



PHD Research Bureau
PHD Chamber of Commerce and Industry



The Federal Reserve has decided to retain the target range of 5.25%–5.50% for the federal funds rate

The Federal Open Market Committee (FOMC) has chosen to keep the federal funds rate target range at 5.25%–5.50%. The FOMC reports that recent data points to a robust expansion of economic activity in the third quarter. The unemployment rate has been low, and job increases, while still solid, have moderated since the beginning of the year. The rate of inflation stays high. The US banking system is stable and strong. Inflation, and economic activity are all likely to be impacted by more restrictive lending and financial policies for individuals and companies. It's unclear how much of these consequences there will be. The Committee continues to pay close attention to inflationary threats. The Committee will examine economic and financial developments, the lags between monetary policy and inflation, and the cumulative tightening of monetary policy in order to determine the extent of additional policy firming that may be necessary to bring inflation back to 2 percent over time.

Furthermore, the Committee will keep cutting the amount of Treasury securities, agency debt, and agency mortgage-backed securities that it owns. The Committee will keep an eye on how new data will affect the outlook for the economy as it determines the proper course for monetary policy. In the event any risks materialize that could prevent the Committee from achieving its objectives, the Committee would be ready to modify its monetary policy stance as necessary. A wide range of data will be considered in the Committee's evaluations, such as readings on the state of the labor market, inflation pressures and expectations, and global and financial developments. With effect from November 2, 2023, the Board of Governors of the Federal Reserve System has unanimously decided to maintain the interest rate paid on reserve assets at 5.4 percent. The Federal Reserve Board of Governors unanimously approved setting the primary credit rate at its current level of 5.5 percent.

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

<https://www.federalreserve.gov/monetarypolicy/files/monetary20231101a1.pdf>

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Warm Regards,

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