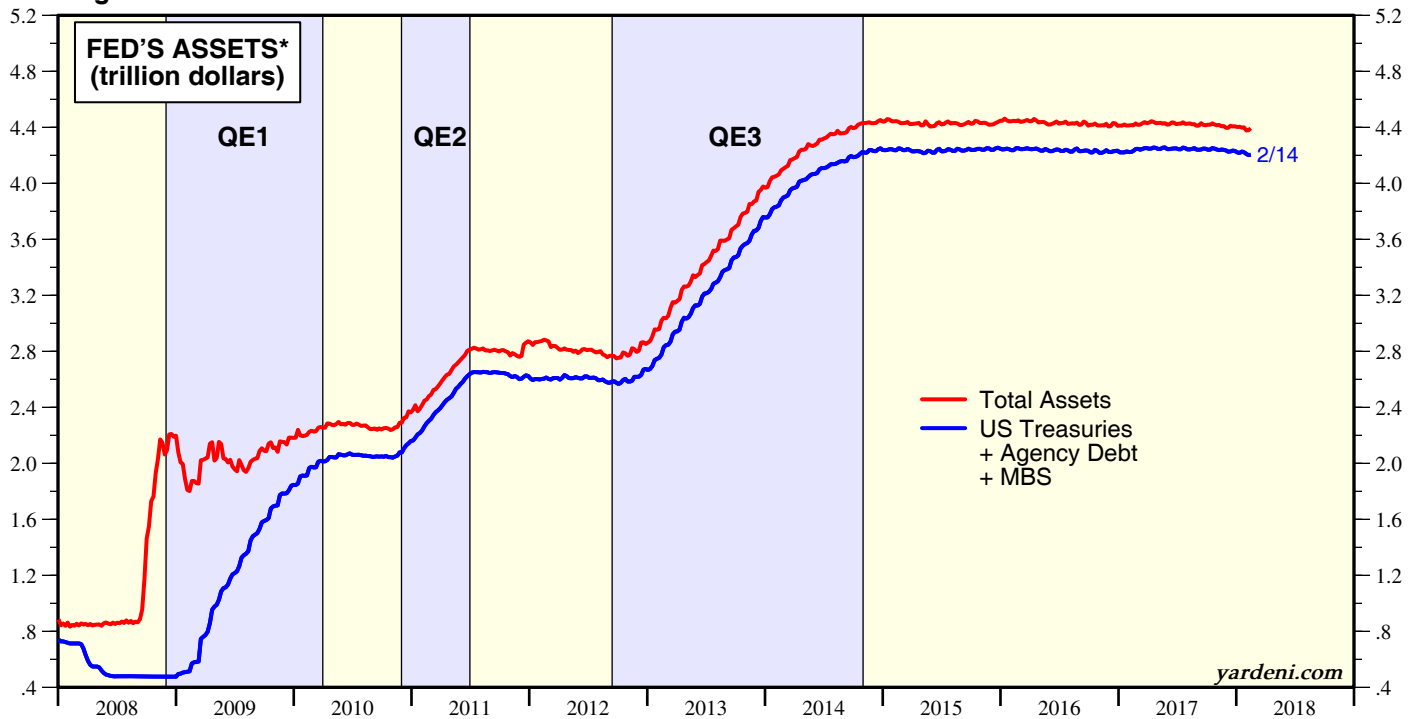
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Fed's Assets

