

## Macro Roundup Article

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

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

Author(s)	Joseph Wang
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.

**Primary Topic:** Banking

**Topics:** Banking, Monetary Policy, Op-Ed/Blog Post, Quote

**Permalink:** <https://www.edwardconard.com/macro-roundup/quantitative-tightening-shifts-investors-into-financial-assets-that-are-more-sensitive-to-the-federal-funds-rate-fedguy12?view=detail>

### Featured Image

**Link:** <https://www.edwardconard.com/wp-content/uploads/2023/02/Gap-Deposit-Rate-EFFR.png>