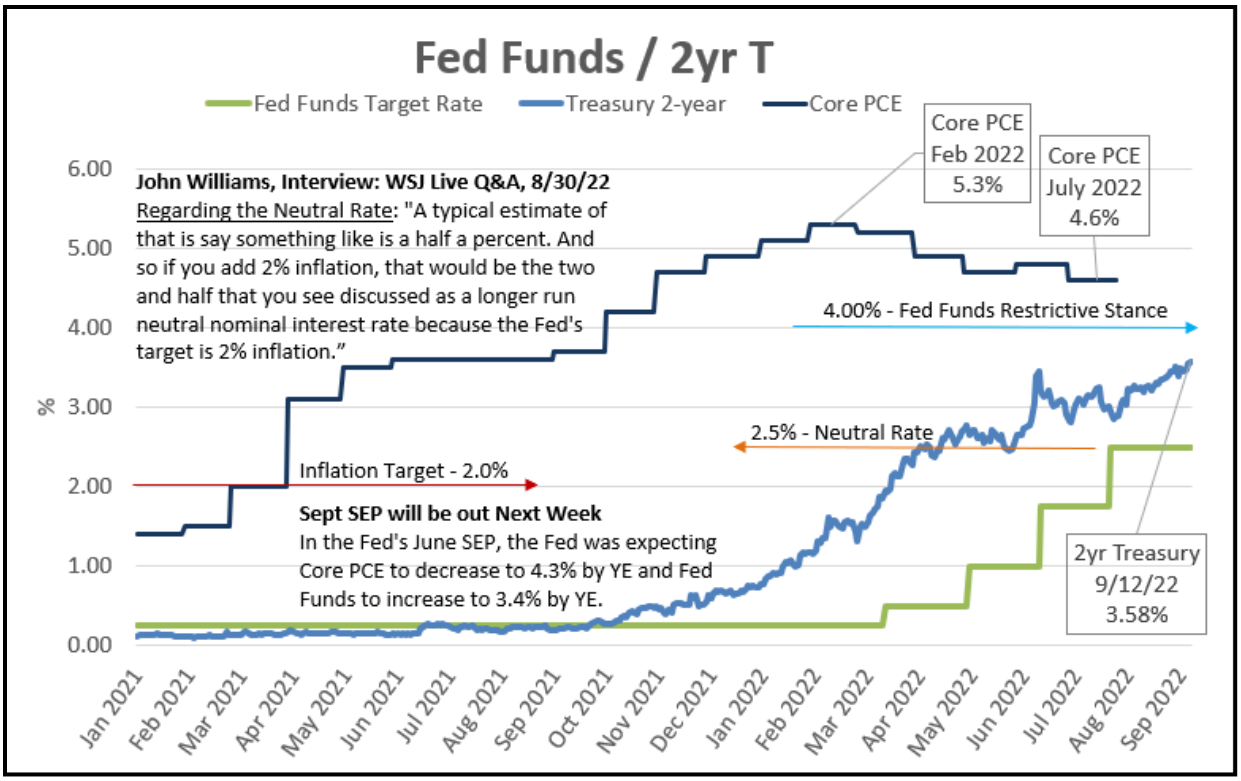
Fed Funds / 2yr T
Fed Funds Target Rate
Treasury 2-year
Core PCE
Core PCE Feb 2022 5.3%
Core PCE July 2022 4.6%
John Williams, Interview: WSJ Live Q&A, 8/30/22
Regarding the Neutral Rate: "A typical estimate of that is say something like is a half a percent. And so if you add 2% inflation, that would be the two and half that you see discussed as a longer run neutral nominal interest rate because the Fed's target is 2% inflation."
4.00% - Fed Funds Restrictive Stance
2.5% - Neutral Rate
Inflation Target - 2.0%
Sept SEP will be out Next Week
In the Fed's June SEP, the Fed was expecting Core PCE to decrease to 4.3% by YE and Fed Funds to increase to 3.4% by YE.
2yr Treasury 9/12/22 3.58%
%
6.00
5.00
4.00
3.00
2.00
1.00
0.00
Jan 2021
Feb 2021
Mar 2021
Apr 2021
May 2021
Jun 2021
Jul 2021
Aug 2021
Sep 2021
Oct 2021
Nov 2021
Dec 2021
Jan 2022
Feb 2022
Mar 2022
Apr 2022
May 2022
Jun 2022
Jul 2022
Aug 2022
Sep 2022