

## Data Insights: Federal Reserve

Wednesday, January 28, 2026

Today's FOMC statement: how the language changed from prior meeting

~~December 10, 2025~~

January 28, 2026

Available indicators suggest that economic activity has been expanding at a ~~moderate~~solid pace. Job gains have ~~slowed this year~~remained low, and the unemployment rate has ~~edged up through September. More recent indicators are consistent with these developments.~~shown some signs of stabilization. Inflation ~~has moved up since earlier in the year and~~ remains somewhat elevated.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate ~~and judges that downside risks to employment rose in recent months.~~

In support of its goals ~~and in light of the shift in the balance of risks~~, the Committee decided to ~~lower~~maintain the target range for the federal funds rate ~~by 1/4 percentage point to~~at 3-~~1/2~~1/2 to 3-3/4 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

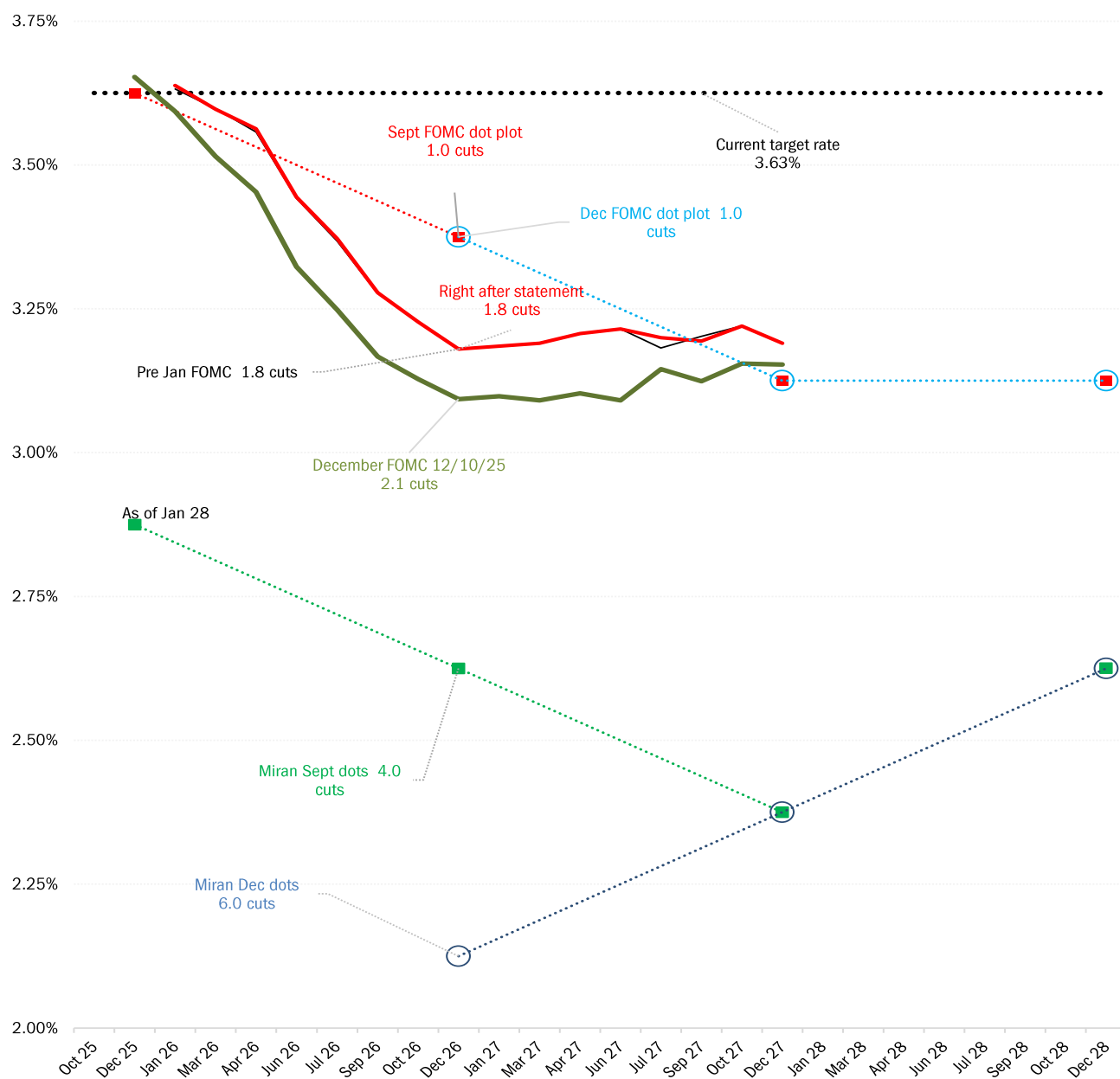
In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

~~The Committee judges that reserve balances have declined to ample levels and will initiate purchases of shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis.~~

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; ~~Susan M. Collins~~; Lisa D. Cook; ~~Beth M. Hammack~~; Philip N. Jefferson; ~~Alberto G. Musalem~~Neel Kashkari; Lorie K. Logan; and ~~Christopher J. Waller~~Anna Paulson. Voting against this action were Stephen I. Miran and Christopher J. Waller, who preferred to lower the target range for the federal funds rate by

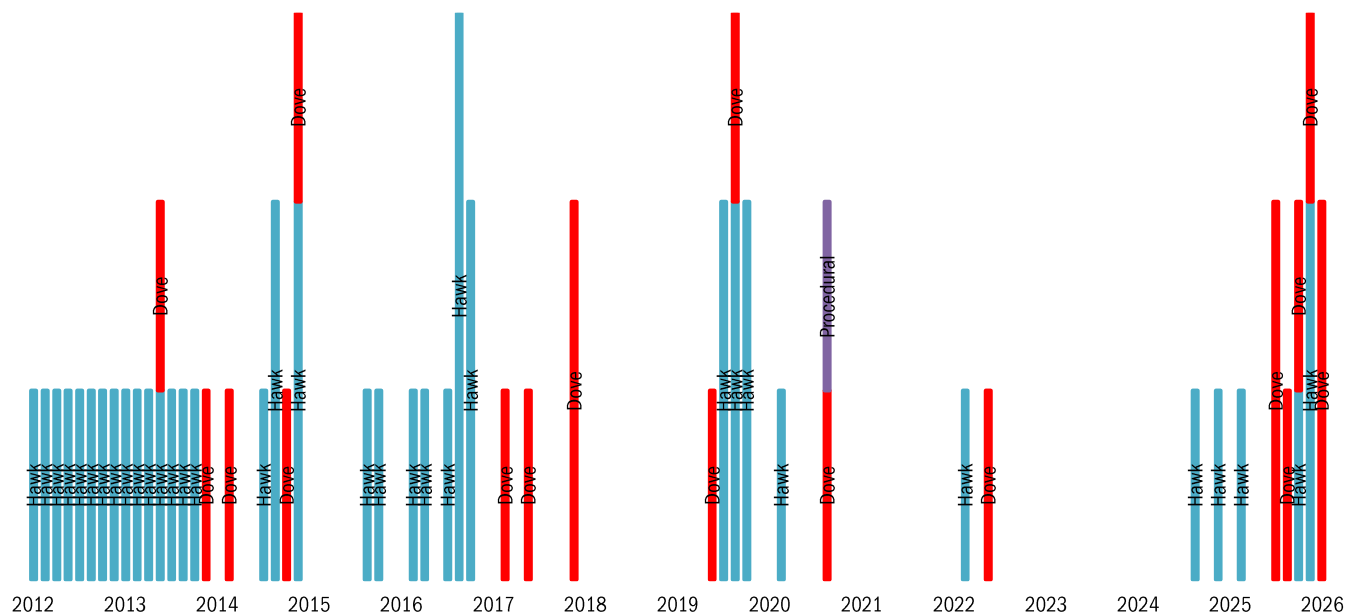
1/24 percentage point at this meeting; and Austan D. Goolsbee and Jeffrey R. Schmid, who preferred no change to the target range for the federal funds rate at this meeting.

