

# RECENT U.S. ECONOMIC DEVELOPMENTS

May 28, 2024

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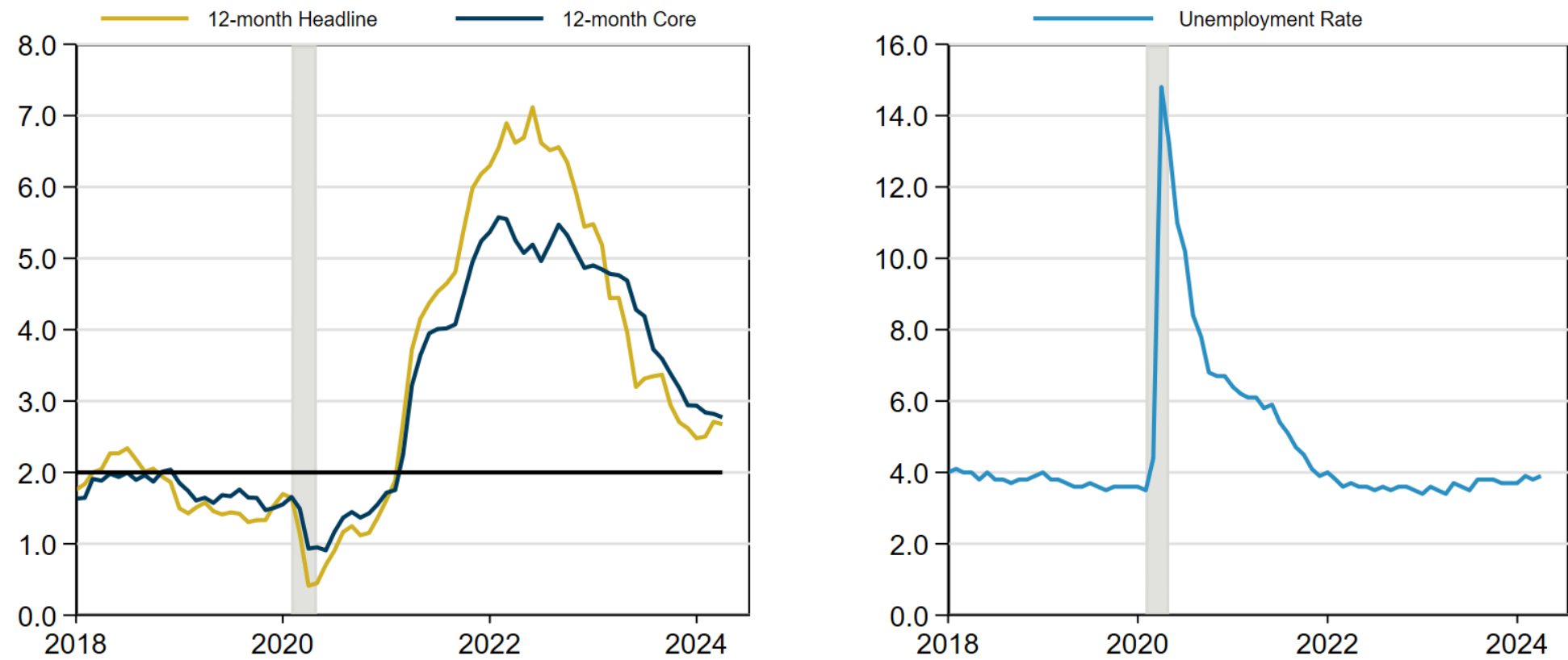
President & CEO, Federal Reserve Bank of Minneapolis



