

MORNING MARKET COMMENTARY

Friday, November 26, 2021

	Last end of day	Previous end of day
Fed Funds (open)	0.07%	0.07%
3-Month T-Bill	0.06%	0.05%
6-Month T-Bill	0.09%	0.08%
1-Year T-Bill	0.18%	0.19%
2-Year T-Note	0.537%	0.604%
10-Year T-Note	1.531%	1.664%
30-Year T-Bond	1.883%	2.015%
1-Month LIBOR	0.09163%	0.09238%
DJIA -9.42	35,804.38	35,813.80
Japanese Yen/USD	113.96	115.10
Canadian Dollar/USD	1.2758	1.2698
USD/Euro	1.1280	1.1213
Gold-London Fix	1,788.85	1,890.16
Crude Oil	78.37	78.50

November 26, 2021: Goldman Economists Expect Fed Will Taper, Raise Rates Faster (Reuters)

Goldman Sachs Group Inc. economists said they expect the U.S. Federal Reserve to tighten monetary policy faster than previously anticipated next year amid rising inflationary pressures.

The central bank will double the pace it's withdrawing its massive asset purchase program to \$30 billion a month from January and start raising interest rates from near zero in June, the economists led by Jan Hatzius said in a report to clients on Thursday.

The bank will then hike rates in September and December as well as twice in 2023, said the economists, who previously expected the benchmark to be boosted in July and November. Under Goldman's new scenario, the Fed will wrap up its asset purchase program in the middle of

March. There is a "realistic possibility" for the Fed to start raising borrowing costs in May, followed by increases in July and November, they said.

Fed Vice Chair Rich Clarida and San Francisco Fed Bank President Mary Daly both said in recent days that they are open to a quicker taper. Data released this week showed strong consumer spending, a tightening labor market and the fastest inflation in three decades.

"The increased openness to accelerating the taper pace likely reflects both somewhat higher-than-expected inflation over the last two months and greater comfort among Fed officials that a faster pace would not shock financial markets," Hatzius and colleagues wrote in their report.