Fed Unfiltered

DAILY TRENDS **9/2/22**

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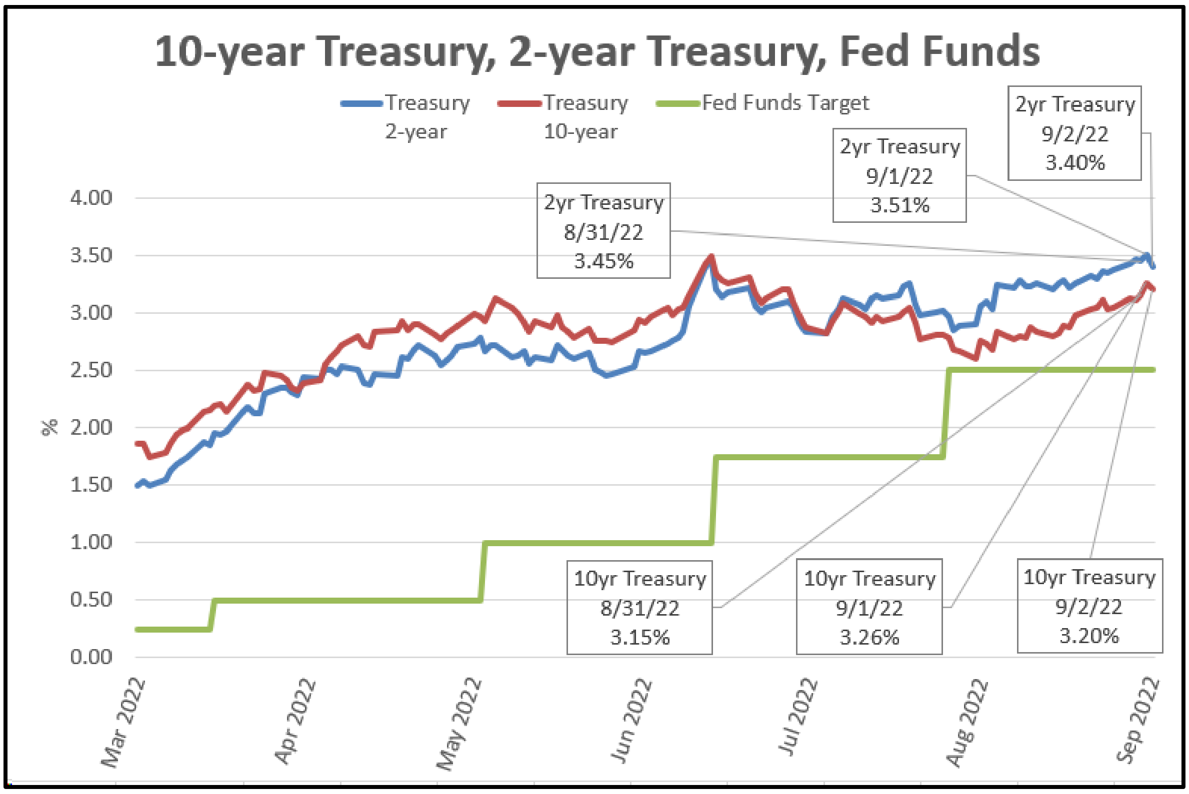
2-year & 10-year Treasury, Fed Funds

- 2yr decreased 11bps.
- 10yr decreased 6bps.
- Moderate rate change today. Slowing job growth numbers (315,000 for August vs. July's 528,000) and an increase in the number of people looking for work (786,000 for August vs. -63,000 for July), pushed the unemployment rate higher (to 3.7%, from 3.5%), which might mean a less aggressive rate hike on Sept 21st causing today's rates to fall slightly.
  - The upcoming CPI report (Sept 13th) will be more influential on the 50bps or 75bps debate.



Trends – This Week and Last

- Balance Sheet – QT is picking up steam – $23BN in the last 2-weeks ($48BN since August 3rd).
- BSBY – overnight has been flat – 30-day average is up due to early Aug increases, related to the late July rate hike.
- SOFR – is up across the board, likely responding to the broader market moves (the 2yr in particular).
- Treasuries – up across the board, although the 10yr more so than the others – possibly QT, as Bullard mentioned.
- Yield Curve – some slight improvement in both the 2/10 and the 3m/10yr – recession fears appear to be receding.

Key Interest Rates	8/19/22	8/22/22	8/23/22	8/24/22	8/25/22	8/26/22	8/29/22	8/30/22	8/31/22	9/1/22	9/2/22	10-Day Average	10-Day Avg vs 9/2/22	10-Day Change
Fed Funds Target Rate (FFTR)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.00	0.00
Standing Repo Facility (SRF)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.00	0.00
Interest on Reserve Balances (IORB)	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	0.00	0.00
Effective Fed Funds Rate (EFFR)	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	0.00	2.33	0.00	0.00
Overnight Reverse Repo Facility (ON RRP)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	0.00	0.00
Fed's Balance Sheet (Total Assets in Millions)	8,849,762	8,849,762	8,849,762	8,851,436	8,851,436	8,851,436	8,851,436	8,851,436	8,826,093	8,826,093	8,826,093	8,844,068	↑ 17,975	↓ 23,669
BSBY - Overnight	2.341	2.353	2.342	2.343	2.341	2.339	2.341	2.336	2.337	2.340	2.341	2.341	↓ (0.001)	↓ (0.012)
BSBY - 1-month	2.334	2.335	2.344	2.361	2.367	2.396	2.406	2.403	2.433	2.451	2.504	2.400	↑ 0.104	↑ 0.169
SOFR - Overnight	2.280	2.280	2.270	2.270	2.280	2.280	2.280	2.290	2.290	2.290	0.000	2.281	↑ 0.009	↑ 0.010
SOFR - 30-Day Average	2.082	2.158	2.183	2.208	2.233	2.258	2.283	2.284	2.284	2.285	2.284	2.246	↑ 0.038	↑ 0.127
SOFR - Term Rate - 1-Month (CME Term SOFR)	2.313	2.372	2.379	2.364	2.440	2.459	2.455	2.512	2.522	2.595	2.624	2.472	↑ 0.151	↑ 0.252
US Treasury - 3-Month	2.74	2.82	2.80	2.82	2.88	2.89	2.97	2.97	2.96	2.97	2.94	2.90	↑ 0.04	↑ 0.12
US Treasury - 2-Year	3.25	3.32	3.29	3.36	3.35	3.37	3.42	3.46	3.45	3.51	3.40	3.39	↑ 0.01	↑ 0.08
US Treasury - 10-Year	2.98	3.03	3.05	3.11	3.03	3.04	3.12	3.11	3.15	3.26	3.20	3.11	↑ 0.09	↑ 0.17
US Treasury - 20-Year	3.44	3.48	3.49	3.55	3.47	3.44	3.50	3.49	3.53	3.64	3.61	3.52	↑ 0.09	↑ 0.13
3-Month / 10-year Treasury Yield Curve Spread (10yr minus 3mo Treasury) **(30yr historical avg: 1.68)**	0.24	0.21	0.25	0.29	0.15	0.15	0.15	0.14	0.19	0.29	0.26	0.21	↑ 0.05	↑ 0.05
2-Year / 10-year Treasury Yield Curve Spread (10yr minus 2yr Treasury) **(30yr historical avg: 1.14)**	(0.27)	(0.29)	(0.24)	(0.25)	(0.32)	(0.33)	(0.30)	(0.35)	(0.30)	(0.25)	(0.20)	(0.28)	↑ 0.08	↑ 0.09

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