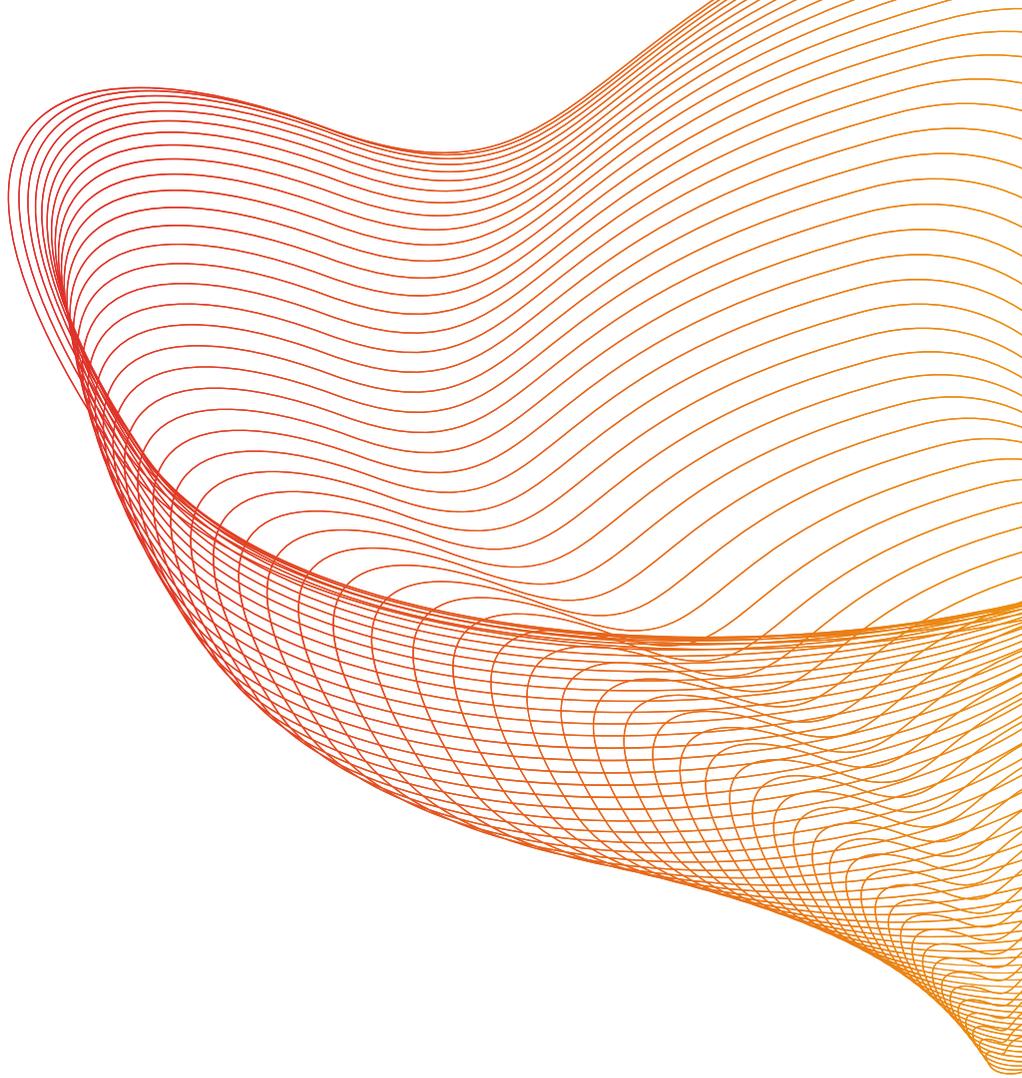


CFI Fed Deck

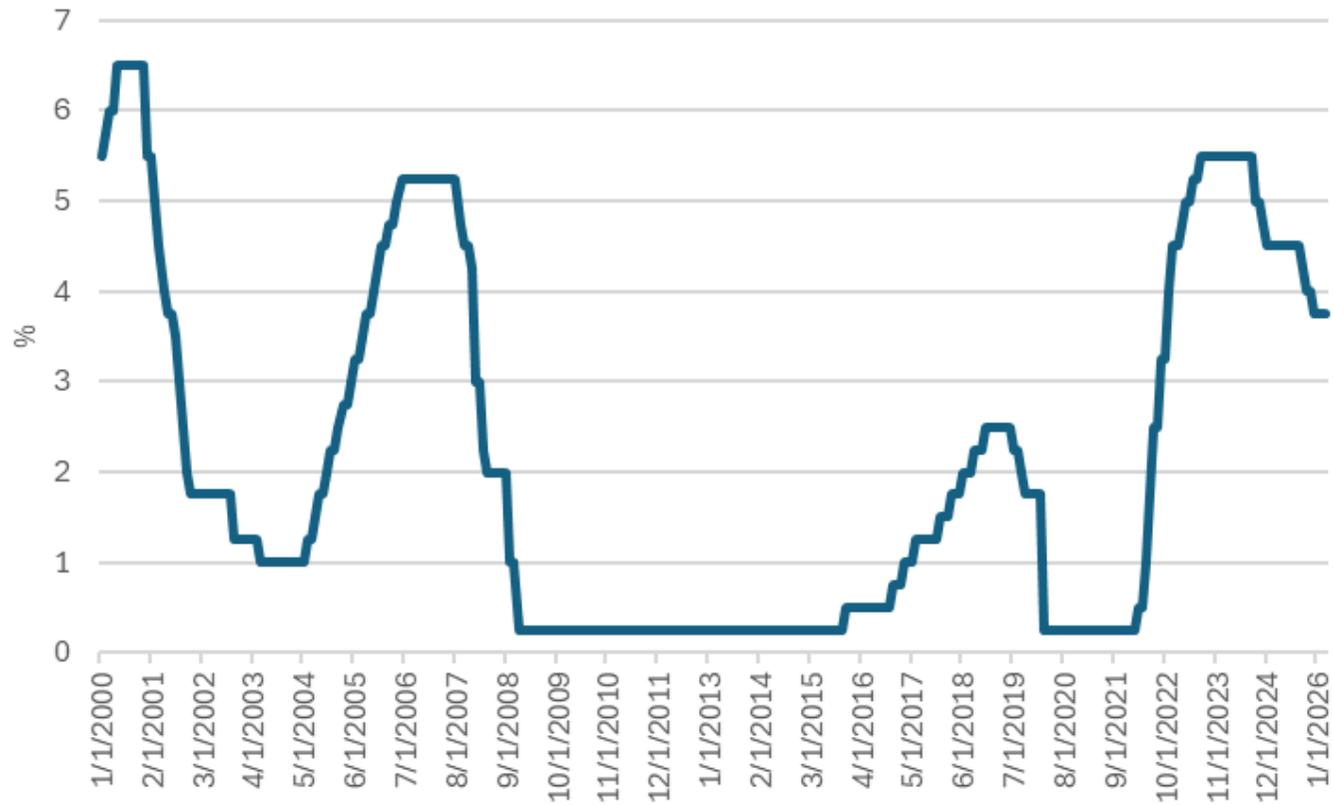
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March 2026



