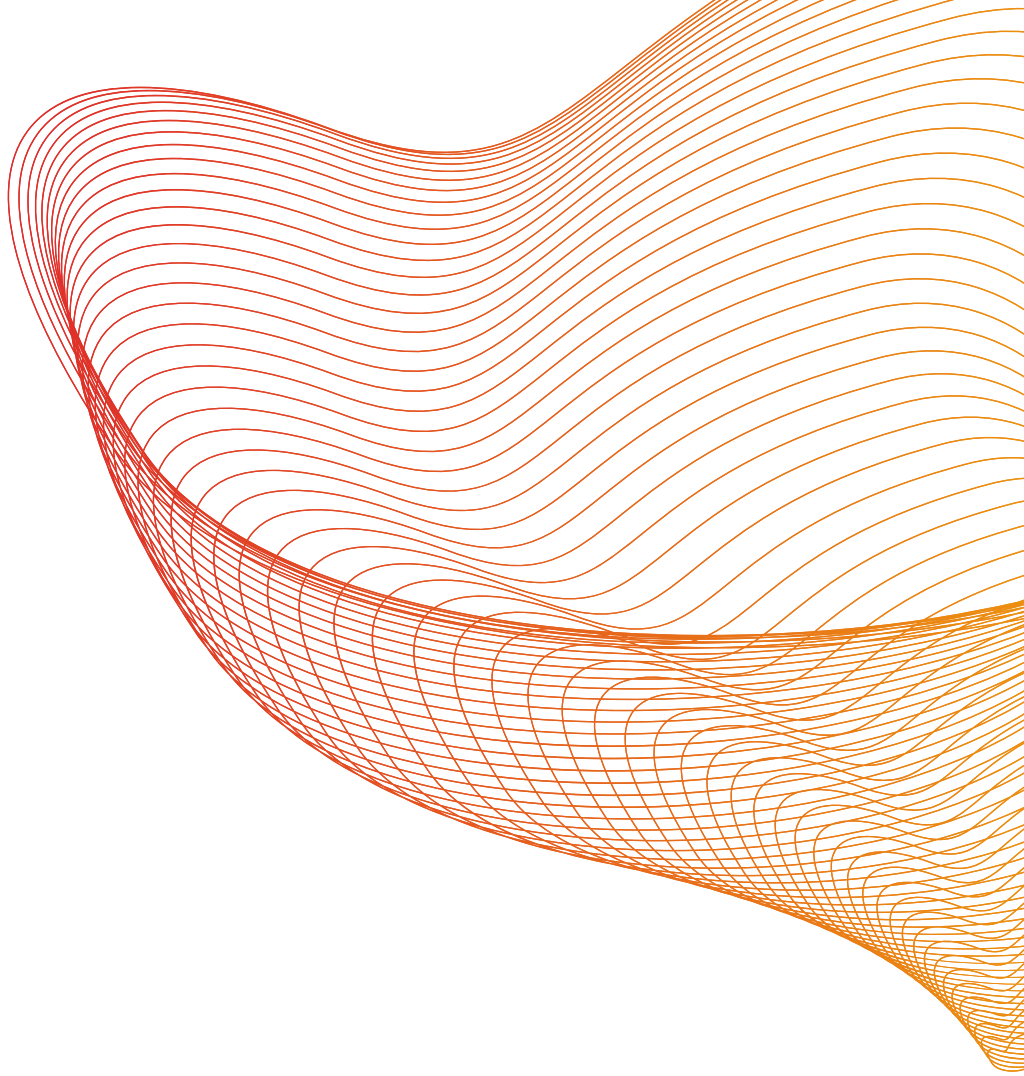


CFI Fed Deck

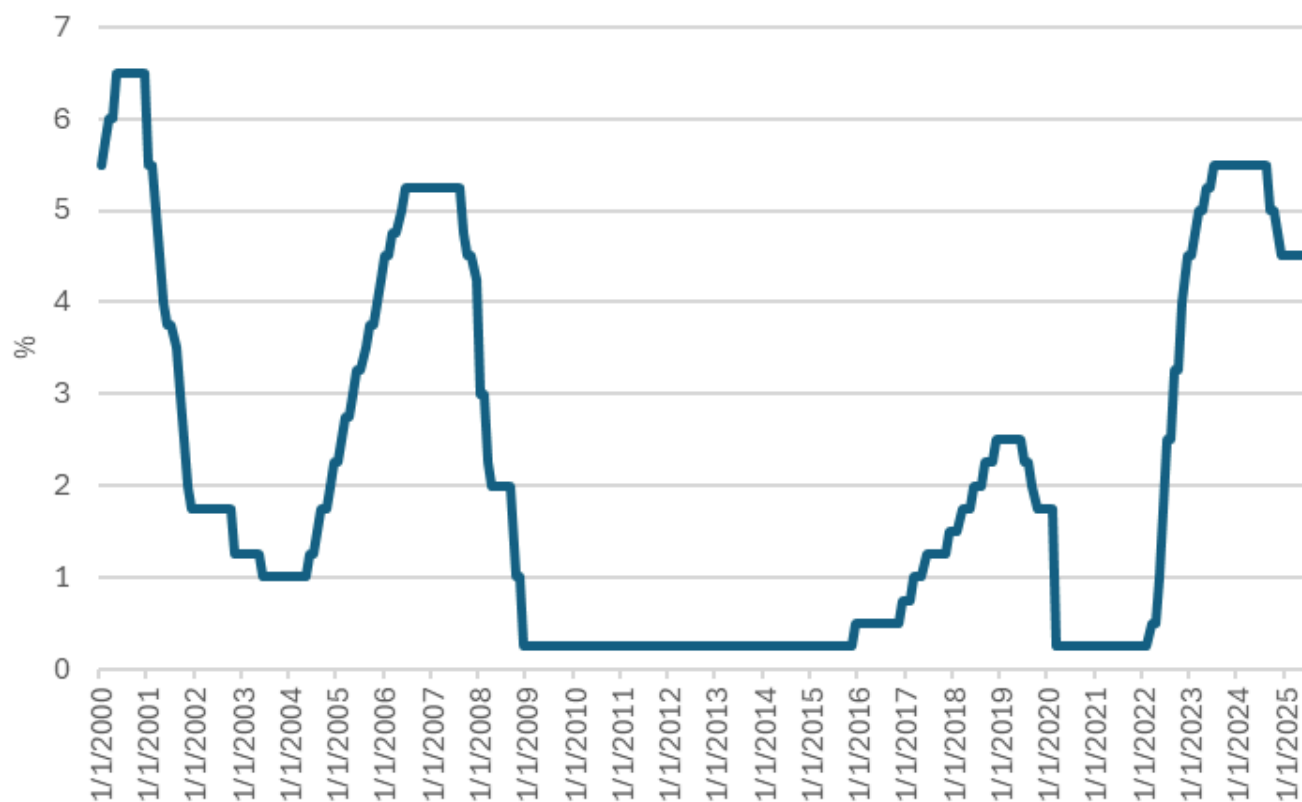
cycleframework.com

September 2025



The Fed has resumed the rate cut cycle

