

Predicting the Markets: Chapter 9 Charts: Predicting the Fed

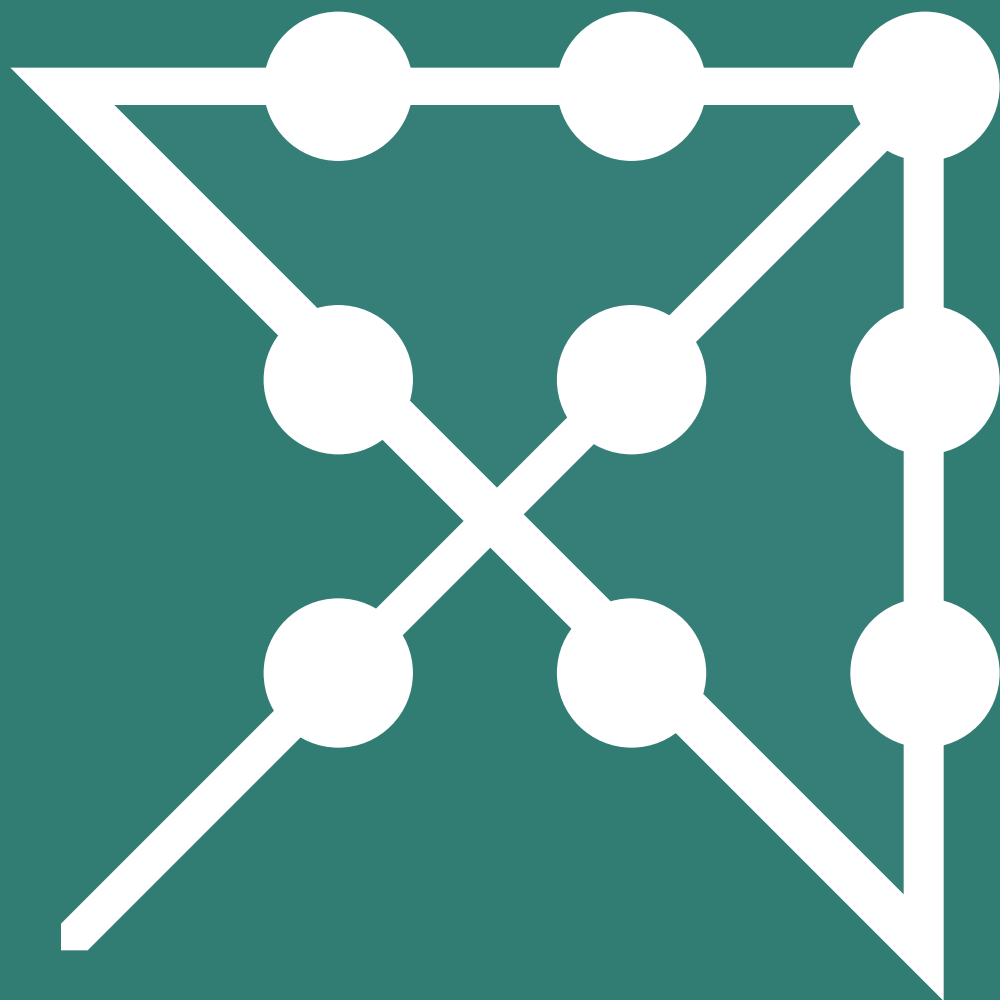
Yardeni Research, Inc.

January 6, 2023

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thinking outside the box

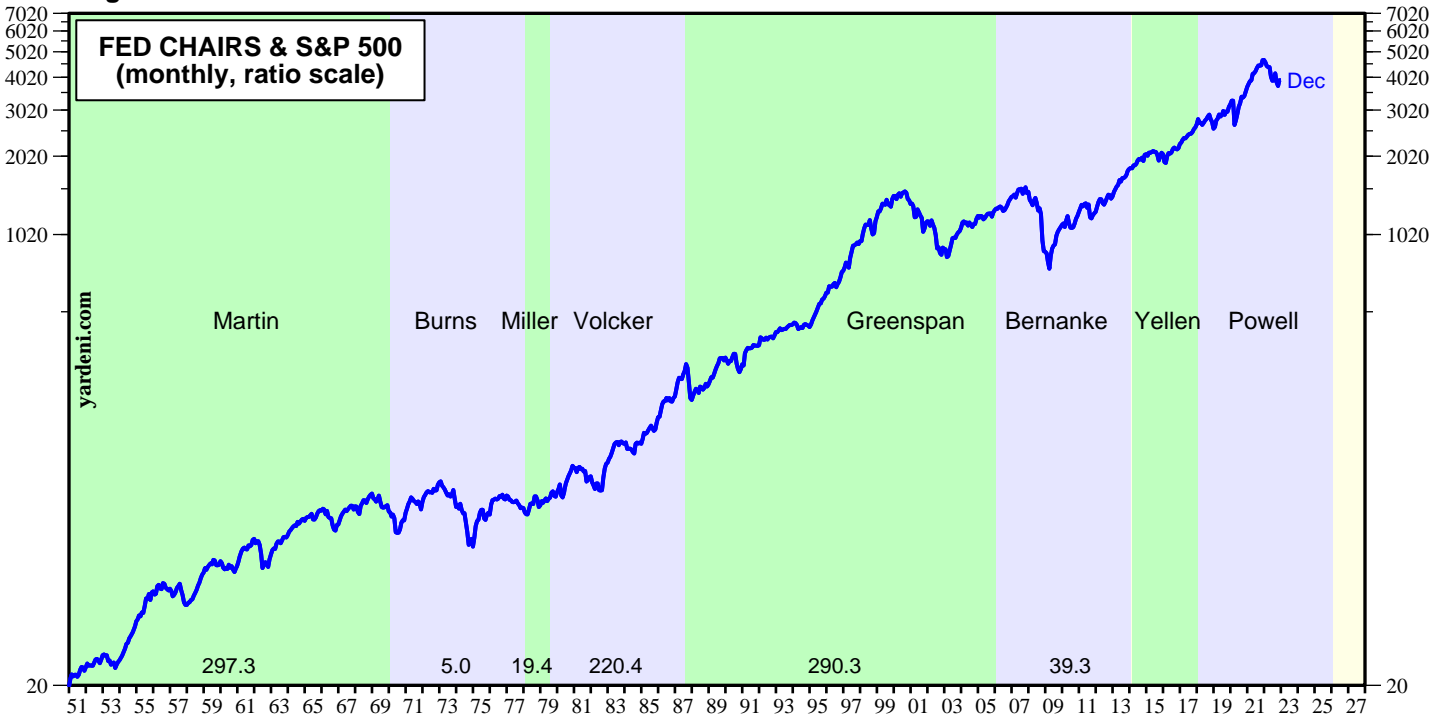
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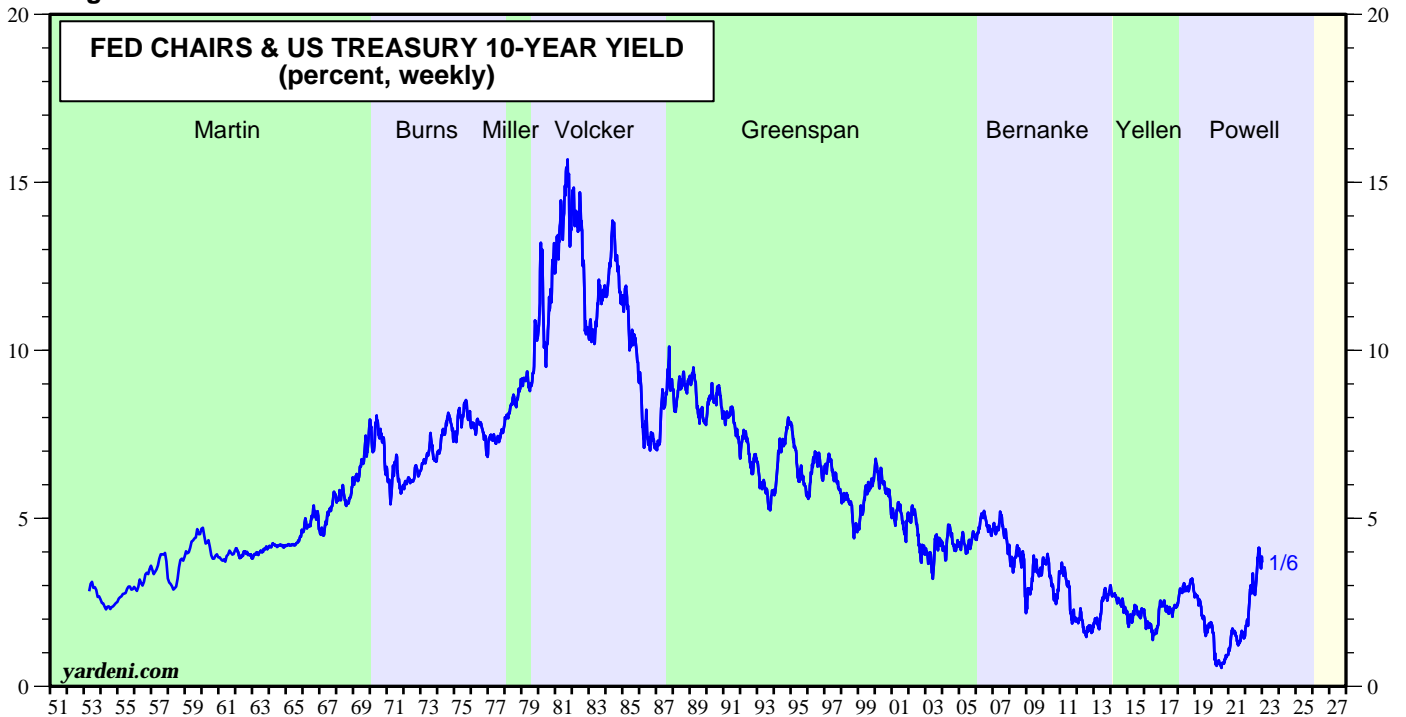
Predicting the Fed

Figure 1.



Note: Shades denote terms of Fed chairs. Data above timeline are percentage changes in the S&P 500 index during each term.
Source: Standard & Poor's.