## Futures-implied policy path per FOMC meeting Based on effective rate, adjusted to target



Source: FOMC, Bloomberg, TrendMacro calculations

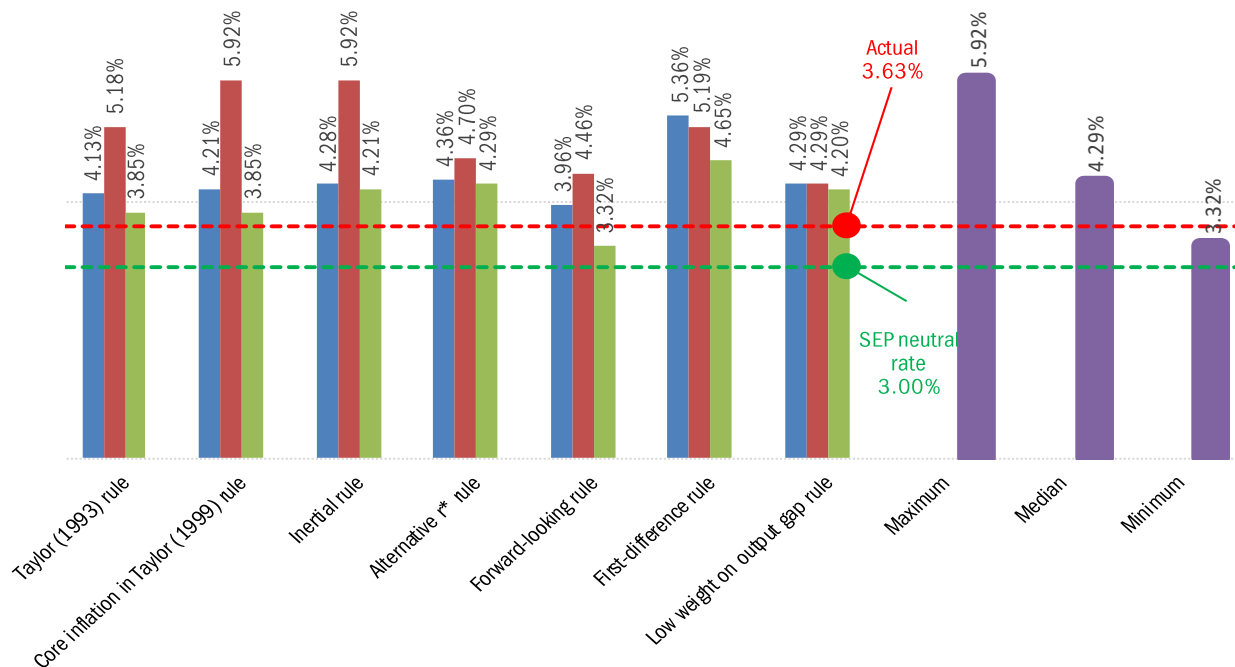
## Other voices: number and direction of FOMC decision dissents



Source: FOMC, TrendMacro calculations

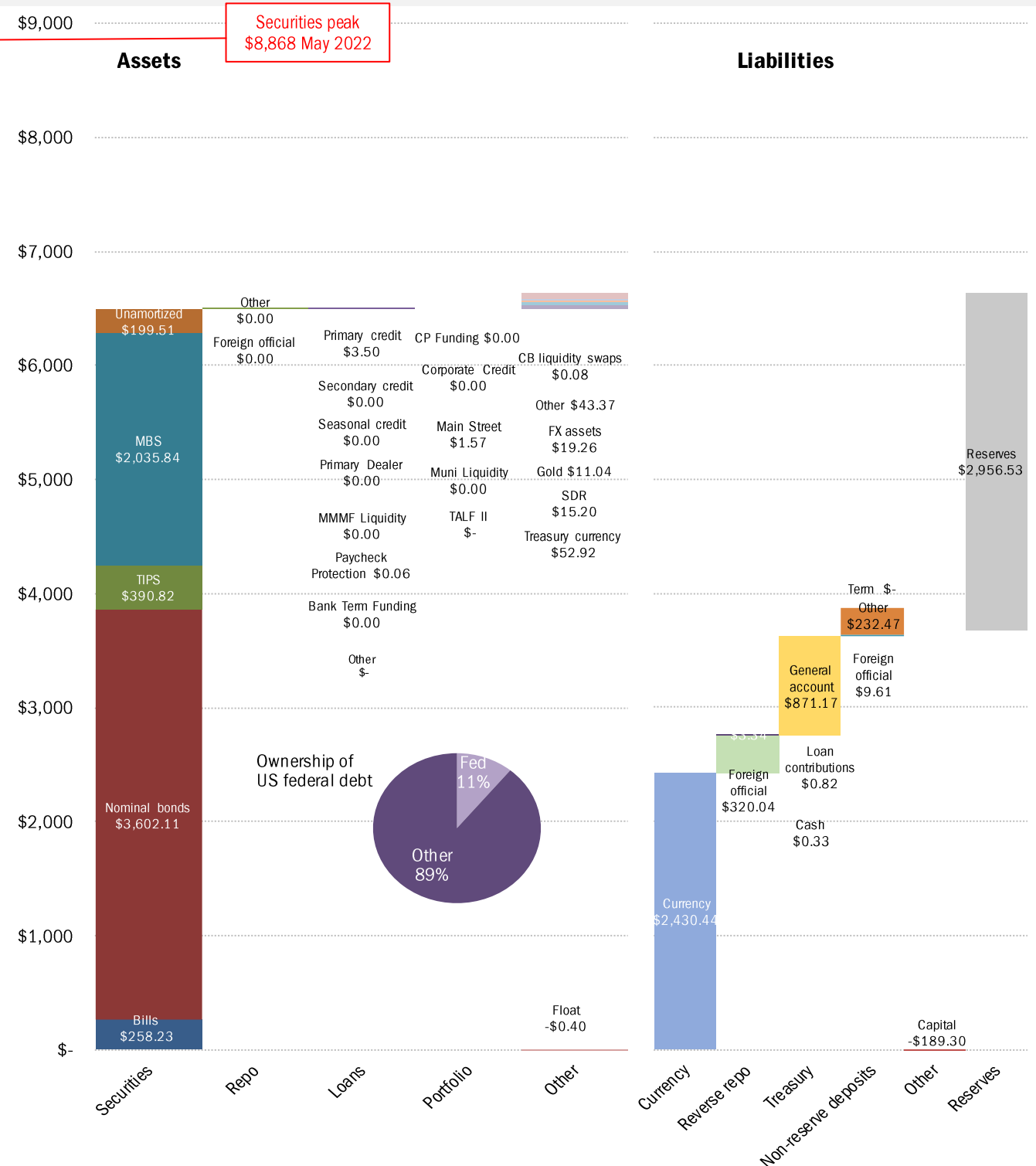
## So many policy rules, so little inclination to follow any of them...