1-7

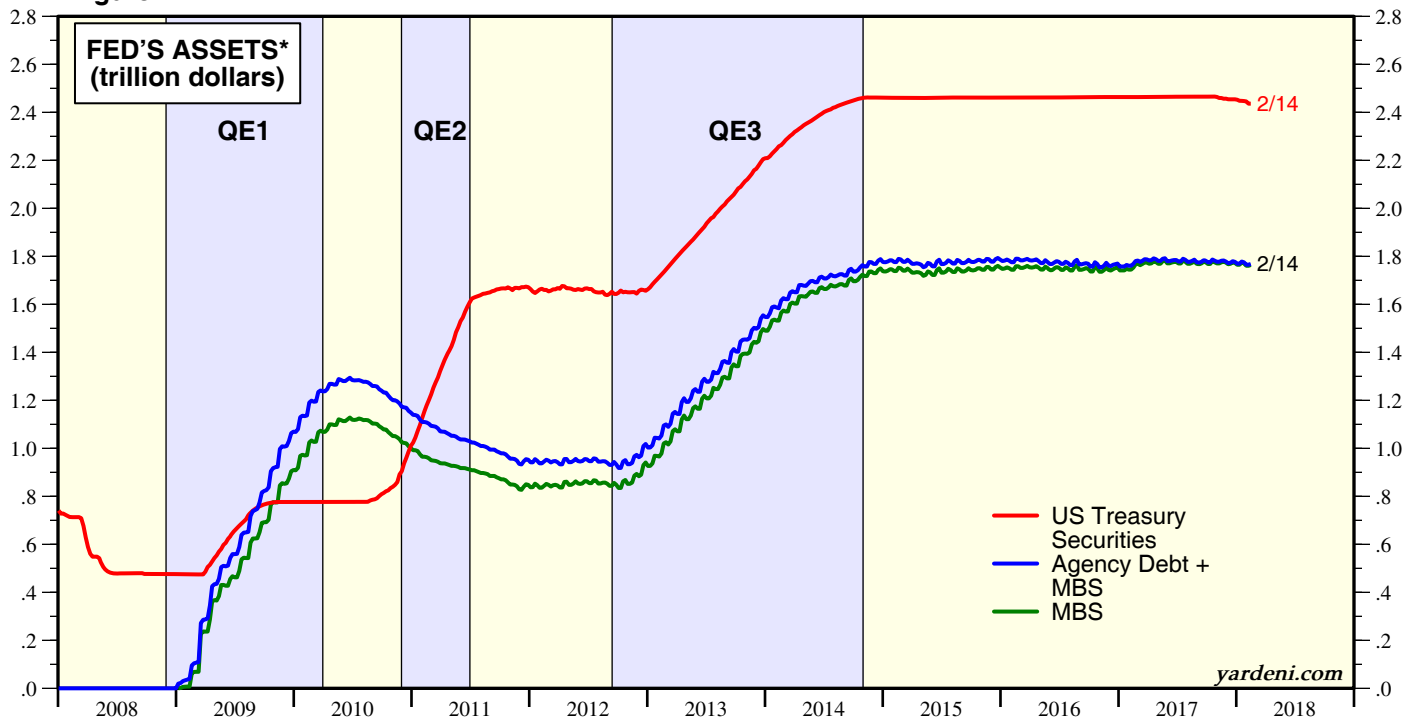
# Fed's Assets

Figure 1.



\* Average of daily figures for weeks ending Wednesday.  
 Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries.  
 QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended).  
 QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board.

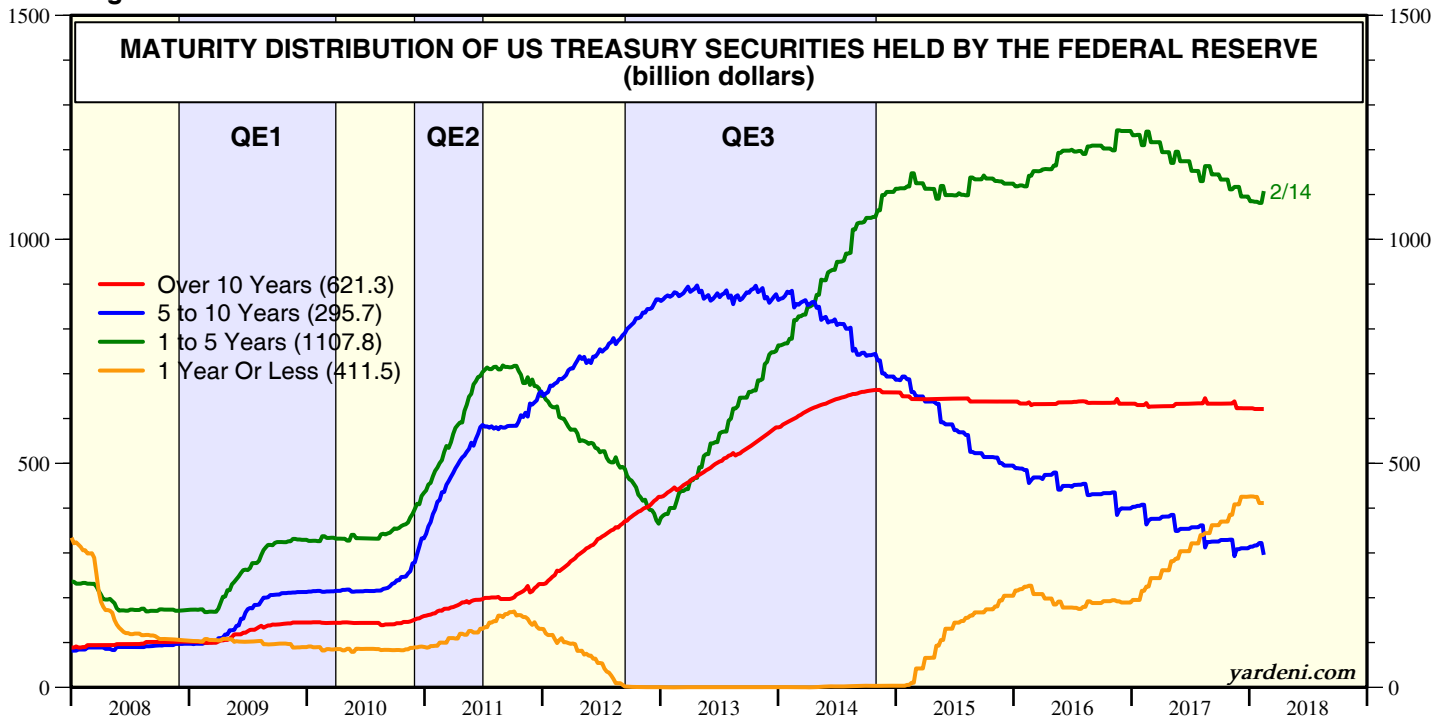
Figure 2.



