

Macro Roundup Article

Headline: [The Fed and Monday's Correction](#)

Article Link: https://www.wsj.com/articles/the-fed-and-mondays-correction-markets-central-bank-policy-cuts-b8879972?mod=opinion_lead_pos5

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Tweet: [@jasonfurman](#) notes a 19bps decline in the 10-year yield after Friday's job report, despite the FOMC not cutting. He suggests that a 50bps cut in September may be appropriate.

Summary: While it's unfortunate the Fed didn't have the latest employment data during its meeting, the committee's clear and credible statements about how it would respond to data in the future ensured the market adjusted appropriately, cutting the 10-year Treasury yield by another 19 basis points after Friday's jobs report, bringing it to 3.8%, where it stayed on Monday despite the sell-off in equity markets. The unemployment rate staying at 4.3% should be more than sufficient basis for a 50-basis-point reduction at the next meeting.

Related Articles: [The U.S. Job Market Is Better Than It Looks and The Fed Should Not Cut Interest Rates Yet](#) and [Markets Think Inflation Will Be Too High For The Next 20 Years](#)

Primary Topic: Inflation

Topics: Business Cycle, Database, GDP, Inflation, Op-Ed/Blog Post

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