The federal funds target



Source: Federal Reserve Board of Governors

Real rates are still elevated

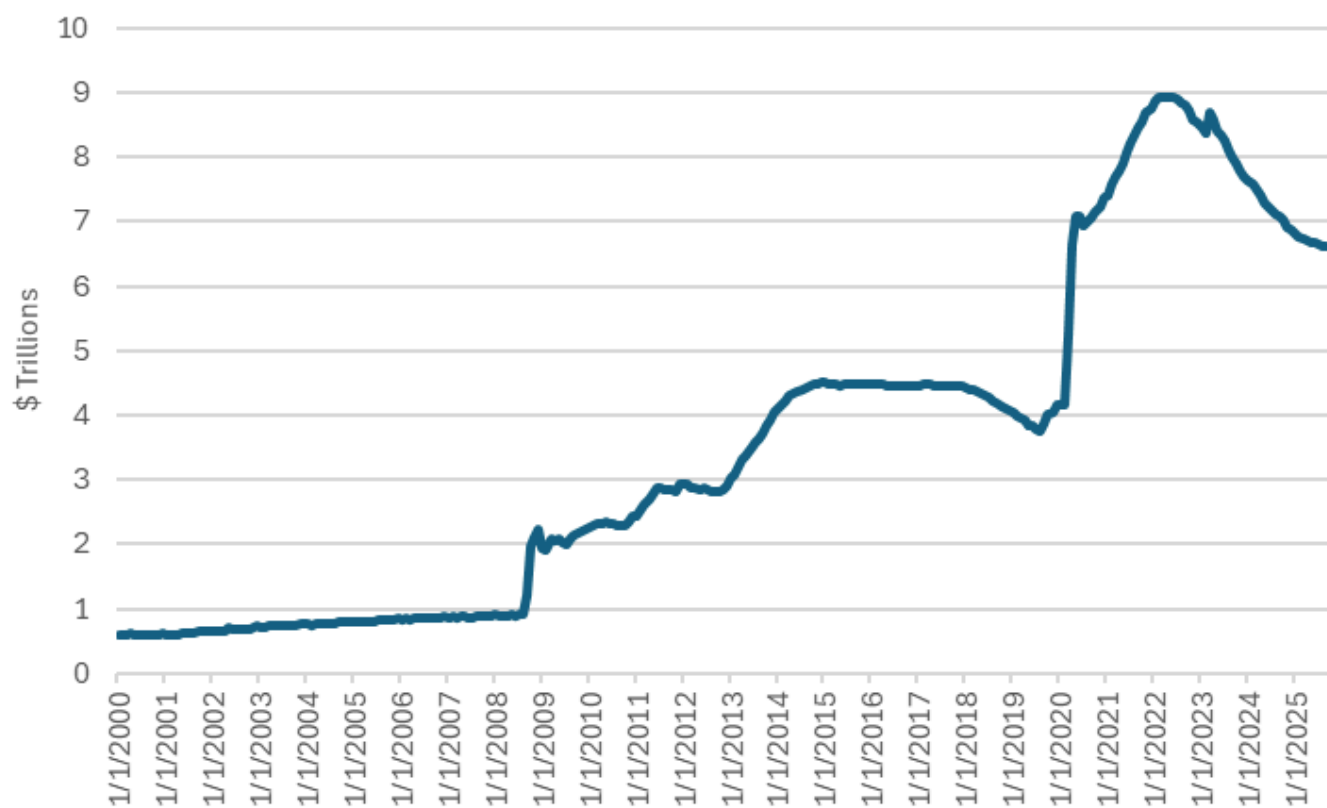
The real federal funds target