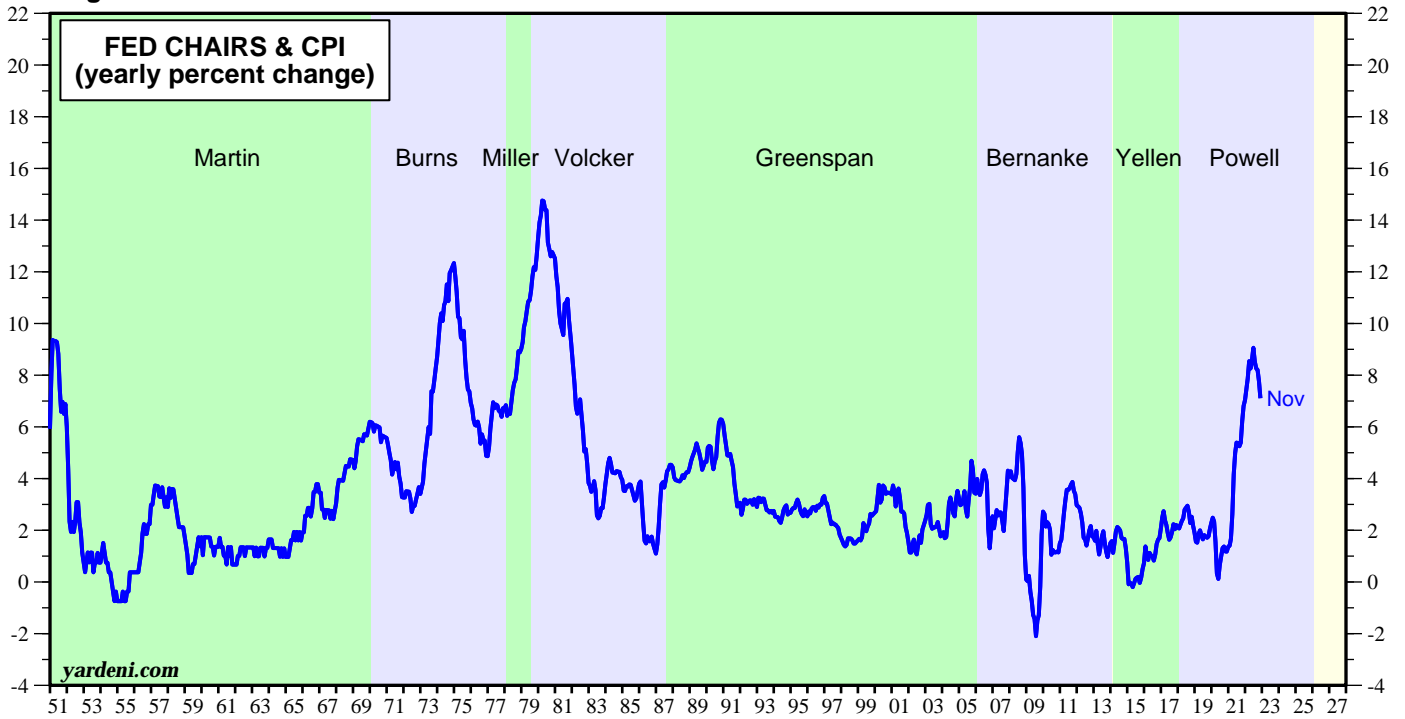
Figure 2.



Note: Shades denote terms of Fed chairs. Monthly data from April 1953 to December 1961, then weekly.
Source: US Treasury.

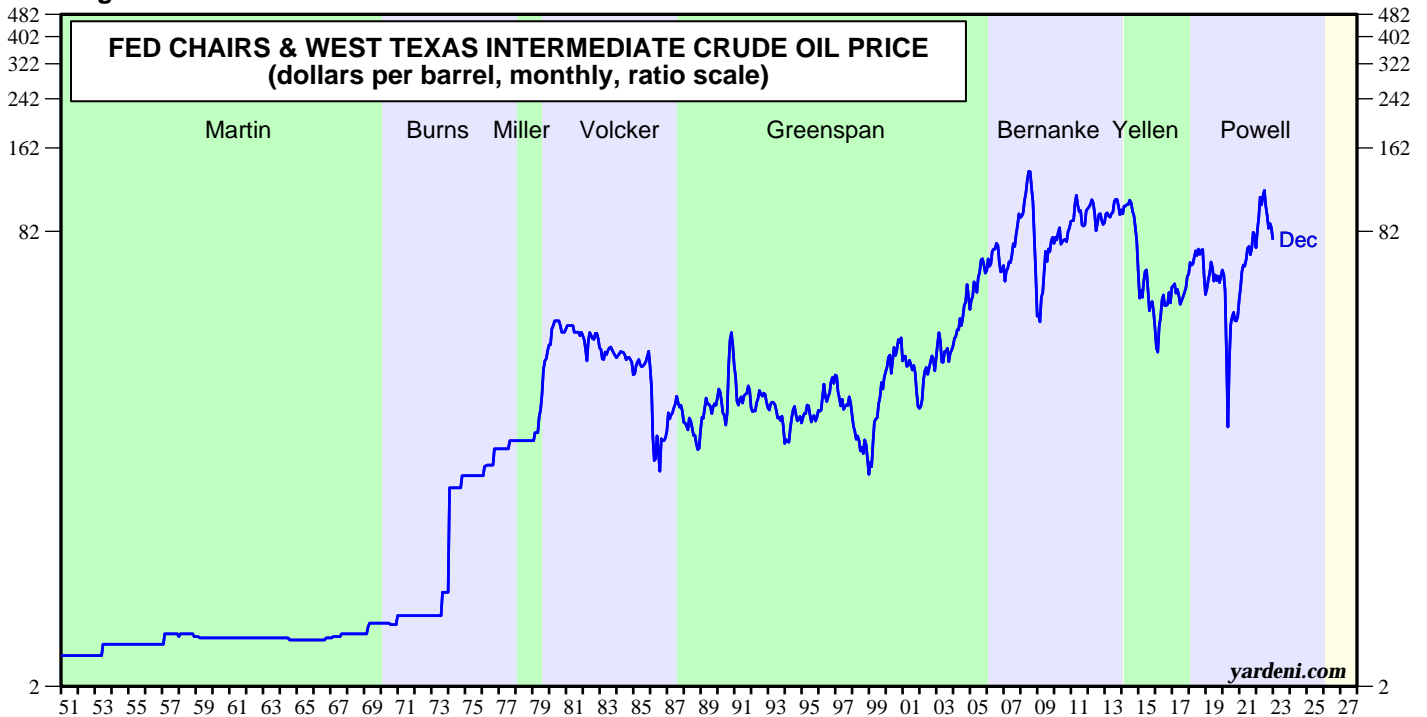
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Figure 3.



Note: Shades denote terms of Fed chairs.
Source: Bureau of Labor Statistics.

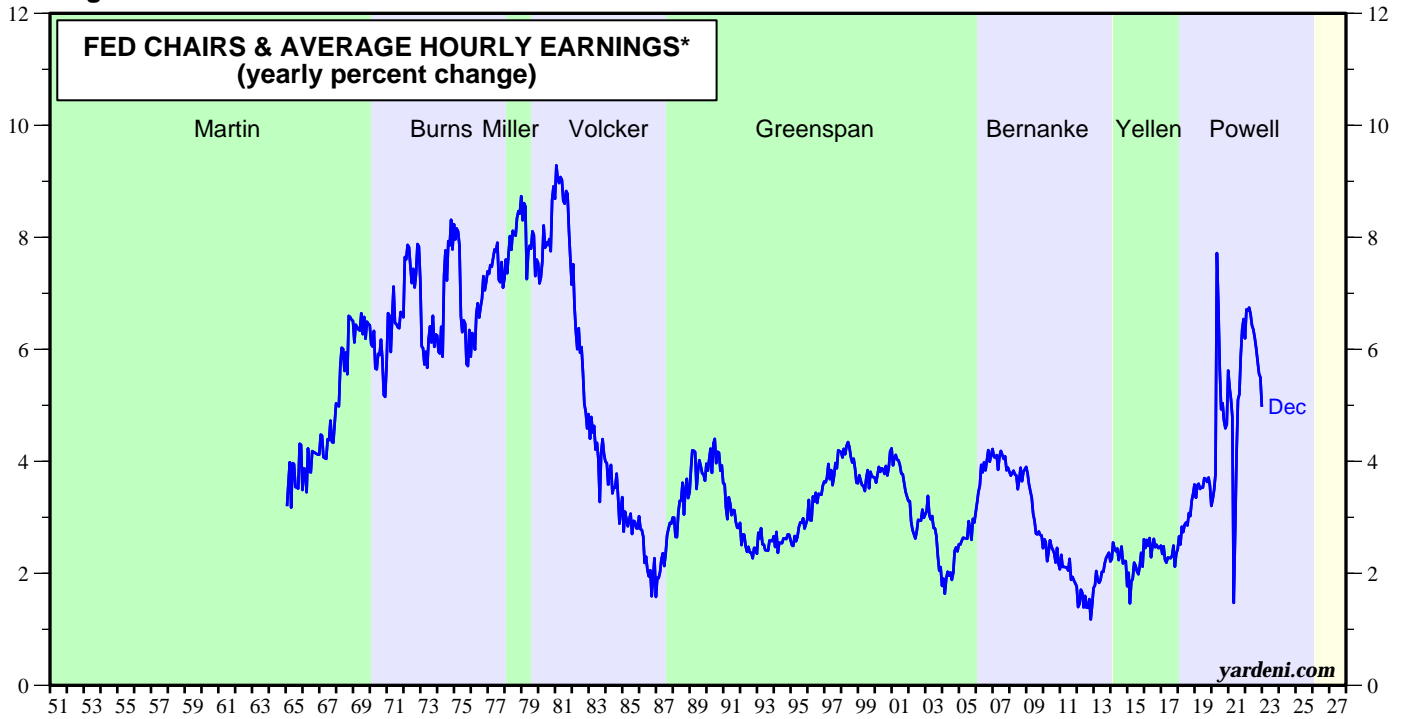
Figure 4.



Note: Shades denote terms of Fed chairs.
Source: Haver Analytics.