The Fed is back on hold

The federal funds target



Source: Federal Reserve Board of Governors

Real rates are falling

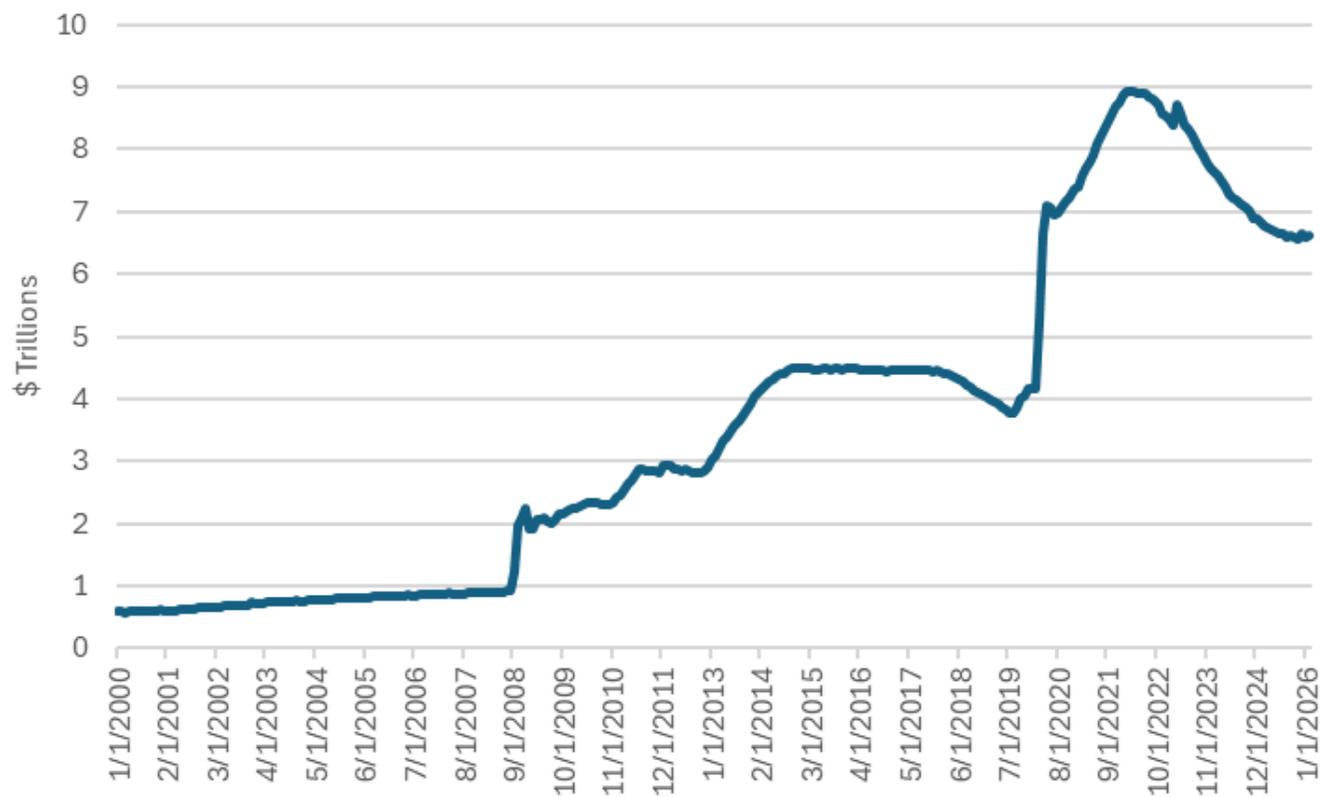
The real federal funds target



Source: Federal Reserve Board of Governors, Bureau of Economic Analysis

The Fed has ended its QT program

