



FEDERAL RESERVE BANK *of* NEW YORK

# From Crisis to Recovery

*Lorie Logan, Executive Vice President, Markets Group*  
CEMLA's XI Central Banking Operations Meeting

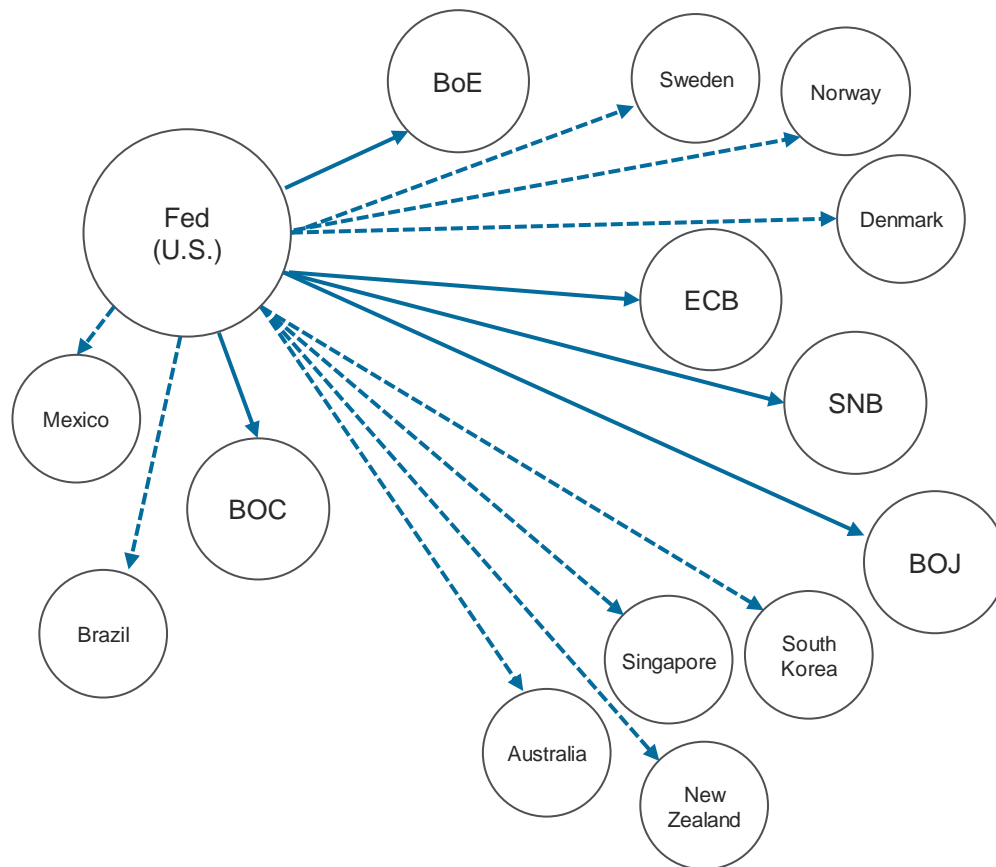
June 30, 2021

*Nonconfidential External*

# Temporary U.S. dollar liquidity swap lines were established with an additional 9 central banks

## (1) Fed's Network of U.S. Dollar Liquidity Swap Lines

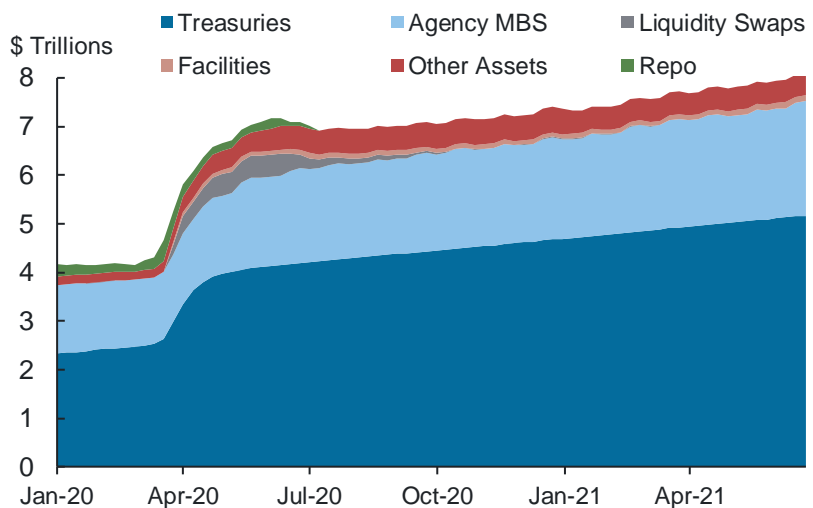
- Standing swap lines, unlimited in size
- - - Temporary swap lines, limited in size



