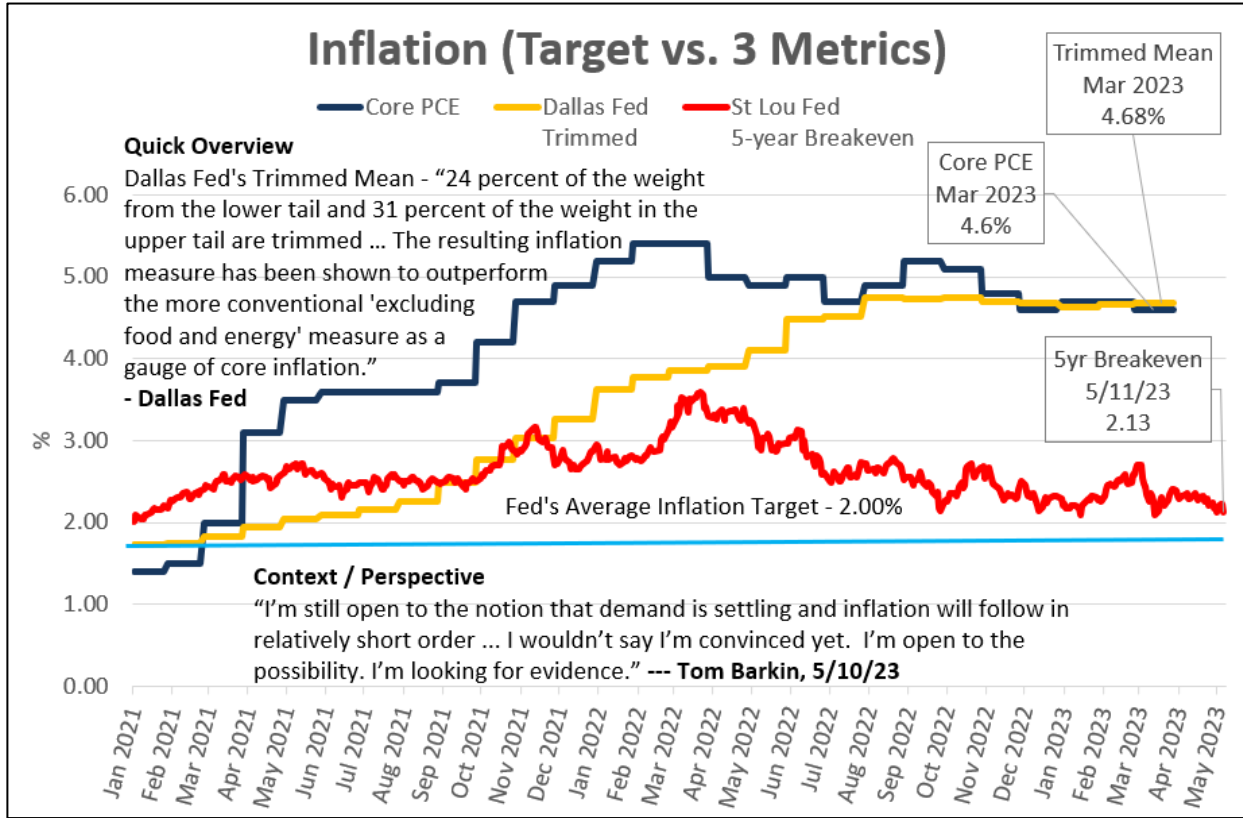


## ANNOTATED GRAPHS – Inflation (3 Metrics)



## Daily Report - FOMC Report

**Fed Unfiltered** Daily Report - FOMC Report 5/12/23

**High Level**  
Fed Funds & Terminal Rate  
Fed Funds is 2.5%. Based on the YE FF Forecast in the March SEP, we've arrived at the Terminal Rate. The next FOMC meeting will be June 23-24, which will be accompanied by an updated SEP.

**Pause & Rate Cuts**  
Rate cuts are not on the Fed's agenda until 2024 (March SEP). Once the terminal rate (currently 5.25%), is reached, Fed Officials talk about holding rates thru 2023 and into 2024.

**GDP**  
Currently 1.3% (Q223, Advanced Estimate), adjusted down from 2.6% (Q422). Fed officials are expecting growth to slow to 0.4% by YE23. Q223 is trending at 2.7% (Atlanta Fed GDPNow).

**Inflation**  
Currently 4.6% (Feb, Core PCE). Fed Officials are expecting inflation to return to the 2.0% target sometime in 2025. The March SEP inflation forecast is 3.6% by YE23.

**Jobs**  
The unemployment rate is 3.4% (April). The Fed is expecting the unemployment rate to increase to 4.5% by YE23 (March SEP). 253,000 jobs were created in April, the U-Rate fell to 3.4%.

**FOMC Forecasts - SEP (March 2023)**

SEP	2023	2024	2025	2026	2027
GDP	1.3	0.4	0.1	0.4	0.9
U-Rate	3.4	4.5	4.5	4.5	4.5
Inflation	4.6	3.6	2.6	2.2	2.0
Fed Funds (2024)	5.25	5.25	4.50	3.50	2.75

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A summary of Fed Official's Commentary and Fed Funds Forecasts.

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