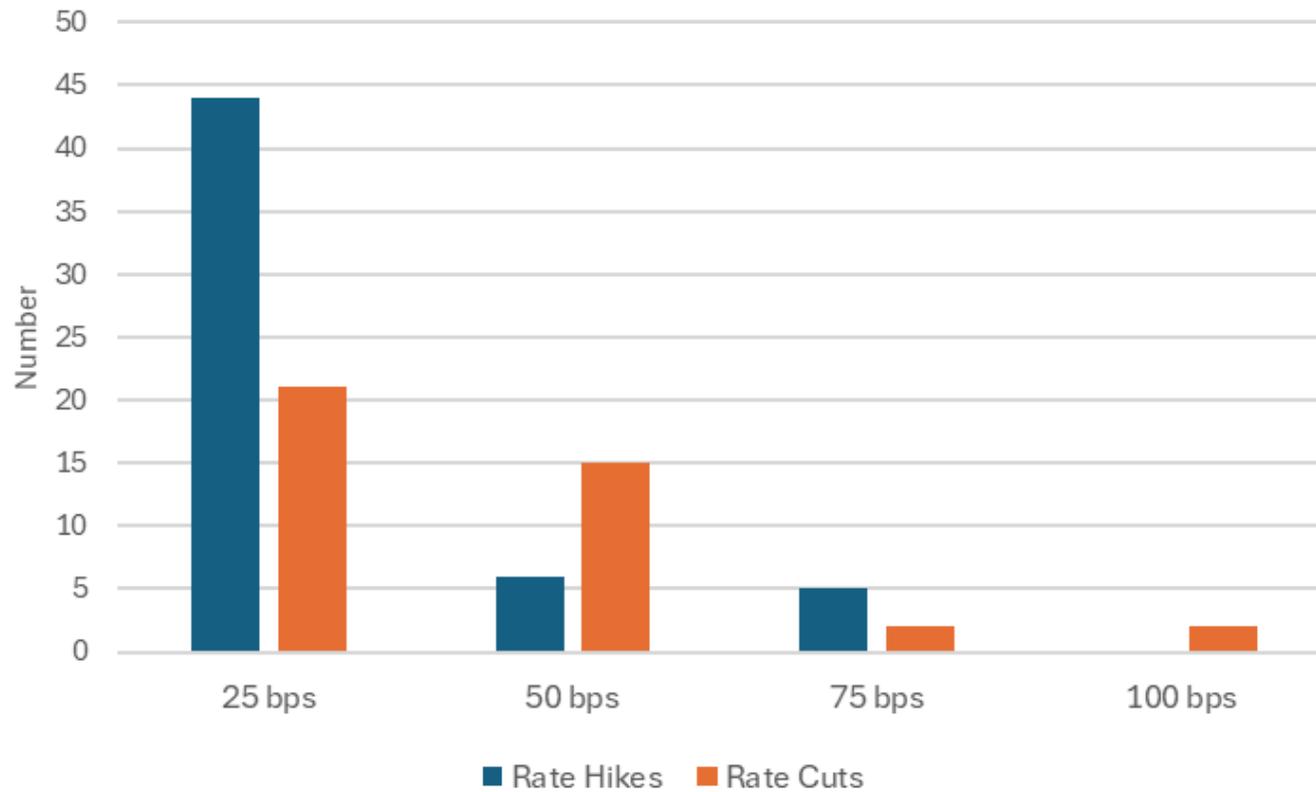
Assets on the Federal Reserve balance sheet



Source: Federal Reserve Board of Governors

Rate cuts are often aggressive

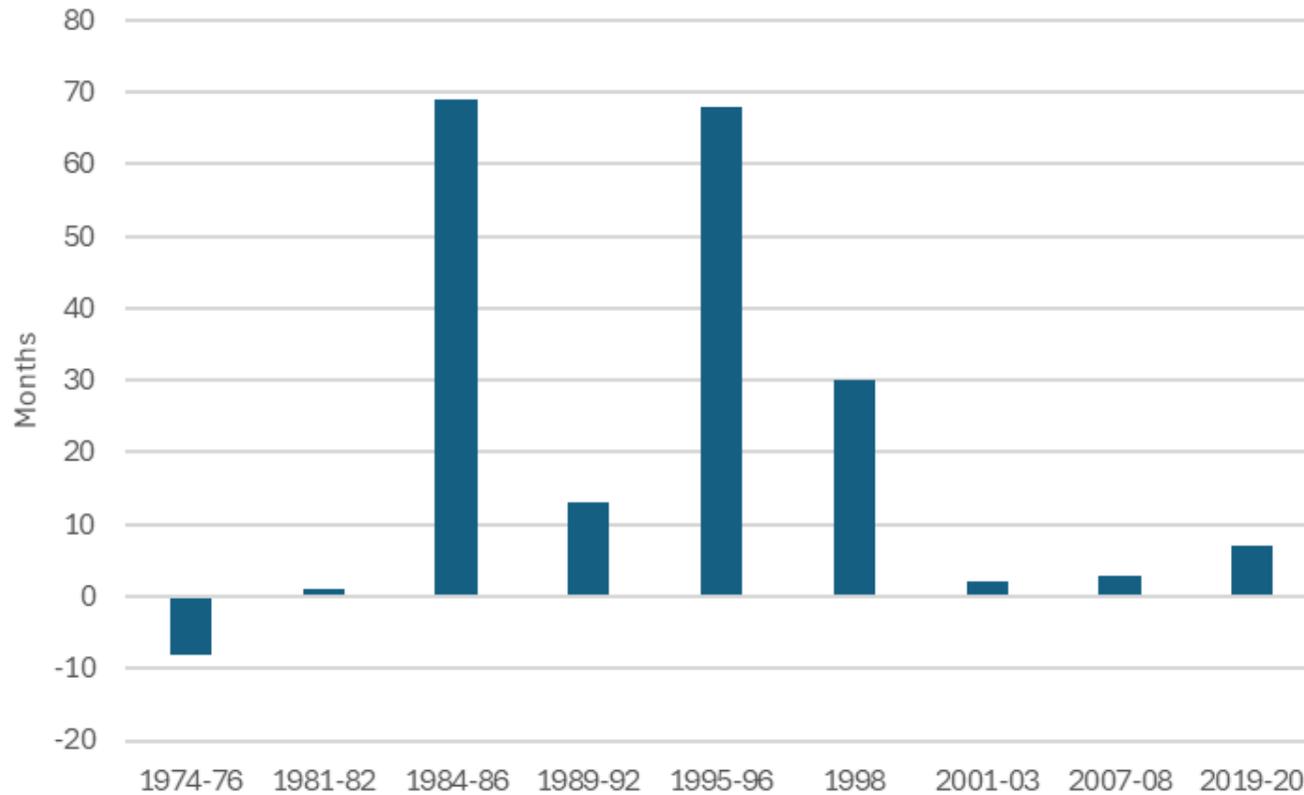
Changes in the federal funds target by magnitude, 1994-present