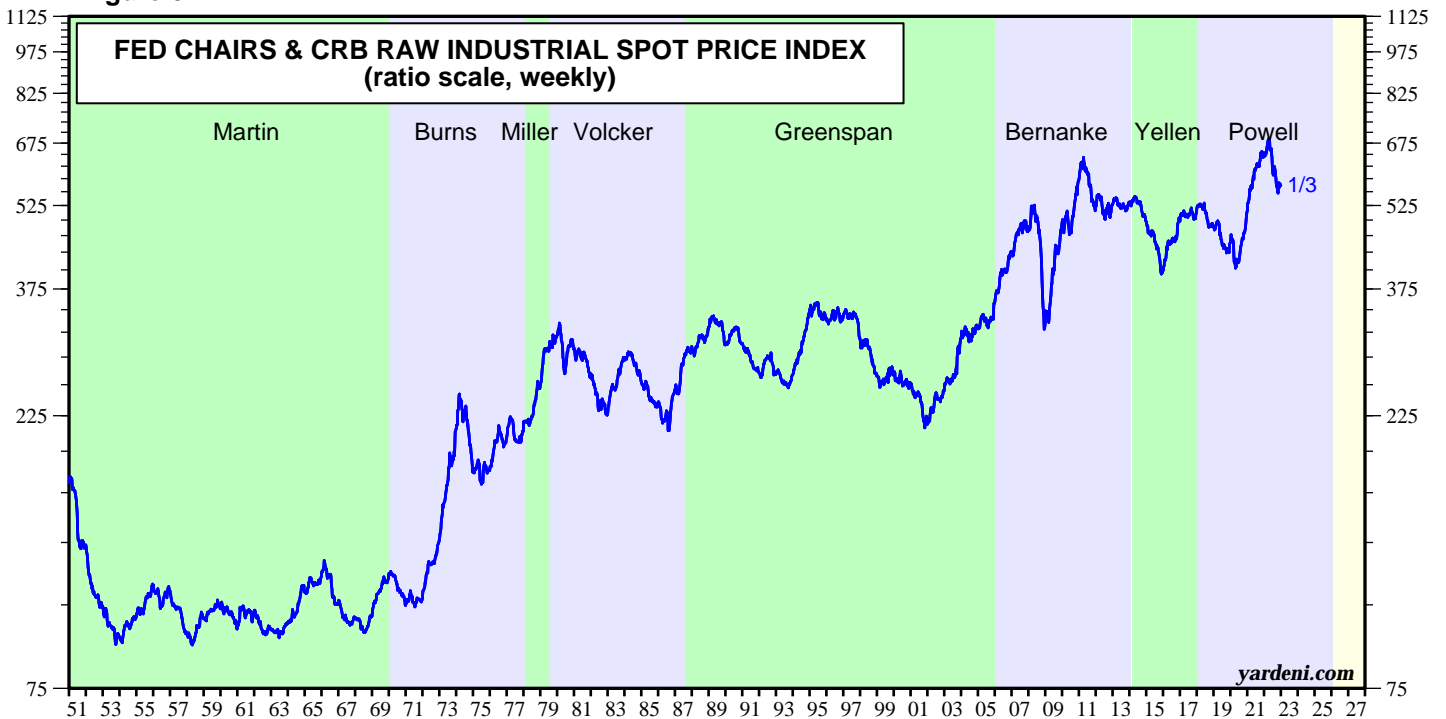
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Figure 5.



* Production & nonsupervisory workers.
 Note: Shades denote terms of Fed chairs.
 Source: Bureau of Labor Statistics.

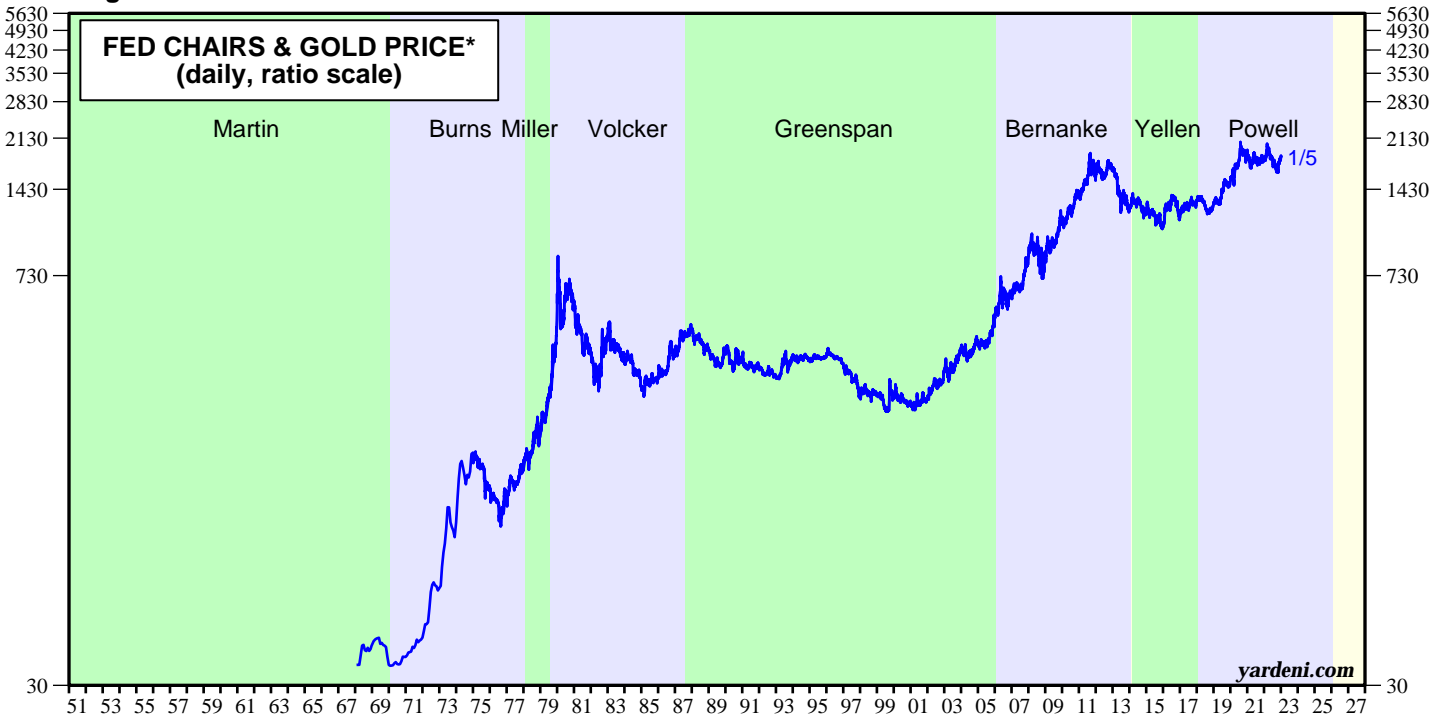
Figure 6.



Note: Shades denote terms of Fed chairs.
 Source: Commodity Research Bureau.

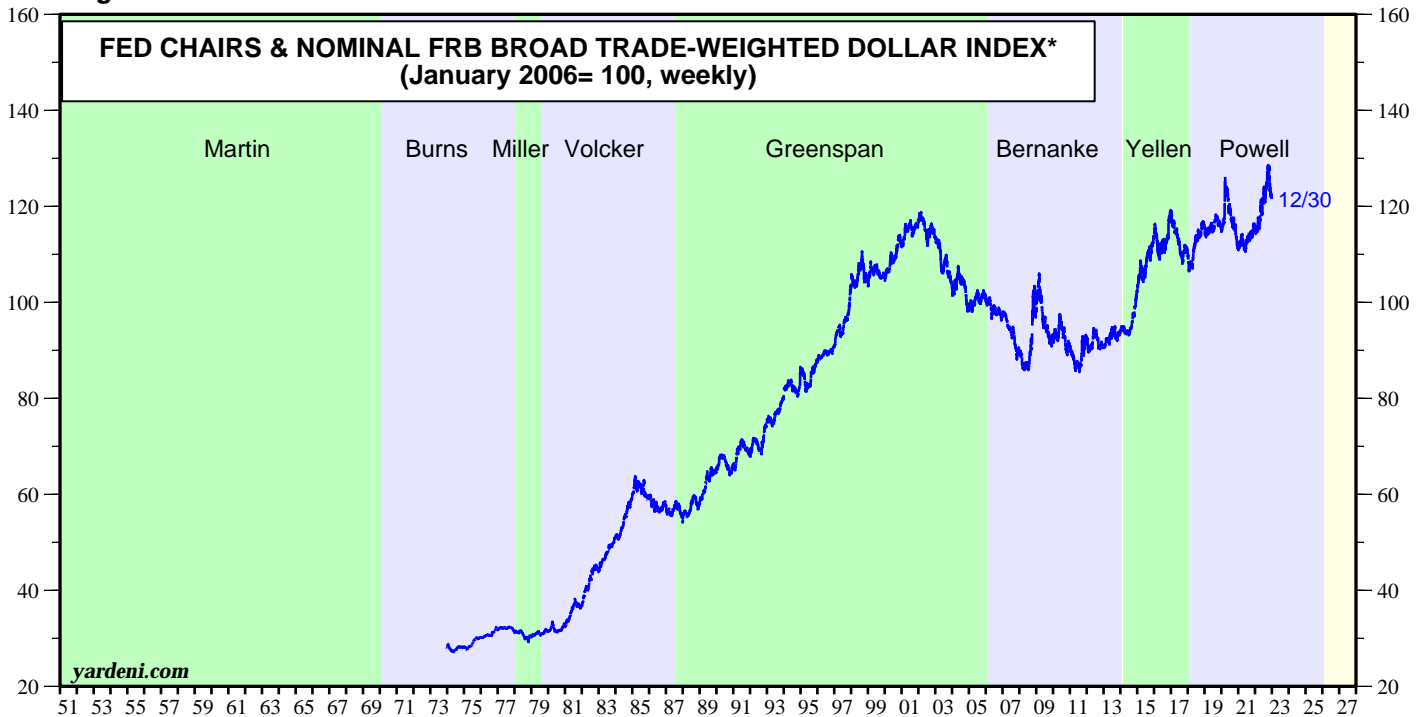
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Figure 7.



* Cash price. London gold bullion, PM Fix. Monthly from 1968 through 1974, then daily.
 Note: Shades denote terms of Fed chairs.
 Source: Commodity Research Bureau.

