

Macro Roundup Article

Headline: [US Banks Are Finally Being Forced to Raise Rates on Deposits](#)

Article Link: <https://www.bloomberg.com/news/articles/2023-03-06/banks-forced-to-jack-up-cd-rates-to-stanch-bleeding-on-deposits?sref=WJGRFNVf>

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Summary: After years of earning next to nothing, depositors are discovering a trove of higher-yielding options like Treasury bills and money market funds as the Federal Reserve ratchets up benchmark interest rates. The shift has been so pronounced that commercial bank deposits fell last year for the first time since 1948 as net withdrawals hit \$278 billion. The very biggest banks can afford to slow-walk their rate increases, simply because they still have relatively high deposit levels. Overall, the average rate on a one-year CD is roughly 1.5%. That's up from 0.25% a week before the Fed began raising rates a year ago, but still well below inflation.

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