Source: Federal Reserve Board of Governors

The Fed generally begins cutting rates prior to recessions

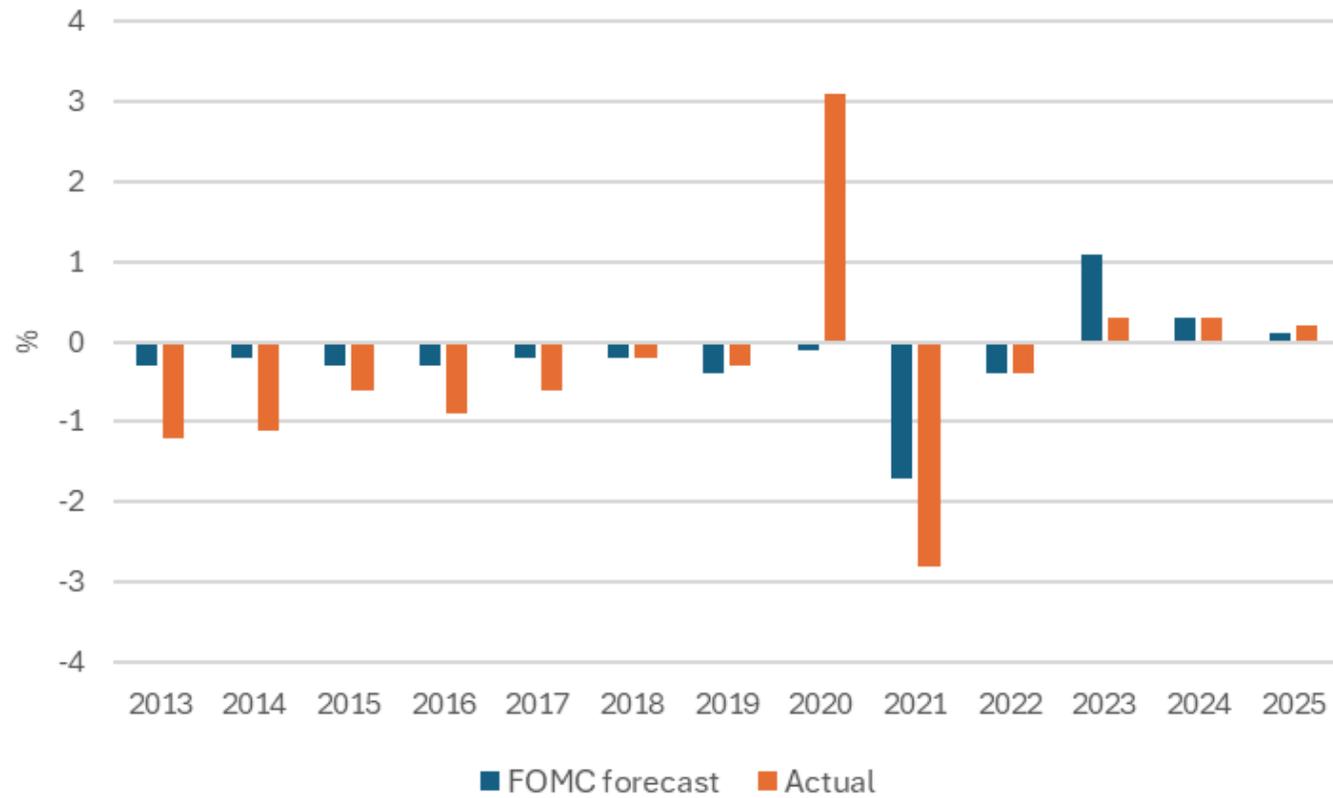
Lag between the first rate cut of Fed easing cycles and the outset of recessions