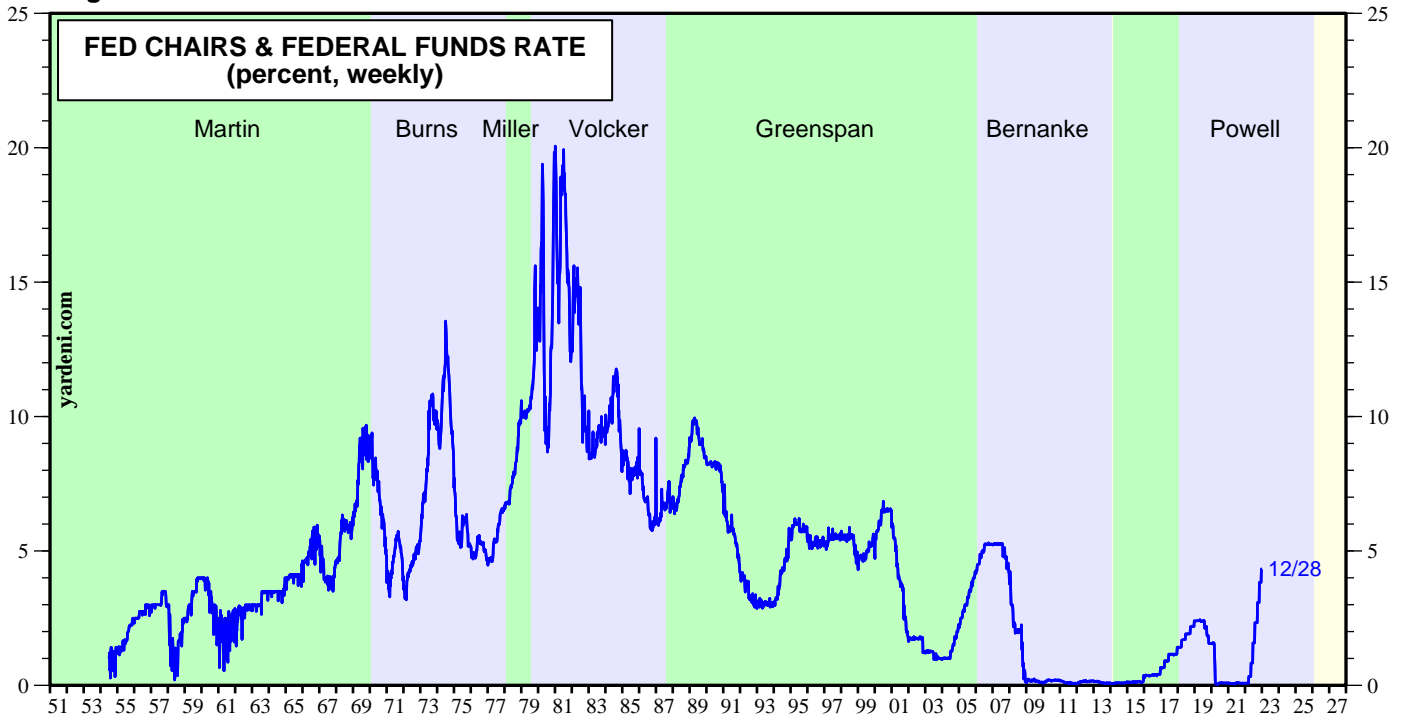
Figure 8.



* Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Euro Area, Hong Kong, India, Indonesia, Israel, Japan, Korea, Malaysia, Mexico, Philippines, Russia, Saudi Arabia, Singapore, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and Vietnam.
 Note: Shades are terms of office of Fed chairs.
 Source: Federal Reserve Board.

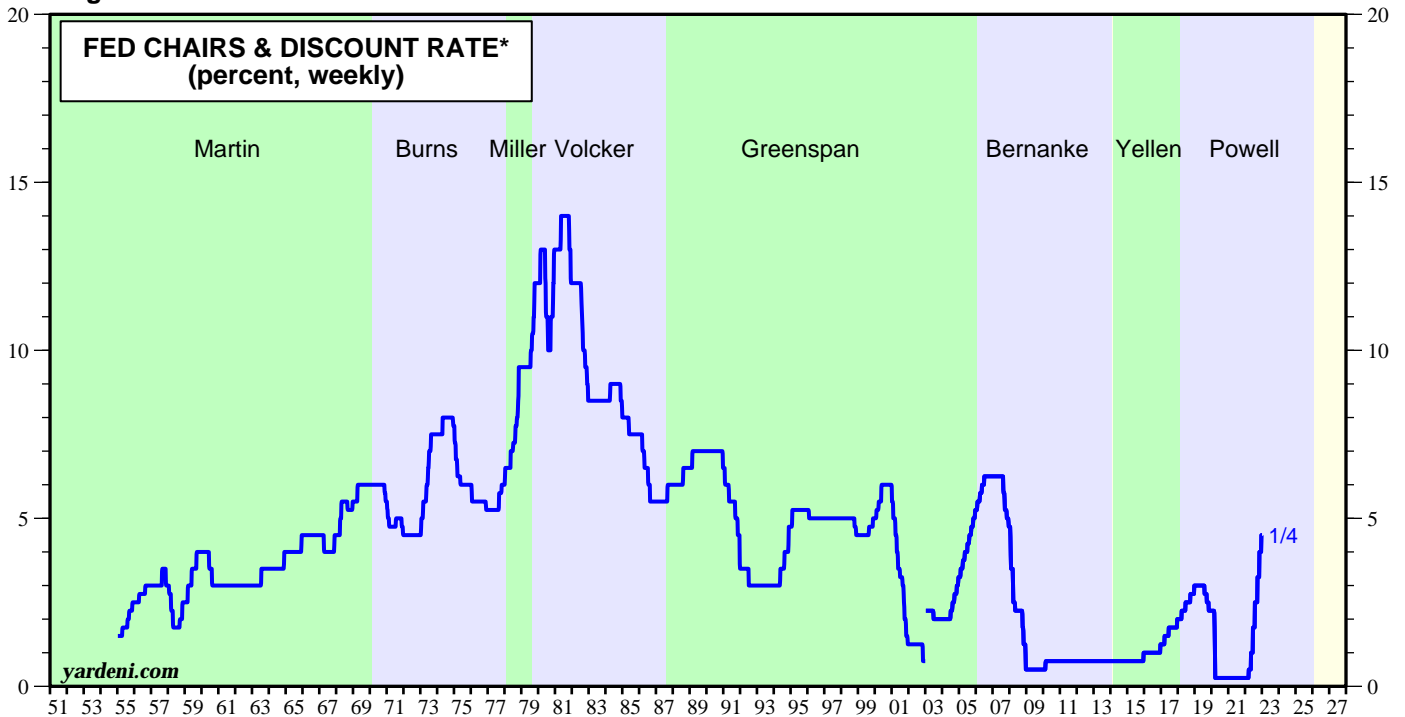
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Figure 9.



Note: Shades denote terms of Fed chairs.
Source: Federal Reserve Board.

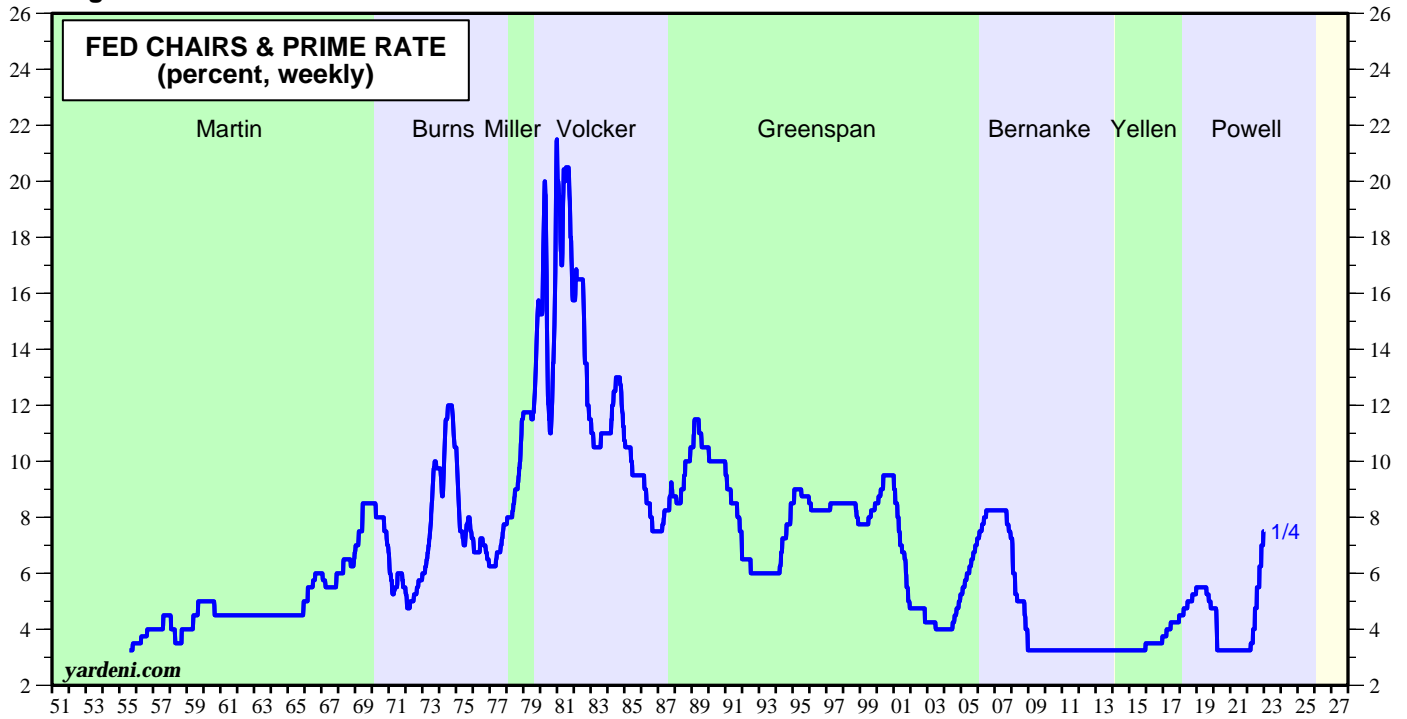
Figure 10.



* Discount window borrowing rate at the Federal Reserve Bank of New York was discontinued after January 8, 2003 and replaced by the rate charged for primary credit.
Note: Shades denote terms of Fed chairs.
Source: Federal Reserve Board.

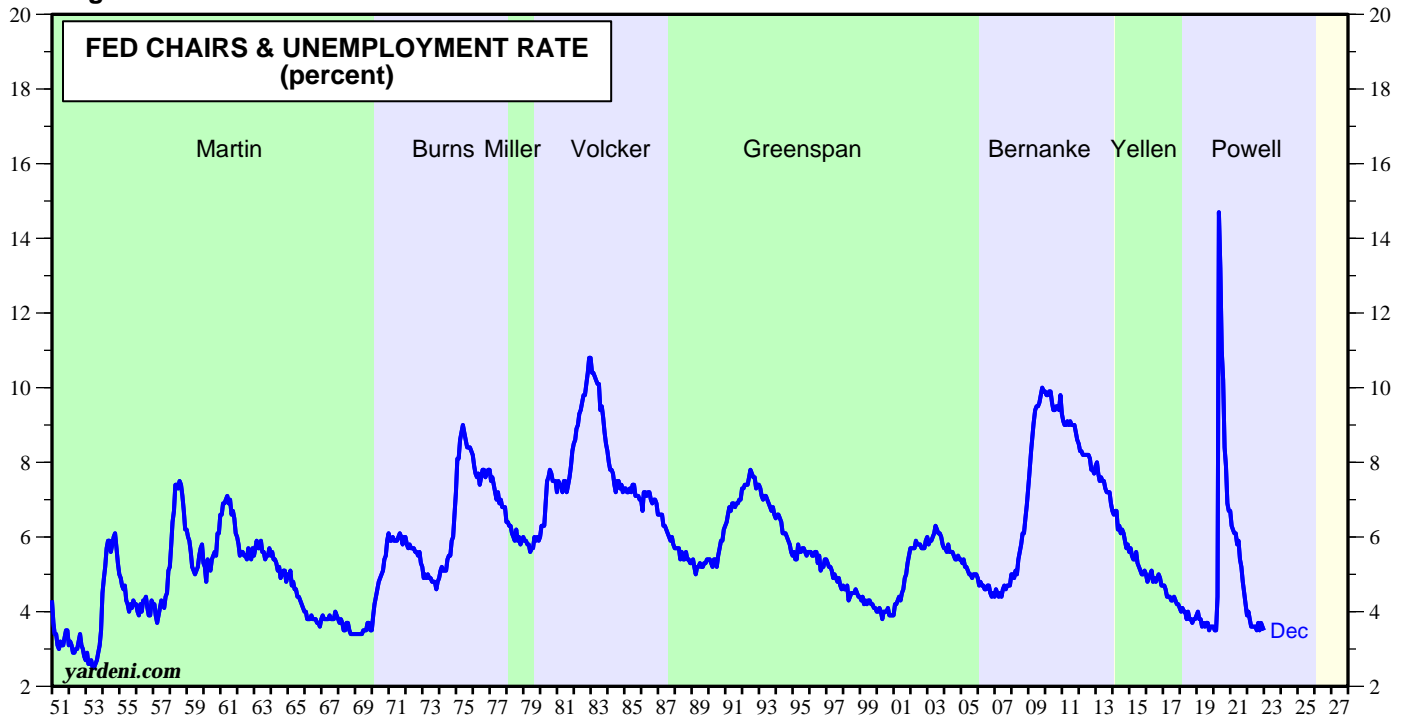
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Figure 11.



