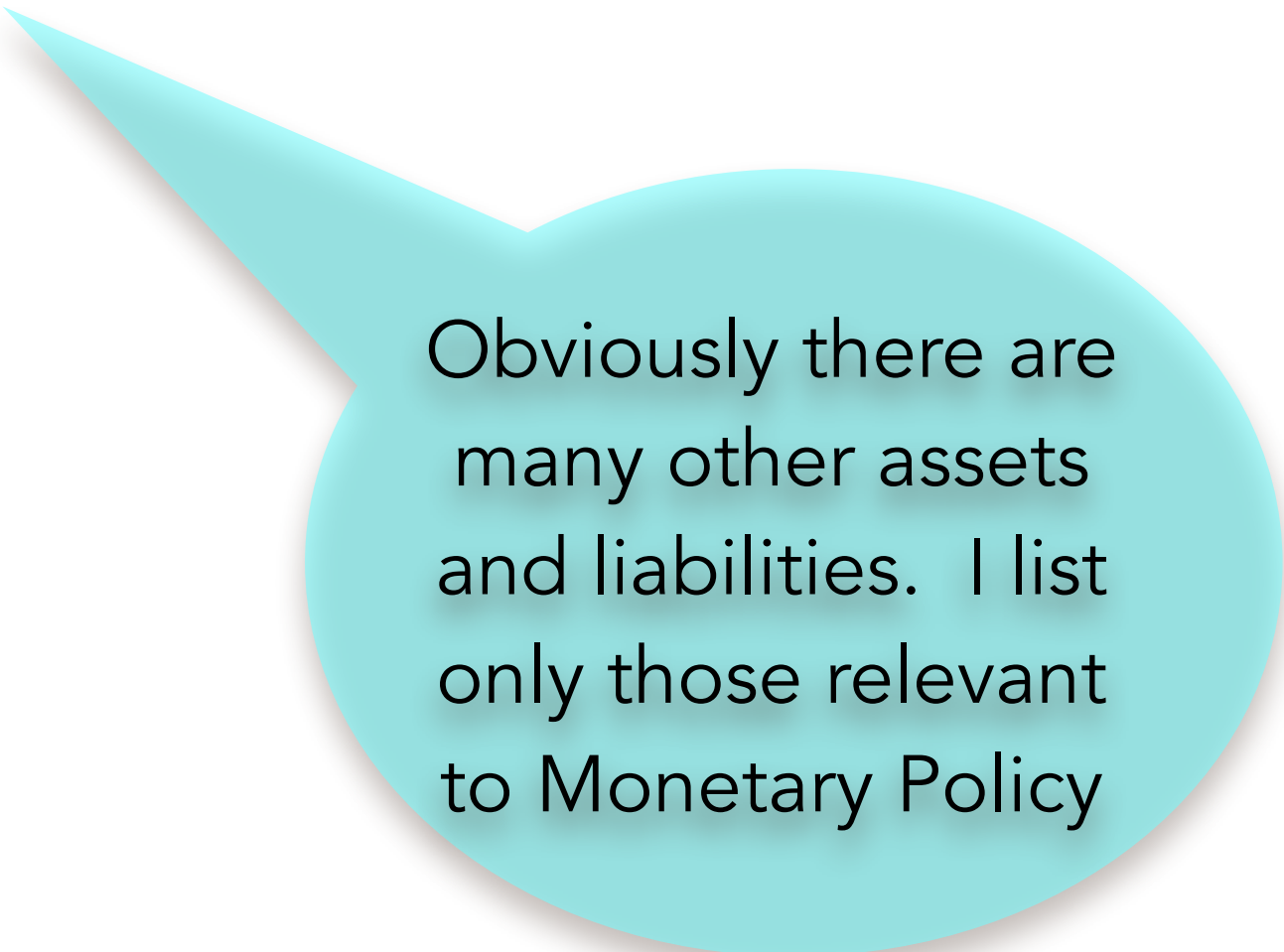


THE FED'S "T" ACCOUNT

Assets

Liabilities

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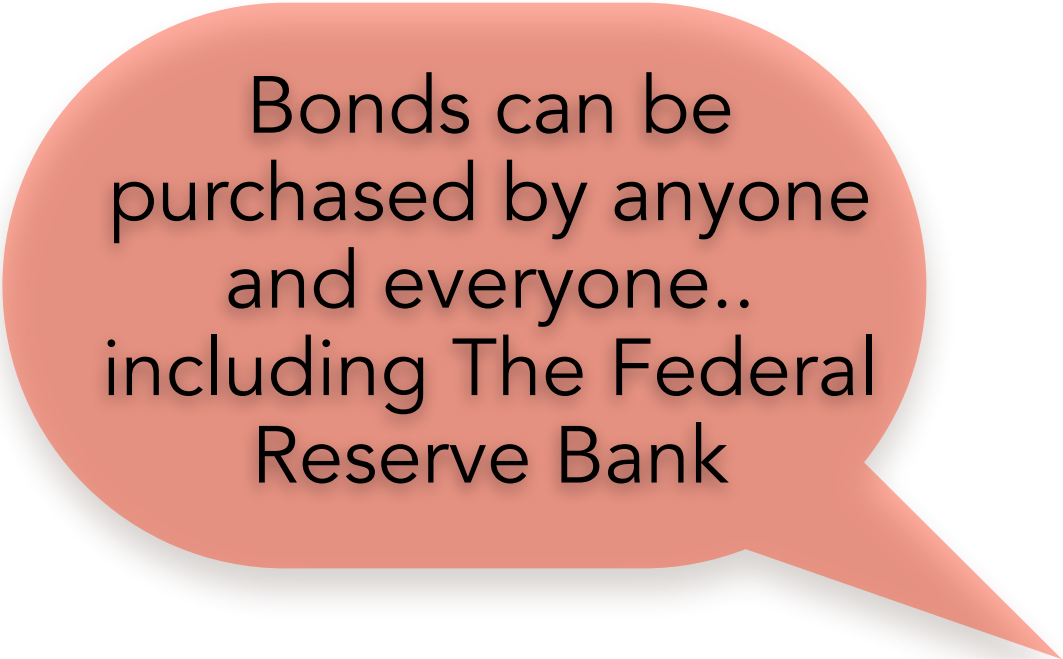
Obviously there are many other assets and liabilities. I list only those relevant to Monetary Policy



Bonds are an Asset to the Fed: they represent money the Government owes the holder of the bond: The Fed



Bank reserves are a
liability to the Fed:
These reserves
belong to banks



Bonds can be
purchased by anyone
and everyone..
including The Federal
Reserve Bank

THE FED'S "T" ACCOUNT

Bonds can be purchased by anyone and everyone.. including The Federal Reserve Bank

Assets



Bonds are an Asset to the Fed: they represent money the Government owes the holder of the bond: The Fed

Liabilities



Bank reserves are a liability to the Fed:
These reserves belong to banks

Obviously there are many other assets and liabilities. I list only those relevant to Monetary Policy