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

The Fed balance sheet is shrinking slowly

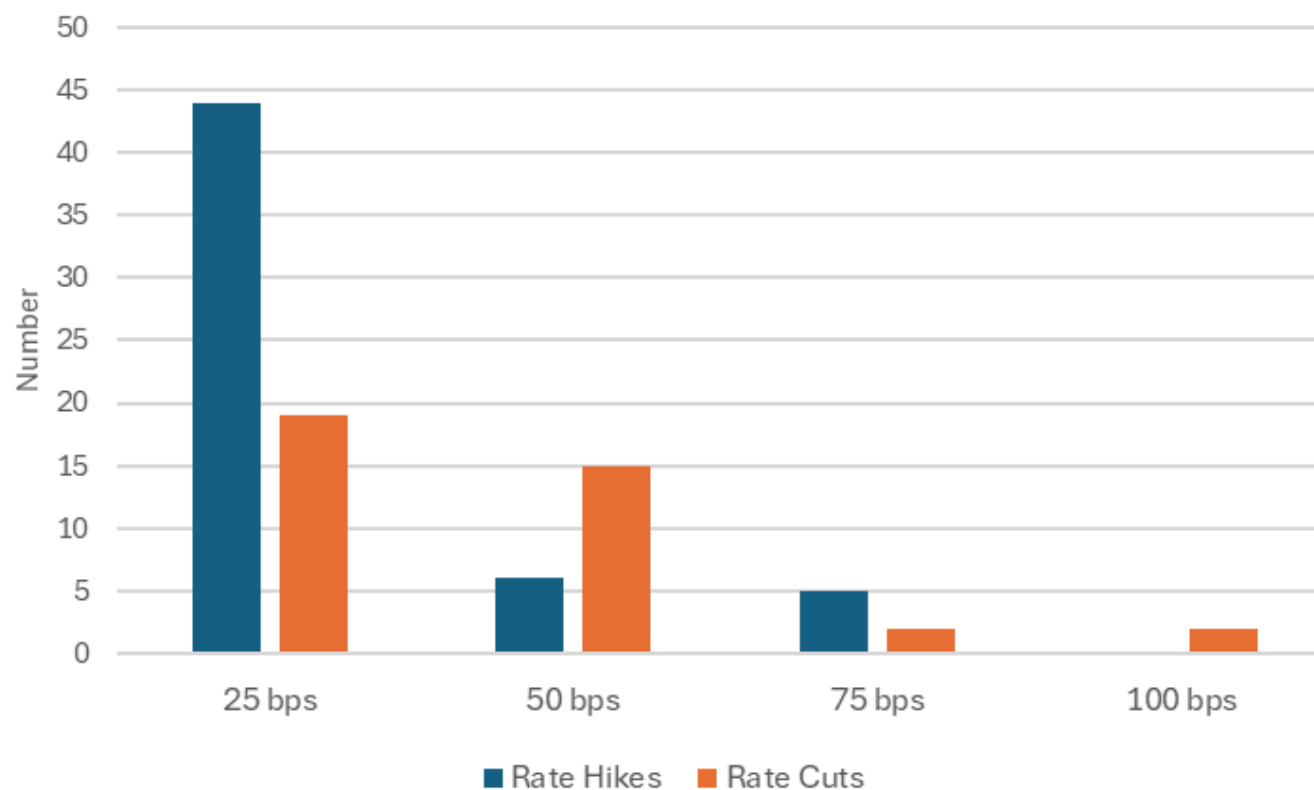
Assets on the Federal Reserve balance sheet