\* Average of daily figures for weeks ending Wednesday.  
 Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries.  
 QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended).  
 QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board.

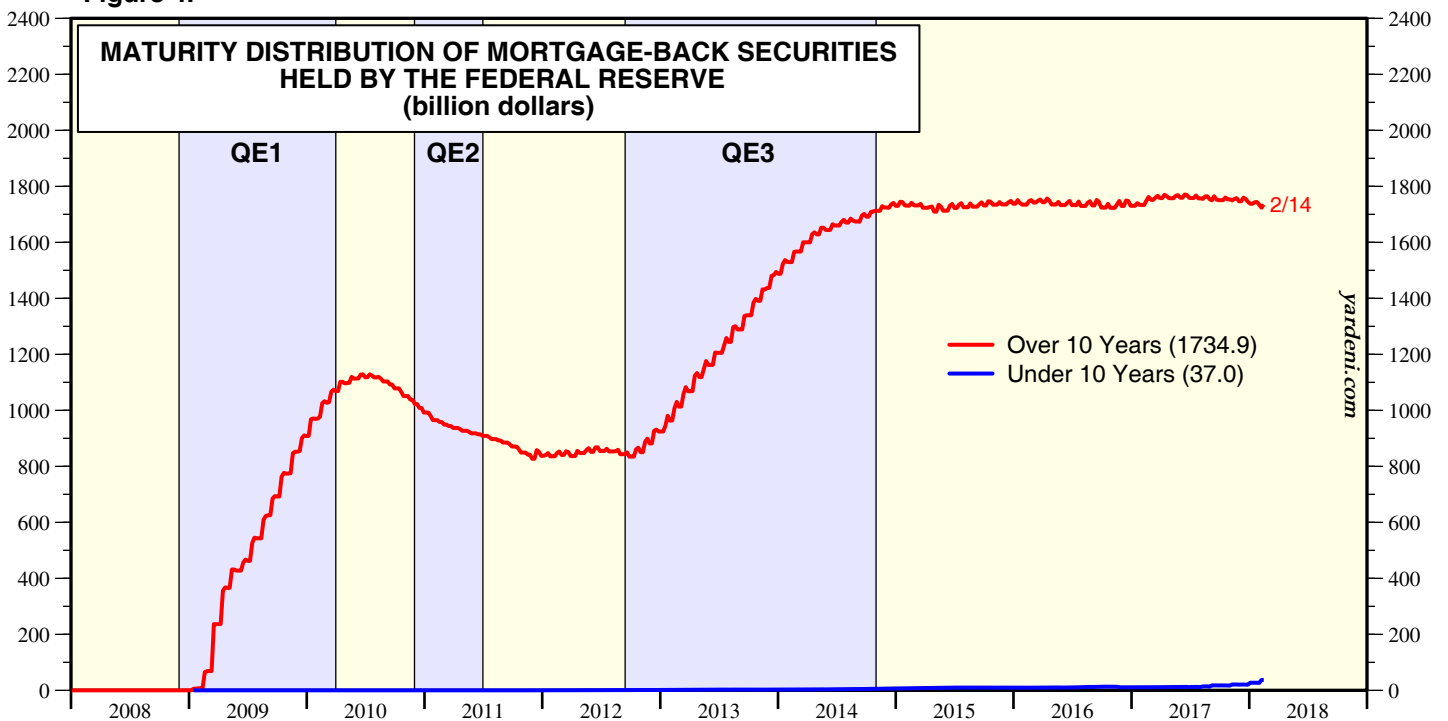
# Fed's Assets

Figure 3.



Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries. QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended). QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board, H.4.1 (Table 2).

