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Federal Reserve maintains a status quo of the federal funds rate at 5.25%-5.5% amidst expanding economic activity and easing but elevated inflation

The Federal Open Market Committee (FOMC) has decided to keep the target range for the federal funds rate at 5.25%-5.5%. According to the FOMC, economic activity has continued to expand at a solid pace. Job gains have remained strong and the unemployment rate has remained low. The Committee seeks to achieve maximum employment and inflation at the rate of 2% over the longer run. The Committee suggested that the risks to achieving its employment and inflation goals have moved toward better balance over the past year.

In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. Effective June 13, 2024, the Federal Open Market Committee, conducted overnight reverse repurchase agreement operations at an offering rate of 5.3% and with a per-counterparty limit of \$160 billion per day. The Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 5.5%.

Please find the link to access the detailed document on the same

<https://www.federalreserve.gov/monetarypolicy/files/monetary20240612a1.pdf>

Please contact, for any query related to this mail, Dr. Mansi Vinaik, Deputy Secretary at mansi.vinaik@phdcci.in, Ms. Mansi Nautiyal, Nautiyal, Research Associate at mansi.nautiyal@phdcci.in with a cc to Dr S P Sharma, Chief Economist| DSG at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and
Industry

PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016,
India



Tel: +91 49545454
Fax: +91 11 26855450
Email: spsharma@phdcci.in
Website: www.phdcci.in
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