Source: Federal Reserve Board of Governors

The Fed generally underestimates labor market changes

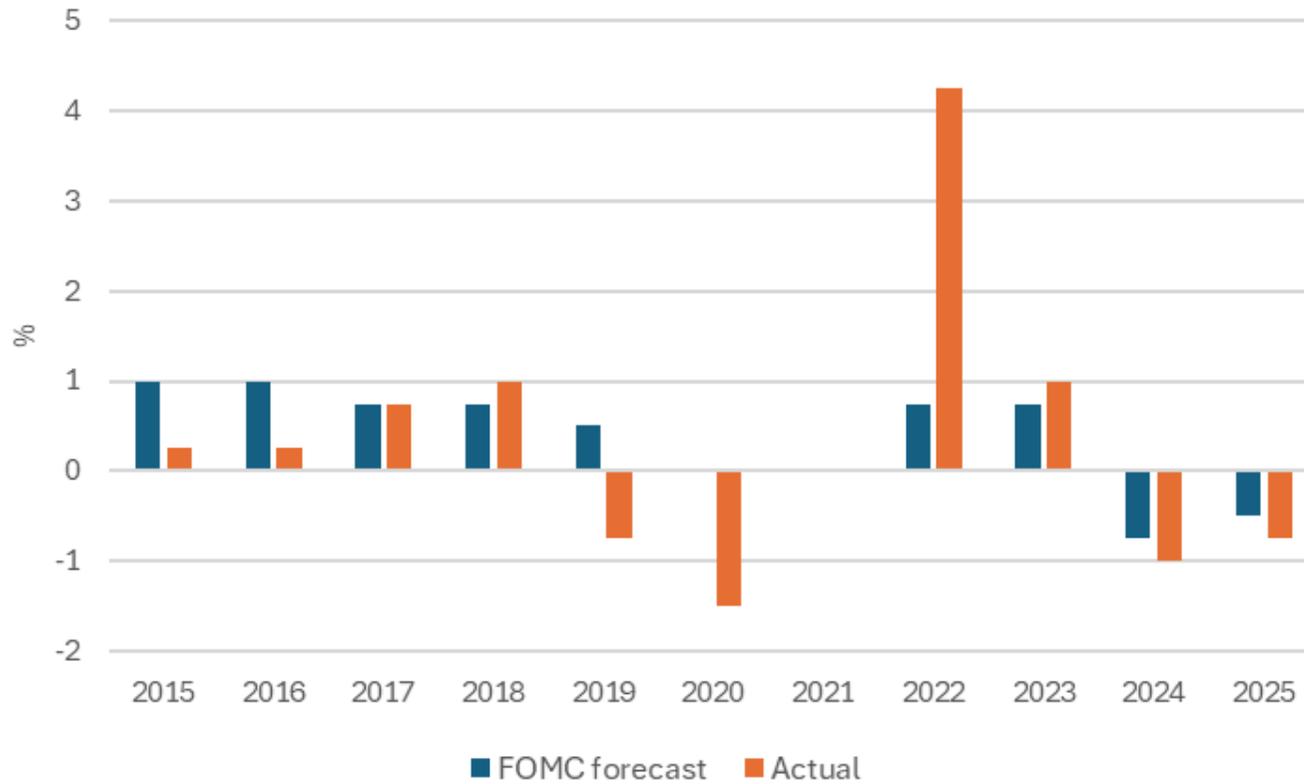
Yearly changes in the unemployment rate