Updated December 30, 2025 Funds rate target based on inputs from: ■ FOMC SEP ■ CBO ■ Cleveland Fed



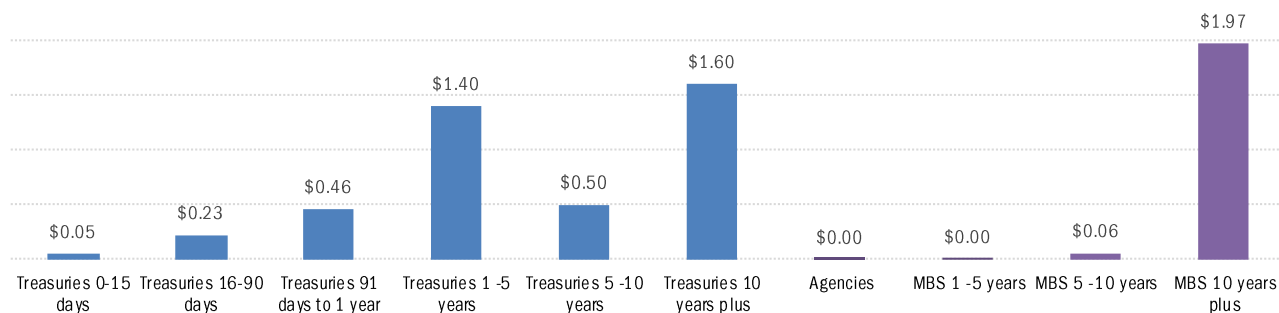
Source: [Cleveland Fed](#), TrendMacro calculations

# The Fed's assets, and how they are funded (USD billions)



Source: Federal Reserve H.4, US Treasury, TrendMacro calculations

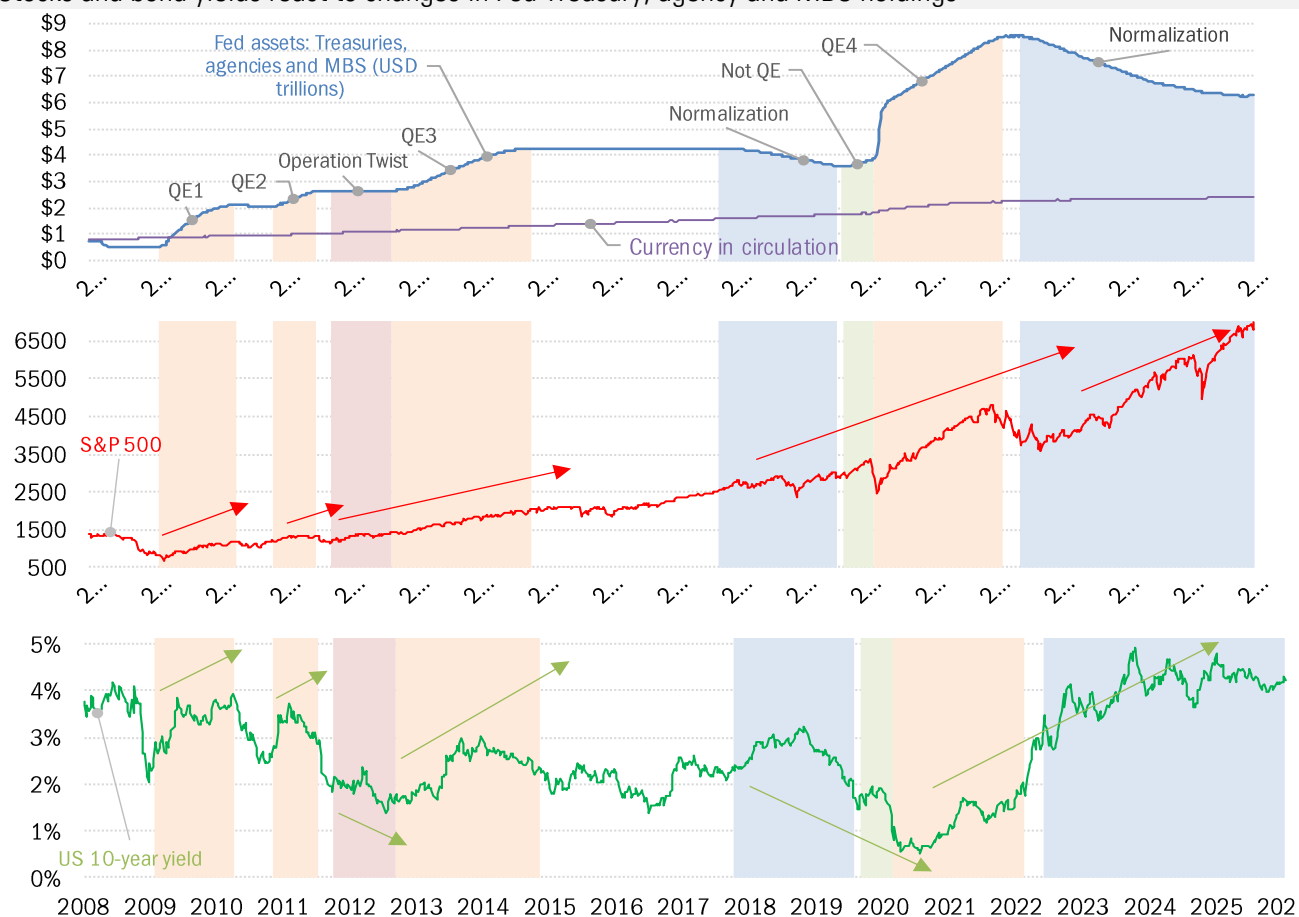
## Sector and maturity breakdown of Fed government securities, USD trillions



