

Money & Credit: Fed Policy Cycle

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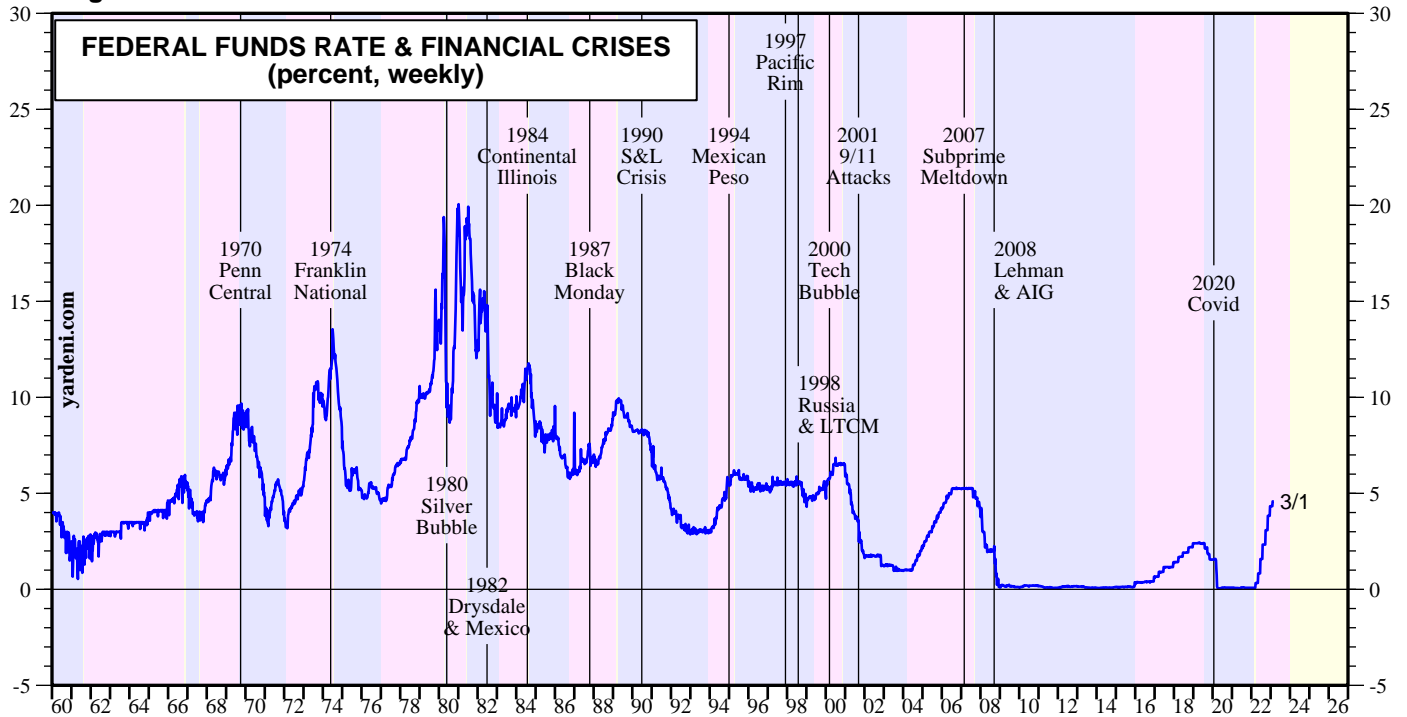
thinking outside the box

Table Of Contents

| | |
|-------------------------------------|-------|
| Crises Cycles | 1 |
| Fed Funds Rate & 10-Year Bond Yield | 2 |
| Yield Spread | 3 |
| S&P 500 Index | 4 |
| Resource Utilization | 5 |
| Leading & Coincident Indicators | 6 |
| Consumer Price Index | 7 |
| GDP | 8 |
| Unemployment Rate & S&P 500 | 9 |
| Miscellaneous | 10-13 |

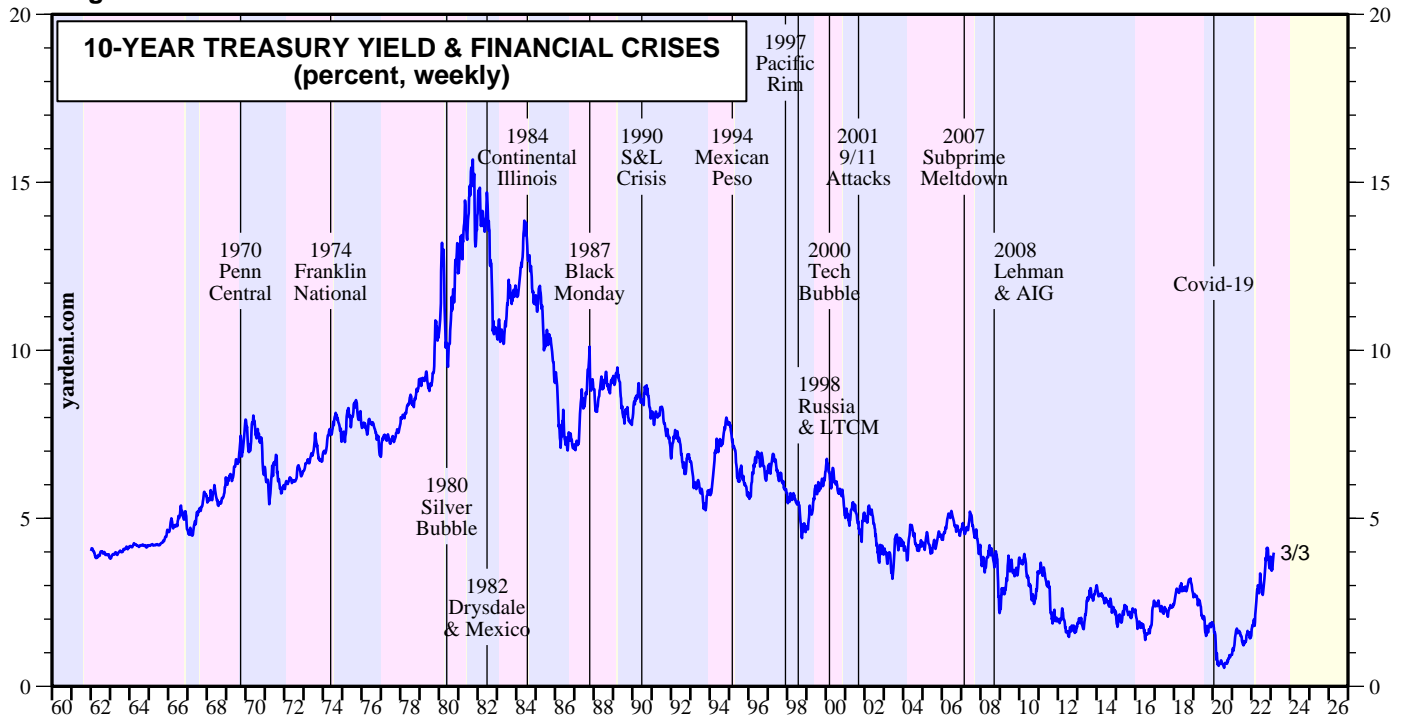
Crises Cycles

Figure 1.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
Source: Federal Reserve Board.

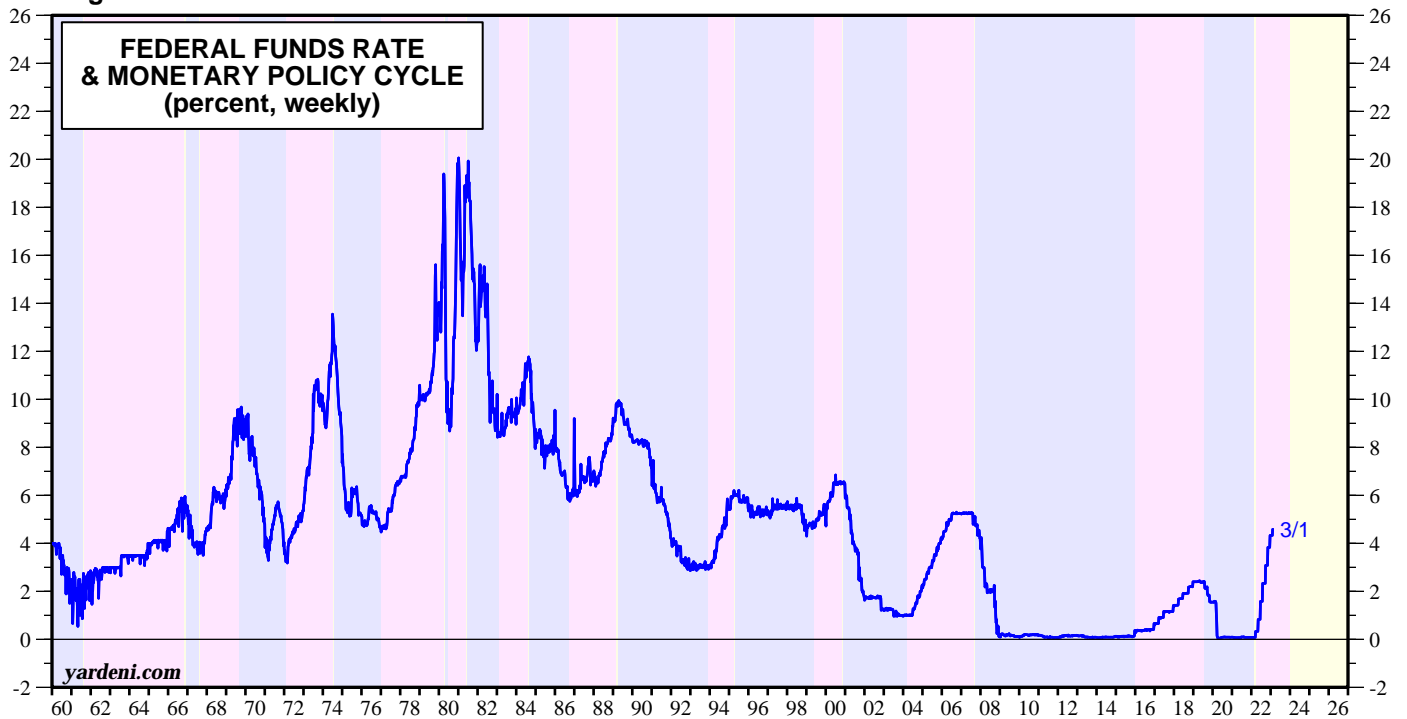
Figure 2.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
Source: Federal Reserve Board.

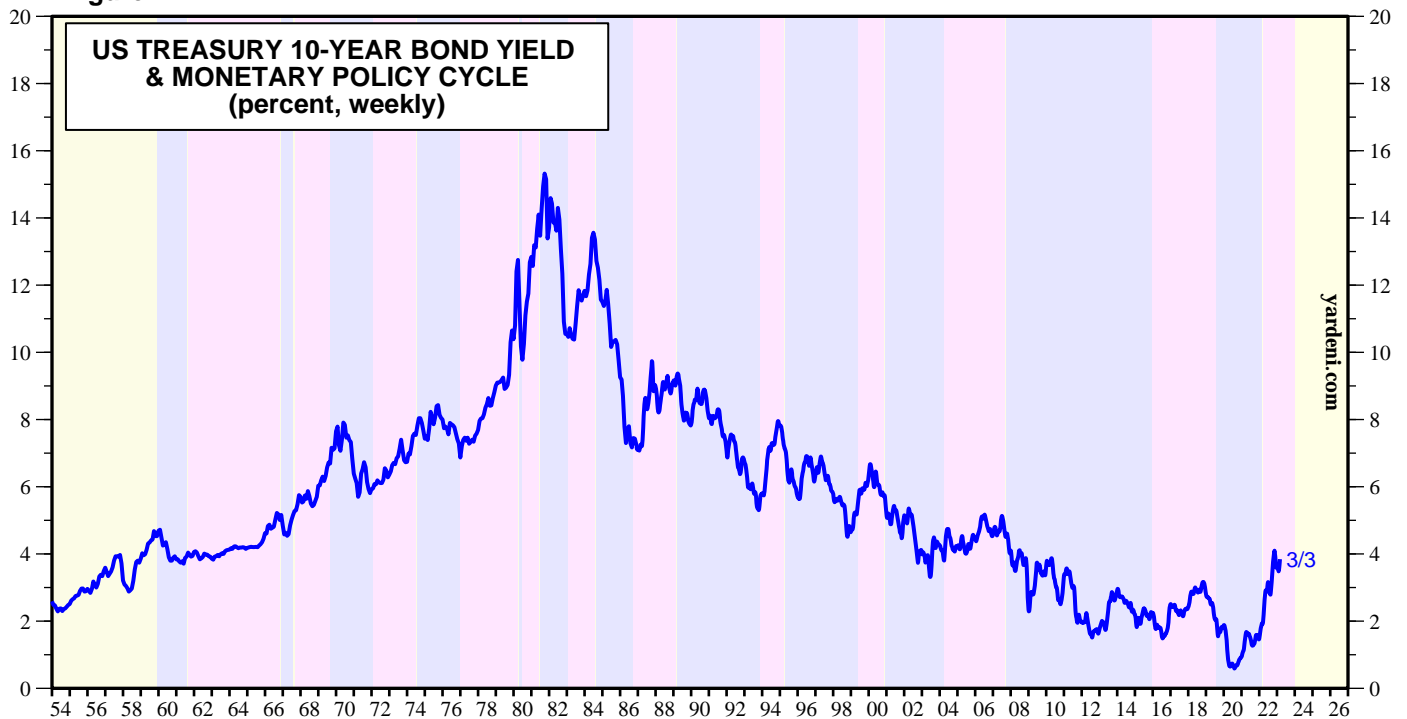
Fed Funds Rate & 10-Year Bond Yield

Figure 3.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
Source: Federal Reserve Board.

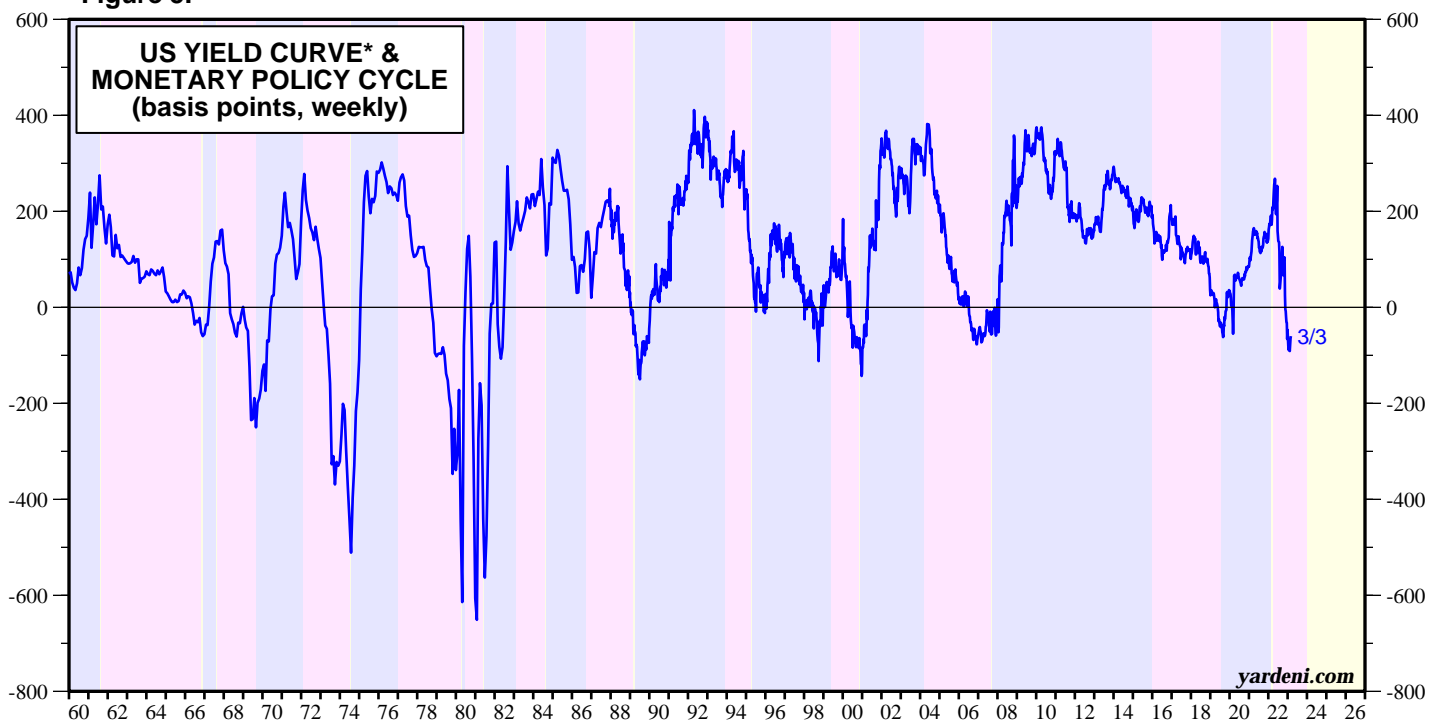
Figure 4.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods. Monthly through 1986, then weekly.
Source: Federal Reserve Board.

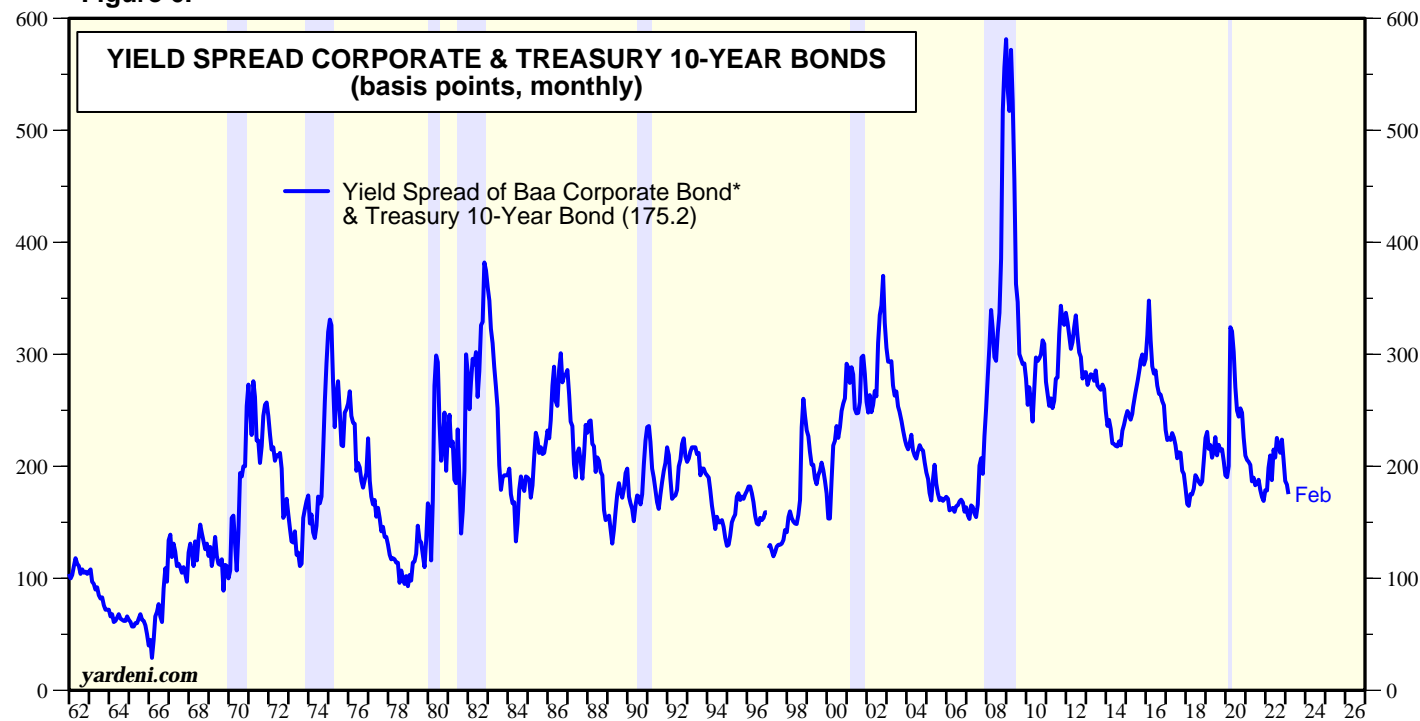
Yield Spread

Figure 5.



* 10-year Treasury yield less federal funds rate. Monthly through 1987, then weekly.
 Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
 Source: Federal Reserve Board.

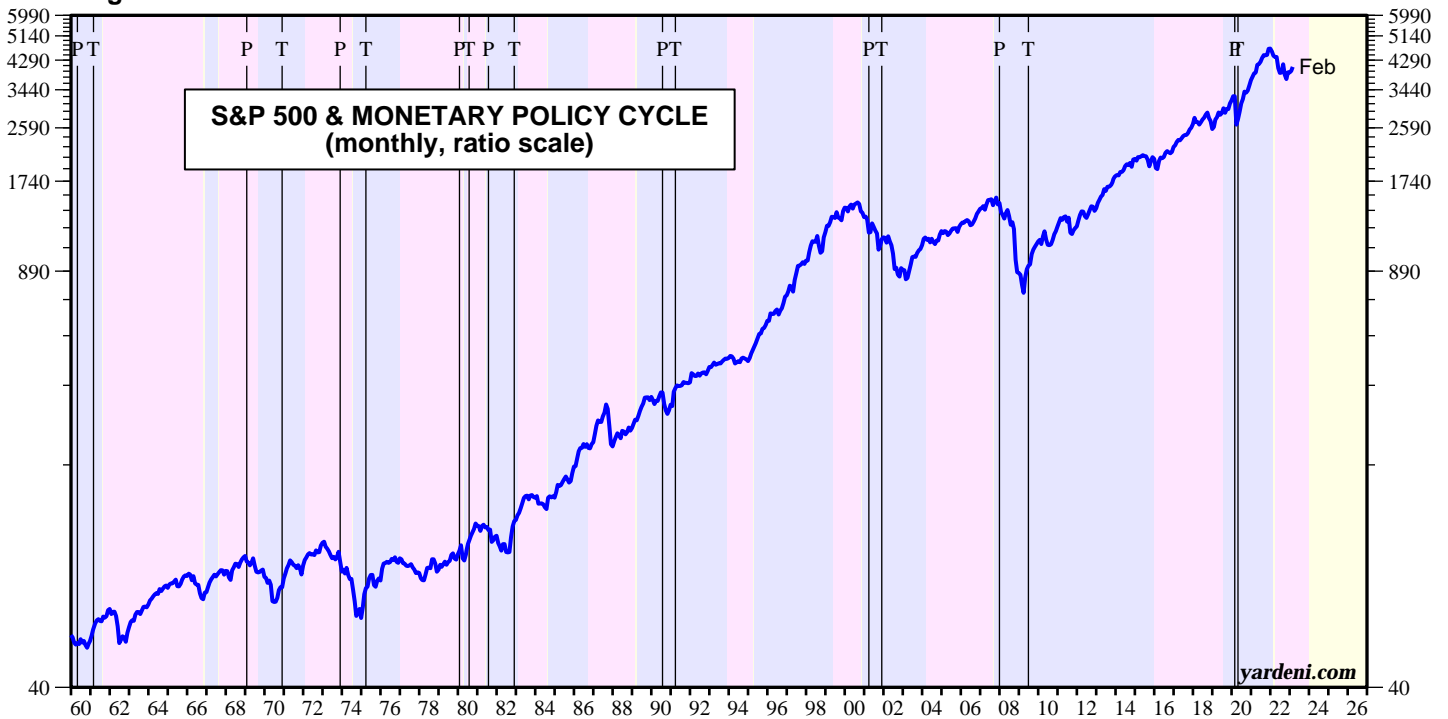
Figure 6.



* Moody's seasoned Baa corporate bond yield from 1962 to 1996, then Bank of America Merrill Lynch A-BBB corporate bond yield.
 Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
 Source: Federal Reserve Board.

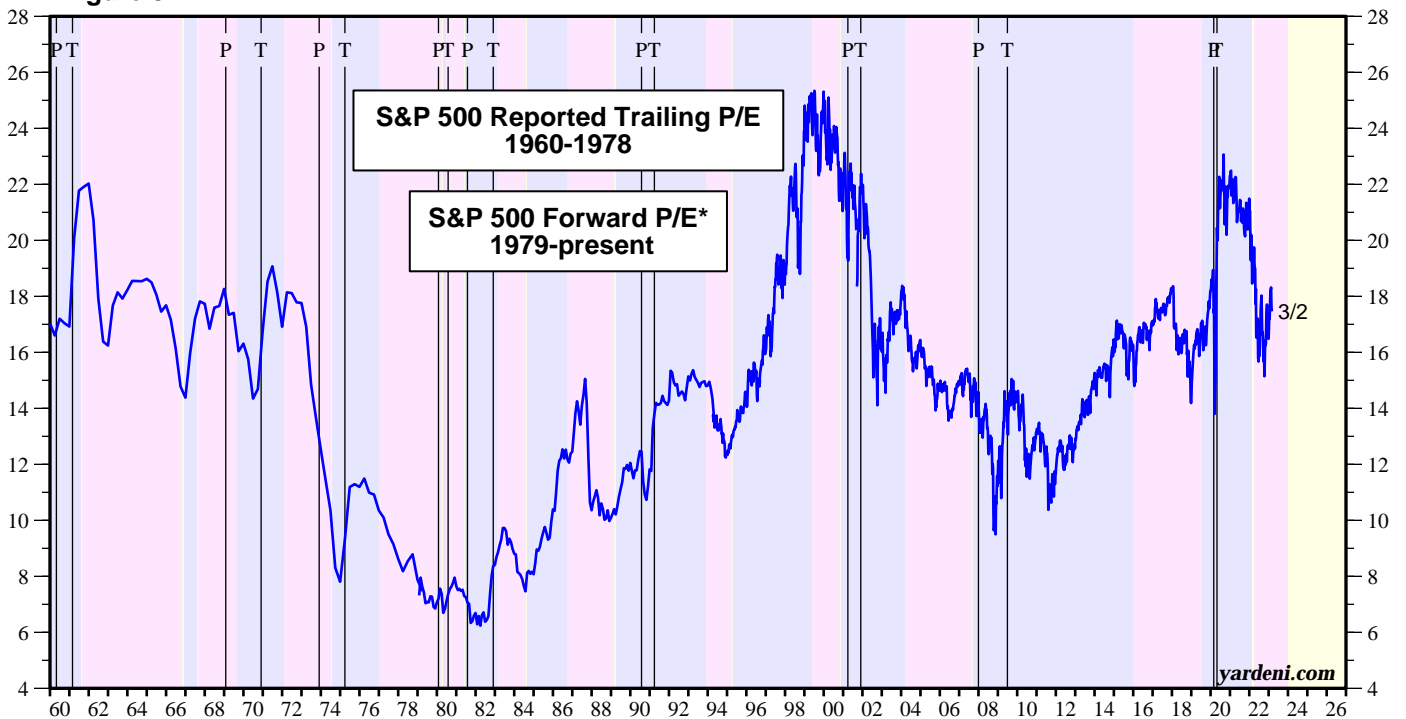
S&P 500 Index

Figure 7.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods. Business cycle peaks (P) and troughs (T) according to the National Bureau of Economic Research.
Source: Standard & Poor's.

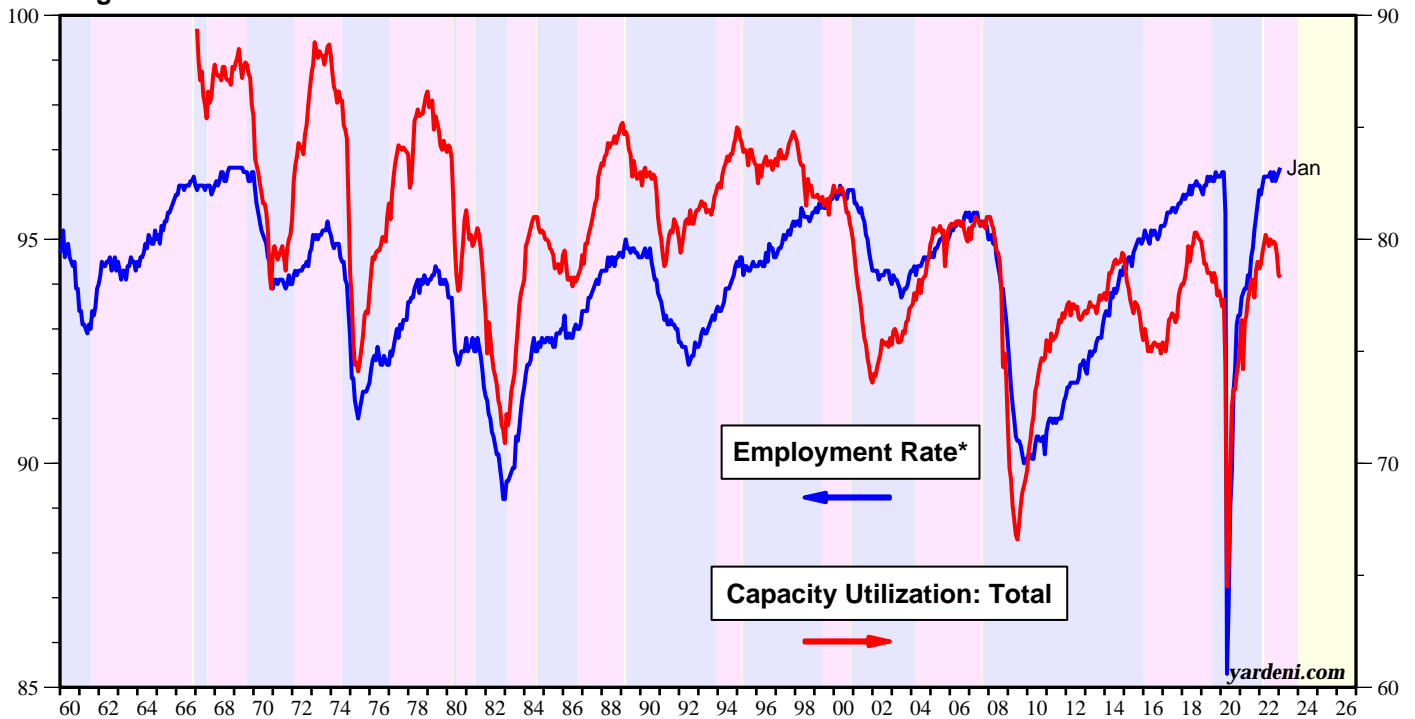
Figure 8.



* S&P 500 divided by year-ahead forward consensus expected operating earnings per share. Monthly through April 1994, then weekly.
Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods. Business cycle peaks (P) & troughs (T) according to the National Bureau of Economic Research.
Source: I/B/E/S data by Refinitiv and Standard & Poor's.

