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LLC

Press Release

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Information received since the Federal Open Market Committee met in January indicates that the **labor market has continued to strengthen** and that economic activity has been rising at a moderate rate. Job gains have been strong in recent months, and the unemployment rate has stayed low. Recent data suggest that **growth rates of household spending and business fixed investment have moderated** from their strong fourth-quarter readings. On a 12-month basis, both overall inflation and inflation for items other than food and energy have continued to run below 2 percent. **Market-based measures of inflation compensation have increased in recent months but remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.**

Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assessments of projected appropriate monetary policy, March 2018

Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Median ¹				Central tendency ²				Range ³			
	2018	2019	2020	Longer run	2018	2019	2020	Longer run	2018	2019	2020	Longer run
Change in real GDP	2.7	2.4	2.0	1.8	2.6–3.0	2.2–2.6	1.8–2.1	1.8–2.0	2.5–3.0	2.0–2.8	1.5–2.3	1.7–2.2
December projection	2.5	2.1	2.0	1.8	2.2–2.6	1.9–2.3	1.7–2.0	1.8–1.9	2.2–2.8	1.7–2.4	1.1–2.2	1.7–2.2
Unemployment rate	3.8	3.6	3.6	4.5	3.6–3.8	3.4–3.7	3.5–3.8	4.3–4.7	3.6–4.0	3.3–4.2	3.3–4.4	4.2–4.8
December projection	3.9	3.9	4.0	4.6	3.7–4.0	3.6–4.0	3.6–4.2	4.4–4.7	3.6–4.0	3.5–4.2	3.5–4.5	4.3–5.0
PCE inflation	1.9	2.0	2.1	2.0	1.8–2.0	2.0–2.2	2.1–2.2	2.0	1.8–2.1	1.9–2.3	2.0–2.3	2.0
December projection	1.9	2.0	2.0	2.0	1.7–1.9	2.0	2.0–2.1	2.0	1.7–2.1	1.8–2.3	1.9–2.2	2.0
Core PCE inflation ⁴	1.9	2.1	2.1		1.8–2.0	2.0–2.2	2.1–2.2		1.8–2.1	1.9–2.3	2.0–2.3	
December projection	1.9	2.0	2.0		1.7–1.9	2.0	2.0–2.1		1.7–2.0	1.8–2.3	1.9–2.3	
Memo: Projected appropriate policy path												
Federal funds rate	2.1	2.9	3.4	2.9	2.1–2.4	2.8–3.4	3.1–3.6	2.8–3.0	1.6–2.6	1.6–3.9	1.6–4.9	2.3–3.5
December projection	2.1	2.7	3.1	2.8	1.9–2.4	2.4–3.1	2.6–3.1	2.8–3.0	1.1–2.6	1.4–3.6	1.4–4.1	2.3–3.0

Fed Funds Implied Probabilities

United States Instrument Futures: Fed Funds - Midpoint Fed Effective Rate 1.68

1) Overview 2) Future Implied Probability 3) Add/Remove Rates

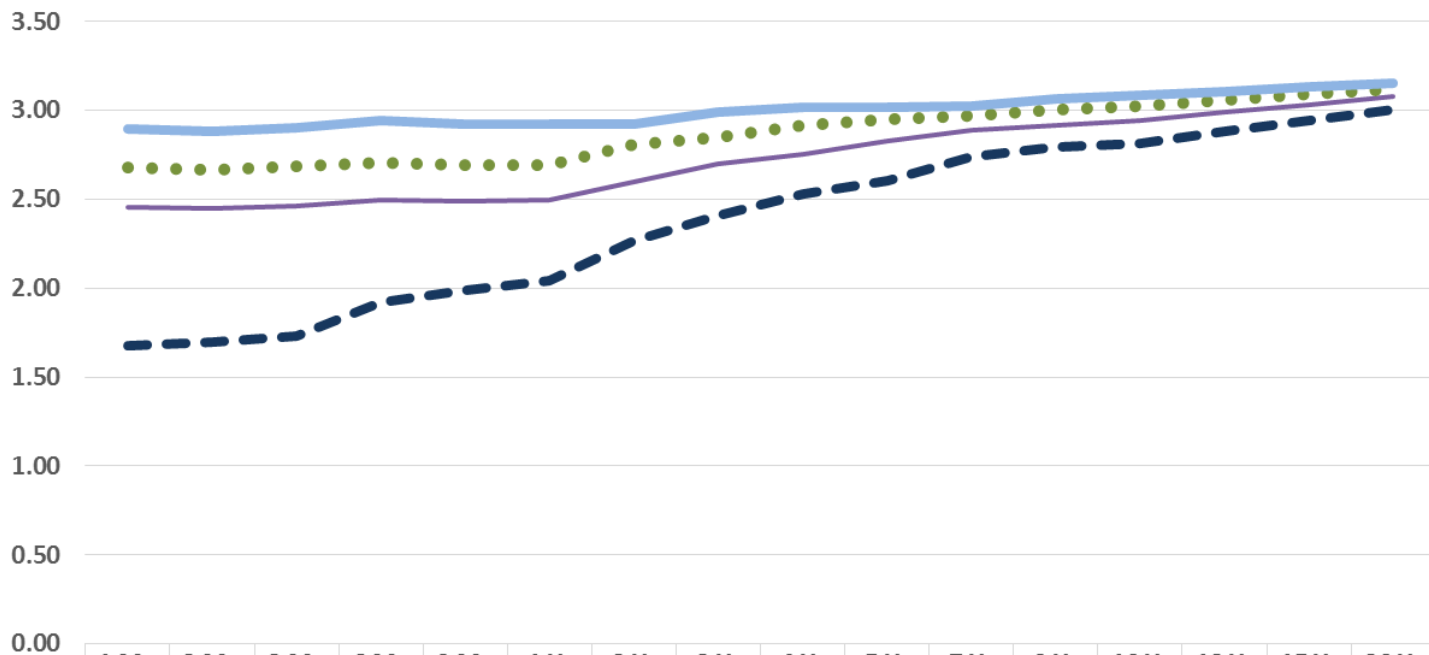
Current Implied Probabilities Calculated 03/26/2018 Based on rate 1.50-1.75