Source: Federal Reserve Board of Governors

Rate cuts are often aggressive

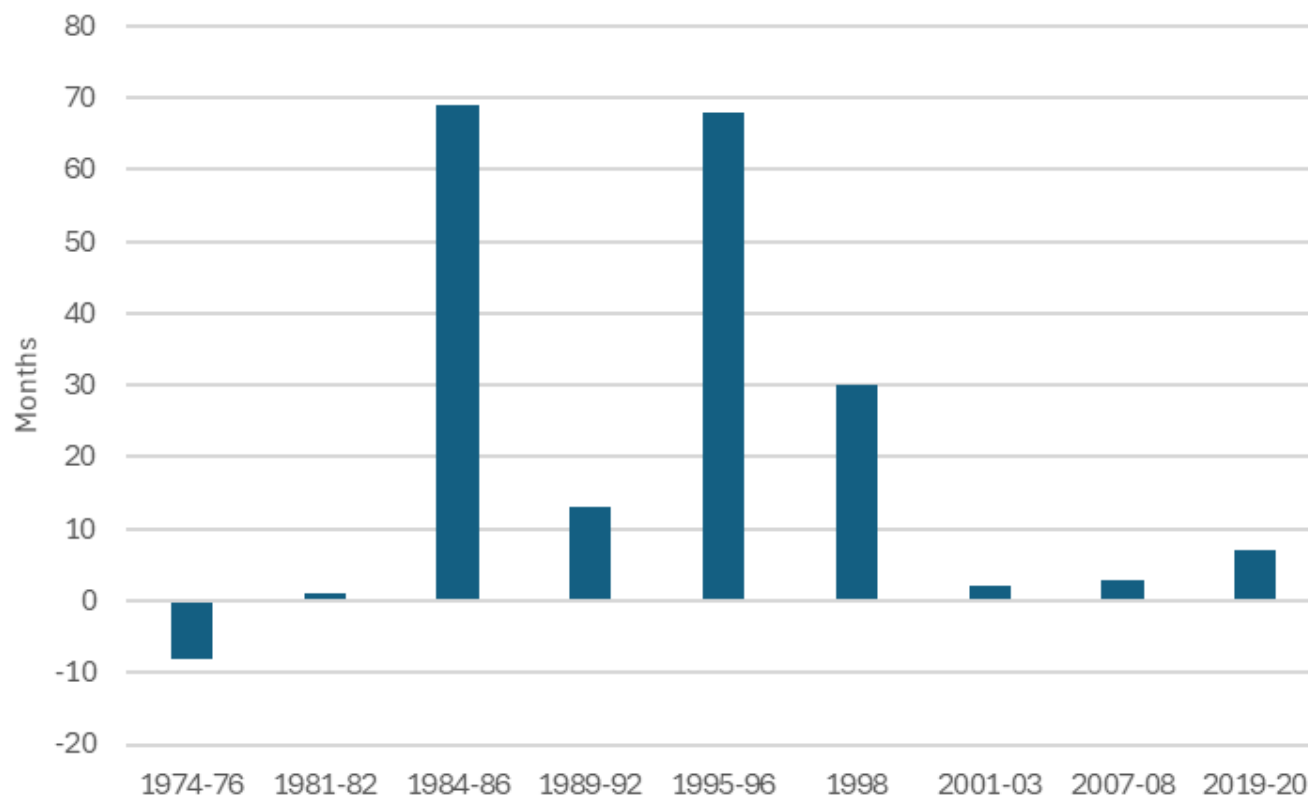
Changes in the federal funds target by magnitude, 1994-present