Note: Shades denote terms of Fed chairs.
Source: Federal Reserve Board.

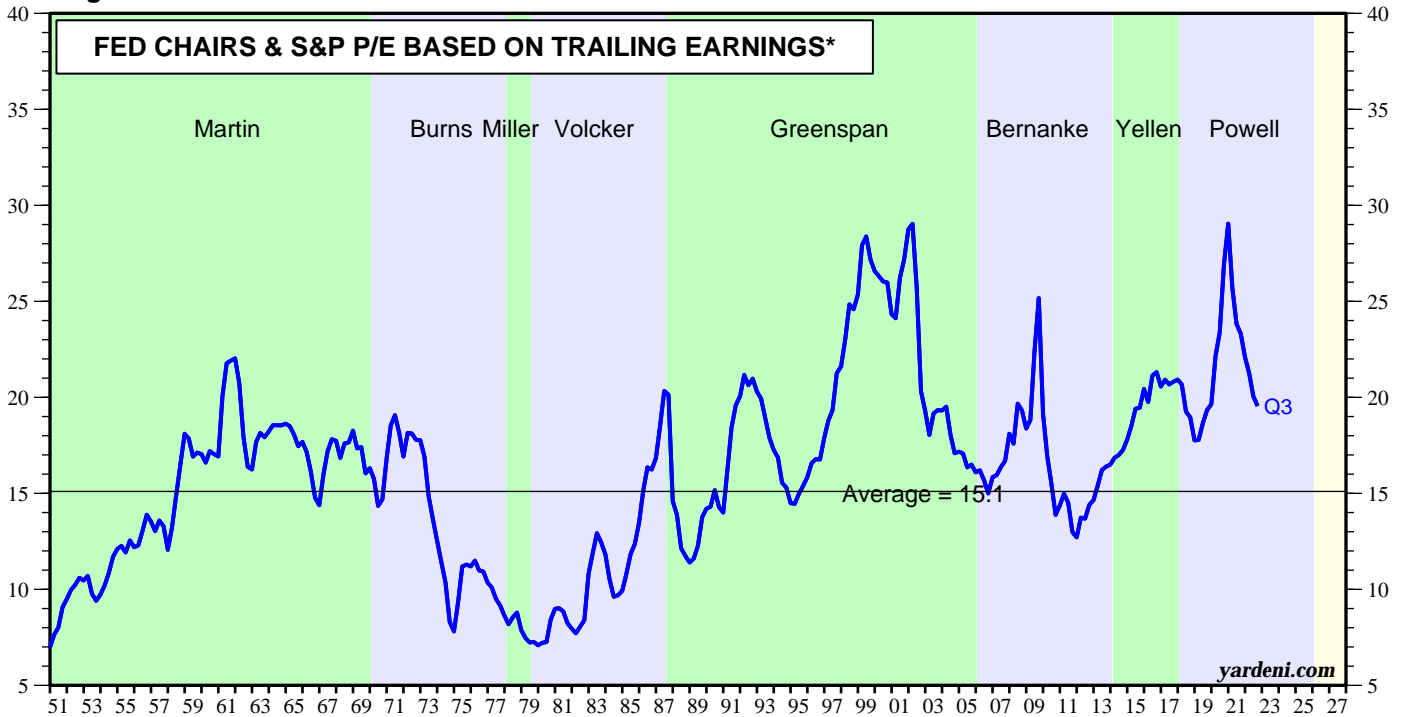
Figure 12.



Note: Shades denote terms of Fed chairs.
Source: Bureau of Labor Statistics.

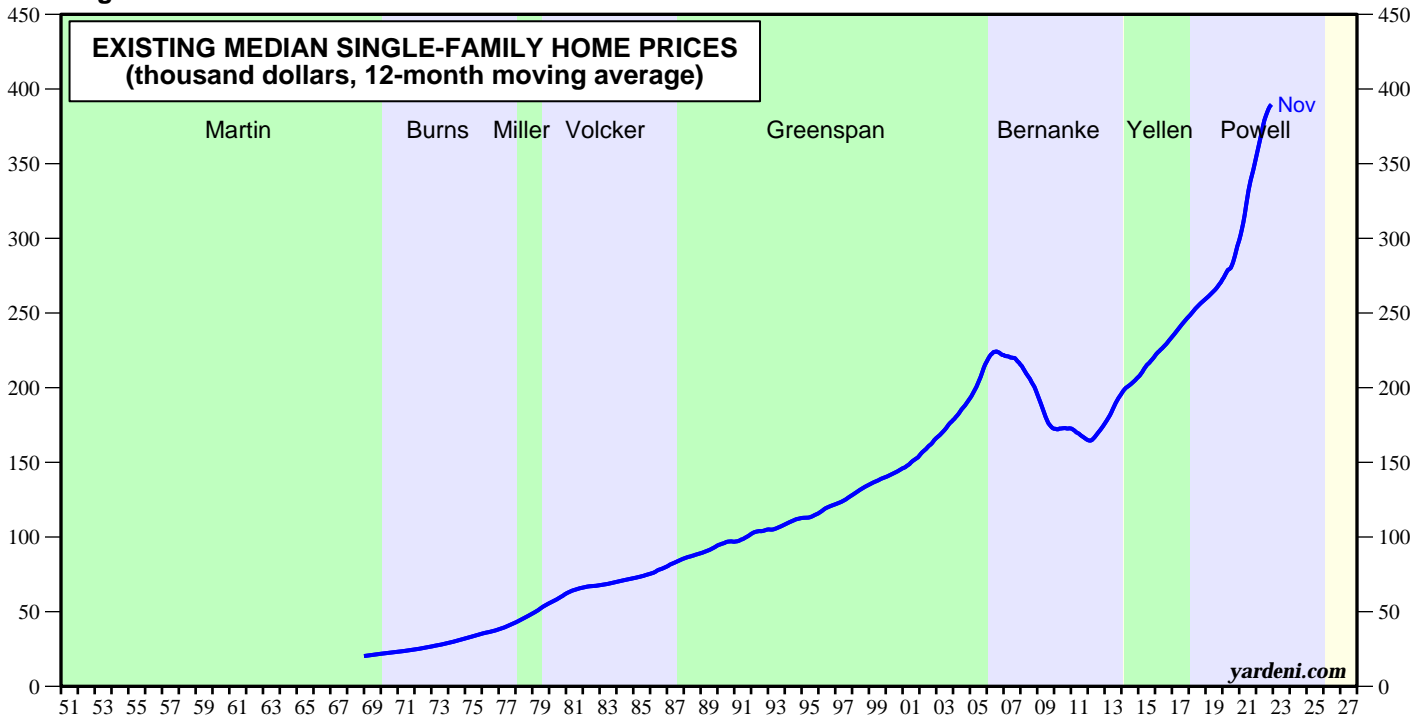
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Figure 13.



* Using quarterly average of daily data for S&P 500 price index, and 4-quarter trailing reported earnings through Q3-1988, then operating earnings.
 Note: Shades denote terms of Fed chairs.
 Source: Standard & Poor's.

Figure 14.



Note: Shades denote terms of Fed chairs.
 Source: National Association of Realtors.

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Figure 15.