Dates Meeting Calculation

Meeting	Hike Prob	Cut Prob	1.5-1.75	1.75-2	2-2.25	2.25-2.5	2.5-2.75	2.75-3	3-3.25
05/02/2018	25.7%	0.0%	74.3%	25.7%	0.0%	0.0%	0.0%	0.0%	0.0%
06/13/2018	80.9%	0.0%	19.1%	61.9%	19.1%	0.0%	0.0%	0.0%	0.0%
08/01/2018	82.1%	0.0%	17.9%	59.2%	21.7%	1.2%	0.0%	0.0%	0.0%
09/26/2018	92.1%	0.0%	7.9%	36.1%	42.6%	12.6%	0.7%	0.0%	0.0%
11/08/2018	93.0%	0.0%	7.0%	33.1%	41.9%	15.9%	2.0%	0.1%	0.0%
12/19/2018	95.8%	0.0%	4.2%	22.4%	38.3%	26.6%	7.7%	0.9%	0.0%
01/30/2019	96.2%	0.0%	3.8%	20.9%	37.0%	27.5%	9.2%	1.4%	0.1%

Source: Bloomberg Finance LP.

US Treasury Forward Curve



	1 Mo	2 Mo	3 Mo	6 Mo	9 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	7 Yr	9 Yr	10 Yr	12 Yr	15 Yr	20 Yr
--- Spot (3/23/18)	1.67	1.69	1.73	1.92	1.99	2.05	2.27	2.41	2.53	2.61	2.74	2.80	2.82	2.88	2.94	3.00
— 12 Mo (P)	2.46	2.45	2.46	2.50	2.49	2.50	2.59	2.70	2.76	2.83	2.89	2.92	2.95	2.99	3.03	3.08
••• 24 Mo (P)	2.68	2.67	2.69	2.71	2.69	2.69	2.80	2.85	2.91	2.95	2.97	3.00	3.02	3.06	3.09	3.12
— 36 Mo (P)	2.89	2.88	2.90	2.94	2.92	2.92	2.93	2.99	3.02	3.02	3.02	3.07	3.08	3.11	3.13	3.16

CD Rates

					www.Bankrate.com			
SNL Financial	12/15/2015	12/30/2016	12/29/2017	3/20/2018	8/11/2017		3/26/2018	
					<u>Nat. Avg</u>	<u>Best Rate</u>	<u>Nat. Avg</u>	<u>Best Rate</u>
1 Mo CD - \$10k	NA	0.12	0.15	0.16				
3 Mo CD - \$10k	0.16	0.17	0.22	0.25				
6 Mo CD - \$10k	0.25	0.28	0.36	0.41				
9 Mo CD - \$10k	NA	0.30	0.40	0.45				
1 Yr CD - \$10k	0.41	0.45	0.59	0.67	1.41	1.60	1.96	2.20
18 Mo CD - \$10k	0.50	0.54	0.70	0.79	1.45	1.70		
2 Yr CD - \$10k	0.63	0.67	0.83	0.94	1.61	1.81	2.16	2.55
30 Mo CD - \$10k	0.69	0.71	0.86	0.97				
3 Yr CD - \$10k	0.86	0.88	1.04	1.13	1.74	2.00	2.12	2.60
4 Yr CD - \$10k	1.05	1.07	1.22	1.31	1.69	2.16	1.83	2.65
5 Yr CD - \$10k	1.30	1.32	1.48	1.57	2.12	2.35	2.45	2.80

Cash-type Deposit Rates

	12/15/2015	12/30/2016	12/29/2017	3/20/2018
Interest Checking- \$2.5k	NA	0.09	0.10	0.10
Interest Checking - \$5k	0.09	0.09	0.10	0.11
Money Market - \$2.5k	0.13	0.14	0.16	0.17
Money Market - \$10k	0.16	0.17	0.19	0.21
Money Market - \$25k	0.20	0.21	0.24	0.26
Money Market - \$50k	0.24	0.24	0.28	0.30
Money Market - \$100k	0.28	0.29	0.33	0.36
Money Market - \$250k	0.29	0.30	0.35	0.38
Relationship MMKT - \$10k	NA	0.23	0.29	0.32
Relationship MMKT - \$25k	NA	0.29	0.34	0.38
Regular Savings - \$1k	0.13	0.13	0.14	0.14
Regular Savings - \$2.5k	NA	0.13	0.14	0.14

National High Rates		
12/15/2015	12/29/2017	3/20/2018
NA	1.76	1.36
1.71	1.76	1.36
2.00	2.80	2.80
1.31	1.70	2.00
1.31	1.50	2.00
1.31	1.51	2.00
1.31	1.75	2.00
1.31	1.75	2.01
NA	1.51	1.51
NA	1.70	1.70
1.51	1.51	1.60
NA	2.02	2.02

Source: SNL Financial

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