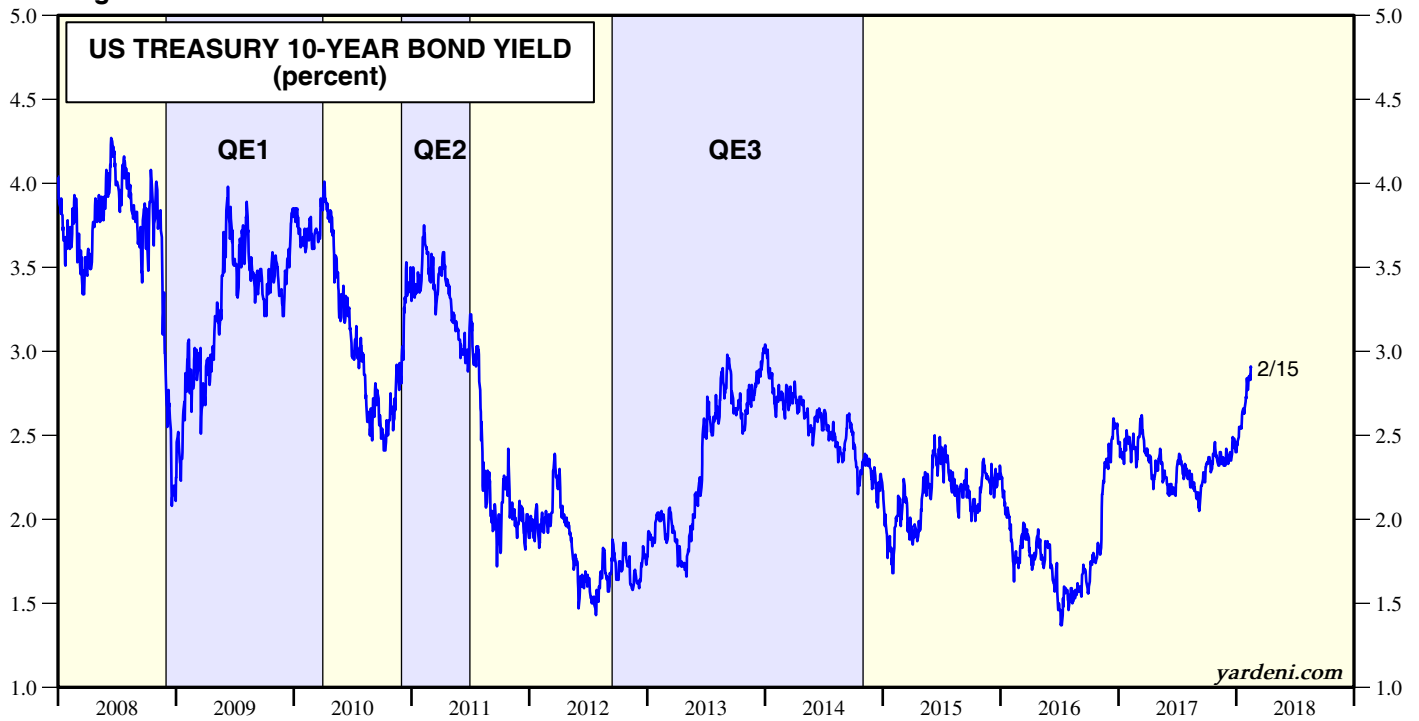
Figure 4.



Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries. QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended). QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board, H.4.1 (Table 2).

# Fed's Assets

Figure 5.



Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries. QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended). QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
Source: Federal Reserve Board.

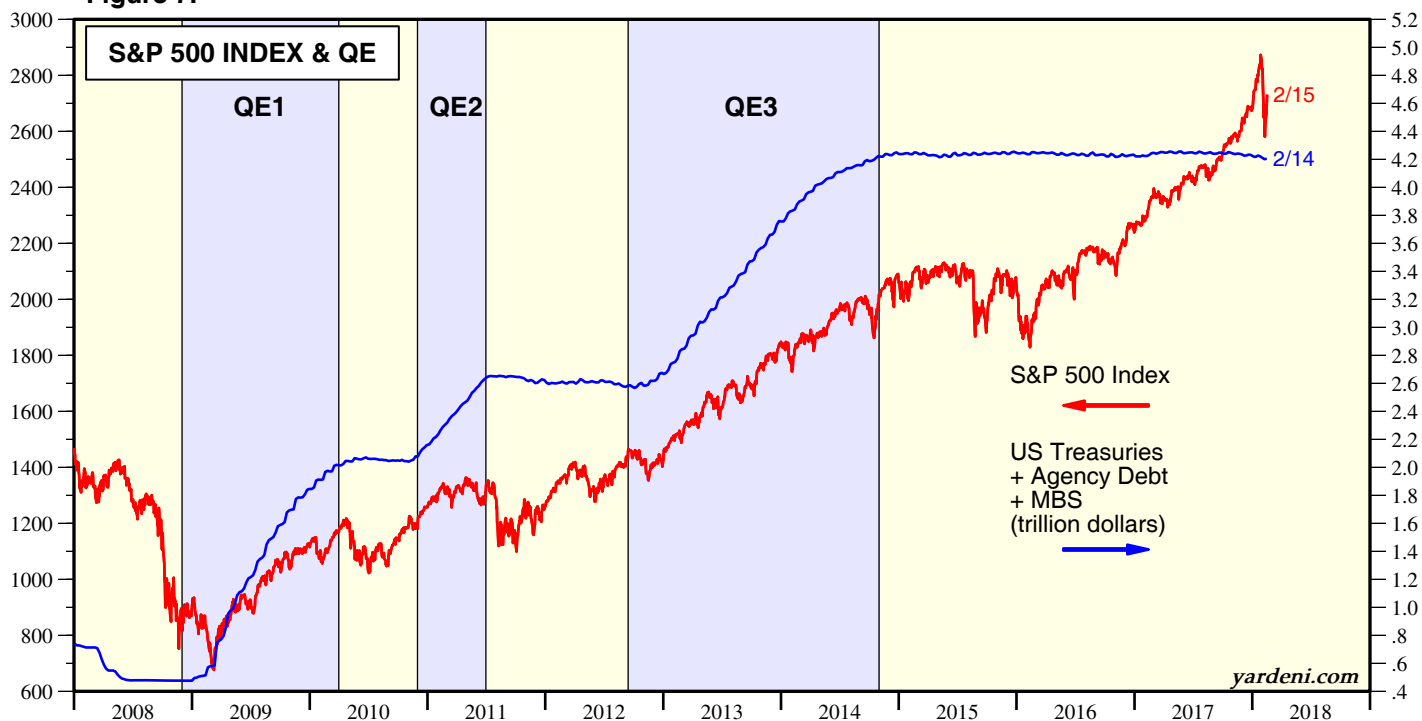
Figure 6.



