

# Thank you for joining!

Market Update Call | April 14, 2023



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**Have a question?** Please use the Q&A function!

## **Save the Date:**

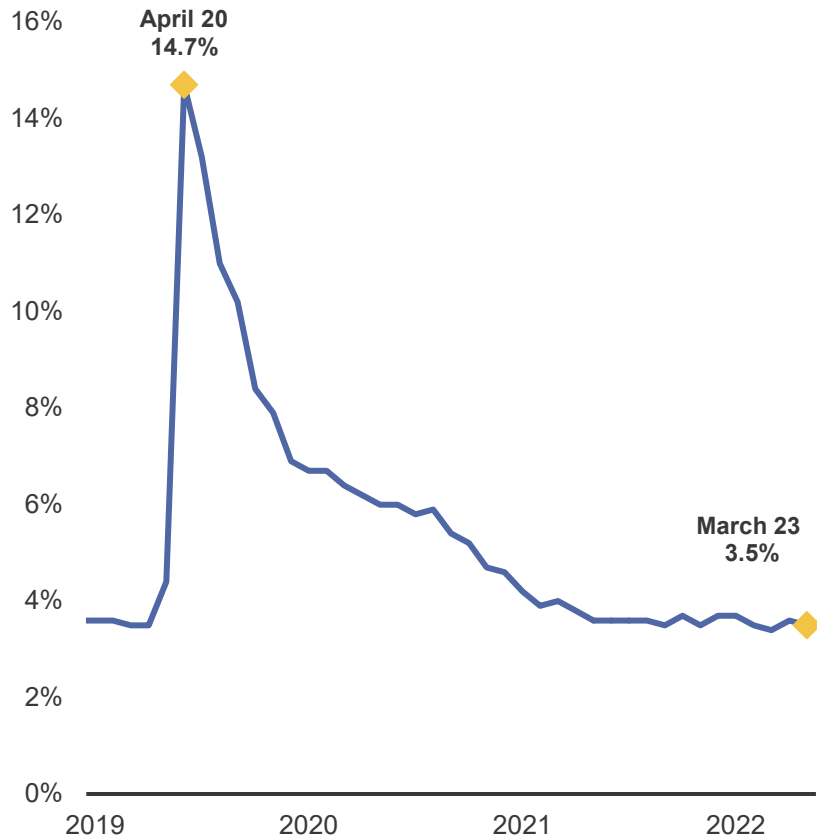
Friday, May 12, 2023

8:30 a.m. Eastern

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management

# Labor Conditions Remain Tight

## Unemployment Rate



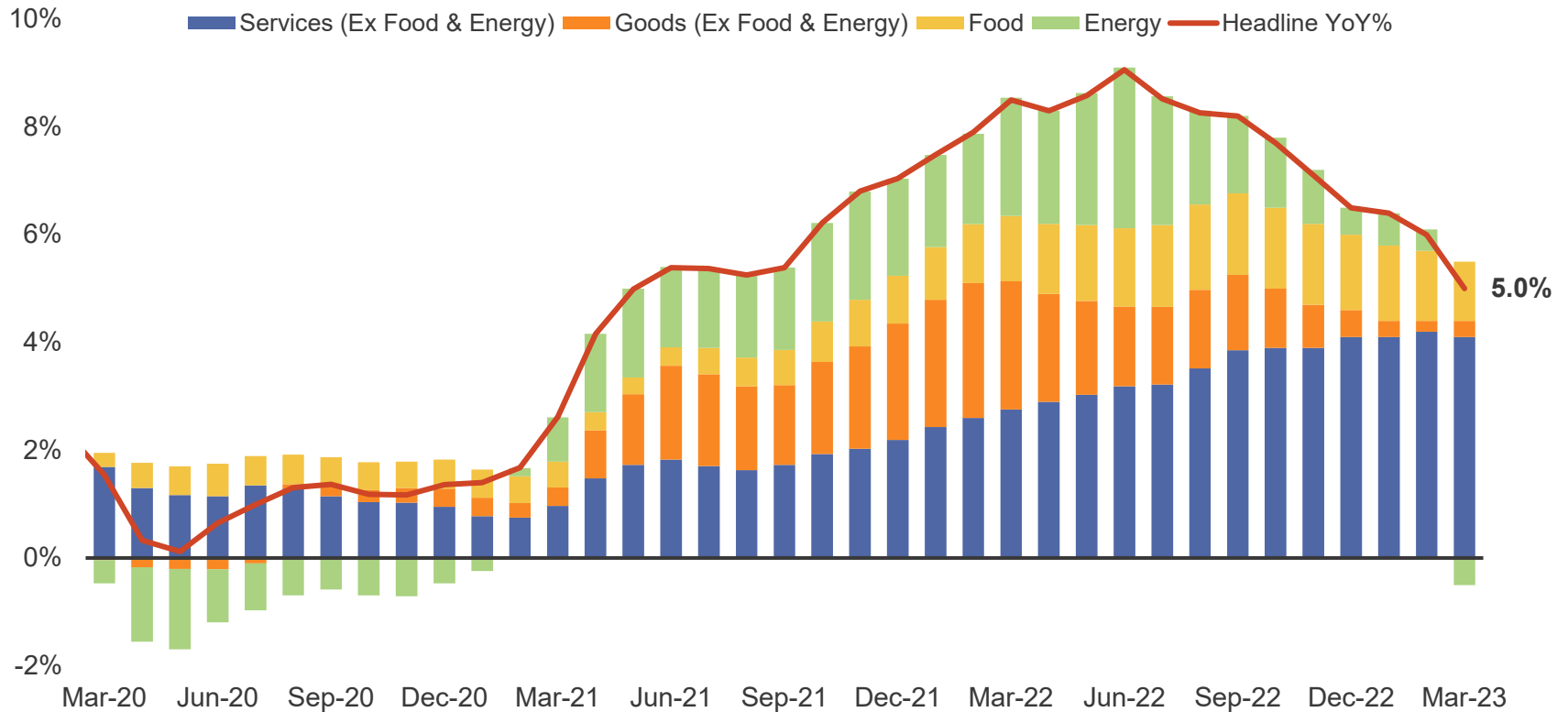
## Labor Force Participation Rate



Source: Congressional Budget Office March 2023 economic projections, Bureau of Labor Statistics. Bloomberg, as of March 2023. Data is seasonally adjusted.