Source: Federal Reserve, Bloomberg, TrendMacro calculations

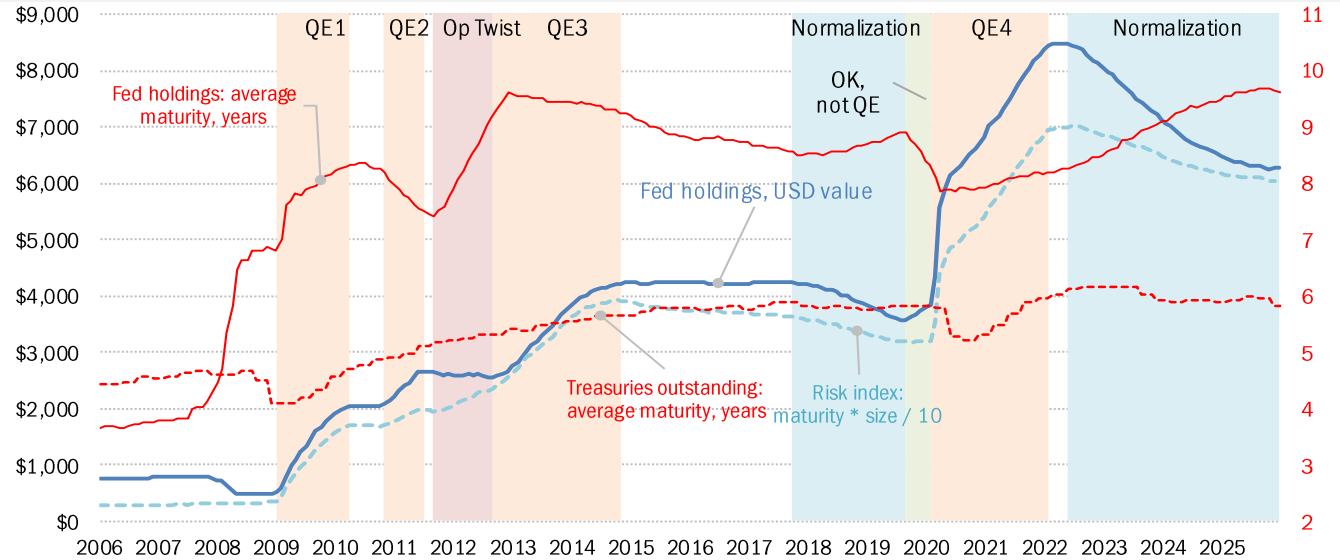
## The Fed's asset purchases, and their effects on markets

Stocks and bond yields react to changes in Fed Treasury, agency and MBS holdings



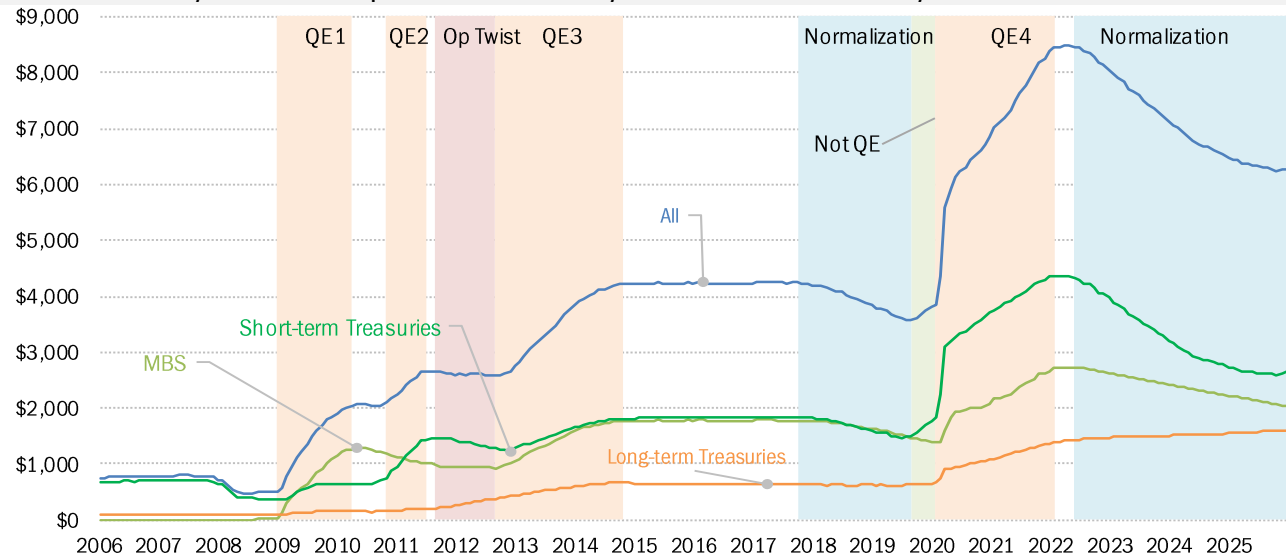
Source: Federal Reserve, Bloomberg, TrendMacro calculations

## Fed Treasury and MBS portfolio: size, maturity and risk index



Source: Federal Reserve, Bloomberg, TrendMacro calculations

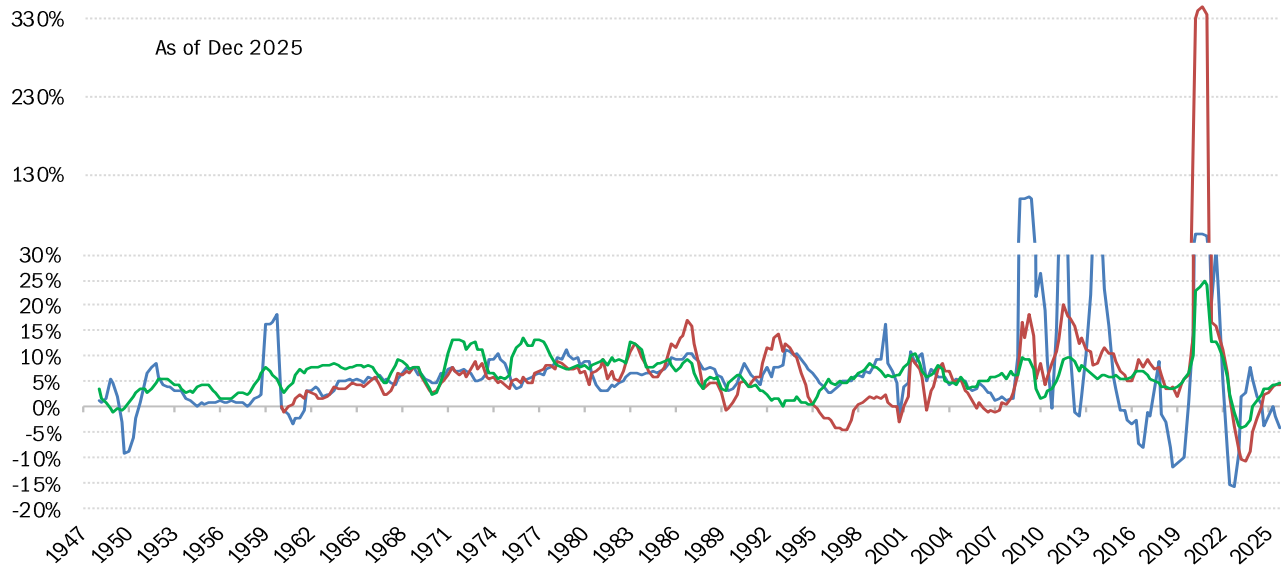
## Fed Treasury and MBS portfolio: size by sector and maturity