\* Ten-year Treasury yield less federal funds rate.  
Note: QE1 (announced 11/25/08) = Fed buys \$1.24tn in mortgage securities. QE2 (announced 11/3/10) = Fed buys \$600bn in Treasuries. QE3 (announced 9/13/12) = Fed buys \$40bn/month in mortgage securities (to infinity and beyond). QE3 extended (announced 12/12/12) = Fed buys \$45bn/month in Treasuries.  
Source: Board of Governors of the Federal Reserve System and the Conference Board.

# Fed's Assets

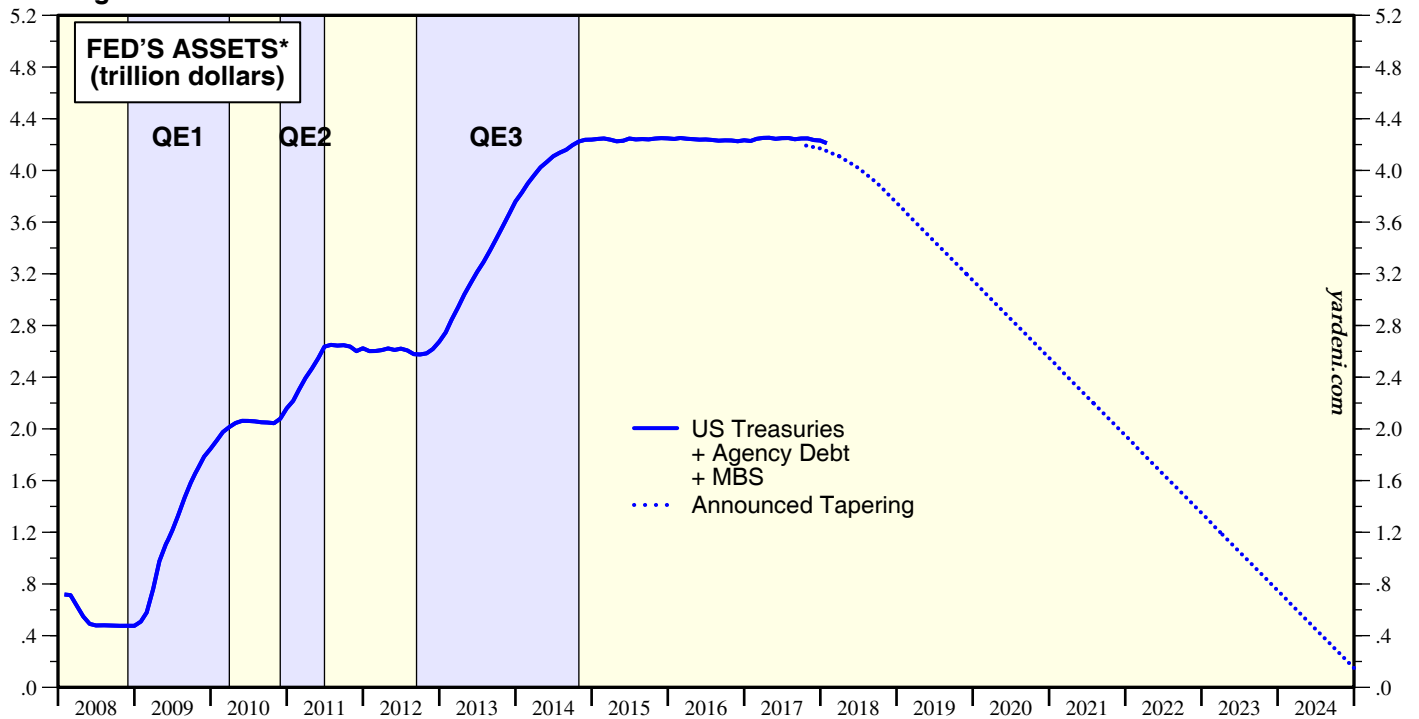
Figure 7.



Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries. QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended). QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board and Standard & Poor's.

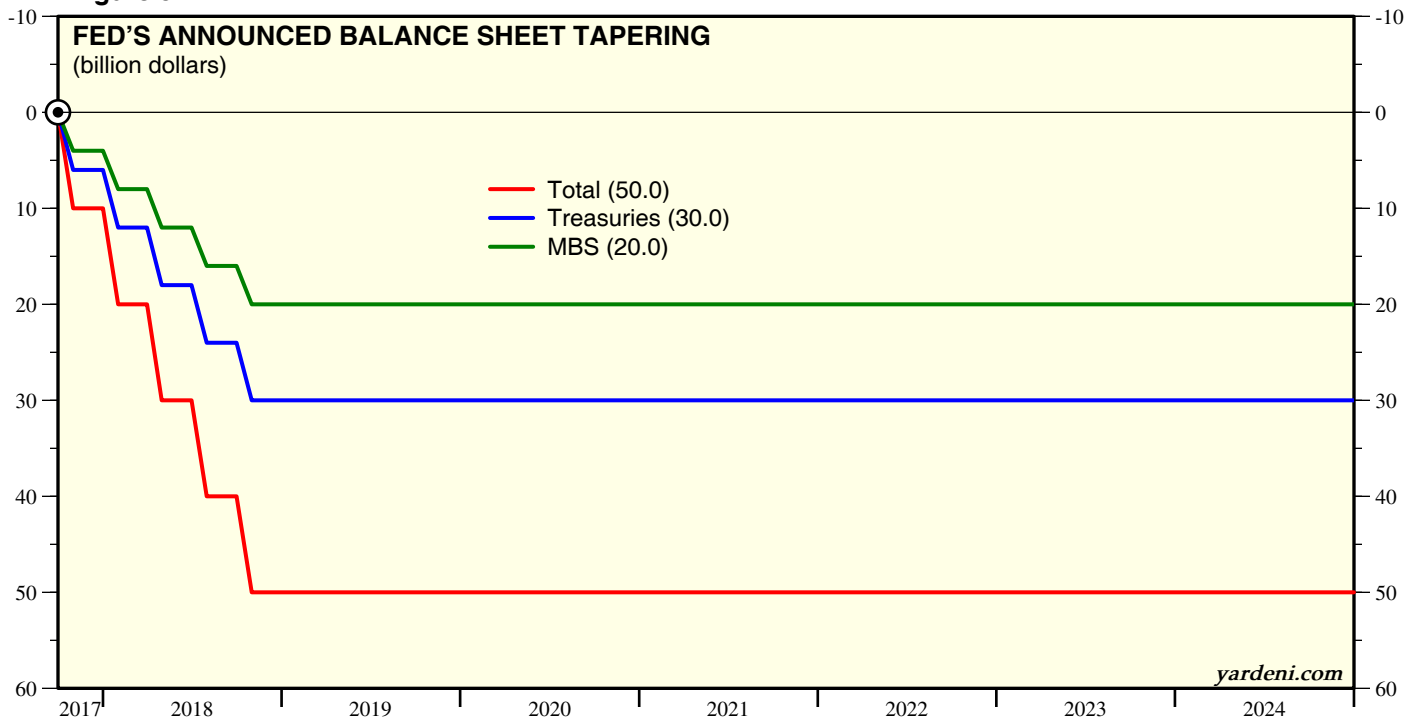
# Fed's Assets

Figure 8.



\* Average of daily figures for weeks ending Wednesday.  
 Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries.  
 QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended).  
 QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board.

Figure 9.



Source: Federal Reserve Board.

# Fed's Assets

Figure 10.