Source: Federal Reserve Board of Governors

The Fed generally begins cutting rates prior to recessions

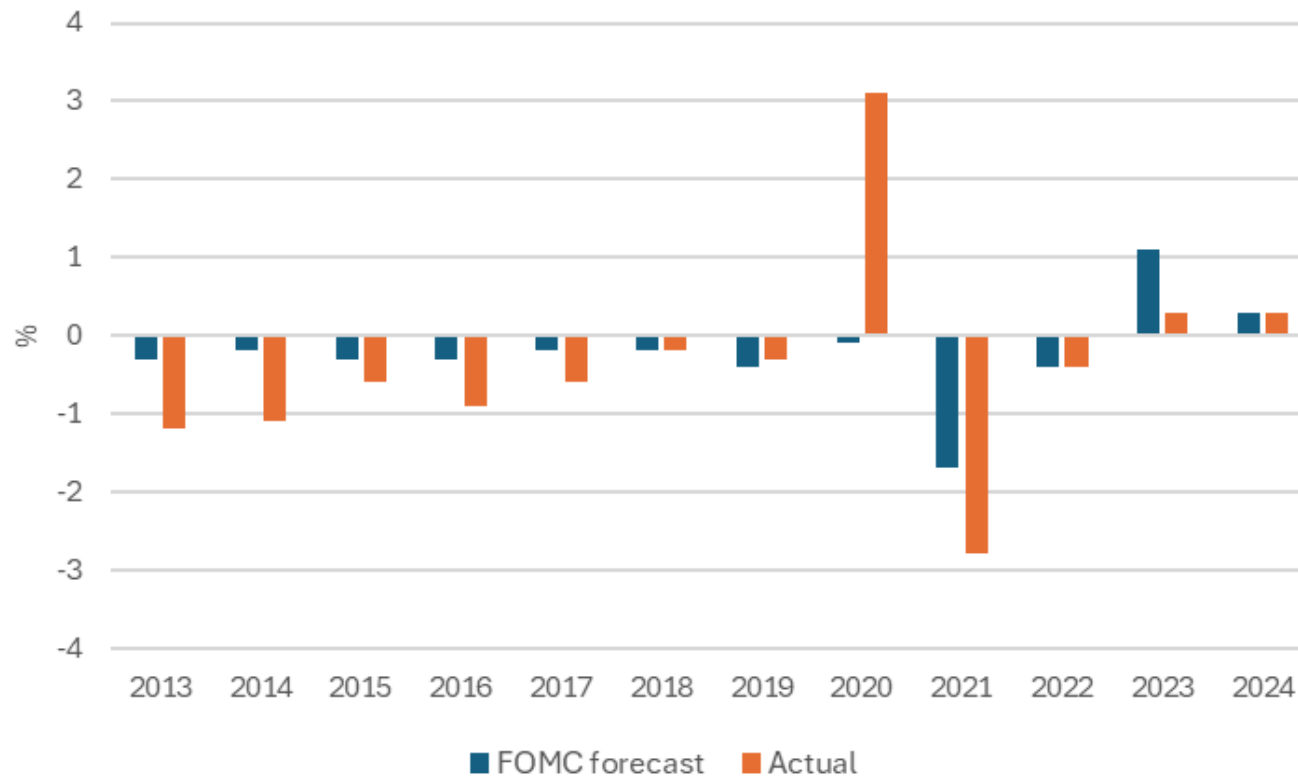
Lag between the first rate cut of Fed easing cycles and the outset of recessions



