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**Finance & economics**

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Buttonwood

# The Fed and the bond markets

## How to avoid another taper tantrum

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will be unsettling. Ideally the Fed would allow for longish pauses between its signal to taper, the taper itself and the first interest-rate rise to allow markets to settle.

It may not get the chance. Everything in this economic cycle is happening at great speed. That is in part a reflection of the scale of economic stimulus, and not only from the Fed. One big fiscal package seems set to follow another. A \$1.9trn package has barely passed and a \$3trn infrastructure bill is mooted. The Fed may be pushed to go through its paces faster than it would prefer.