



Amidst easing but high inflation the Federal funds rate stands at 5.25%–5.5%, maintaining status quo

The Federal Open Market Committee (FOMC) has decided to maintain the target range for the federal funds rate at 5.25–5.5 percent, maintaining the status quo. The FOMC reports that the economic activity has been expanding at a rapid pace accompanied with a strong job growth and low unemployment rate. Inflation has softened over the past year but remains elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run.

In addition, the Committee will keep reducing the amount of Treasury securities, agency debt, and agency mortgage-backed securities, as previously announced. Effective March 21, 2024, the Federal Reserve System's Board of Governors unanimously decided to conduct standing overnight repurchase agreement operations with a minimum bid rate of 5.5 percent and with an aggregate operation limit of \$500 billion and conduct standing overnight reverse repurchase agreement operations at an offering rate of 5.3 percent and with a per-counterparty limit of \$160 billion per day. The Federal Reserve System's Board of Governors unanimously agreed on the establishment of the primary credit rate at the existing level of 5.5 percent.

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

<https://www.federalreserve.gov/monetarypolicy/files/monetary20240320a1.pdf>

Please contact, for any query related to this mail, Dr. Mansi Vinaik, Deputy Secretary at mansi.vinaik@phdcci.in, Ms. Mansi Nautiyal, Nautiyal, Research Associate at mansi.nautiyal@phdcci.in with a cc to Dr S P Sharma, Chief Economist| DSG at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.



Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Voice of Industry & Trade"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:

