Figure 1.11. United States: Interest Rates (Percent)

The Federal Reserve raised interest rates in June from their 40-year low. Financial markets are anticipating a steady rise in interest rates over the coming year at a pace broadly in line with the average post-1985 tightening, though somewhat slower than that implied by a Taylor rule estimated over the past 20 years.

Sources: Haver Analytics; Bloomberg Financial, LP; and IMF staff estimates.

1For turning point methodology, see Chapter III of the April 2002 World Economic Outlook.