Source: Federal Reserve Bank of New York

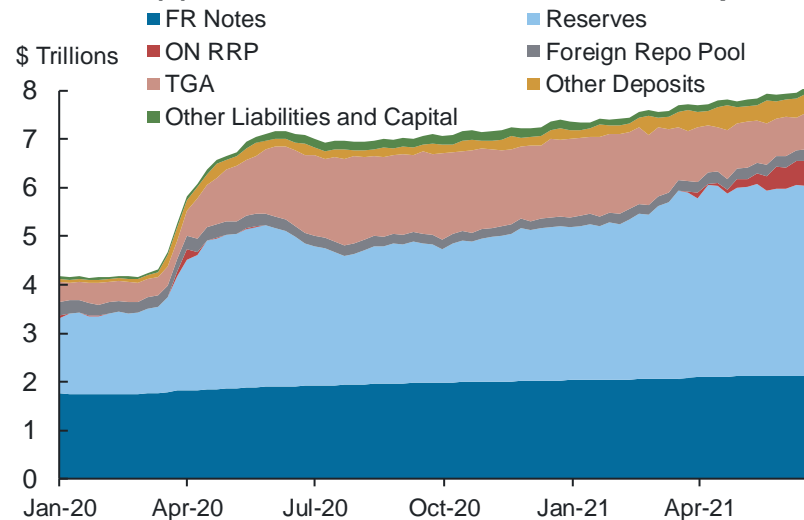
# Pandemic response spurred unprecedented growth in the Federal Reserve's balance sheet

## (2) Federal Reserve Assets



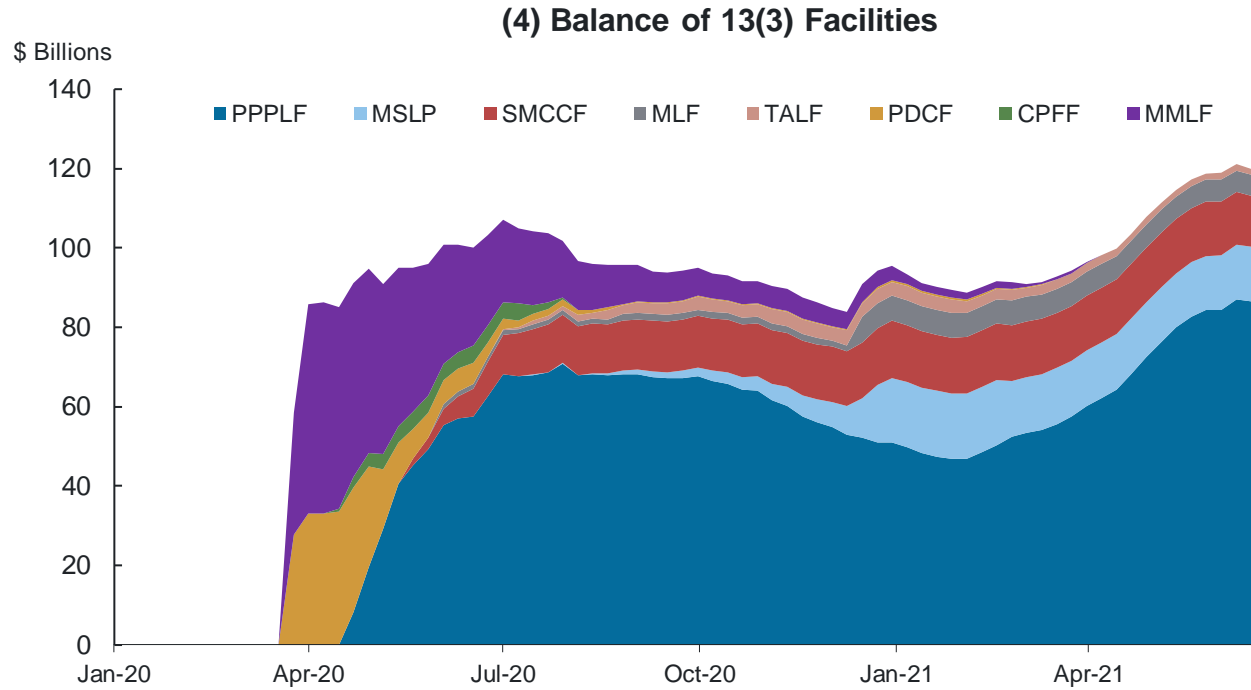
Source: Board of Governors of the Federal Reserve System H.4.1 Statistical Release

