

Macro Roundup Article

Headline: [Hiking at \\$60b a Month](#)

Article Link: <https://fedguy.com/hiking-at-60b-a-month/>

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Publication	Fed Guy Blog
Publication Date	February 14, 2023

Tweet: Quantitative tightening shifts investors into financial assets that are more sensitive to the Federal Funds rate. @FedGuy12

Summary: The Fed cannot force banks to offer depositors higher rates, but QT side steps them and does the job by brute force. Every month \$60b in deposits yielding around 0% are replaced with \$60b in Treasuries yielding around 4%, and deposit rates are also slowly rising. The sizable yield upgrade being forced onto the market may indicate a more impactful QT. When rates were low, Treasuries and deposits were plausible substitutes. But rates are not low anymore.

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Primary Topic: Banking

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