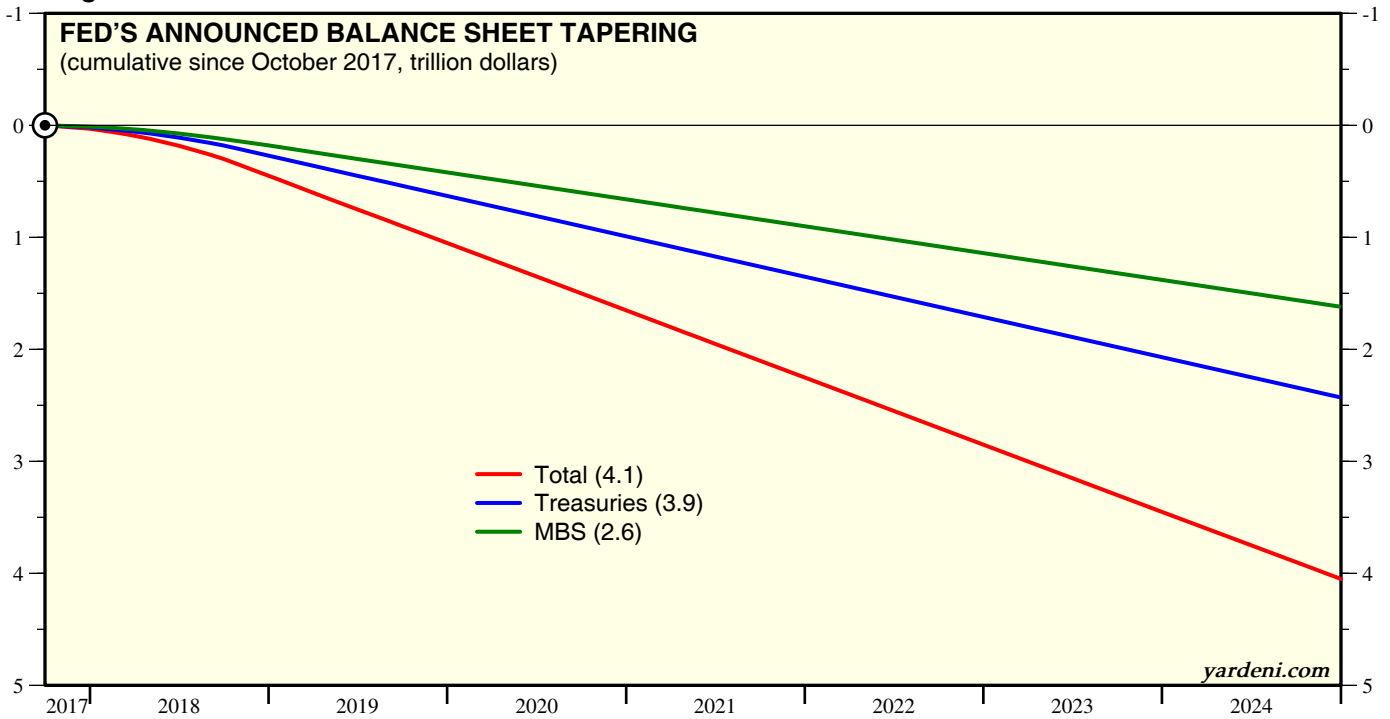
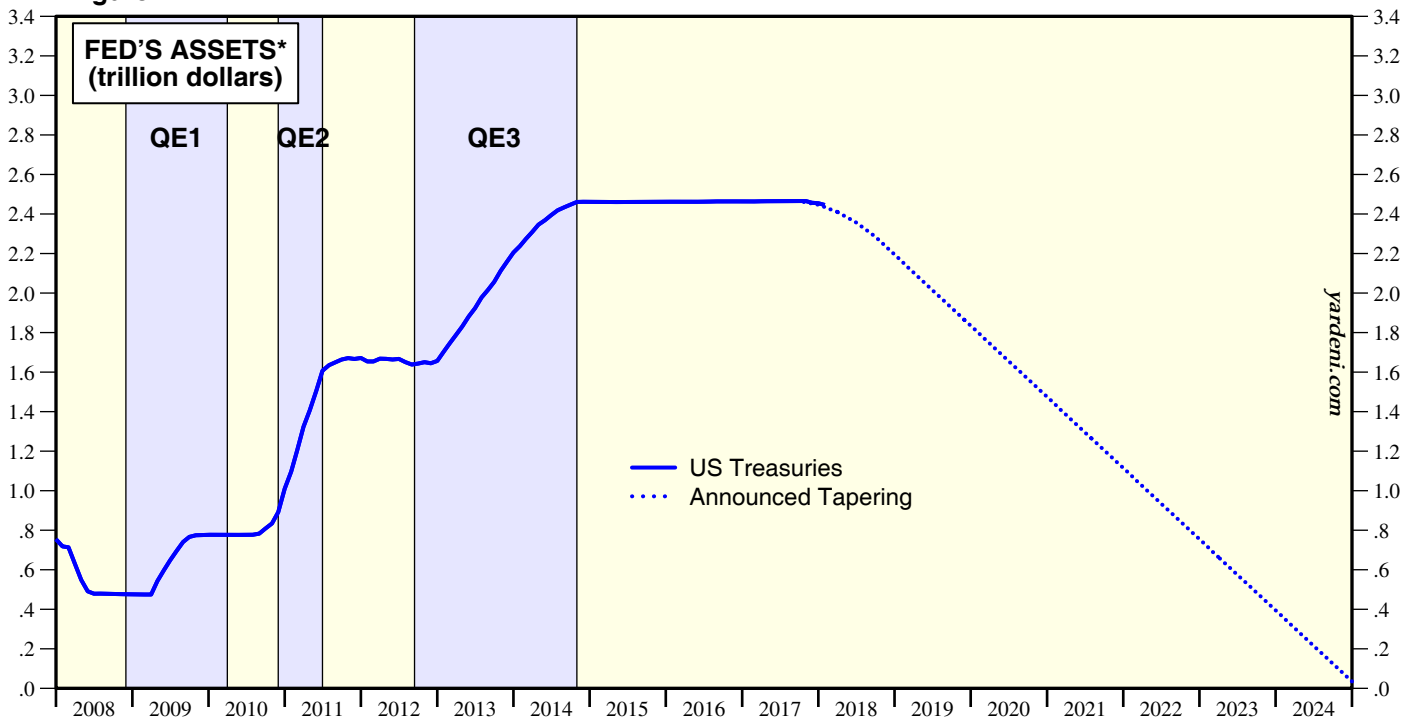


