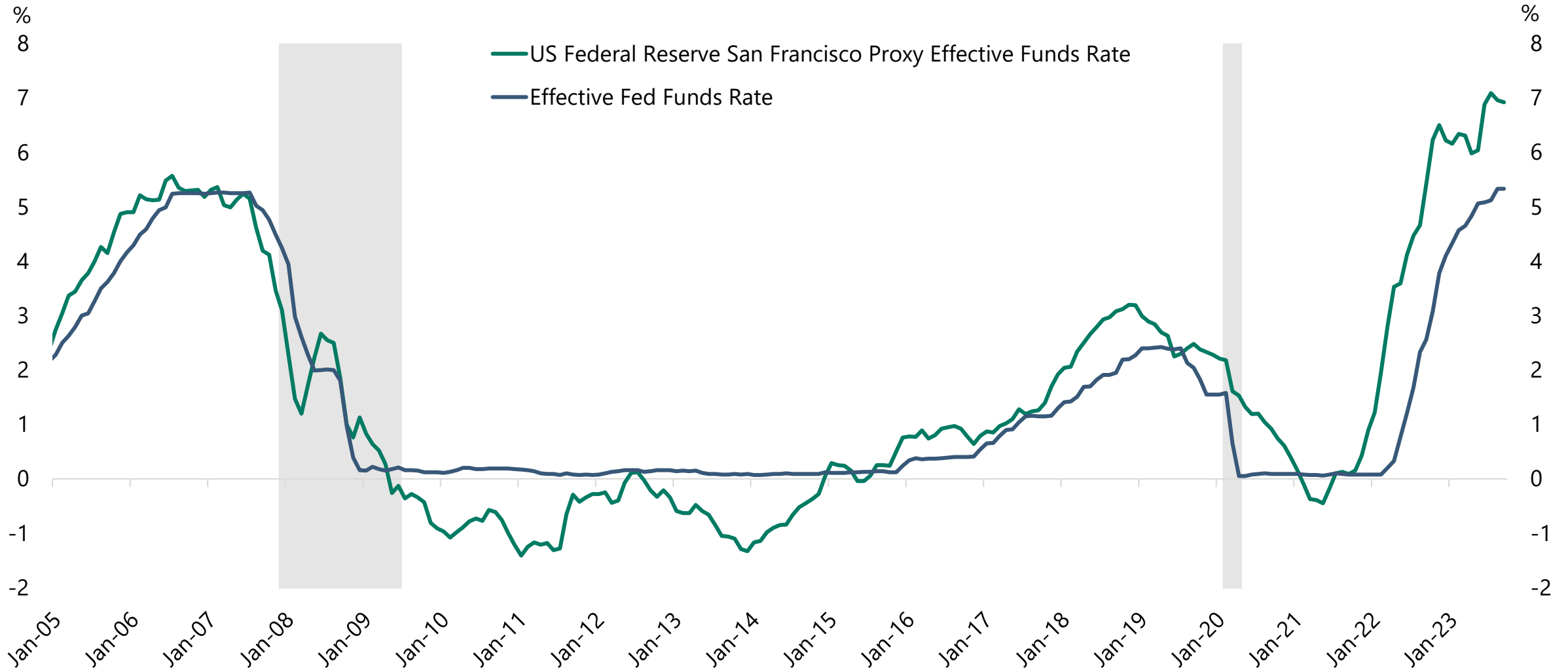


The Fed's own proxy fed funds rate is around 7%



Source: Bloomberg, Apollo Chief Economist. Note: Source: Monthly series of the proxy funds rate, from Doh and Choi (2016) and Choi, Doh, Foerster, and Martinez (2022). This measure uses public and private borrowing rates and spreads to infer the broader stance of monetary policy. When the Federal Open Market Committee uses additional tools, such as forward guidance or changes in the balance sheet, these policy actions affect financial conditions, which the proxy rate translates into an analogous level of the federal funds rate. The proxy rate can be interpreted as indicating what the federal funds rate would typically be associated with prevailing financial market conditions if these conditions were driven solely by the funds rate.