



PHD RESEARCH BUREAU PHD CHAMBER OF COMMERCE AND INDUSTRY

Maintaining the status quo, the federal funds rate stands at 5.25%–5.50%

The Federal Open Market Committee (FOMC) has decided to keep the federal funds rate target range at 5.25%– 5.50%, maintaining the status quo. The FOMC reports that the economy has been growing steadily. While job growth has slowed since the beginning of the year, it is still substantial, and the unemployment rate has been low. Although it has softened over the past year, inflation is still high. In the long run, the Committee aims to attain maximum employment and 2% inflation.

In addition, the Committee will keep reducing the amount of Treasury securities, agency debt, and agency mortgage-backed securities it owns, as previously announced. With effect from February 1, 2024, the Federal Reserve System's Board of Governors unanimously decided to keep the interest rate paid on reserve holdings at 5.4%. Operate standing overnight repurchase agreements with a \$500 billion aggregate operating limit and a minimum bid rate of 5.5%. The Federal Reserve System's Board of Governors unanimously agreed to maintain the primary credit rate at its current 5.5% level.

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

<https://www.federalreserve.gov/monetarypolicy/files/monetary20240131a1.pdf>

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Warm Regards,

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