Figure 11.

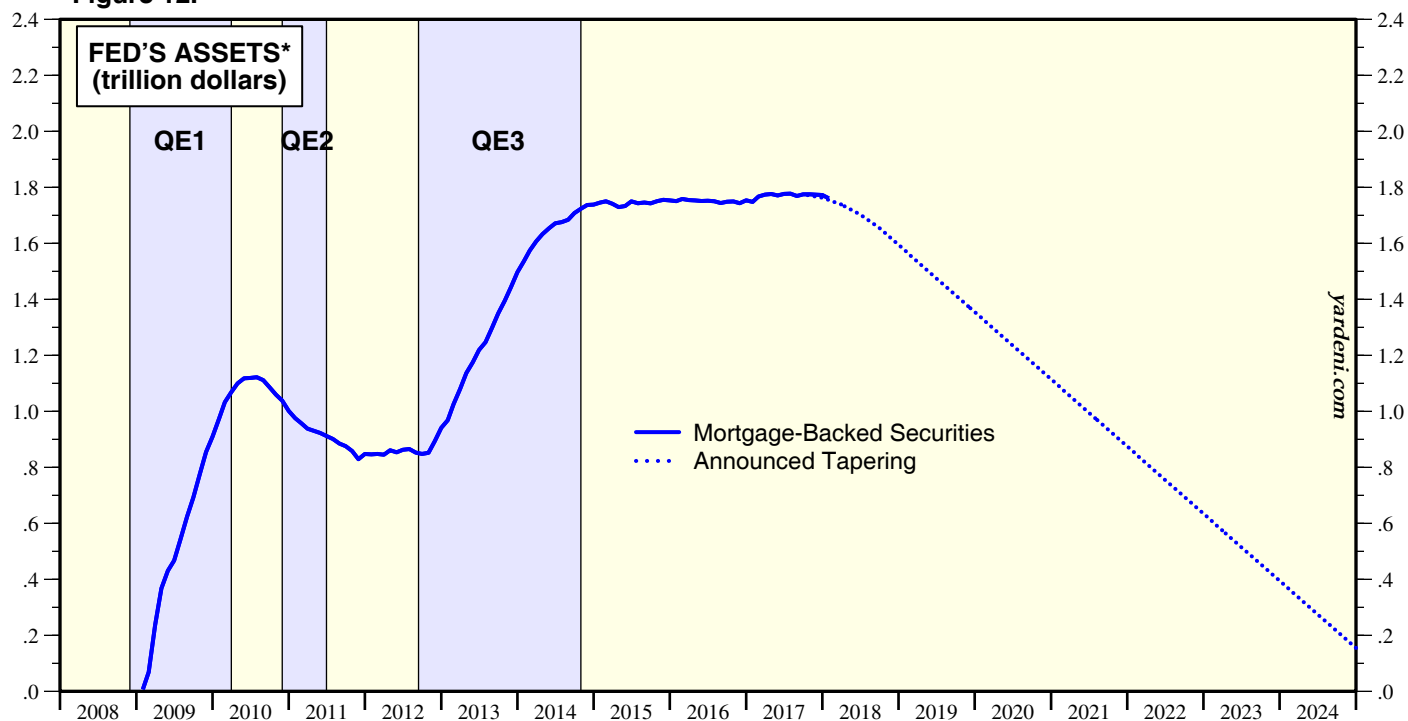


\* Average of daily figures for weeks ending Wednesday.  
 Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries.  
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 QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board.



# Fed's Assets

Figure 12.



\* Average of daily figures for weeks ending Wednesday.  
 Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries.  
 QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended).  
 QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.  
 Source: Federal Reserve Board.

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