Source: Federal Reserve Board of Governors

The Fed generally underestimates labor market changes

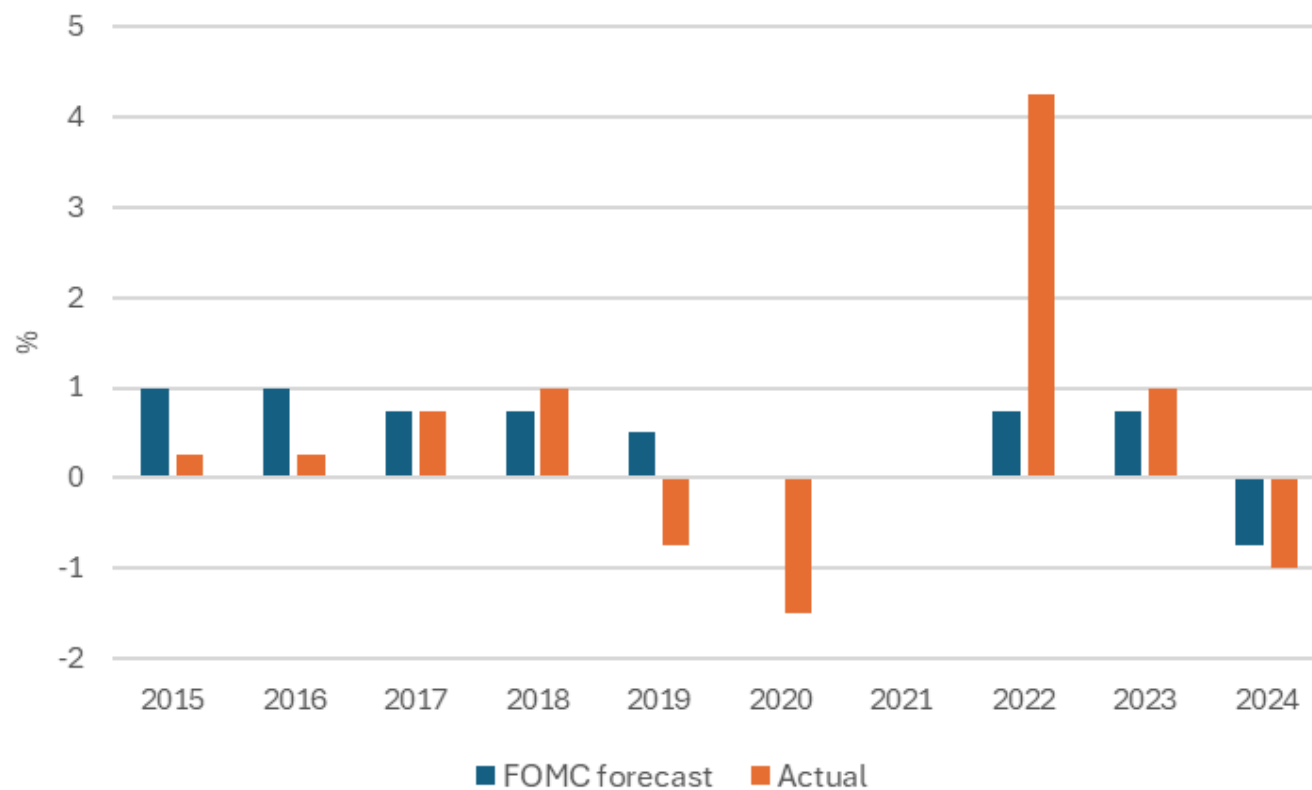
Yearly changes in the unemployment rate



