

NEW QUARTER... SAME STORY

Regardless of how you may check headlines, the story about inflation still dominates the Business News section. Talk of inflation seemed to start around February due to the rapid rise of the U.S. Treasury’s 10-year note, which is used as an indicator of inflation.

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March of 2009. It was July of 2013 when Bernanke announced that, depending on new data, the Federal Reserve would begin tapering.

They did begin tapering in December of 2013 and it lasted through October 2014. This is when the Fed ceased quantitative easing. After that, 14 months lapsed until they made their first rate hike off of 0 percent on December 16, 2015... exactly 7 years after rates went to zero.

As we discussed in our last JadeSpeak article, the markets would like the Federal Reserve to say it would be open to raising rates since our economy is really



Hypothetically speaking, let’s entertain the same timelines surrounding the

heating up. Following the June Federal Reserve meeting, Fed Chair Jerome Powell said, “You can think of this meeting that we had as the ‘talking about talking about’ meeting, if you’d like.” He was referring to when the Federal Reserve will begin discussing and implementing a plan to end quantitative easing.

showed the latest projections of at least two rate hikes in 2023. The markets didn’t receive the news too well.

Fed’s actions from the previous event. The next big meeting for the Fed is in September 2021 in Jackson Hole, Wyoming. If the Fed announced at that meeting “dependent on forward data we will begin tapering,” the timeline would be as follows: Tapering would start in February of 2022 and run through December 2022. Add a 14-month lapse for the economy to find its own footing, and the first rate hike would be in February 2023.

Quantitative easing, by definition, is a government policy in which central banks buy longer-term securities in our open market to increase the amount of money in our system and economy with newly-created bank reserves.

We here at Jade feel 2023 is most likely when rates will begin to rise.

HISTORY TELLS US...

The June meeting minutes also

Not every financial crisis has the same severities. Just look back to the recession of 2008 and how events played out.

The Federal Reserve chairman then was Ben Bernanke. Rates hit a range of 0 to 0.25 percent on Dec. 16, 2008. The markets bottomed in

Of course, no one knows exactly how it will play out. But if we go by the Federal Reserve’s past actions, year 2023 may very well be when they begin to raise rates and not sooner.

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Ready For Back To School?

Some fun facts about the craziness that is Back to School:

Including college students, about **78 million** kids head back to school every fall. That's 25% of the entire U.S. population over the age of 3.

Surveys indicate the **five worst expectations** for elementary school kids include homework, switching schools, getting up early, tests, and Math.

School buses have been around since 1915 (as long as the automobile), but bright yellow wasn't adopted as the official color until 1939.

Source: bluewatercredit.com

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