Source: Federal Reserve Board of Governors, Bureau of Labor Statistics

Fed policy forecasts are often well off the mark

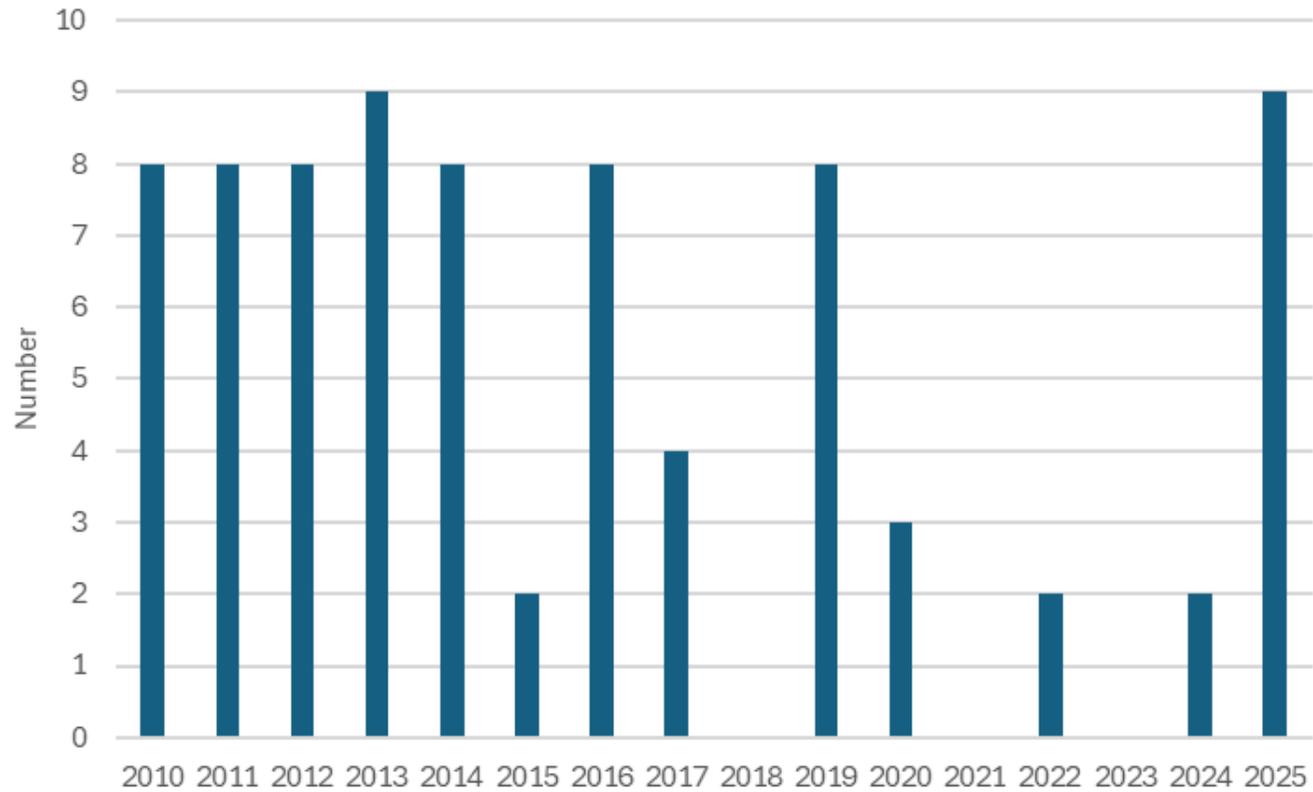
Yearly changes in the federal funds target