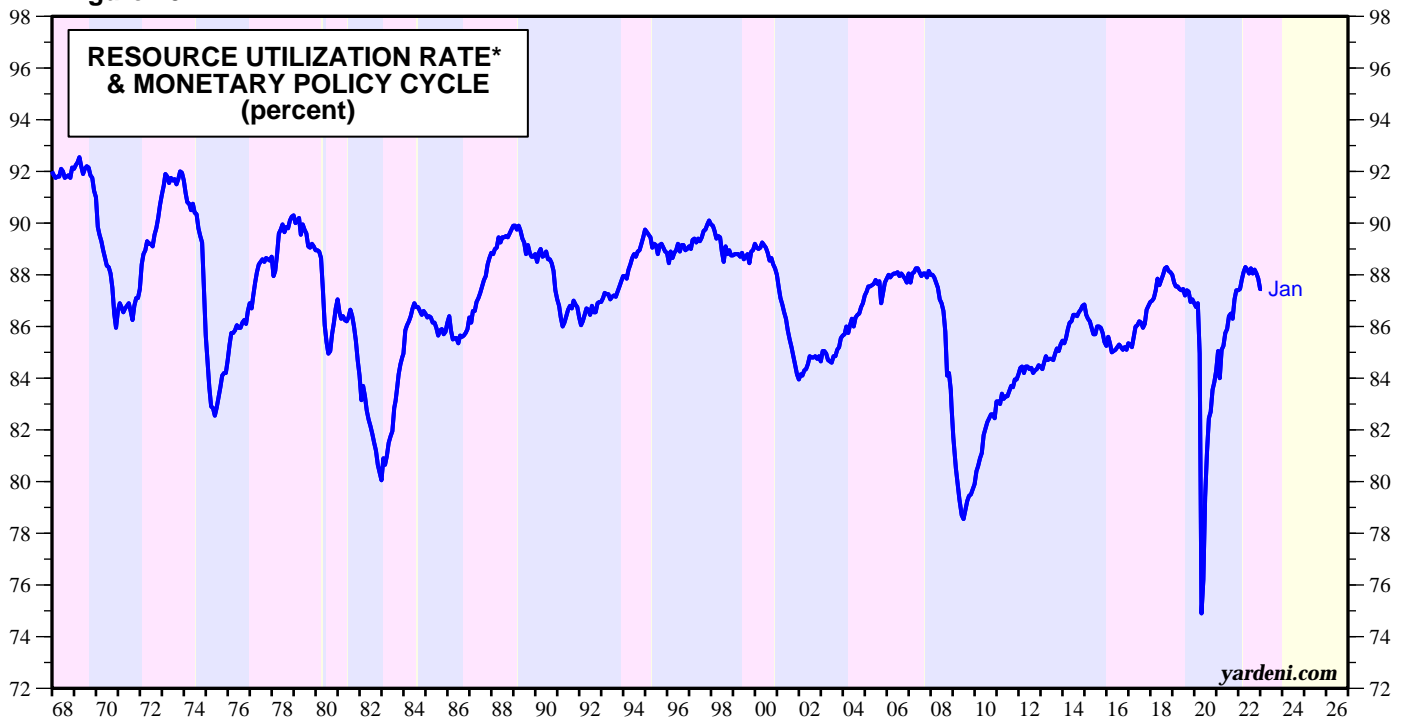
Resource Utilization

Figure 9.



* 100 minus unemployment rate.
 Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
 Source: Bureau of Labor Statistics and Federal Reserve Board.

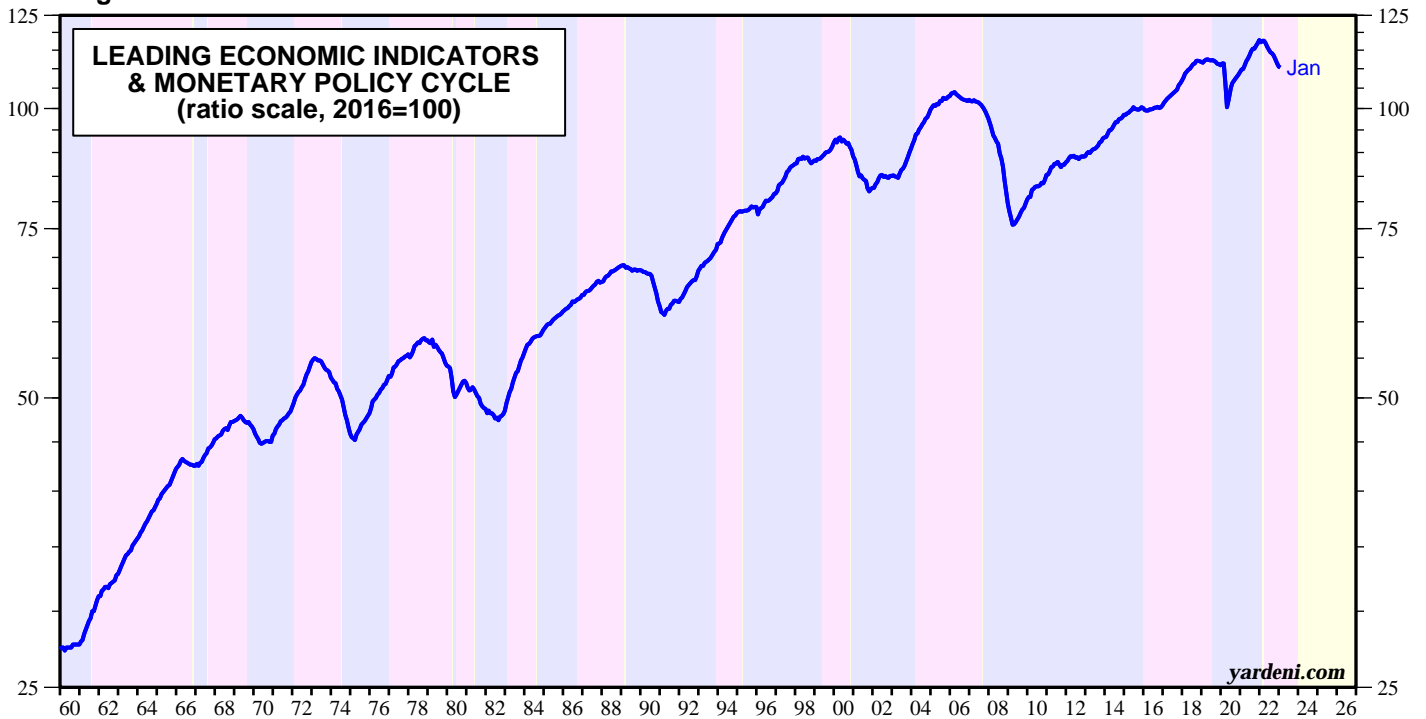
Figure 10.



* Average of all industries' capacity utilization rate plus employment rate, i.e., percentage of labor force that is employed.
 Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
 Source: Bureau of Labor Statistics and Federal Reserve Board.

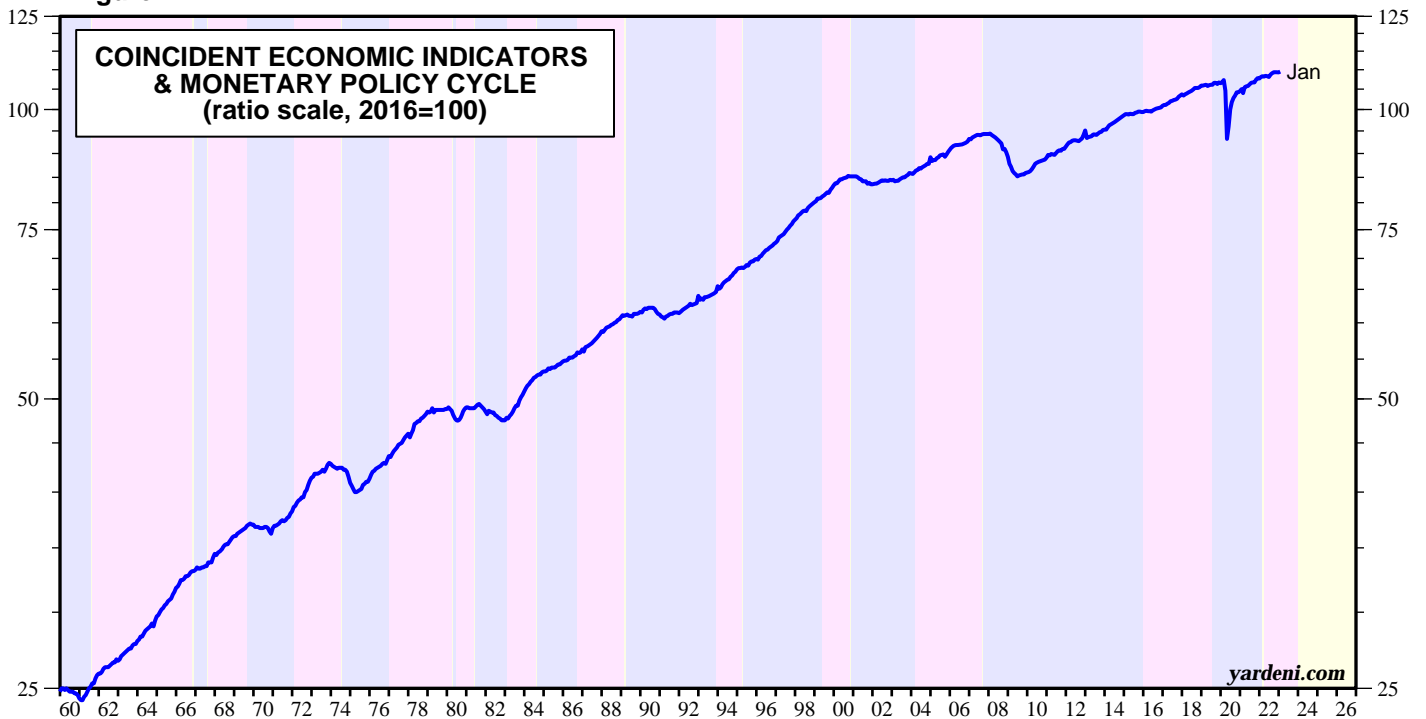
Leading & Coincident Indicators

Figure 11.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
Source: The Conference Board.

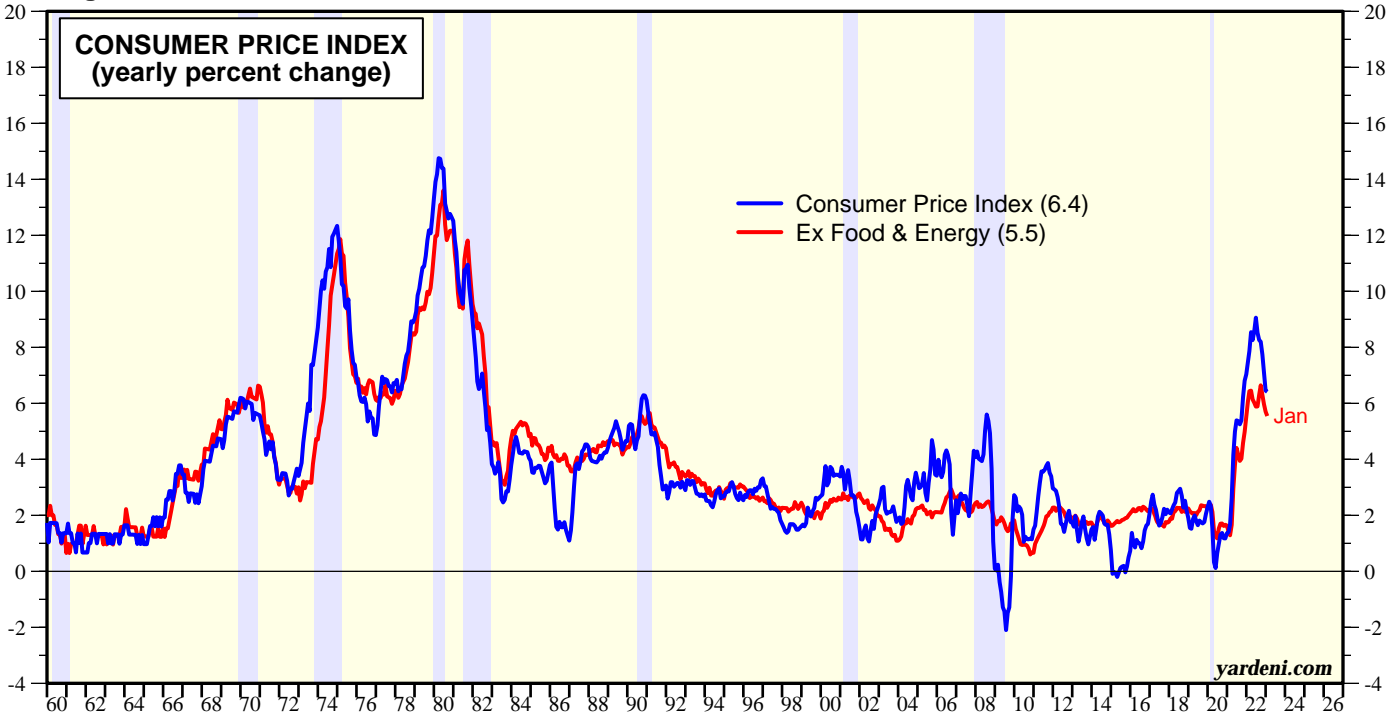
Figure 12.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
Source: The Conference Board.

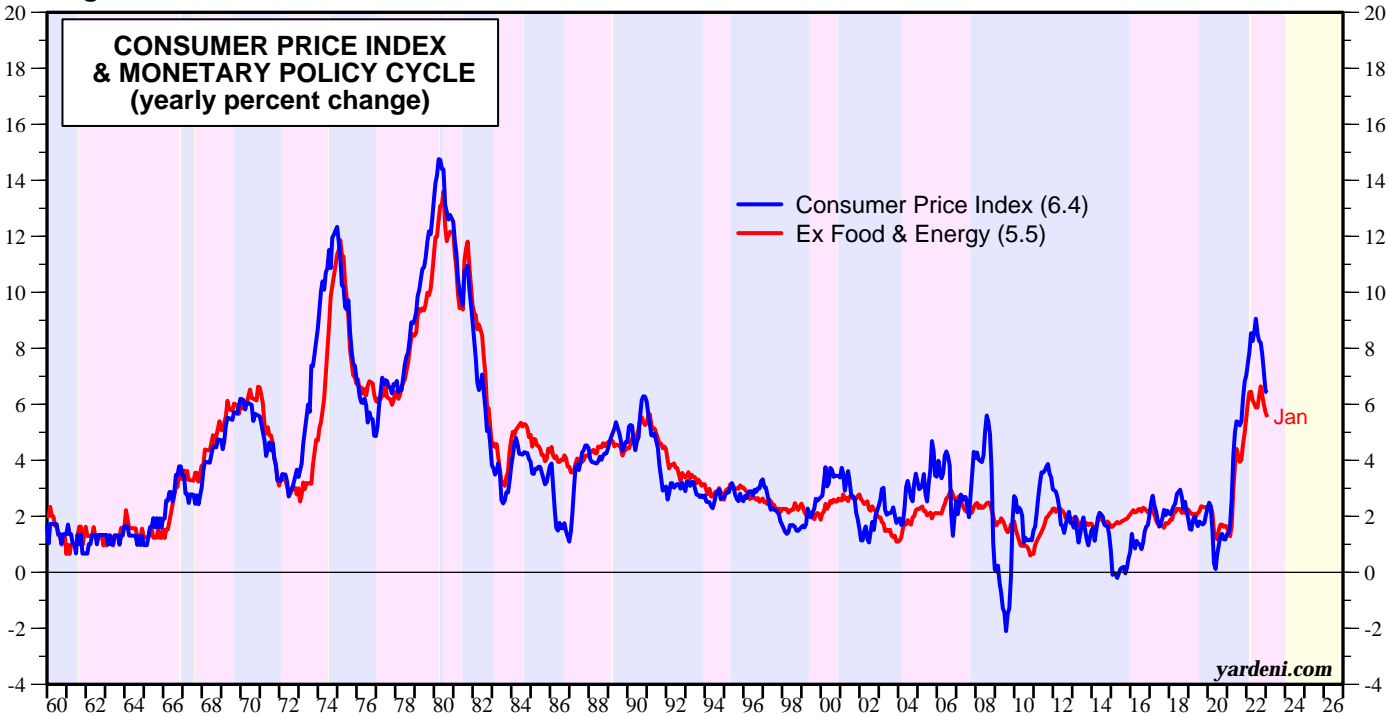
Consumer Price Index

Figure 13.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Bureau of Labor Statistics.

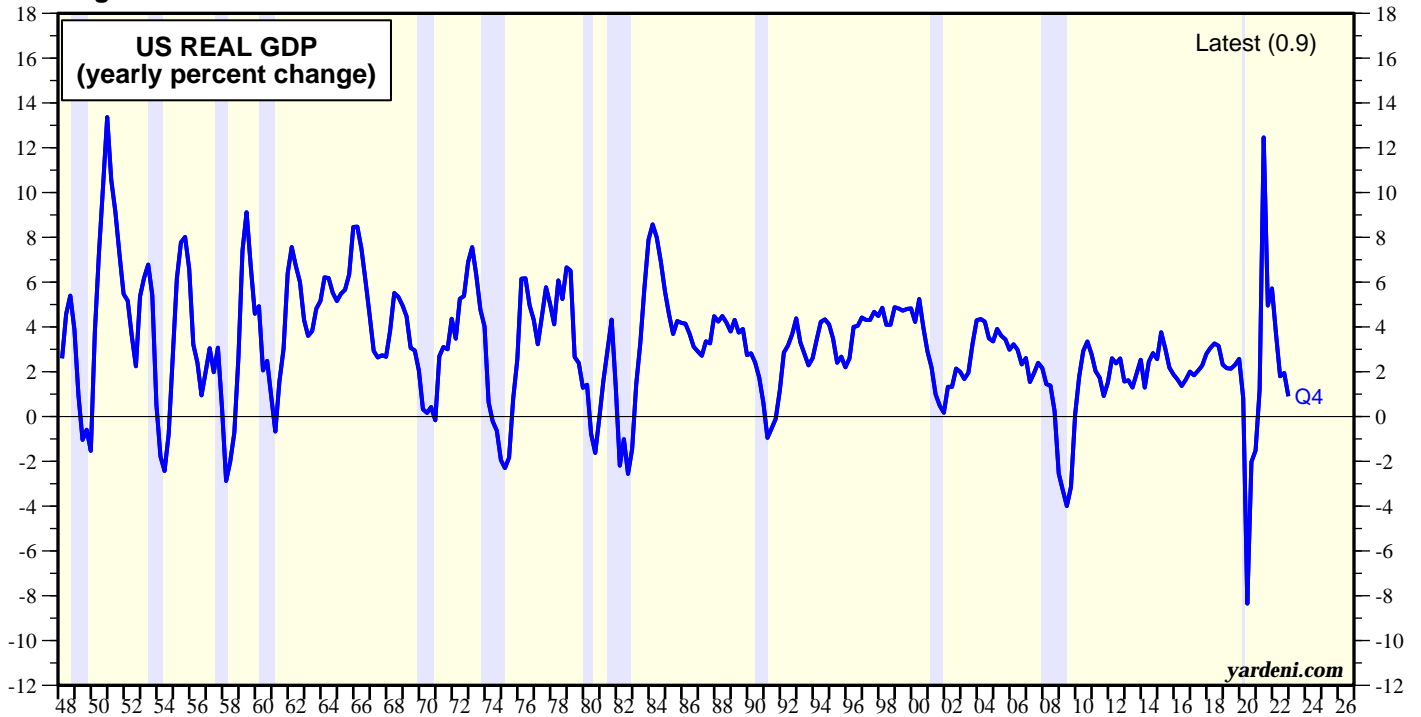
Figure 14.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
Source: Bureau of Labor Statistics.

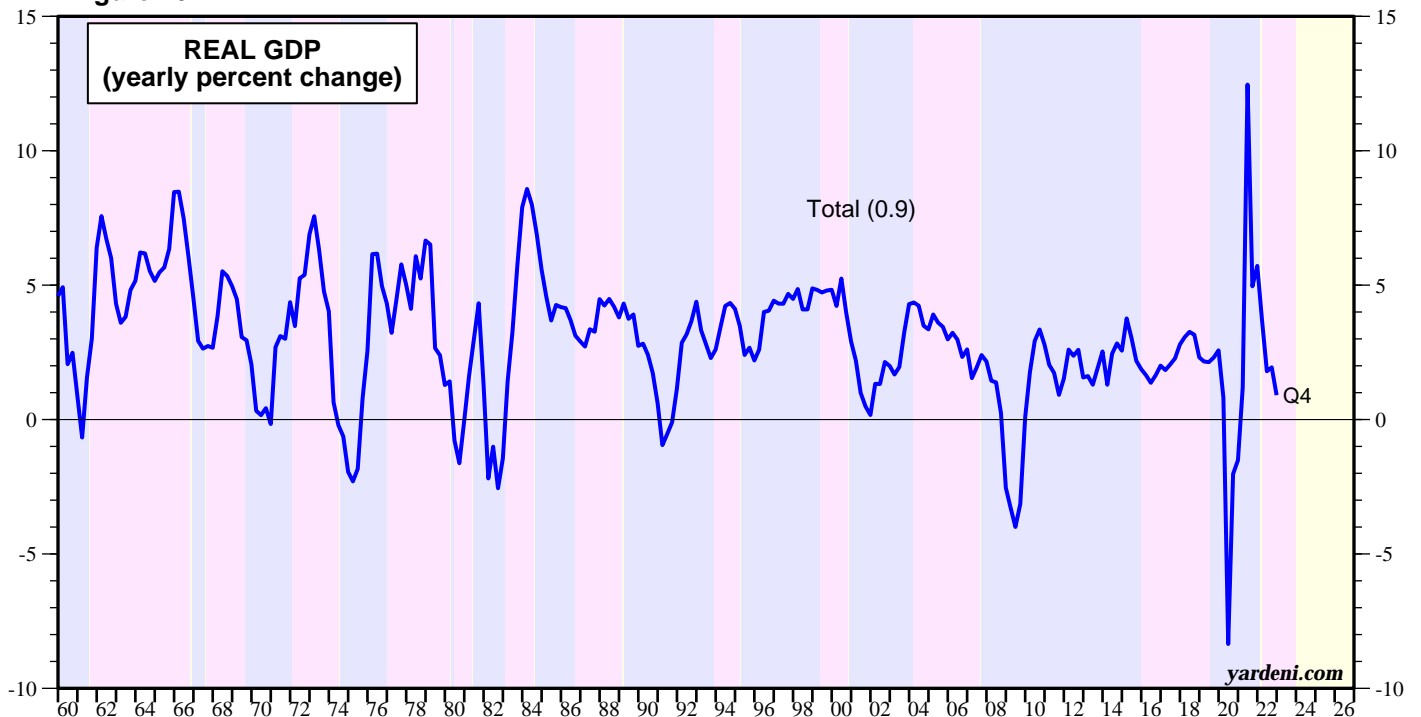
GDP

Figure 15.



Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Bureau of Labor Statistics.

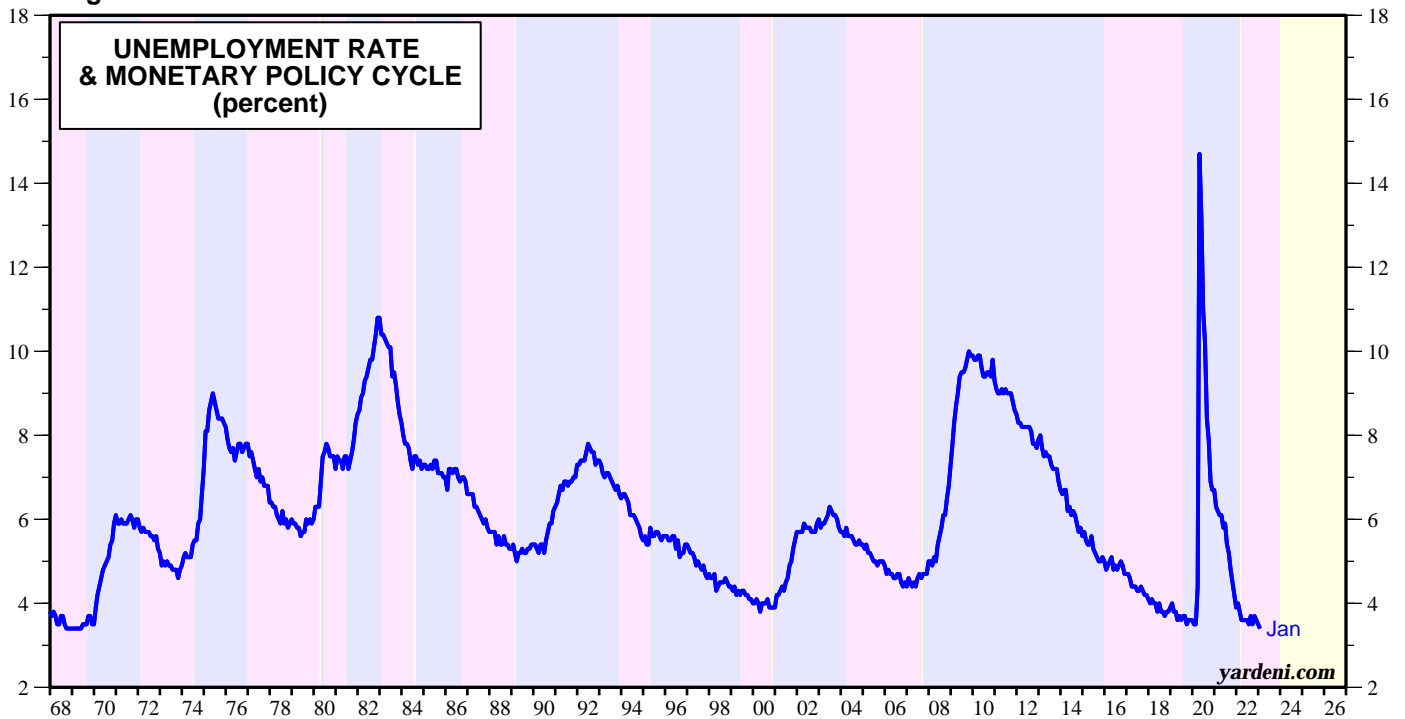
Figure 16.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.
Source: Bureau of Labor Statistics.

Unemployment Rate & S&P 500

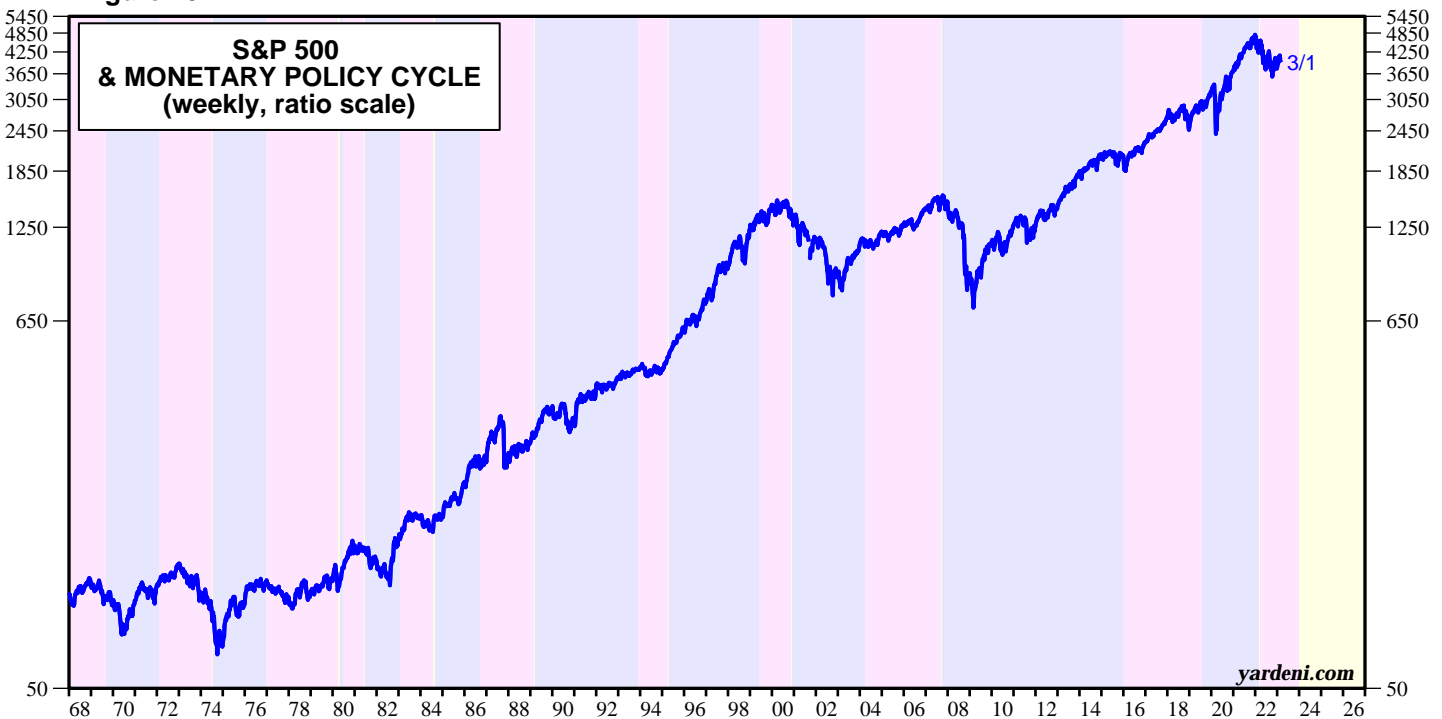
Figure 17.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas denote monetary tightening periods.

Source: Bureau of Labor Statistics and Federal Reserve Board.

Figure 18.

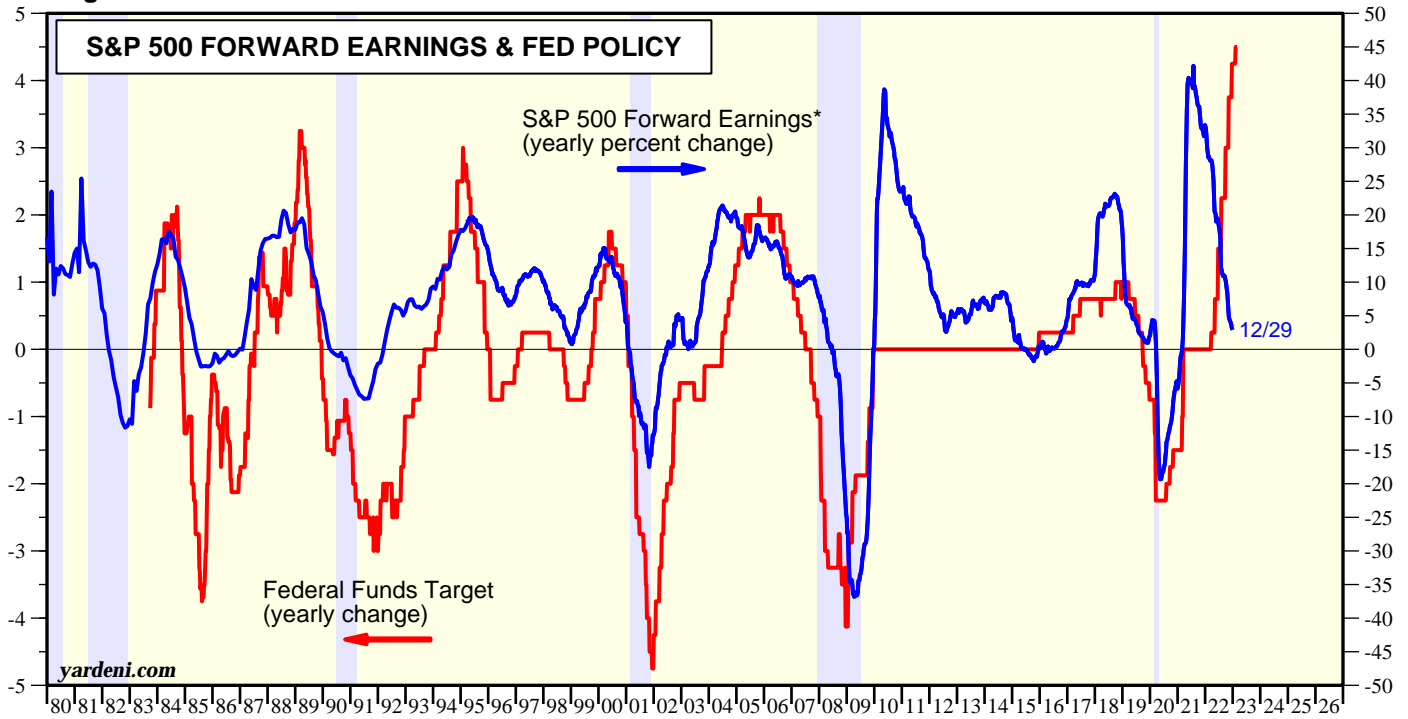


Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.

Source: Standard & Poor's and Federal Reserve Board.

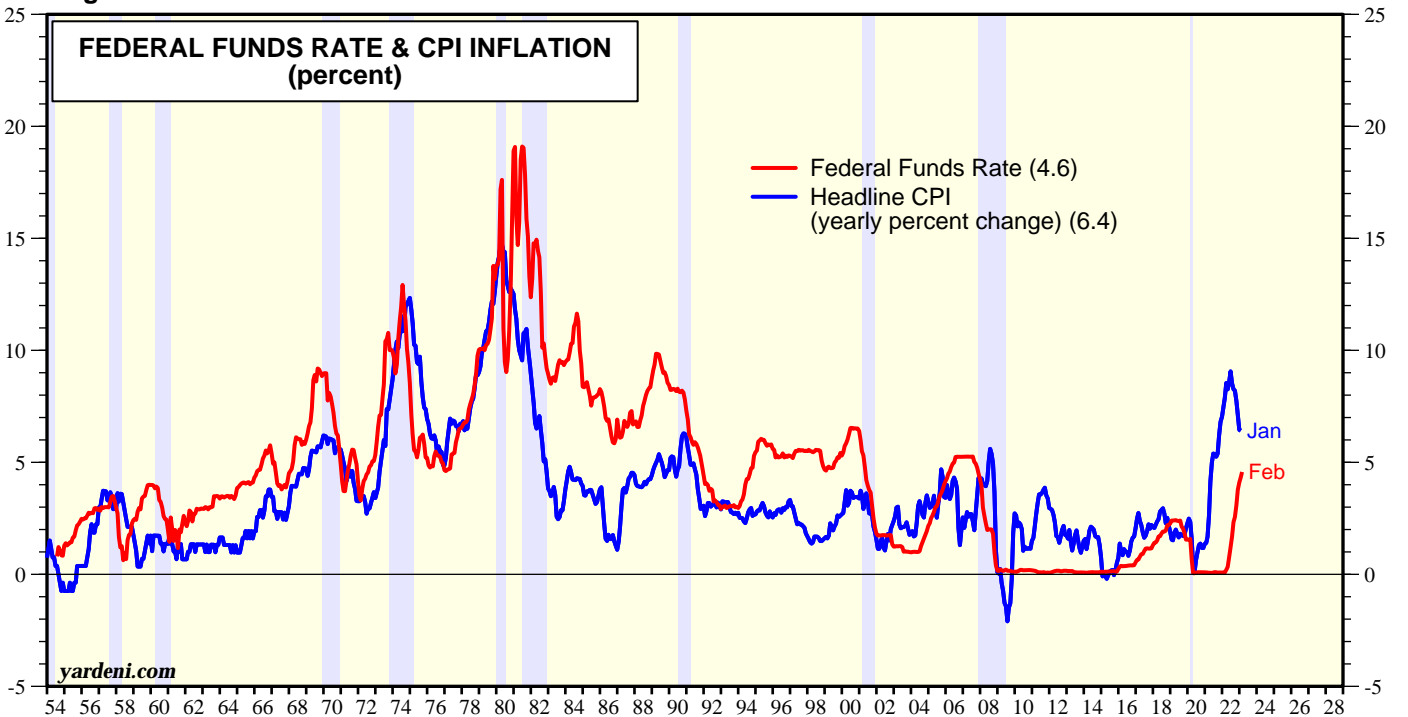
Miscellaneous

Figure 19.



* 52-week forward consensus S&P 500 operating earnings per share. Monthly through March 1994, weekly after. Time-weighted average of current and next year's consensus earnings estimates.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Thomson Reuters I/B/E/S and Board of Governors of the Federal Reserve System.

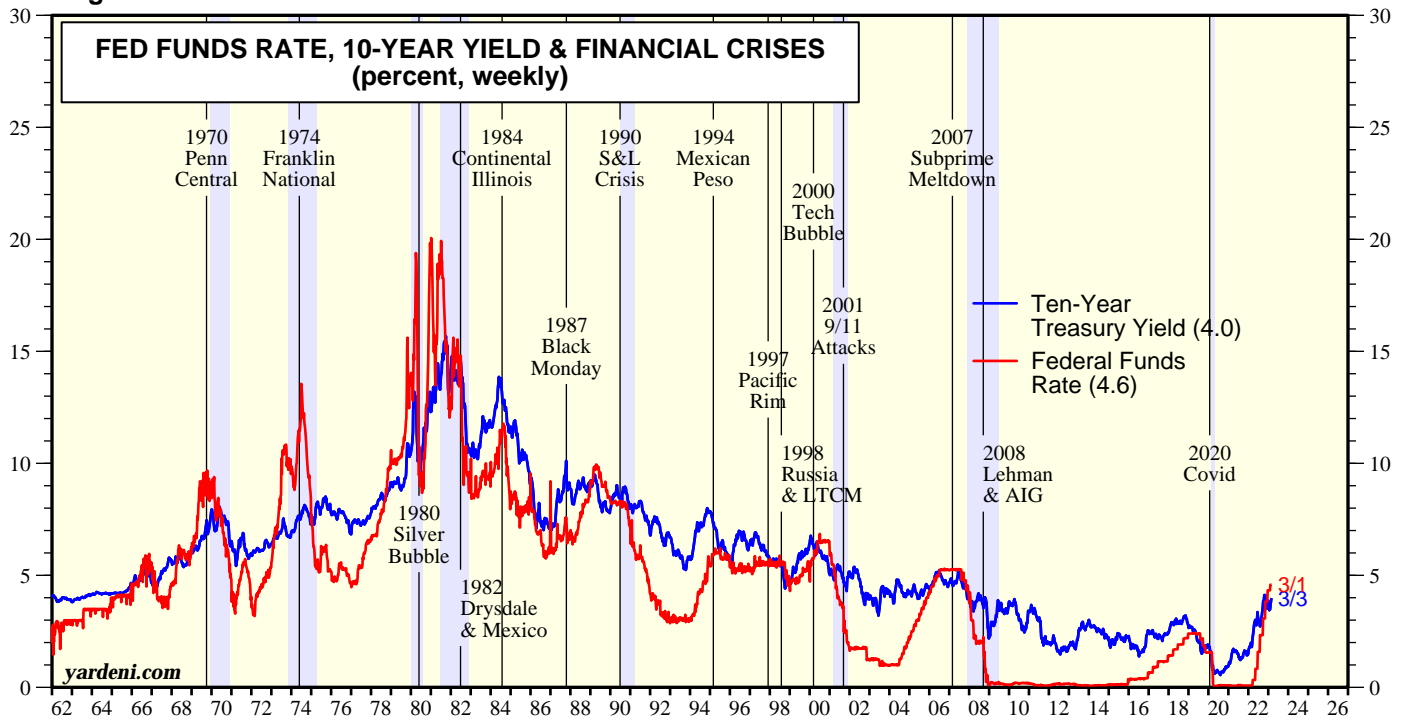
Figure 20.



Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Board of Governors of the Federal Reserve System and Bureau of Labor Statistics.

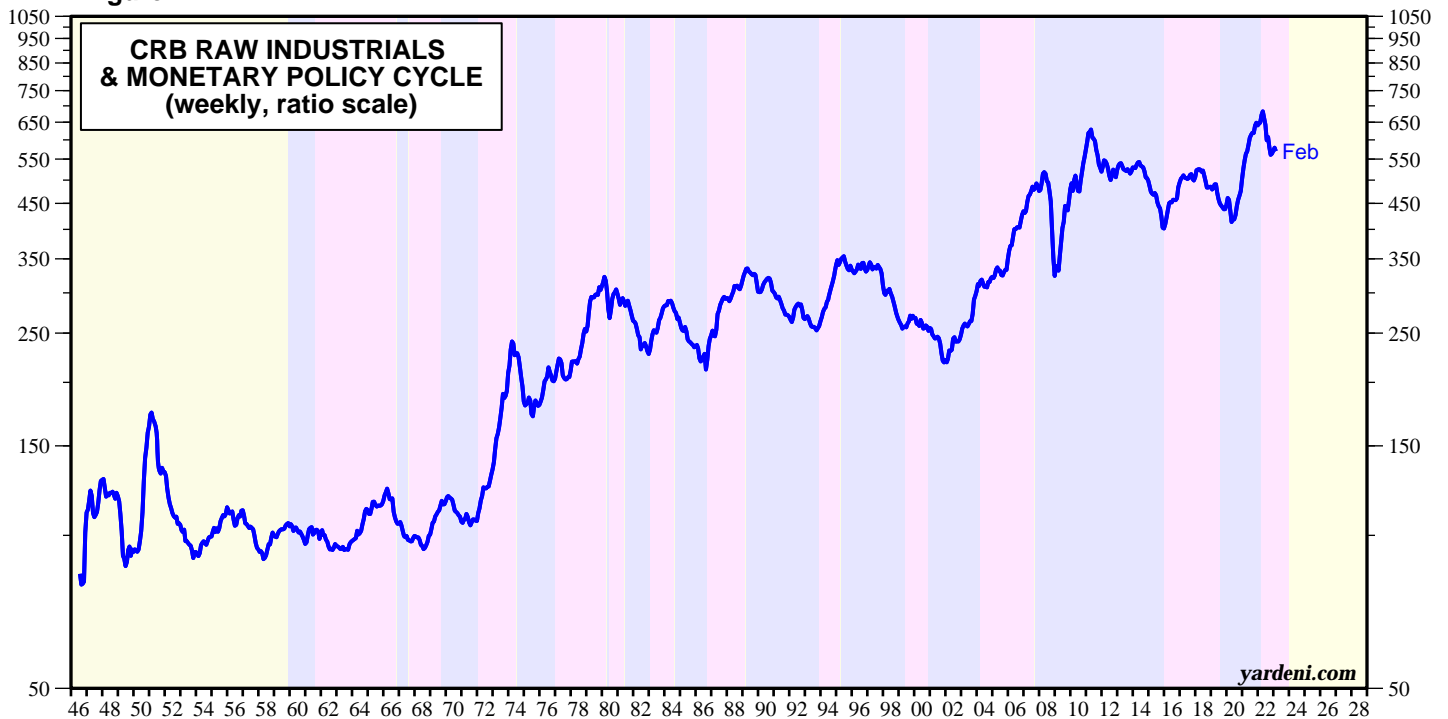
Miscellaneous

Figure 21.



* 10-year US Treasury yield less federal funds rate.
 Note: Shaded areas are recessions according to the National Bureau of Economic Research.
 Source: Federal Reserve Board.

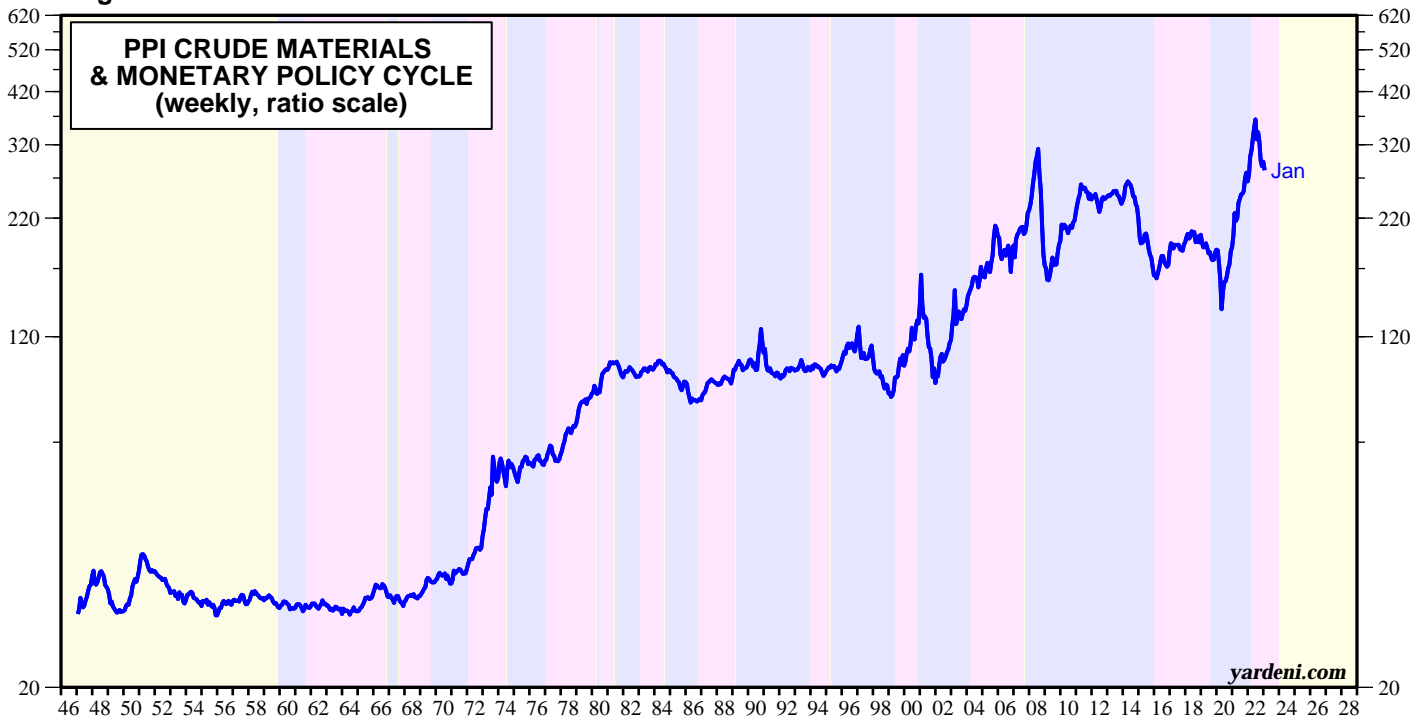
Figure 22.



* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.
 Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
 Source: Commodity Research Bureau.

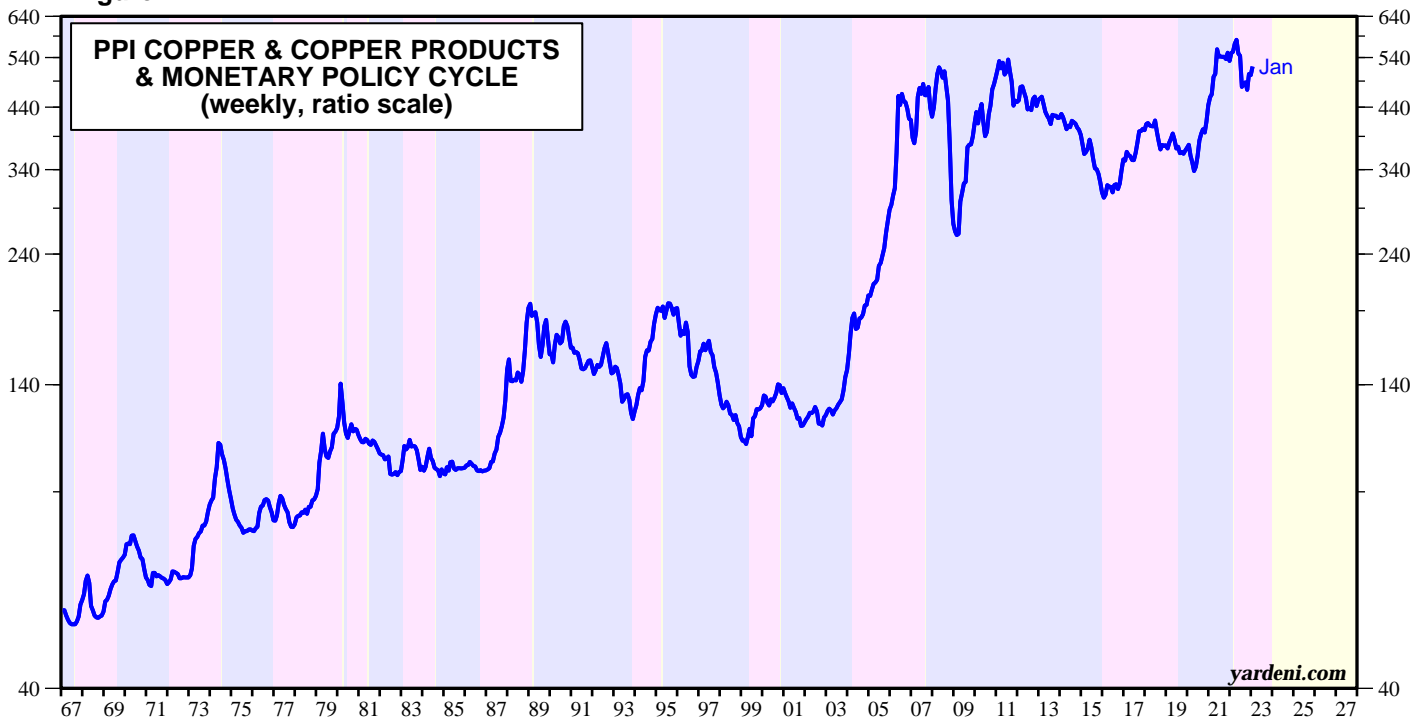
Miscellaneous

Figure 23.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
Source: Bureau of Labor Statistics.

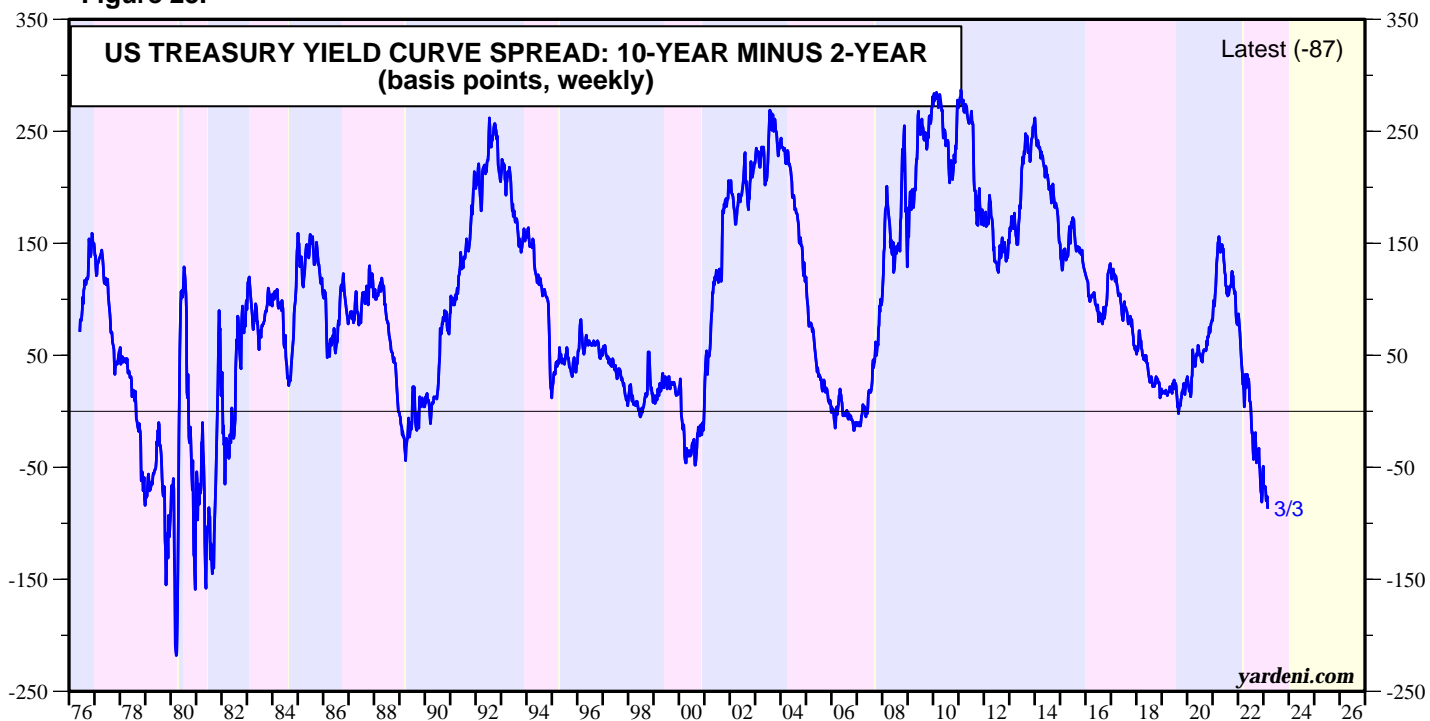
Figure 24.



Note: Blue shaded areas denote periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
Source: Bureau of Labor Statistics.

Miscellaneous

Figure 25.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
Source: Haver Analytics.

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