

Policy announcement

The Federal Open Market Committee (FOMC) decided to leave the federal funds rate unchanged at 0.00%–0.25%. The Federal Reserve (Fed) also announced that it will begin tapering its bond purchases at a pace of \$10 billion in Treasury securities and \$5 billion in agency mortgage-backed securities (MBS) starting later in November 2021.

Topic	Details
Stated reasons	<p>With progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen.</p> <p>Inflation is elevated, largely reflecting factors that are expected to be transitory.</p> <p>Overall, financial conditions remain accommodative.</p> <p>The path of the economy continues to depend on the course of the coronavirus.</p>
Looking forward	<p>The FOMC expects to maintain the target range (0.00%–0.25%) until labor market conditions reach levels consistent with the Committee’s assessment of maximum employment, and until inflation rises to 2% and is on track to exceed 2% for some time.</p> <p>In light of the substantial further progress that the economy has made toward the Committee’s goals, the FOMC decided to begin reducing the monthly pace of its bond purchases by \$10 billion in Treasury securities and \$5 billion in MBS.</p> <p>The FOMC judges that similar reductions in the pace of asset purchases will likely be appropriate each month, but it is prepared to adjust the pace of purchases if warranted by the outlook.</p>
What else?	<p>The FOMC 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 to the Committee’s goals emerge</p> <p>The Fed will roll over any principal payments of Treasury holdings into Treasury securities and reinvest all principal payment of mortgage-backed securities into MBS.</p> <p>The vote for the policy statement was unanimous.</p>
Upcoming meeting schedule	<p>December 15* January 26 March 16*</p> <p>*Indicates the meeting is associated with a summary of economic projections. In addition, every meeting will be accompanied by a press conference.</p>

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