



**PHD RESEARCH BUREAU**  
**PHD CHAMBER OF COMMERCE AND INDUSTRY**

## **Federal reserve lowers the target by 25 bps on fed rate at 4.50% - 4.75%**

The Federal Open Market Committee (FOMC) has decided to lower the target range for the federal funds rate by 0.25 percentage point to 4.50 percent to 4.75 percent, given moderate job gains, slight upward movement of unemployment rate up but remains low and solid expansion of economic activity. In the long term, the Committee seeks to achieve optimal employment levels alongside a 2% inflation rate. It has concluded that a more favorable equilibrium exists between the risks involved and the prospects for achieving its inflation and employment objectives. The Committee acknowledges the inherent risks associated with achieving its dual mandate, especially given the uncertain economic environment.

In addition, the Board of Governors of the Federal Reserve System have lower the interest rate paid on reserve balances at 4.65%, effective November 8, 2024; will conduct standing overnight repurchase agreement operations with a minimum bid rate of 4.75% and with an aggregate operation limit of \$500 billion; will conduct standing overnight reverse repurchase agreement operations at an offering rate of 4.55% and with a per-counterparty limit of \$160 billion per day and approve a 1/4 percentage point decrease in the primary credit rate to 4.75 percent, effective November 8, 2024.

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

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20241107a.htm>

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Warm Regards,

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