

Federal Open Market Committee Meeting Key Takeaways

January FOMC meeting

January 27, 2021

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 continue to purchase at least \$80 billion in Treasury securities and at least \$40 billion in agency mortgage-backed securities until substantial further progress has been made toward the Committee’s goals.

Topic	Details
Stated reasons	<p>COVID-19 is causing tremendous human and economic hardship across the United States and around the world. Economic activity and employment have moderated in recent months, with weakness concentrated in the sectors most adversely affected by the pandemic.</p> <p>Overall financial conditions remain accommodative.</p> <p>The path of the economy will depend significantly on the course of the coronavirus, including progress on vaccinations.</p>
Looking forward	<p>The FOMC expects to maintain the target range (0.00%-0.25%) until labor market conditions have reached levels consistent with the Committee’s assessment of maximum employment and inflation has risen to 2% and is on track to moderately exceed 2% for some time.</p> <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>
What else?	<p>The Fed did not change its cautious tone in today’s release.</p> <p>Considerable risks remain to the economic outlook, given the ongoing public health crisis.</p> <p>An expected increase in inflation later this year appears to be of little concern to FOMC members, who reiterated that the goal is for inflation to move moderately above 2% for some time so that inflation averages 2% over time and remains well-anchored at 2%.</p> <p>The FOMC did not make any changes to the makeup of Treasury purchases.</p> <p>The vote for the policy statement was unanimous.</p>
Upcoming meeting schedule	<p>March 17* April 28 June 16* July 28</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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