Source: Federal Reserve, Bloomberg, TrendMacro calculations

## Money supply growth, YOY quarterly

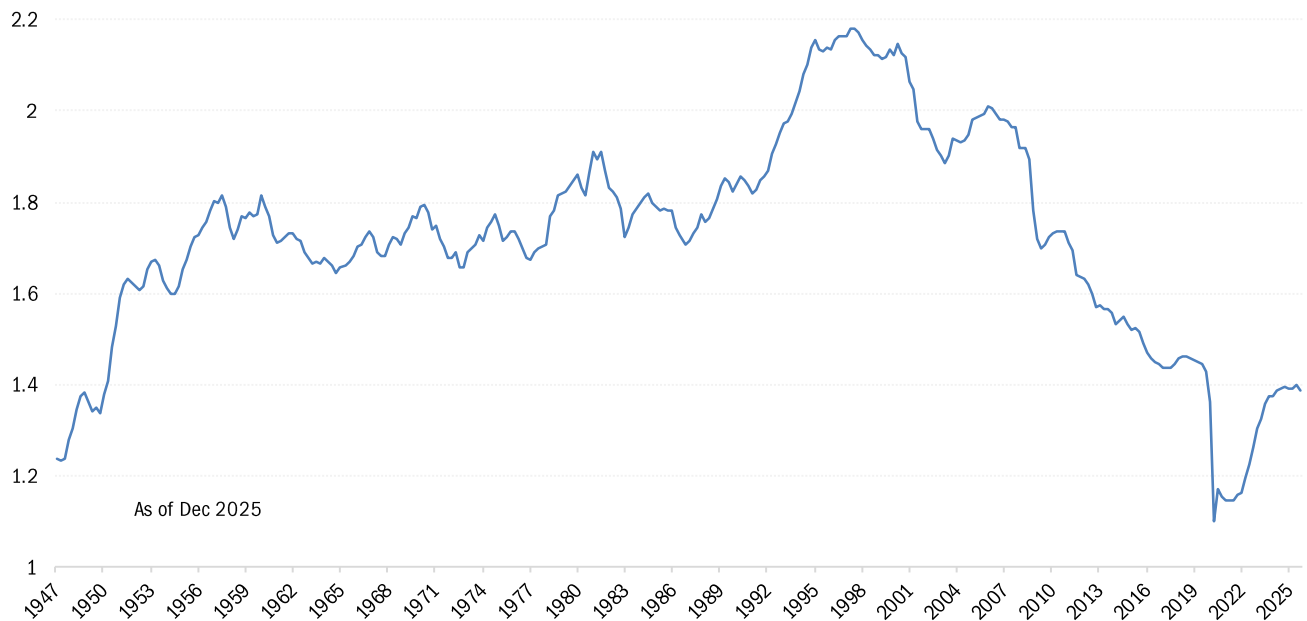
— M1 — M2 — Monetary base



Source: Federal Reserve H.6, NBER, TrendMacro calculations

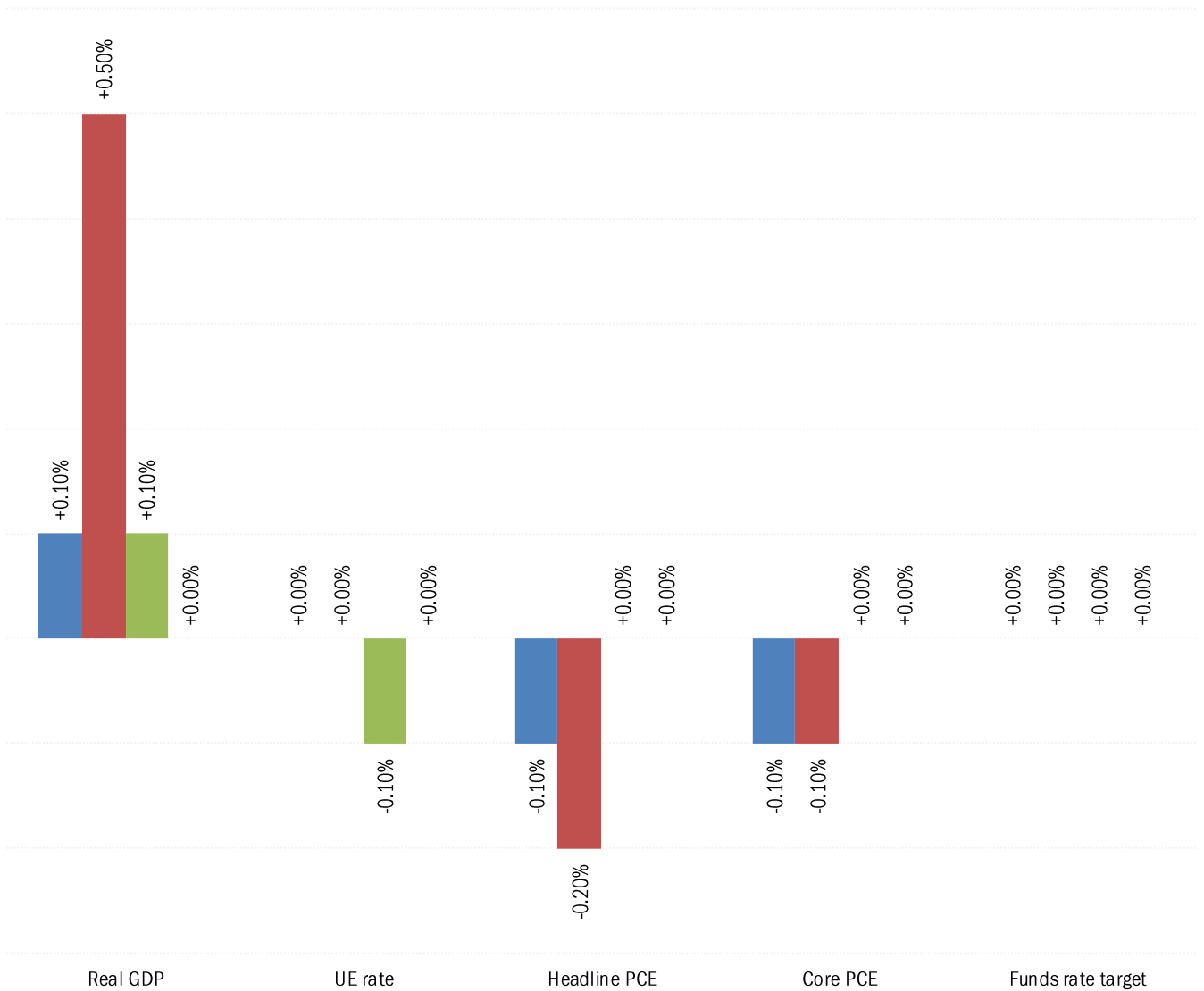
## Monetary velocity, quarterly

Derived from the [Equation of Exchange](#):  $M2 * V = P * NGDP$



## Summary of Economic Projections at-a-glance (median, level) As of Sept FOMC

Change from prior SEP with respect to: ■ 2025 ■ 2026 ■ 2027 ■ Longer run

