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# Are Interest Rates at Neutral? Markets Certainly Hope So

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One of Federal Reserve Chair Jerome Powell’s unscripted remarks at his press conference on Wednesday – that interest rates have reached a “neutral level” after the just-announced 75-basis-point interest-rate increase – is sure to prompt much discussion among economists in the weeks and months ahead. Judging from how markets

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Neutral is shorthand for the crucially important notion that the level of interest rates is consistent with monetary policy being neither contractionary nor expansionary.