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

Fed policy forecasts are often well off the mark

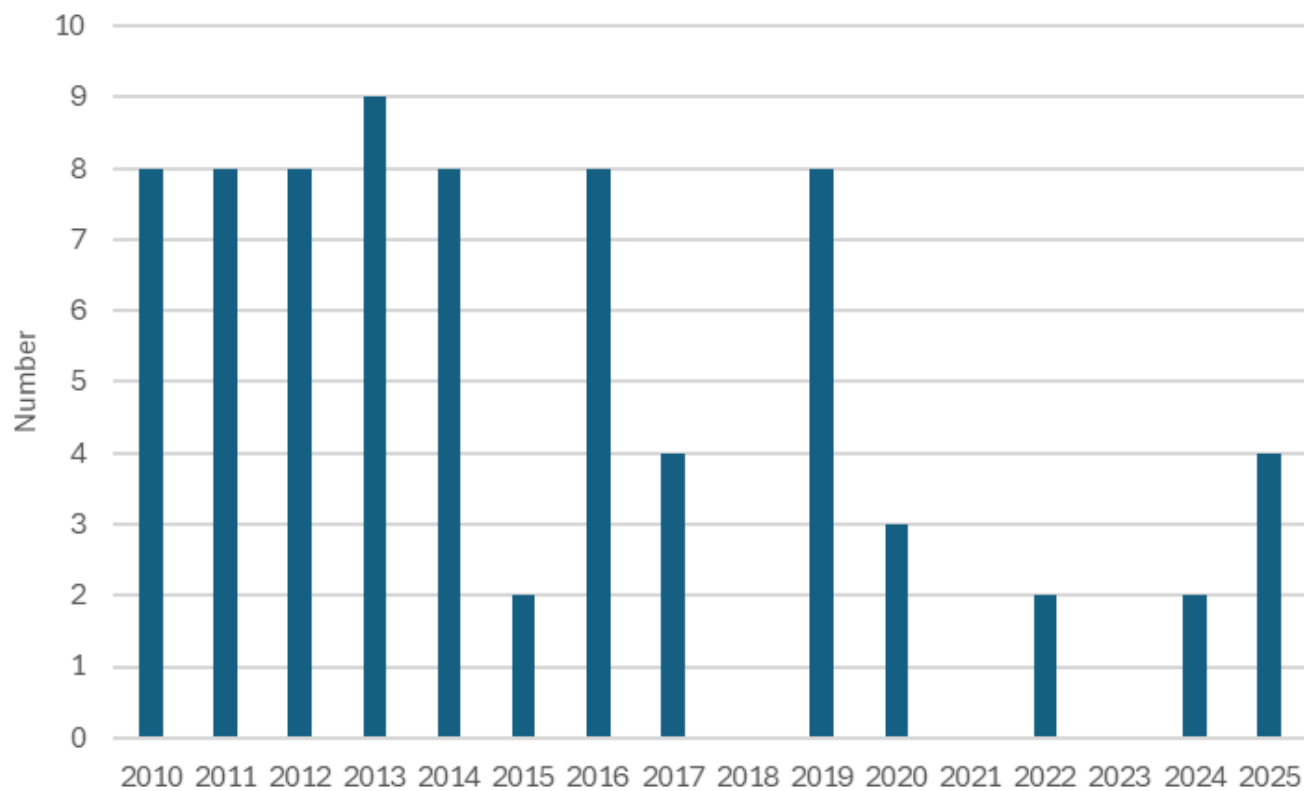
Yearly changes in the federal funds target