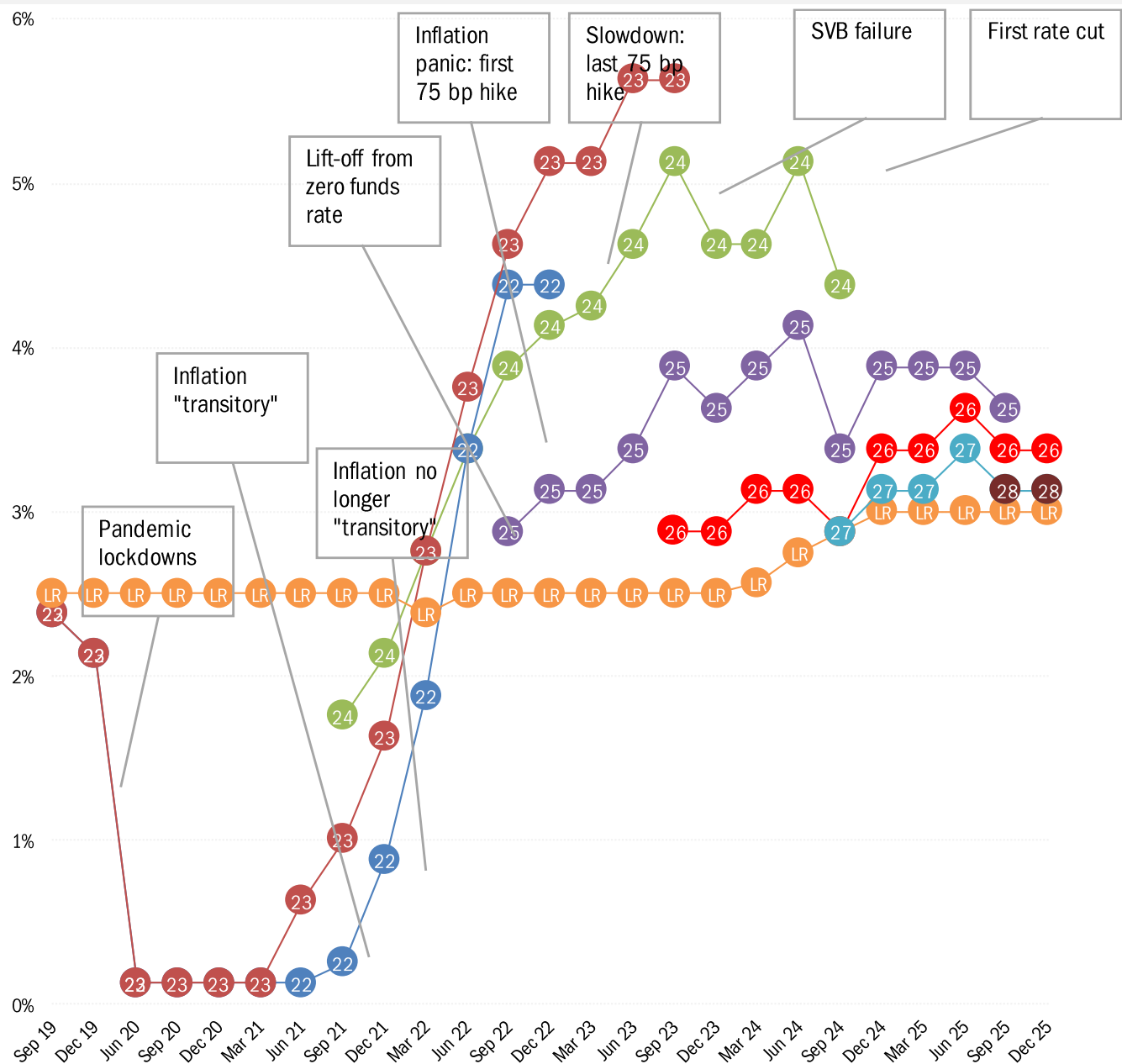


Source: FOMC, TrendMacro calculations



# "Dot plots" of "appropriate policy path" in the pandemic funds rate cycle

As of December FOMC

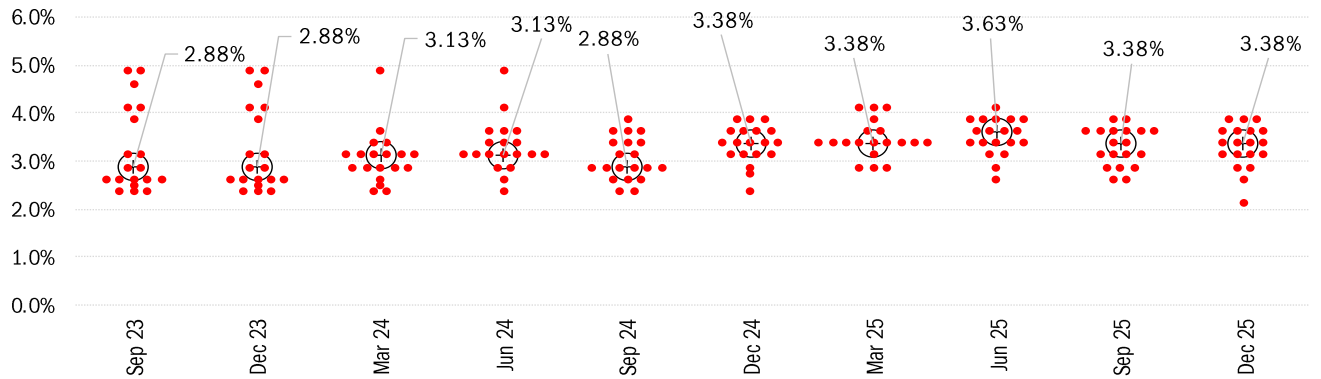


Source: Federal Reserve [SEP](#), TrendMacro calculations

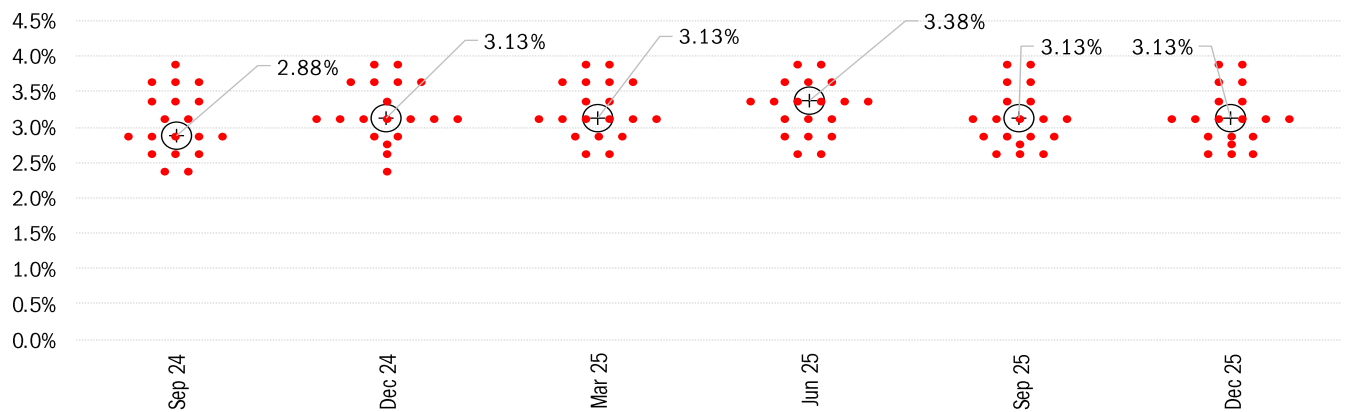
## Tracking the "dotplots" in high-res As of December FOMC

FOMC participants' estimate of "appropriate" target fed funds rate ● Vote by participant ○ Median

