RECENT U.S. ECONOMIC DEVELOPMENTS

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SIGNIFICANT PROGRESS ON INFLATION WITHOUT JOB LOSSES

PCE INFLATION & UNEMPLOYMENT RATE

PERCENT

BUT PROGRESS HAS STALLED IN EARLY 2024

CORE PCE INFLATION

PERCENT

MoM Core PCE (annualized)

6-month average

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

Source: Federal Reserve Board of Governors.

- Target Federal Funds Rate
- Mar '24 Median SEP
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?