Fed Unfiltered

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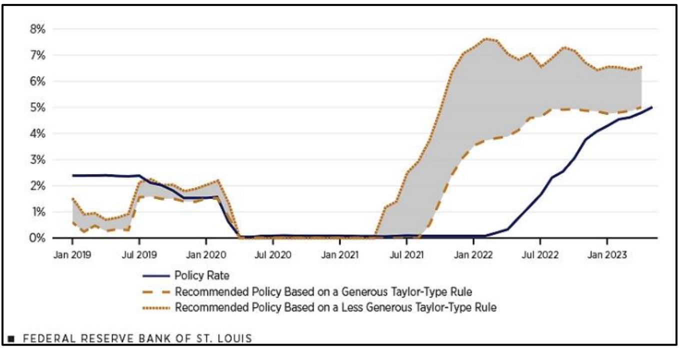
Our Opinion

James Bullard published an essay on Thursday (6/1/23) and talked about how Fed Funds (5.25%) is at the low end of the sufficiently restrictive range (between 4.9%-6.4%).



Bullard also talked about a need for additional rate hikes:

- "While both headline and core PCE inflation have declined from their peaks in 2022, they remain too high … The prospects for continued disinflation are good but not guaranteed, and continued vigilance is required."

Loretta Mester is on the same page:

- "I don't really see a compelling reason to pause … we may have to go further … take another small step to counter some of that really embedded stubborn inflationary pressure."

While **Patrick Harker** spoke for a second time in two days and advocated again for a hold (aka a skip or a pause):

- "I do believe that we are close to the point where we can hold rates in place and let monetary policy do its work to bring inflation back to the target in a timely manner."

BLS, Jobs Report: "Total nonfarm payroll employment increased by 339,000 in May, and the unemployment rate rose by 0.3 percentage point to 3.7%."

	Mar	Apr	May
Unemployment Rate	3.5%	3.4%	3.7%
Job Growth	217,000	294,000	339,000

The froth continues with a strong jobs report. All eyes now turn to the June 13 CPI report – whether a hike or a pause on June 14 is a tossup.