

FOMC Update

. . . as summarized by Smith Shellnut Wilson

The Federal Open Market Committee made a sharp hawkish turn today, announcing it will double the taper pace of its asset-purchase program and telegraphing a steeper path of rate hikes than markets had expected. There is no question now that the majority of FOMC participants are focused on the price stability pillar of the Fed's dual mandates, even with the omicron variant posing downside risks to growth.

Despite retiring "transitory," policy makers expect inflation beyond 2021 to slow significantly; though not to the degree in the previous Summary of Economic Projections.

Dot plot: Given the forecast revisions, the majority of FOMC participants now anticipate a steeper path of rate hikes than at the last meeting -- three rate hikes for next year, three for 2023, and two for 2024, taking-the federal funds rate to 2.1% in 2024.

Please click the link for a [side-by-side comparison](#) of the U.S. Federal Open Market Committee statements from December 15, 2021 and November 3, 2021.

Source: Bloomberg Intelligence

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