FEDERAL RESERVE BANK  
OF MINNEAPOLIS

# SIGNIFICANT PROGRESS ON INFLATION WITHOUT JOB LOSSES

## PCE INFLATION & UNEMPLOYMENT RATE PERCENT

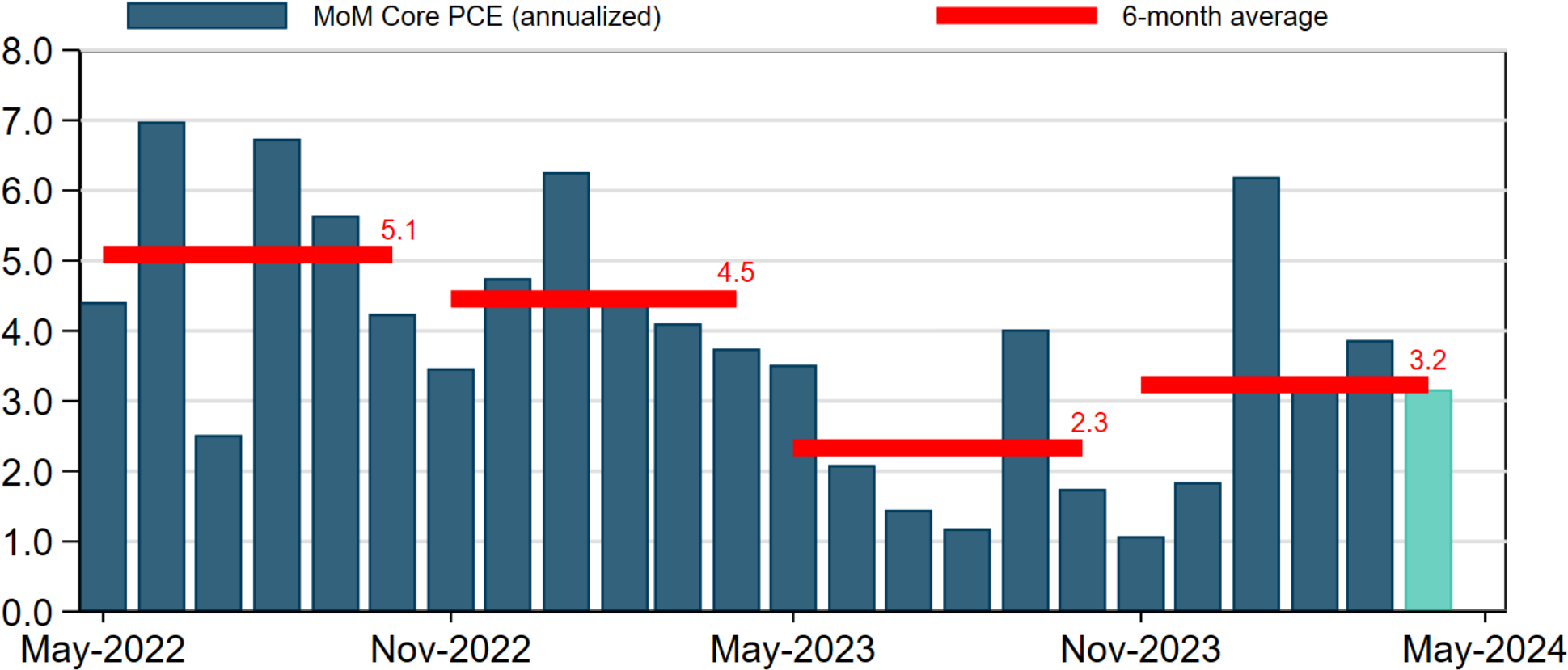


Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Inflation estimated for April 2024.