## (3) Federal Reserve Liabilities and Capital



Source: Board of Governors of the Federal Reserve System H.4.1 Statistical Release

# Federal Reserve's lending authority for 13(3) facilities has mostly expired

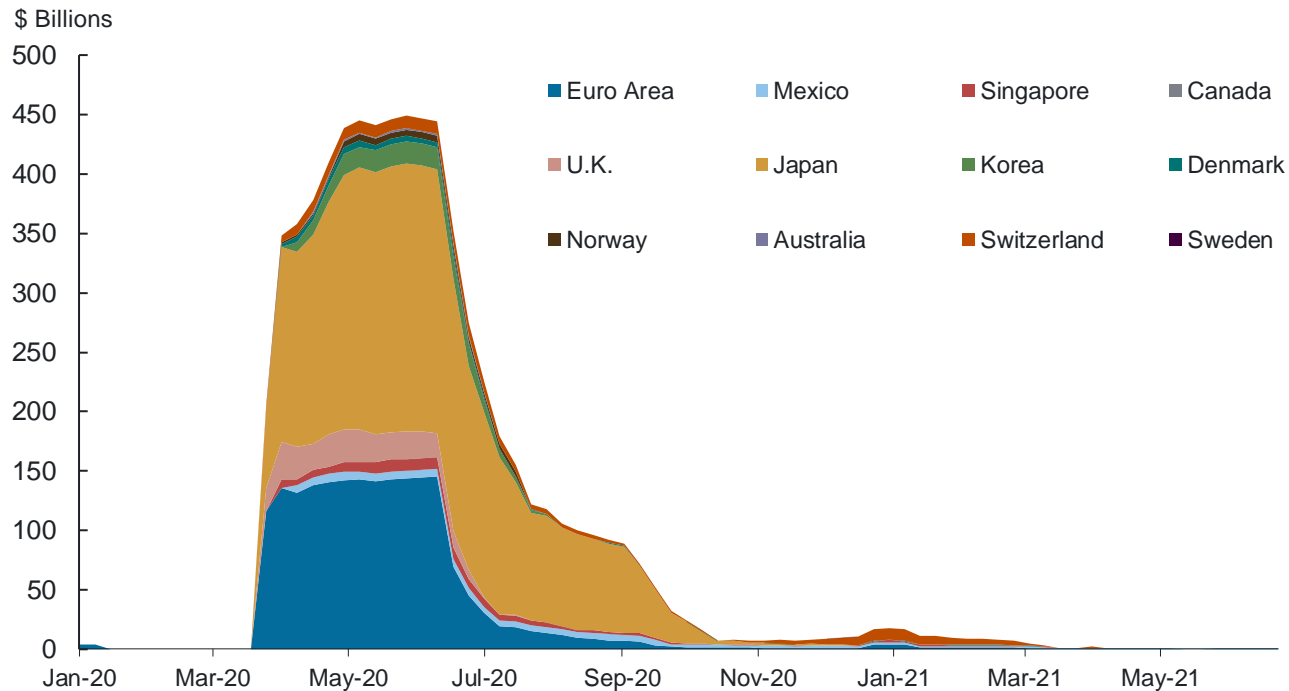


Note: 13(3) facilities include the Paycheck Protection Program Liquidity Facility (PPPLF), Troubled Asset Liquidity Facility (TALF), Main Street Lending Program (MSLP), Primary Dealer Credit Facility (PDCF), Secondary Market Corporate Credit