



Retirement News Highlights

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Fed triples down, hikes interest rates 75 basis points as inflation rages

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The Federal Reserve hiked interest rates by 75 basis points for the third consecutive meeting on Wednesday, boosting the target range for the federal funds rate to a range of 3% to 3.25%, in a continuing bid to tamp down inflation.

The Federal Open Market Committee, which concluded its two-day meeting on Wednesday, had previously increased rates by 75 basis points in July and June, following a 50-basis-point hike in May and a 25-basis-point increase in March. (There was no August meeting).

Wednesday's rate hike, the fifth in as many meetings, was widely expected, based on the CME Group's FedWatch tool, which indicated earlier in the day that there was an 82% probability that the Fed would increase rates by 75 basis points at the meeting.

The decision to hike rates also followed a report from the U.S. Bureau of Labor Statistics on September 13 that consumer prices jumped 8.3% from a year ago in August, compared with economists' expectations of an 8.1% rise, according to financial data firm FactSet Research Systems Inc. Consumer prices rose by 8.5% in July and surged by 9.1% year-over-year in June, the largest 12-month increase since the 12 months ended November 1981.

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