

## Talking Points

In the latest *Take Five* released Monday, June 15, 2020, Economist Bill Emmons discusses...

### The June 10, 2020, FOMC Policy Statement:

- **Coronavirus Outbreak**
  - The coronavirus outbreak is causing tremendous human and economic hardship across the United States and around the world. The virus and the measures taken to protect public health have induced sharp declines in economic activity and a surge in job losses. The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.
- **Inflation**
  - Weaker demand and significantly lower oil prices are holding down consumer price inflation.
- **The Federal Funds Target Range**
  - The Federal Open Market Committee voted to maintain the target range for the federal funds rate at 0.0% to 0.25%.
- **Monetary Policy**
  - To support the flow of credit to households and businesses, over coming months the Federal Reserve will increase its holdings of Treasury securities and agency residential and commercial mortgage-backed securities at least at the current pace to sustain smooth market functioning, thereby fostering effective transmission of monetary policy to broader financial conditions. In addition, the Open Market Desk will continue to offer large-scale overnight and term repurchase agreement operations.

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