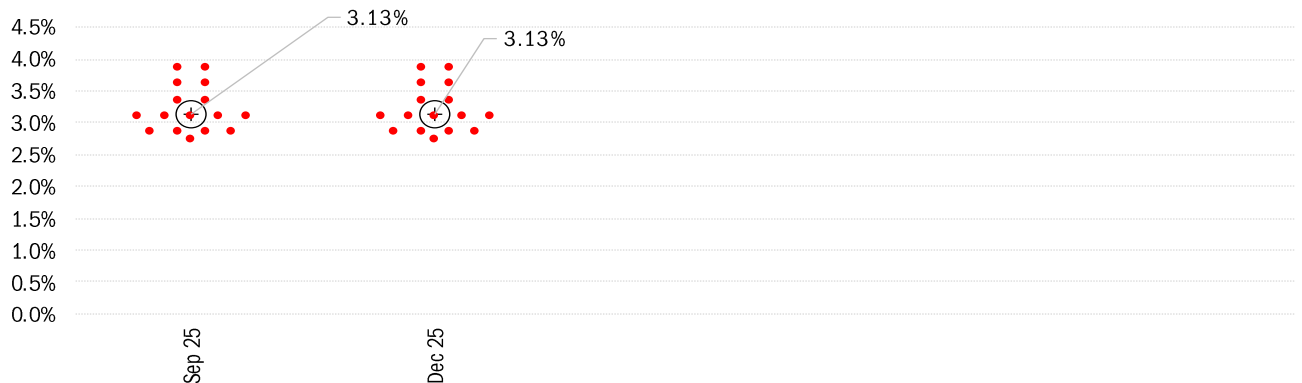
### For year-end 2026



### For year-end 2027



### For year-end 2028

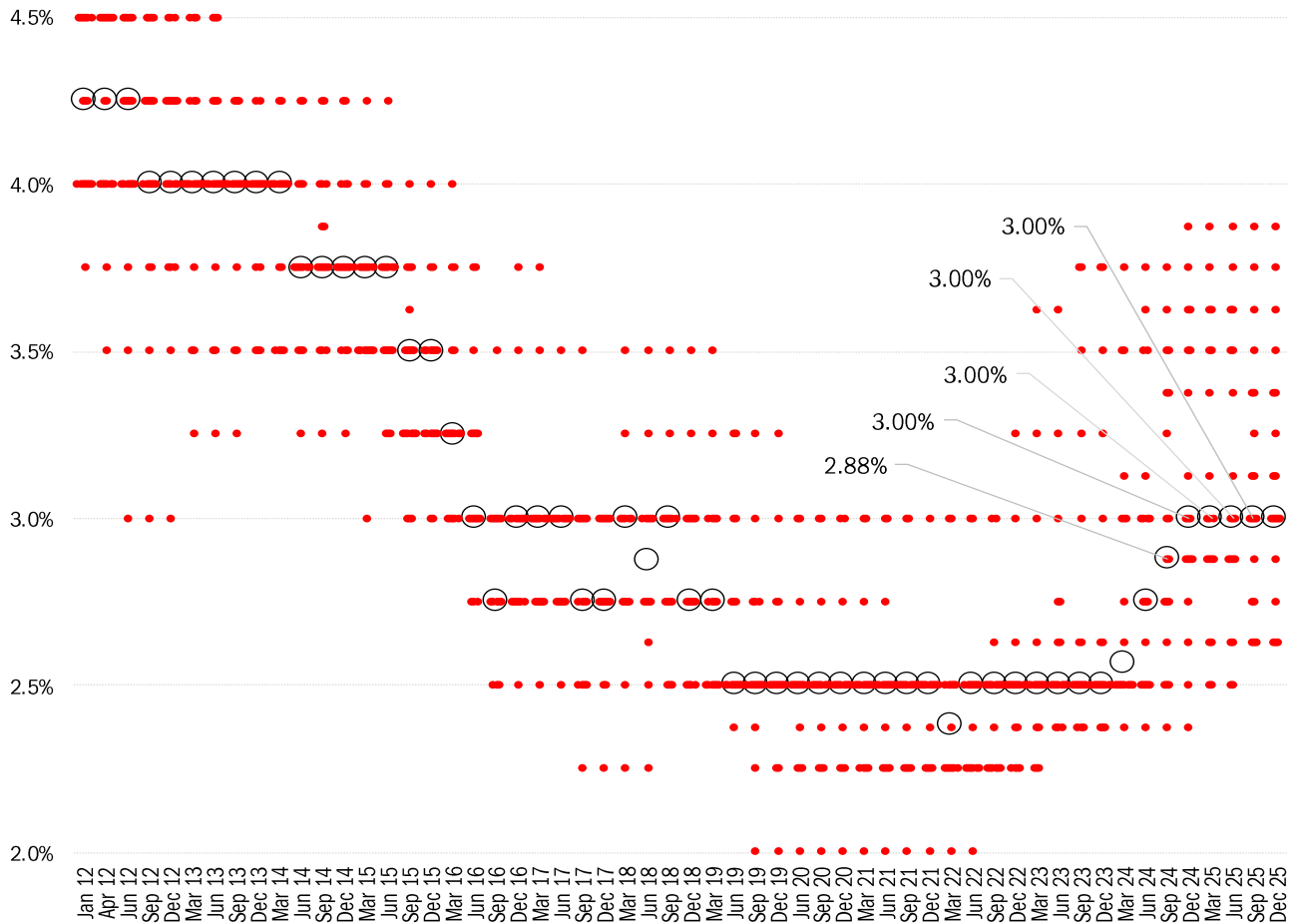


# "R-star" – the ultimate dot-plot

As of December FOMC

FOMC participants' estimate of "longer run" target funds rate

● Individual participant ○ Median



Source: Federal Reserve, TrendMacro calculations

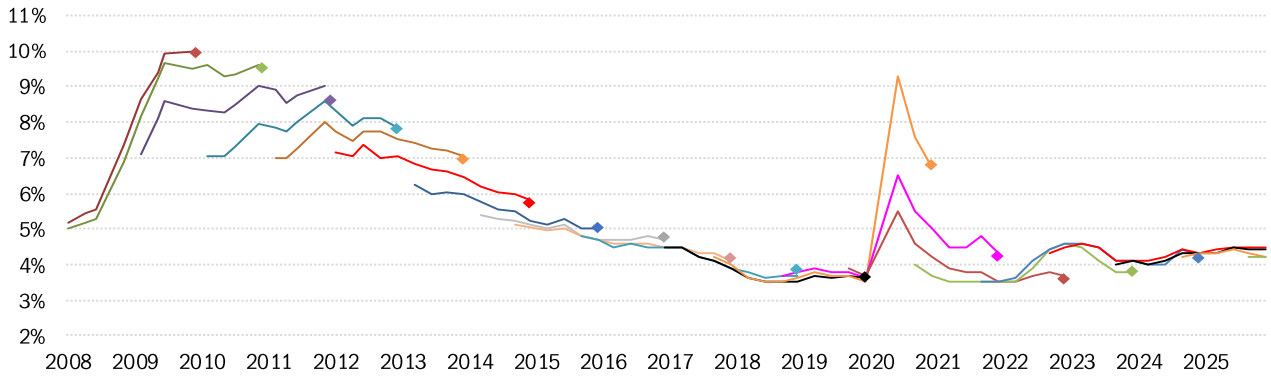
Forecast v actual: [economic projections](#) FRB and presidents