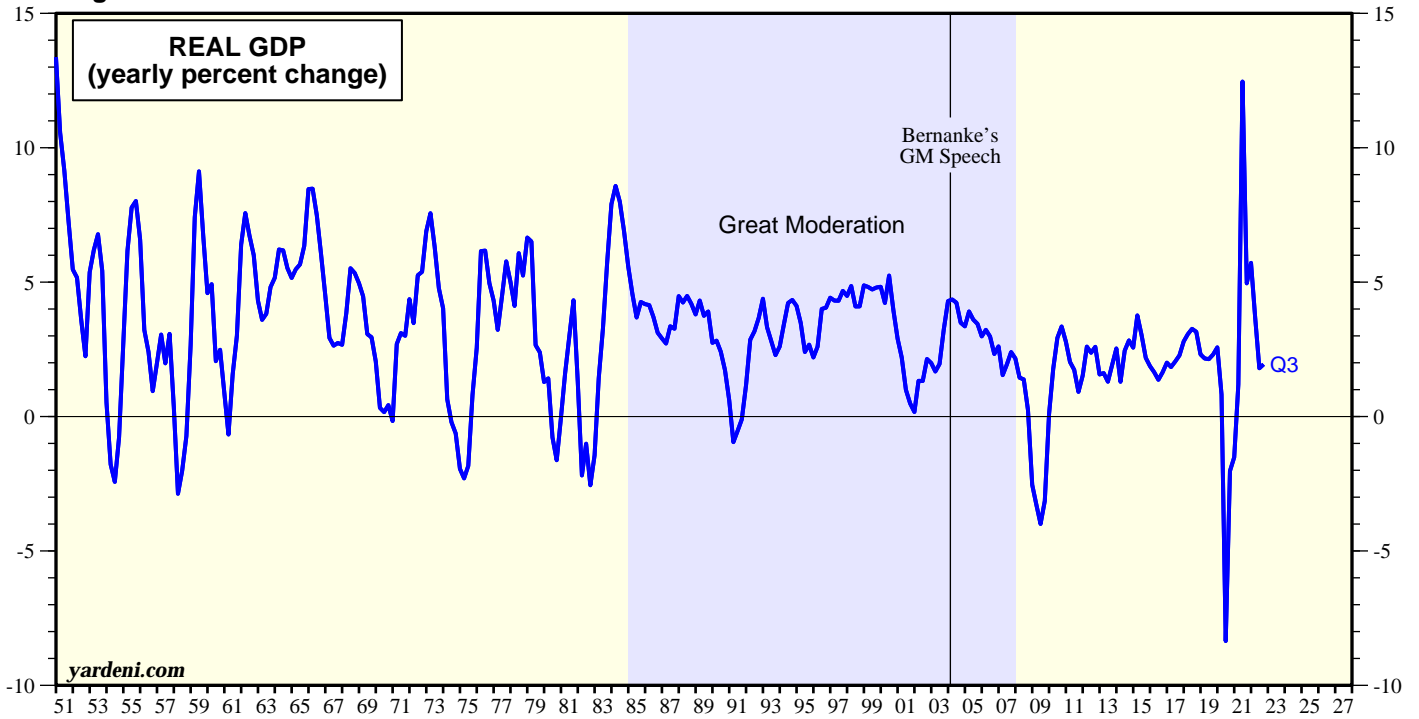
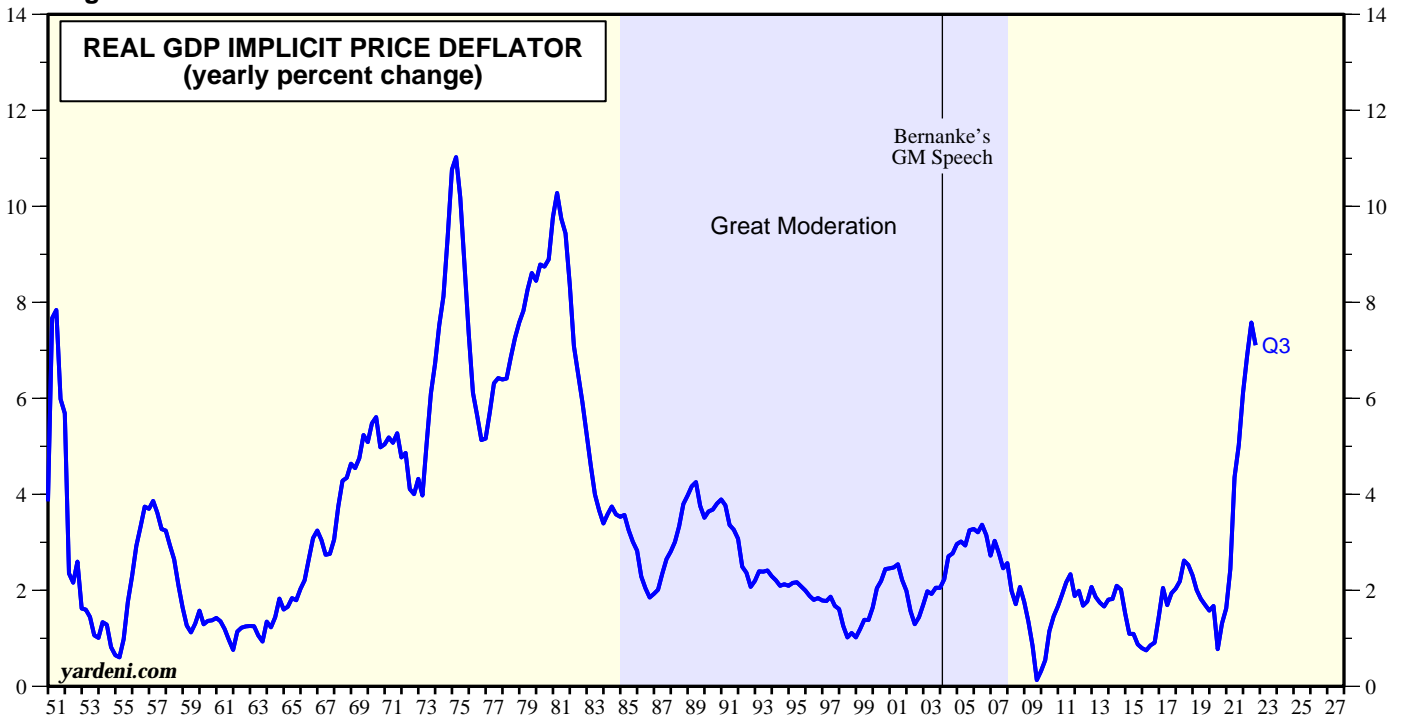
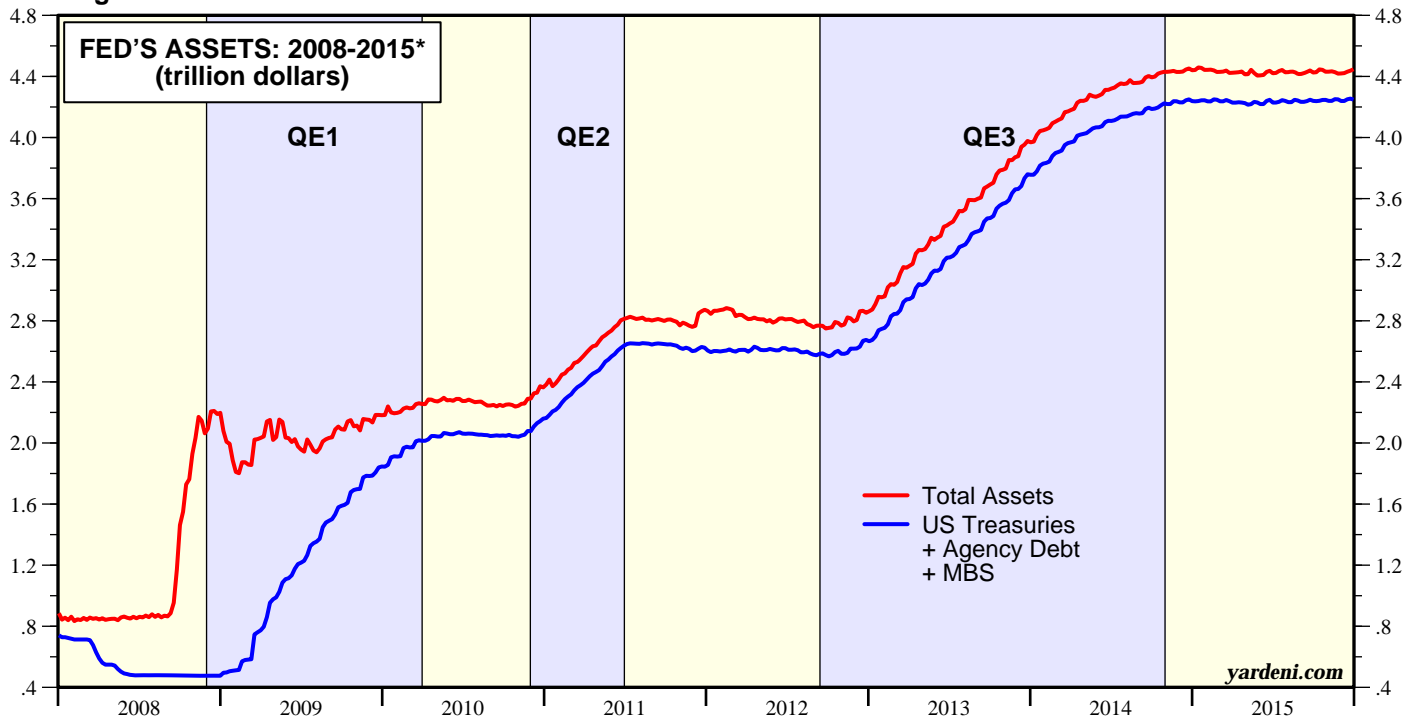


Figure 16.



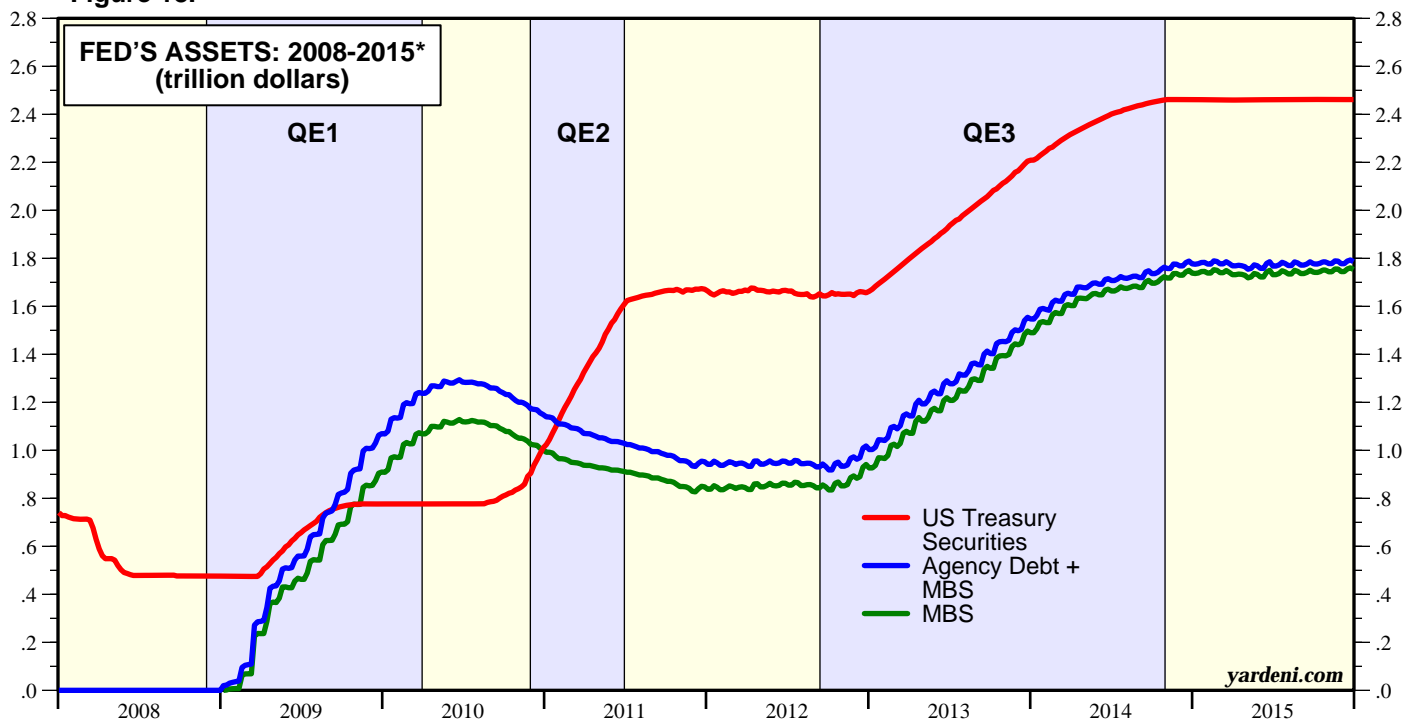
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Figure 17.



