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Research



## Fed Watcher: November taper on track despite lackluster jobs report

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# DB Fed Watcher: November taper on track despite lackluster jobs report

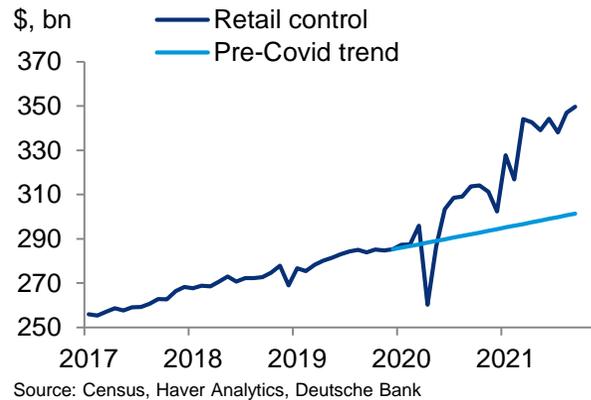


**Summary:** Officials continue to signal that despite a lackluster Sept. jobs report, tapering plans remain on track for Nov., but that it is too early to discuss rate hikes  
**DB View:** Taper announced in Nov and completed mid-2022. Liftoff in Dec 2022

## Fedspeak

Who**	Takeaways	Bias*
FOMC minutes (10/13)	<ul style="list-style-type: none"> <li>Gradual taper soon; end by mid-2022</li> <li>Inflation forecast raised, maintained 'transitory' stance</li> <li>Bottlenecks lasting till 2022 or beyond</li> <li>Divided on inflation outlook/rates</li> <li>Need to resolve debt limit standoff</li> </ul>	➡
Clarida [xx] (10/12)	<ul style="list-style-type: none"> <li>Gradual taper soon, end by mid-2022</li> <li>Taper not a signal to liftoff</li> <li>Inflation 'well above' target, 'largely transitory' but upside risks</li> <li>Notable labor market progress</li> <li>Bottlenecks 'big unknown'</li> <li>Solid global growth, no '70s stagflation</li> <li>Delta headwind to jobs</li> </ul>	➡
Bostic [3] (10/12,14)	<ul style="list-style-type: none"> <li>Jobs not to derail taper in November</li> <li>Transitory 'dirty word' for inflation</li> <li>Worried about inflation expectations</li> <li>Liftoff more than a year off</li> </ul>	⬆️
Bullard [2] (10/12,14)	<ul style="list-style-type: none"> <li>Taper in November, end by 1Q-2022</li> <li>Economy doing well amidst risks</li> <li>Job market hot, unemp. &lt;4% next spring</li> <li>Tapering separate from liftoff timing, flexibility to be able to move to 2022</li> </ul>	⬆️
Daly [1] (10/14)	<ul style="list-style-type: none"> <li>Time for taper talks</li> <li>Premature for hike discussion</li> </ul>	➡

## Retail control well above pre-Covid trend



## Inflation expectations



## Fedspeak

Who**	Takeaways	Bias*
Barkin [4] (10/12,14,15)	<ul style="list-style-type: none"> <li>Not sure about sustained inflation</li> <li>Supply chains vulnerable</li> <li>Jobs not to be like pre-virus levels</li> <li>Fed has done a lot to reach goals</li> </ul>	➡
Harker [4] (10/14)	<ul style="list-style-type: none"> <li>Time to slowly taper</li> <li>Labor force problem on supply side</li> <li>2021-23 growth @5.5%, 3.5% 2.5%</li> <li>2021 inflation @~4%, 22: a tad &gt;2%</li> <li>No hike till late '22/early '23</li> </ul>	➡
Logan (10/14)	<ul style="list-style-type: none"> <li>Elevated RRP usage may be regular part of framework</li> <li>Standing repo facility mainly backstop, regular usage unlikely</li> <li>More Treasury supply could lower reverse repo usage</li> <li>High reverse repo usage no problem</li> </ul>	➡

## Events to watch this week

When	Who	Setting / topic
Oct-18	Quarles	Financial Stability Board
	Kashkari	Improving financial inclusion
Oct-19	Daly	Regional Bank Forum
	Barkin	South Carolina Chamber of Commerce
	Bostic	Long-term unemployment
Oct-20	Waller	Economic outlook
	Quarles	Economic outlook
Oct-21	FRB	Beige Book
	Waller	Economy
Oct-22	Williams	Moderated discussion
	Powell	Policy panel discussion



# Appendix 1

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