— Forecast ♦ Actual

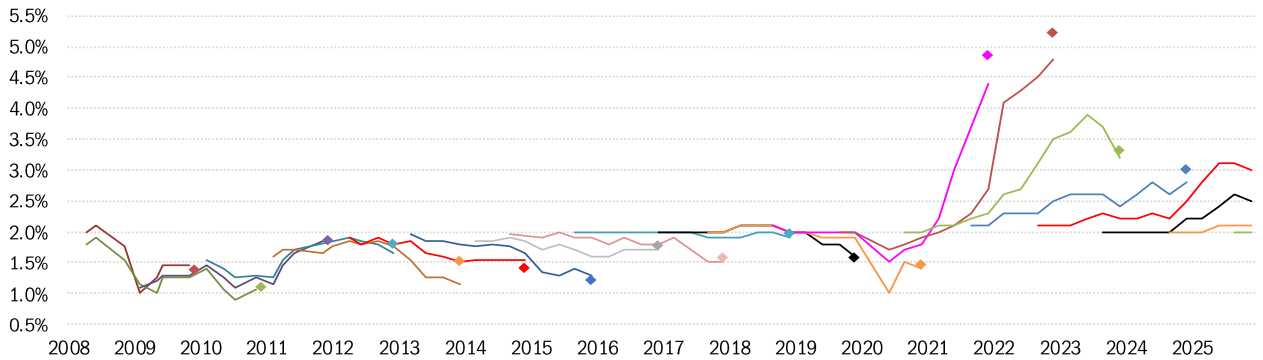
As of December FOMC

■ 2009 ■ 10 ■ 11 ■ 12 ■ 13 ■ 14 ■ 15 ■ 16 ■ 17 ■ 18 ■ 19 ■ 20 ■ 21 ■ 22 ■ 23 ■ 24 ■ 25 ■ 26 ■ 27 ■ 2028

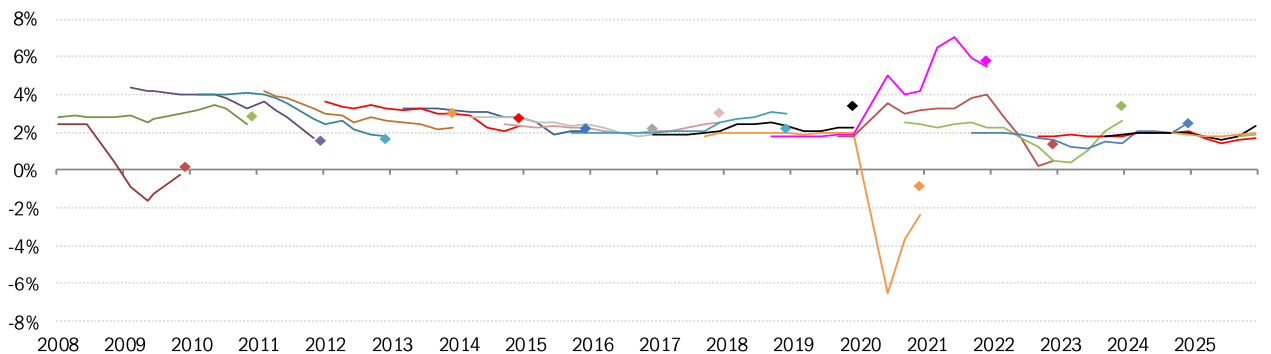
## Unemployment



## Core PCE inflation



## Real GDP

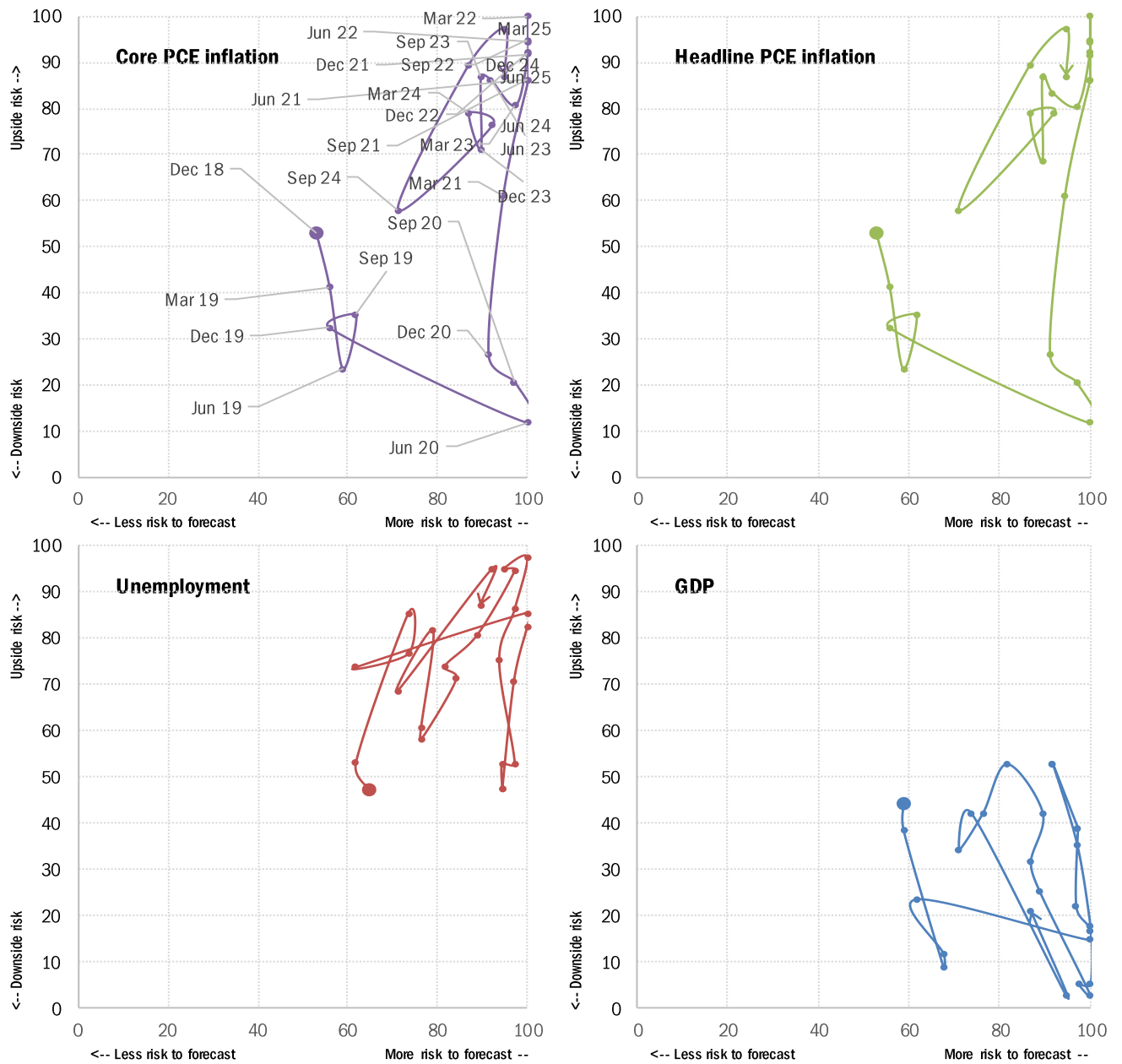


Source: Federal Reserve, BEA, BLS, TrendMacro calculations

## The evolution of uncertainty

As of December FOMC

Diffusion indices from FOMC participants' risk self-assessments in [Summary of Economic Projections](#)



Source: Federal Reserve Board, TrendMacro calculations