# BUT PROGRESS HAS STALLED IN EARLY 2024



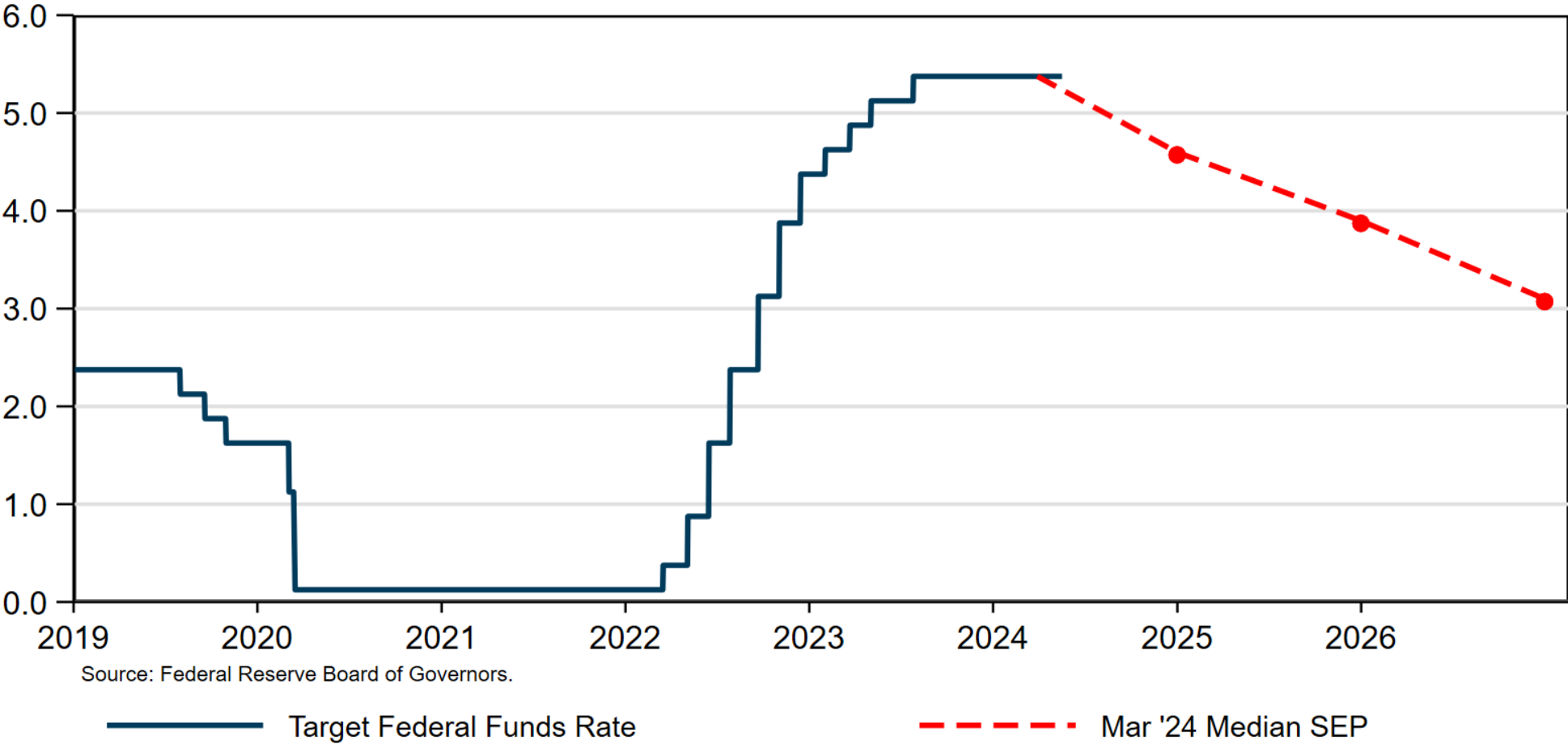
## CORE PCE INFLATION PERCENT



Note: Teal bar denotes an estimate.  
Source: Bureau of Economic Analysis.