* Average of daily figures for weeks ending Wednesday.
 Note: QE1 (11/25/08) = Fed starts buying \$1.24tn in mortgage securities. QE1 expanded (3/16/2009) = Fed starts buying \$300bn in Treasuries.
 QE2 (11/3/10) = Fed starts buying \$600bn in Treasuries. QE3 (9/13/12) = Fed starts buying \$40bn/month in mortgage securities (open ended).
 QE3 expanded (12/12/12) = Fed starts buying \$45bn/month in Treasuries.
 Source: Federal Reserve Board.

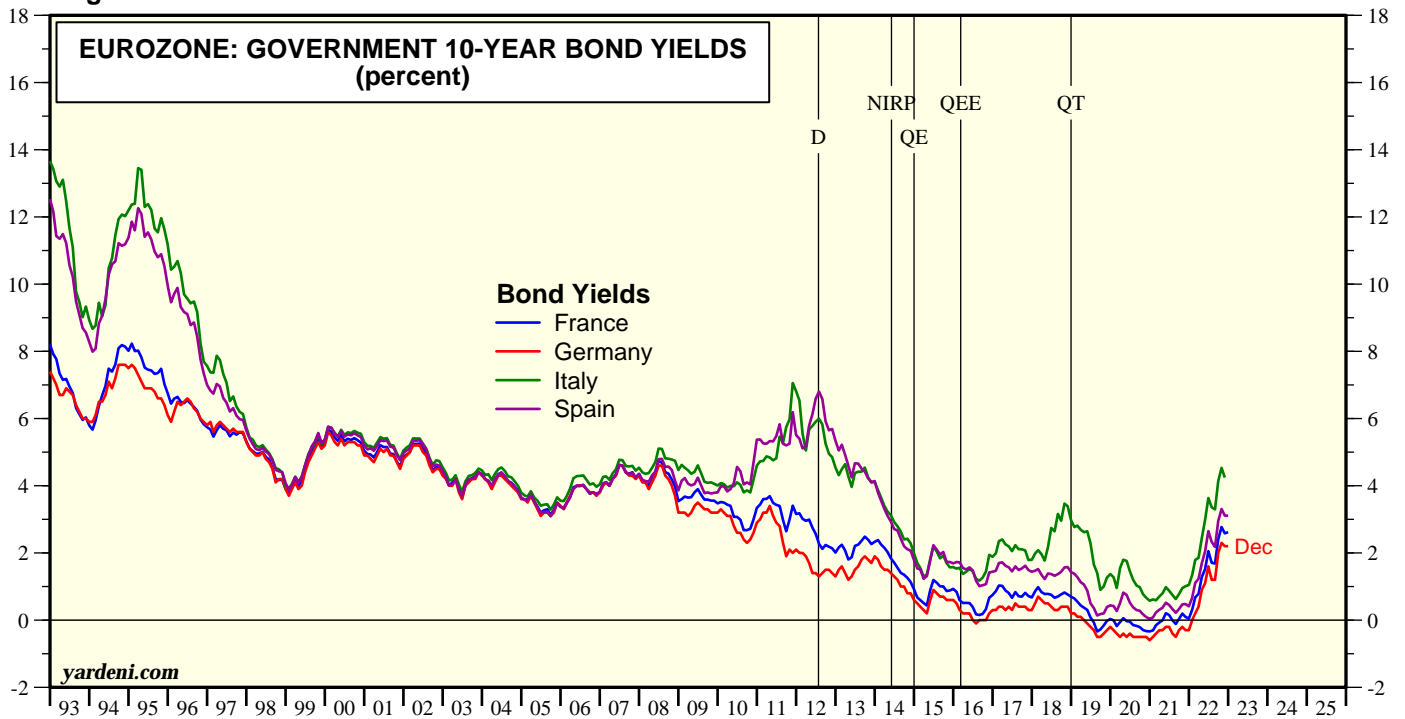
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 Source: Federal Reserve Board.

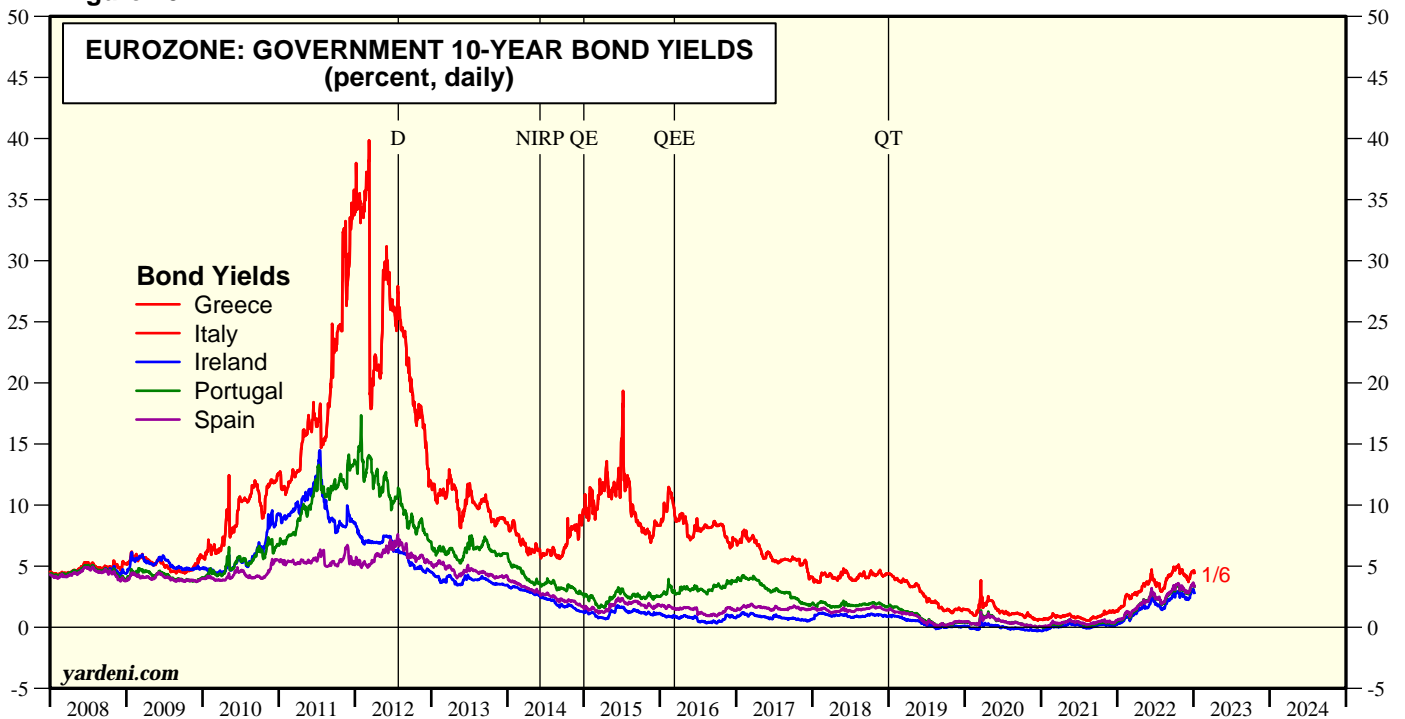
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Figure 19.



Note: D (7/26/12) = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro. NIRP (6/5/2014) = negative interest-rate policy. QE (1/22/15) = quantitative easing. QEE (3/10/16) = expansion and extension of QE with corporate bond purchases started 6/1/16. QT (12/31/2018). Source: Financial Times.

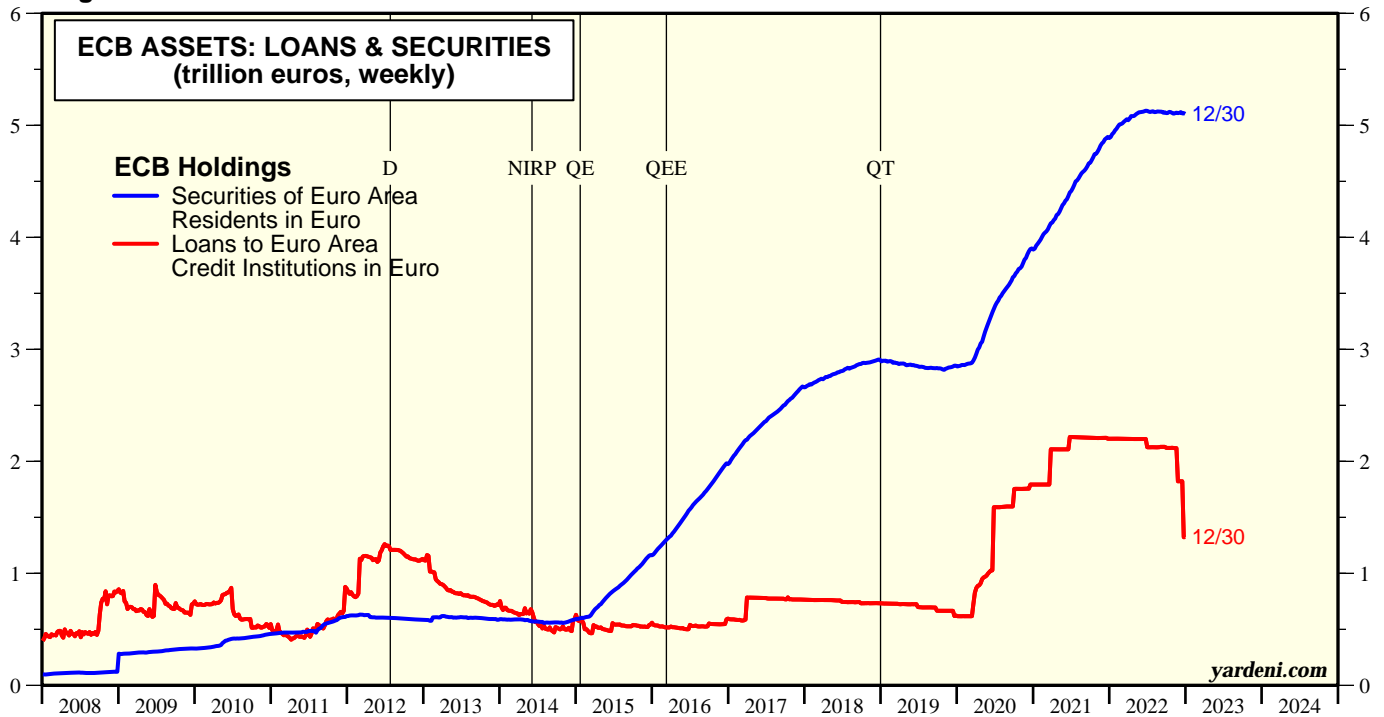
Figure 20.



