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Large numbers and tall mountains

The Federal Reserve went big again last week with a 0.75% rate hike. That's two Federal Open Market Committee meetings in a row that resulted in a jump in rates of that magnitude. The move took the fed funds rate to a target range of 2.25-2.50%. Chair Jerome Powell indicated that another substantial hike is likely at the September meeting. With inflation still soaring, there's no reason to doubt him. In June, the Personal Consumption Expenditures Index climbed to its highest annual pace since 1982, rising 6.8%. Even core PCE, which doesn't consider volatile food and energy prices, rose, hitting 4.8% annualized. Both measures follow the Consumer Price Index's steady climb up.

The employment cost index—lesser known to most investors but closely watched by policymakers—hit an record high of 5.1% year-over-year growth. This data series doesn't have the history of others, having debuted in 2002, but a two-decade high is significant. These are hot potato figures.

The FOMC will have some time to think this over before its next meeting Sept. 21. In the interim comes the Fed's annual symposium in Jackson Hole, Wyo. There many of the world's central banks will congregate to give perspectives and ideas, with Powell set to deliver a speech that will be closely watched.