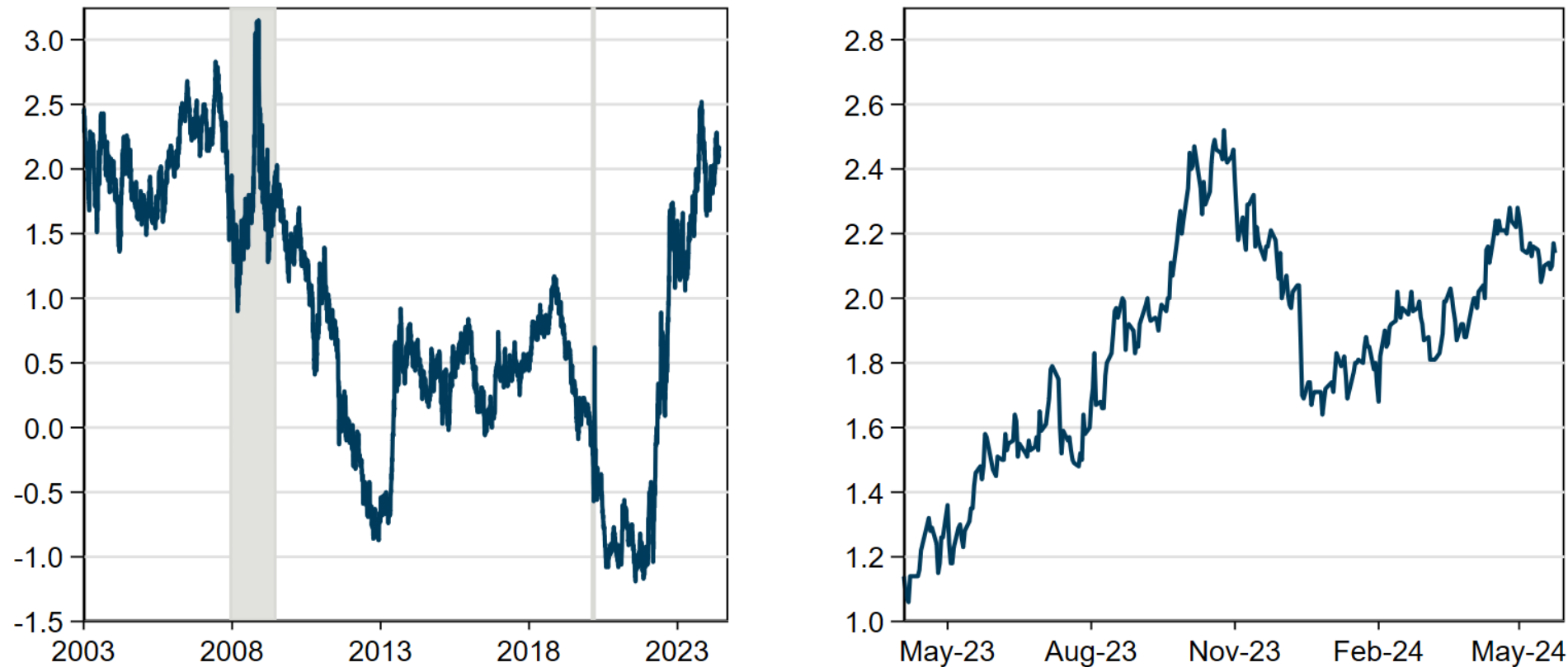
# POLICY RATE LIKELY TO REMAIN ELEVATED IN NEAR TERM

## FEDERAL FUNDS RATE & SEP MEDIAN PERCENT



# LONG REAL RATES ARE HIGH, BUT IS POLICY TIGHT?

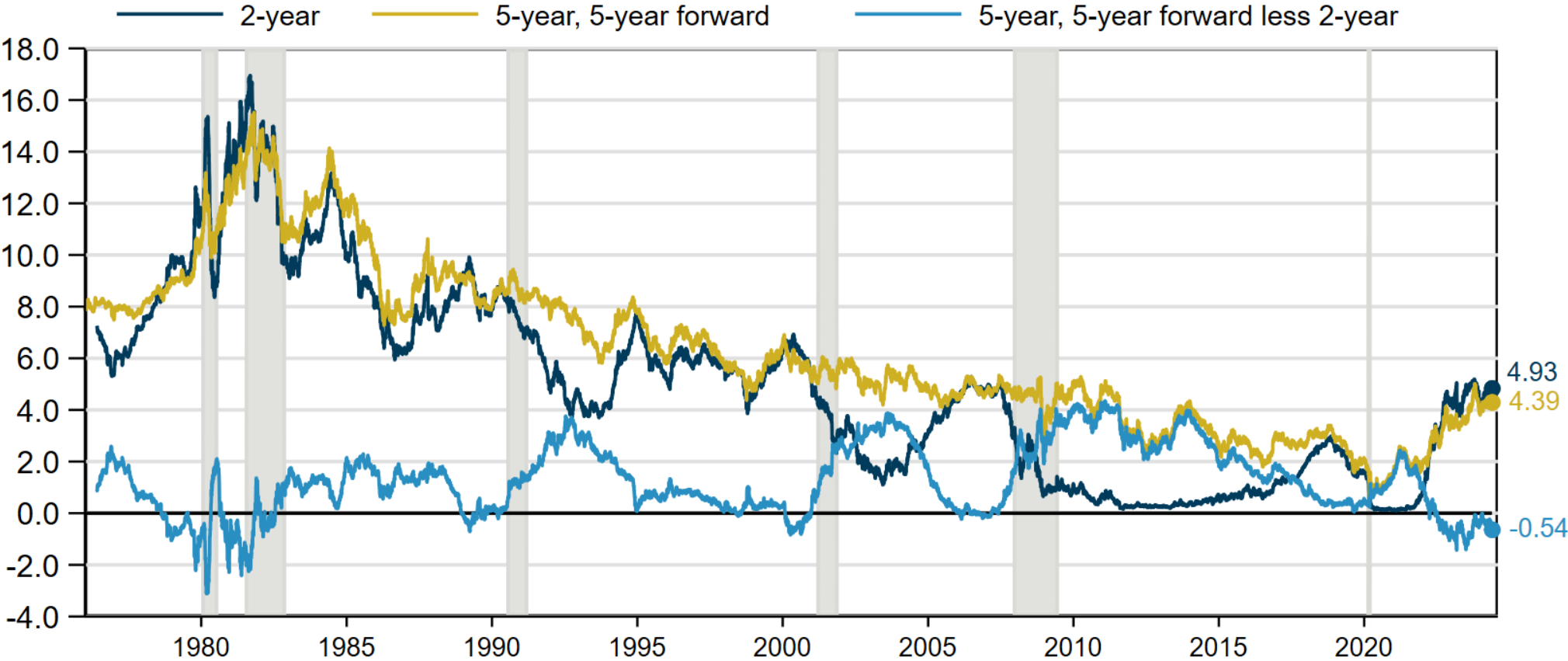
## 10-YEAR TIPS YIELD PERCENT



Note: Treasury Inflation-Protected Securities (TIPS) are Treasury bonds that are indexed to inflation and thus have real yields.  
Source: Federal Reserve Board of Governors.

# NOMINAL YIELD CURVE INVERTED FOR ALMOST 2 YEARS

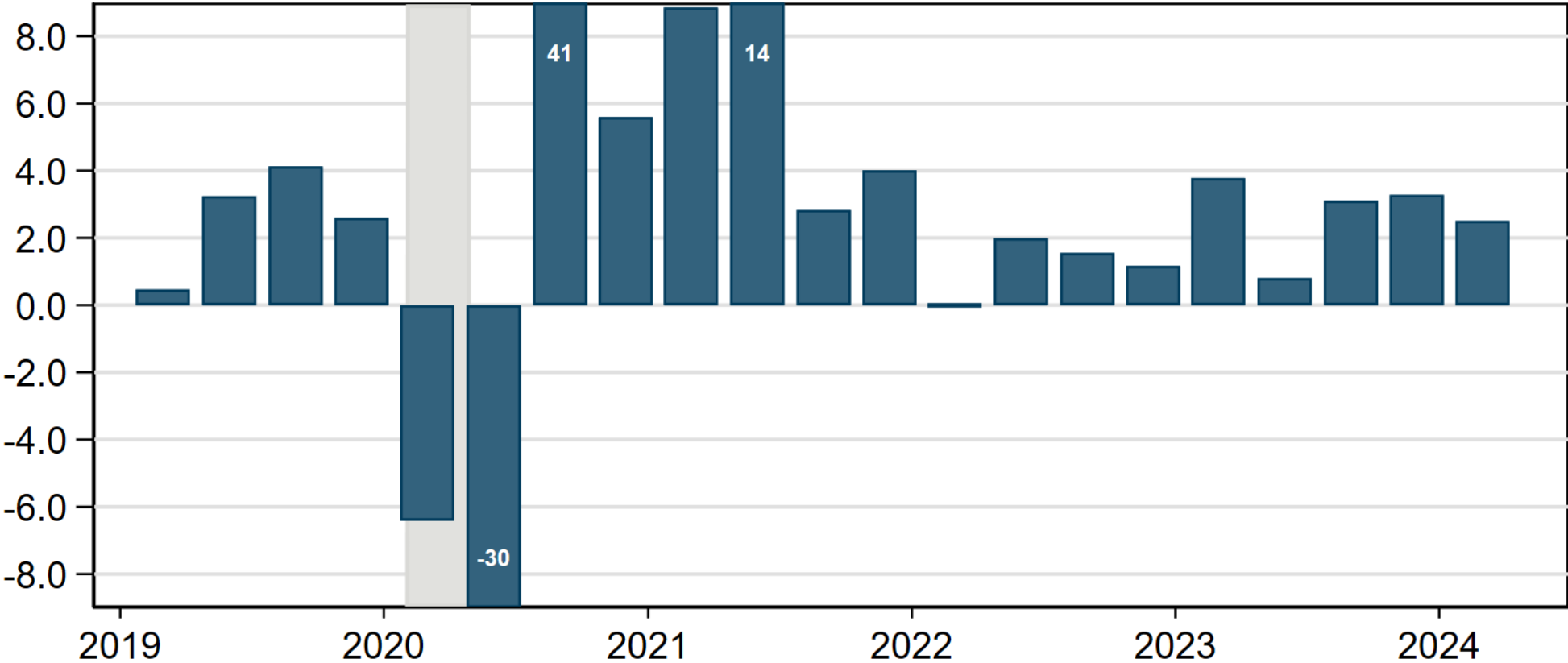
## NOMINAL YIELDS & SPREAD PERCENT



Source: Bloomberg, Federal Reserve Board of Governors.