Source: Federal Reserve Board of Governors

Fed officials have been less aligned this year

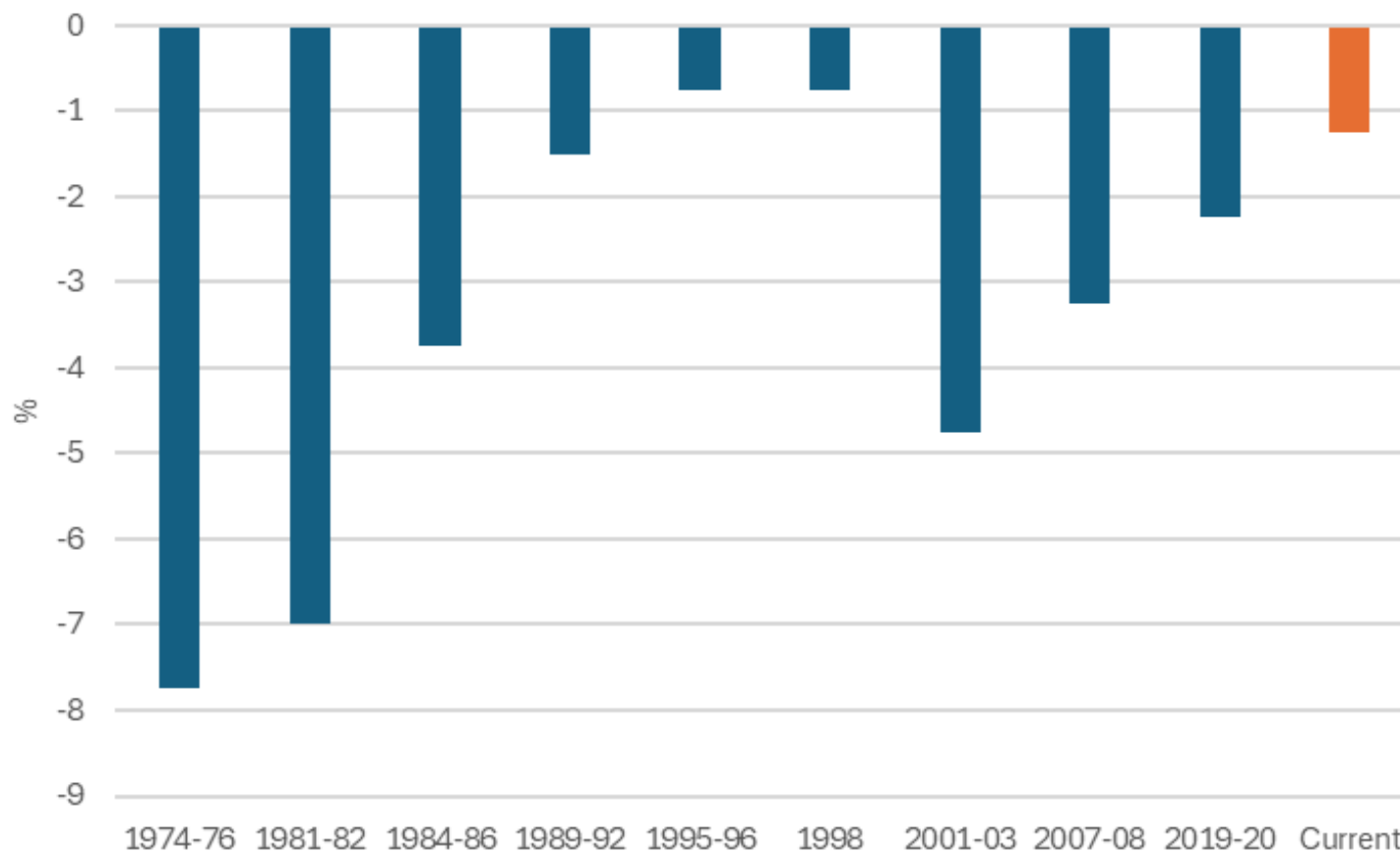
Dissenting votes cast at FOMC meetings



Source: Federal Reserve Board of Governors

The Fed often eases aggressively

Changes in the federal funds target by rate cut cycle



Source: Federal Reserve Board of Governors