



PHD Research Bureau
PHD Chamber of Commerce and Industry



Federal Reserve increase interest rate by 25 bps to 5.25%-5.50%

The Federal Open Market Committee (FOMC) has decided to raise the target range for the federal funds rate to 5.25%-5.50%. According to the FOMC, The U.S. banking system is sound and resilient. Tighter credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation. The extent of these effects remains uncertain. The Committee remains highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Please find appended the link to access the detailed document on the same.

<https://www.federalreserve.gov/monetarypolicy/files/monetary20230726a1.pdf>

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Warm Regards,

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