Note: D (7/26/12) = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro. NIRP (6/5/2014) = negative interest-rate policy. QE (1/22/15) = quantitative easing. QEE (3/10/16) = expansion and extension of QE with corporate bond purchases started 6/1/16. (12/31/2018). Source: Financial Times.

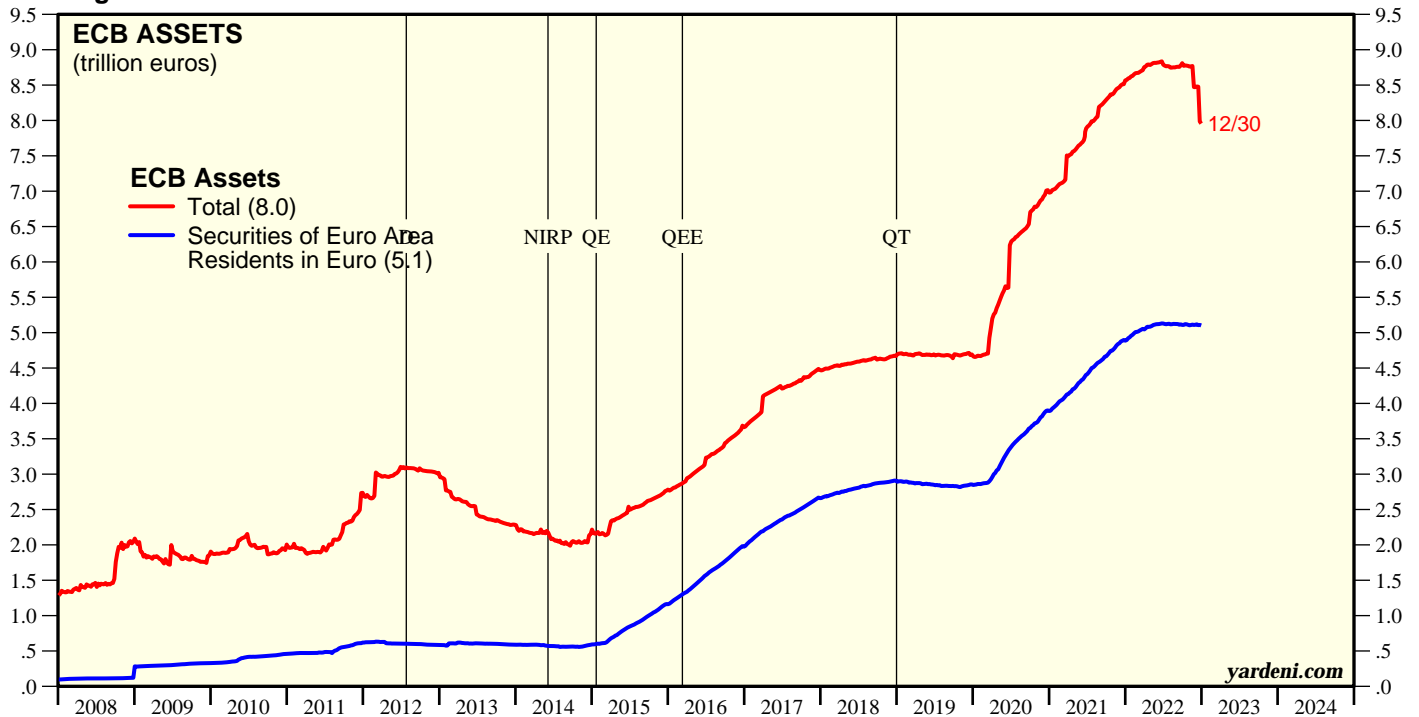
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Figure 21.



D = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro (7/26/12). NIRP = negative interest-rate policy (6/5/2014). QE (1/22/15). QEE = expansion and extension of QE (3/10/16, corporate bond purchases started 6/1/16). (12/31/2018). Source: European Central Bank.

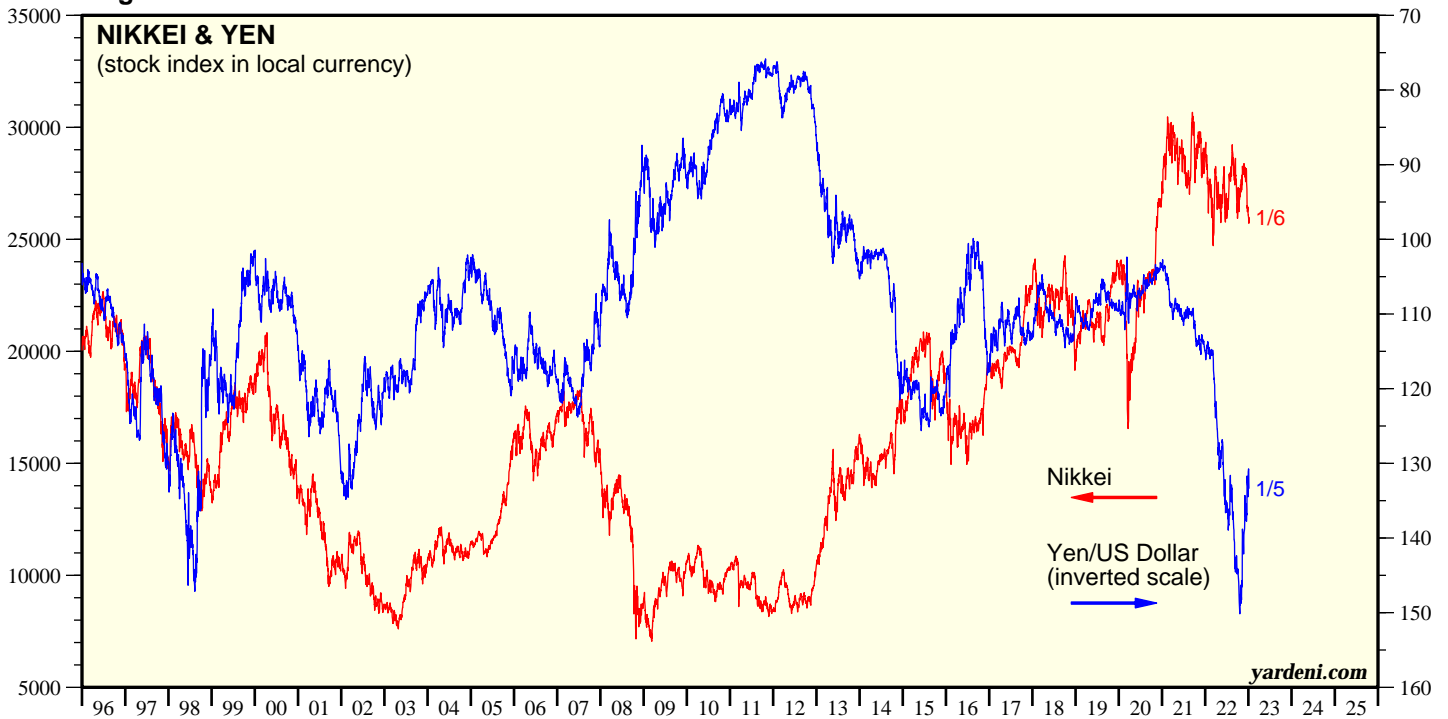
Figure 22.



D = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro (7/26/12). NIRP = negative interest-rate policy (6/5/2014). QE (1/22/15). QEE = expansion and extension of QE (3/10/16, corporate bond purchases started 6/1/16). QT (12/31/2018). Source: European Central Bank.

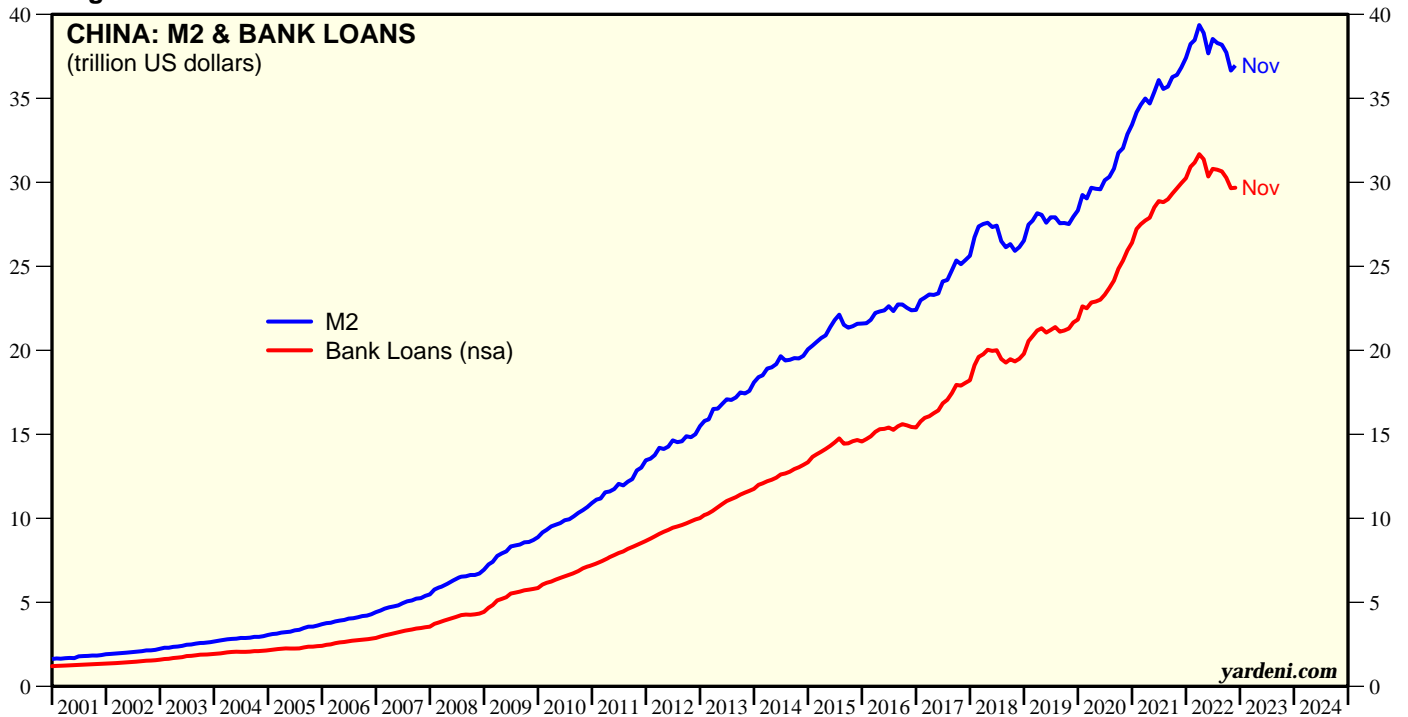
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Figure 23.



Source: Haver Analytics.

Figure 24.



Source: People's Bank of China.

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