Source: Federal Reserve Board of Governors

Fed officials are dissenting more frequently

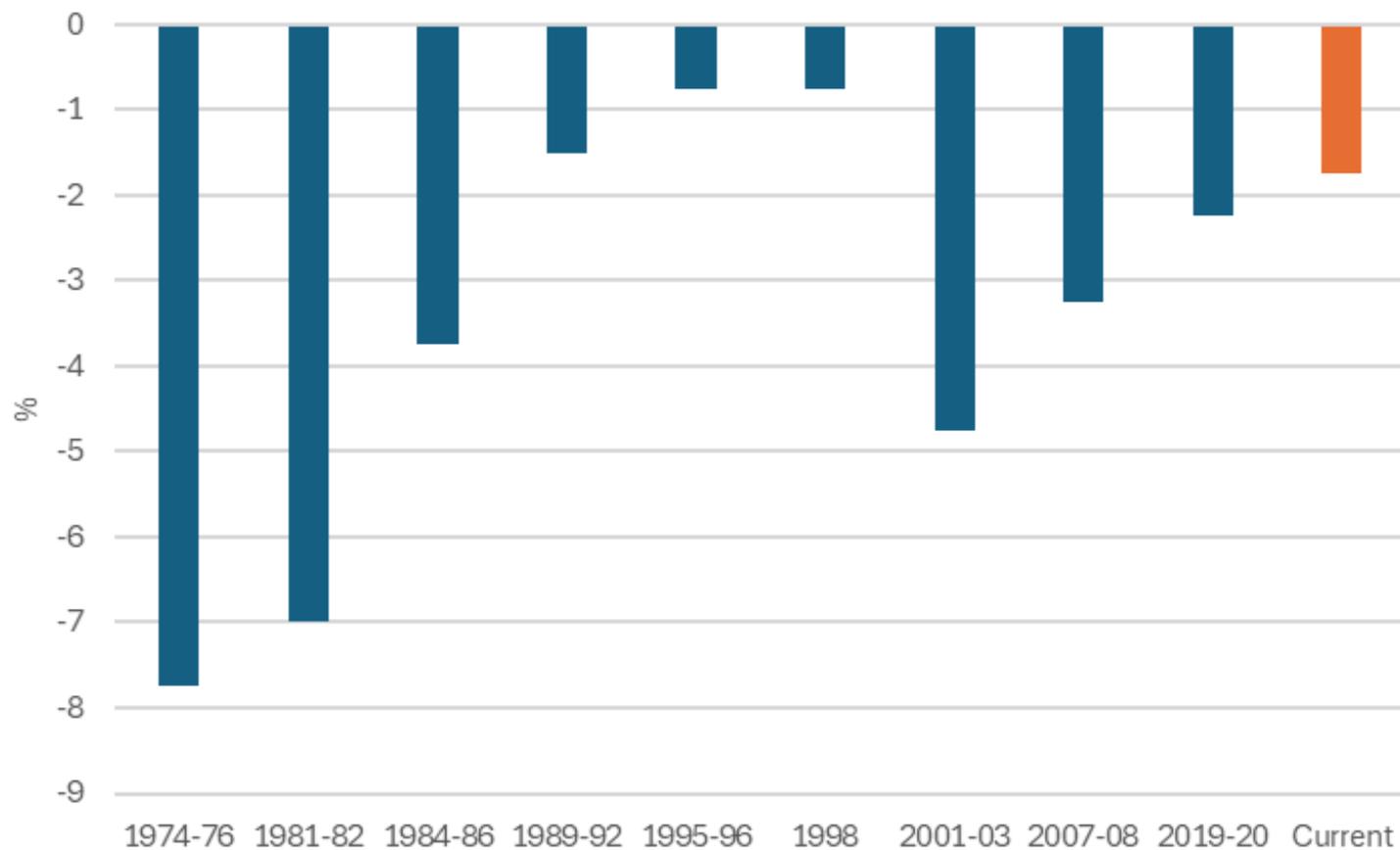
Dissenting votes cast at FOMC meetings



Source: Federal Reserve Board of Governors

This is still a relatively modest easing cycle

Changes in the federal funds target by rate cut cycle



Source: Federal Reserve Board of Governors