# CONSUMPTION GROWTH HAS BEEN RESILIENT

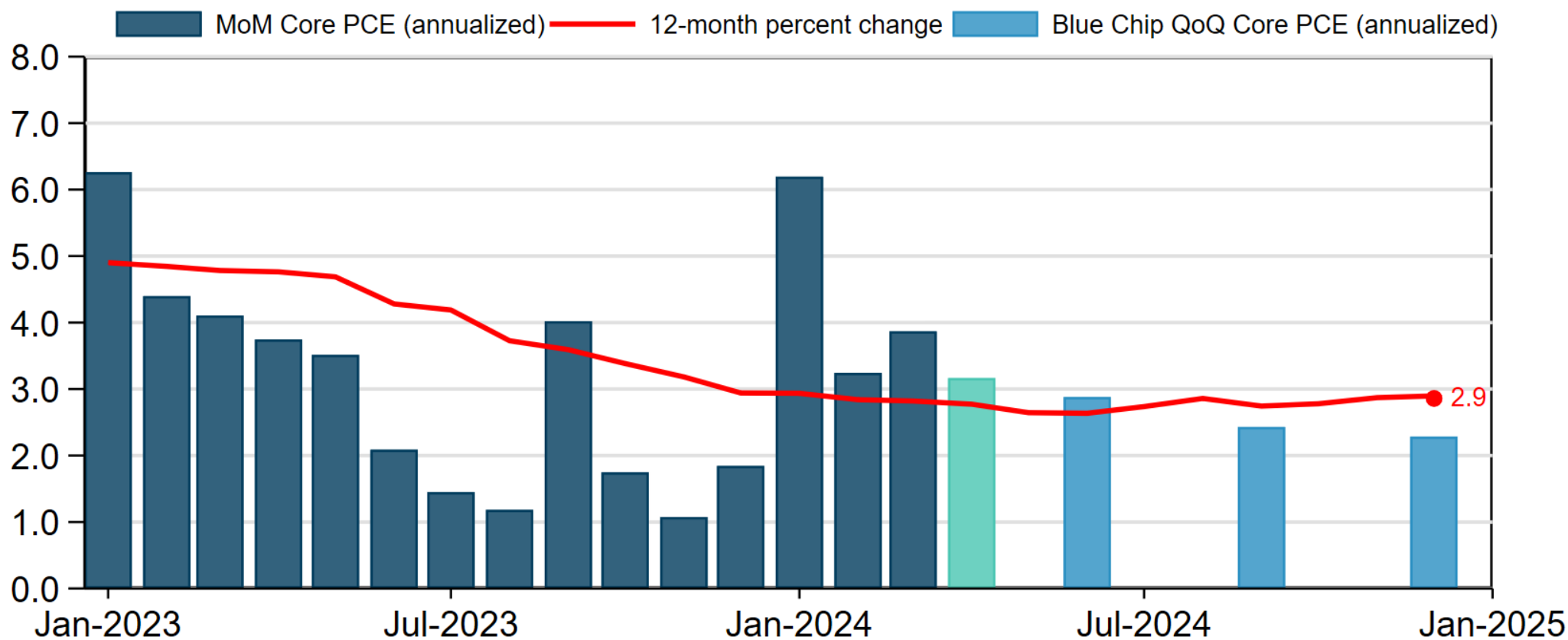
## REAL PCE GROWTH QOQ PERCENT CHANGE, ANNUALIZED



Note: The y-axis has been truncated in Q2 and Q3 of 2020 and Q2 of 2021 for readability. True values displayed on chart.  
Source: Bureau of Economic Analysis.

# 12-MONTH INFLATION EXPECTED TO REMAIN ABOVE 2.5% THIS YEAR

## CORE PCE INFLATION PERCENT



Note: Teal bar denotes an estimate.  
Source: Bureau of Economic Analysis, Blue Chip.





# QUESTIONS?



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