

Policy announcement

The Federal Open Market Committee (FOMC) decided to leave the federal funds rate unchanged at 0.00%–0.25%. The Federal Reserve (Fed) also announced that it will continue to purchase at least \$80 billion in Treasury securities and at least \$40 billion in agency mortgage-backed securities until substantial further progress has been made toward the Committee’s goals.

Topic	Details
Stated reasons	<p>With progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen.</p> <p>Inflation has risen, largely reflecting transitory factors.</p> <p>Overall financial conditions remain accommodative.</p> <p>The path of the economy continues to depend on the course of the coronavirus.</p>
Looking forward	<p>The FOMC expects to maintain the target range (0.00%–0.25%) until labor market conditions reach levels consistent with the Committee’s assessment of maximum employment and inflation rises to 2% and is on track to moderately exceed 2% for some time.</p> <p>The FOMC will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks to the Committee’s goals emerge.</p>
What else?	<p>The Fed continues to assert its view that inflation pressures are consistent with a transitory view.</p> <p>The Fed stated that it has made progress toward goals that would allow it to taper bond purchases. If current economic trends continue, we expect that the Fed may begin to taper asset purchases near year-end.</p> <p>We view this meeting as a status quo meeting. The Fed did little to change market views.</p> <p>The dot plots suggest that the Fed could begin raising short-term rates in early 2023.</p> <p>The vote for the policy statement was unanimous.</p>
Upcoming meeting schedule	<p>September 22* November 3 December 15* January 26</p> <p>*Indicates the meeting is associated with a summary of economic projections. In addition, every meeting will be accompanied by a press conference.</p>

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