# Inflation Shows Hints of Moderating

## Factors Contributing to the Consumer Price Index (CPI YoY)



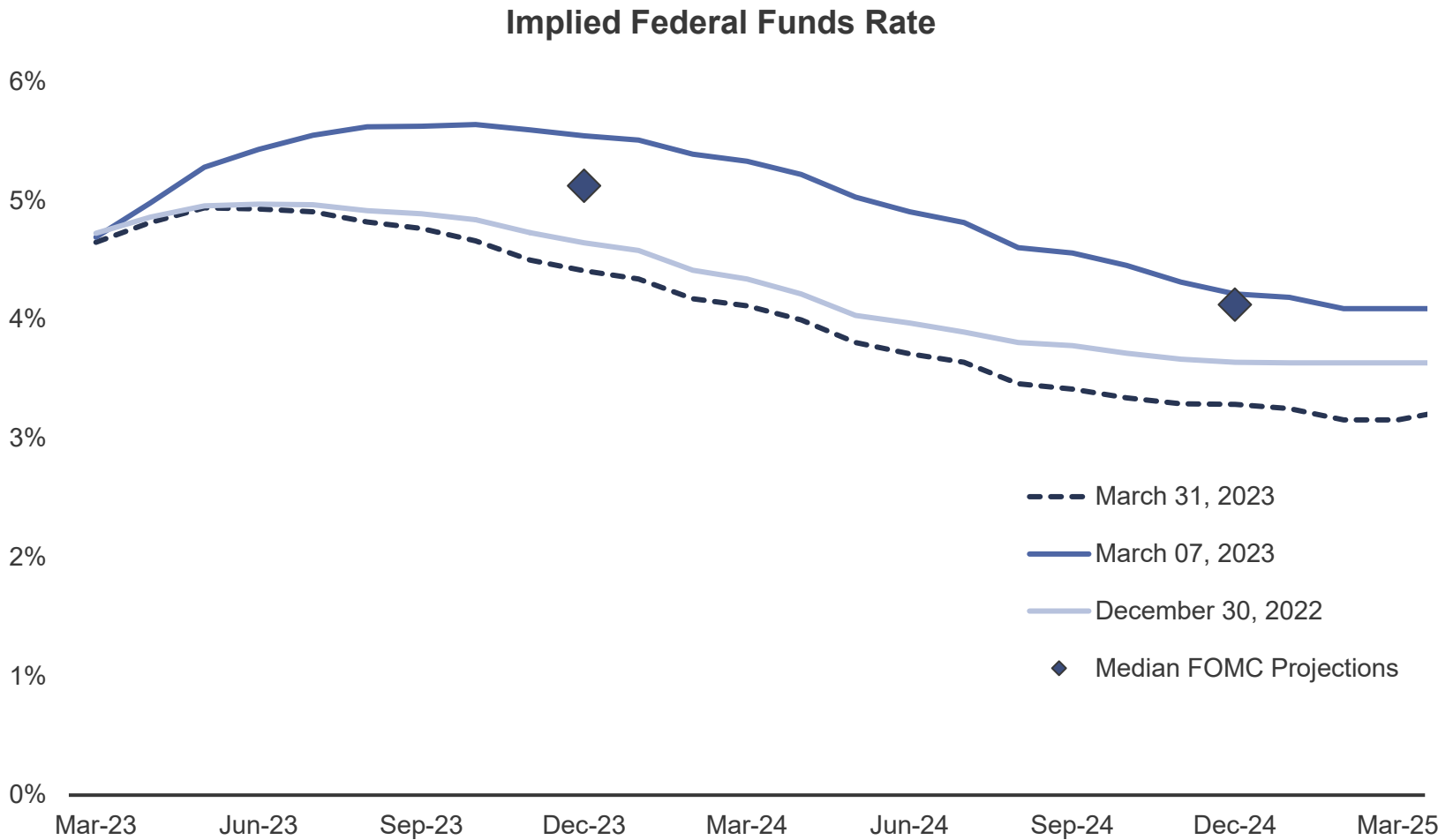
Source: Bloomberg, as of March 2023.

# FOMC Hints That Policy is Likely Approaching “Sufficiently Restrictive” Level

March 22, 2023 FOMC Meeting Statement

- ▶ Recent indicators point to modest growth in spending and production. Job gains have picked up in recent months; the unemployment rate has remained low.  
***Inflation remains elevated.***
- ▶ ***The U.S. banking system is sound and resilient.*** Recent developments are ***likely to result in tighter credit conditions*** for households and businesses and to weigh on economic activity, hiring, and inflation.
- ▶ The Committee decided to raise the target range for the federal funds rate to **4-3/4 to 5 percent** and anticipates that ***some additional policy firming may be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time.***
- ▶ The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.

# Market Expectations Evolve Amid Changing Policy Environment



Source: Bloomberg, Federal Reserve latest economic projection as of 03/31/2023.

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