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Will the Fed play ball?

Federal Reserve policymakers ostensibly don't revel in market apprehension, but they have been known to disappoint investors. Remember the Janet Yellen years when rate hikes were predicted several times before they arrived? Even with the poor third-quarter gross domestic product number (2% was well below consensus), the markets really have no choice but to try to kick the football like Charlie Brown, hoping that the Fed doesn't play the role of Lucy pulling it away at the last moment.

This time, of course, the pigskin is the reduction of asset purchases. Fed officials have signaled that will begin soon and most in the liquidity industry expect an announcement following the Federal Open Market Committee meeting that takes place this week. The plan likely will be a tapering of both Treasuries and mortgage-backed securities, with a timeline spelled out clearly. The big prize is when the Fed finally raises the fed funds rates, likely next year. That would qualify as Charlie taking the ball to the endzone.