

Important Recent Developments

- Market watchers' focus this week is on the Consumer Price Index to be released Tuesday and the Federal Reserve's interest rate decision to be announced Wednesday.
- A new report found that excessive profits by big energy and consumer companies in 2022 pushed inflation higher in most advanced economies.
- West Texas Intermediate crude oil fell to \$71/barrel, continuing its weak momentum caused by increasing concerns about low global demand.
- Stocks, bonds, gold and crypto are surging simultaneously, sparking concerns of a "fleeting sugar high" at the end of the monetary tightening cycle.
- The United States started this winter with the most natural gas in storage since 2020.
- The world economy is on the brink of "Cold War II," which could annihilate progress made since the collapse of the Soviet Union, warns International Monetary Fund First Deputy Managing Director Gita Gopinath.

Currencies

	Current	12/11/2022
Dollar Index	1,244	1,264

Equities

	Current	12/11/2022
DJIA	36,297	33,476
S&P 500	4,604	3,934
Nasdaq	14,370	11,005

Interest Rates

	Current	12/11/2022	Δ
Fed Funds Effective	5.330%	3.830%	1.50
SOFR	5.320%	3.800%	1.52
2Y UST	4.750%	4.344%	0.41
5Y UST	4.274%	3.769%	0.51
7Y UST	4.301%	3.695%	0.61
10Y UST	4.260%	3.578%	0.68
30Y UST	4.346%	3.559%	0.79

Key Economic Indicators

	Current	Prior
GDP Annualized (QoQ)	5.2%	2.1%
Employment (# of Jobs)	199K	150K
Unemployment Rate	3.7%	3.9%
Core CPI (YoY)	4.0%	4.1%
Consumer Confidence	102	99.1

Commodities

	Current	12/11/2022
Crude Oil (Per Barrel)	\$71.15	\$71.02
Natural Gas (Per M BTU)	\$2.33	\$6.25
Coal (Per Short Ton)	\$14.00	\$15.85
Gold (Per Ounce)	\$1,987	\$1,798
Corn (Per Bushel)	\$4.66	\$6.35
Soybean (Per Bushel)	\$13.23	\$14.84

Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	3,719	3,412
U.S. Daily Power Consumption (MWh)	11,305,531	10,682,715
World Container Index (Per 40ft)	\$1,461	\$2,139

Interest Rate Forecasts

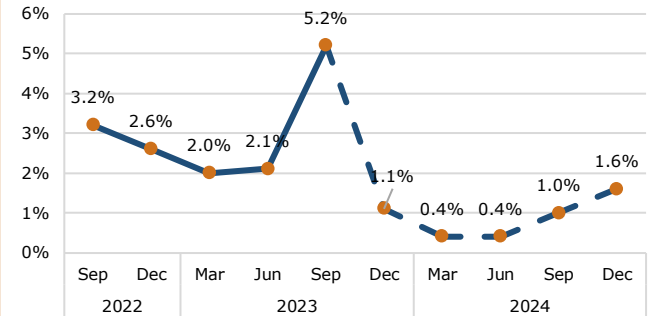
	Dec 2023	Δ from current	Sep 2024	Δ from current
Fed Funds Target ¹	5.50%	0.00	4.25%	(1.25)
10Y UST ²	4.33%	0.07	4.66%	0.40
30Y UST ²	4.39%	0.04	4.66%	0.31

¹ Target rate forecast is based on futures market contracts

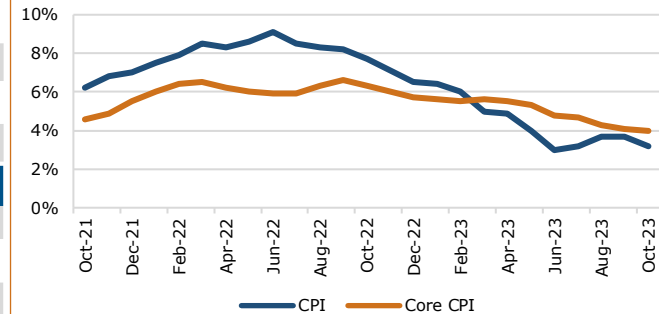
² Forecast by Trading Economics

Source: U.S. Energy Information Administration, Trading Economics
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U.S. GDP Growth Trend



Headline vs. Core Inflation



10-Year U.S. Treasury vs. Fed Funds Trend