Facility (SMCCF), Commercial Paper Funding Facility (CPFF), Municipal Liquidity Facility (MLF), Money Market Liquidity Facility (MMLF).

Source: Board of Governors of the Federal Reserve System H.4.1 Statistical Release

# U.S. dollar liquidity swap line usage has been limited

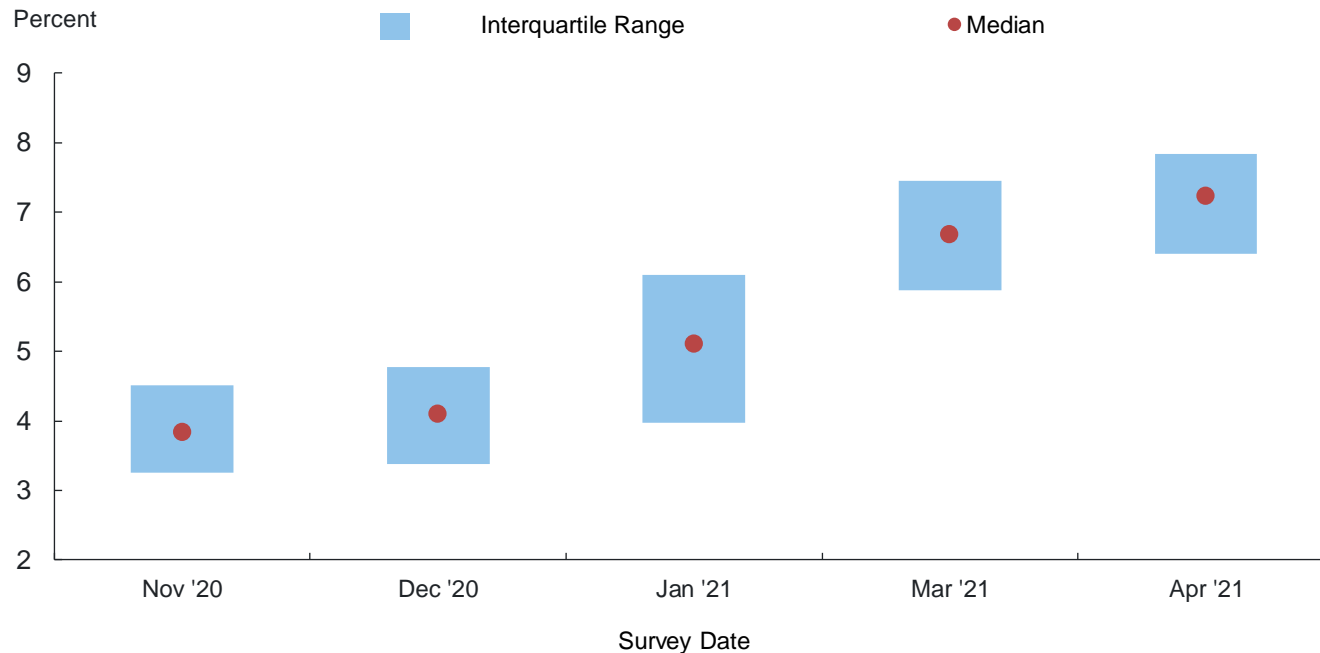
(5) U.S. Dollar Liquidity Swaps Outstanding by Counterparty



Source: Federal Reserve Bank of New York

# Market participant expectations for real GDP growth continue to increase

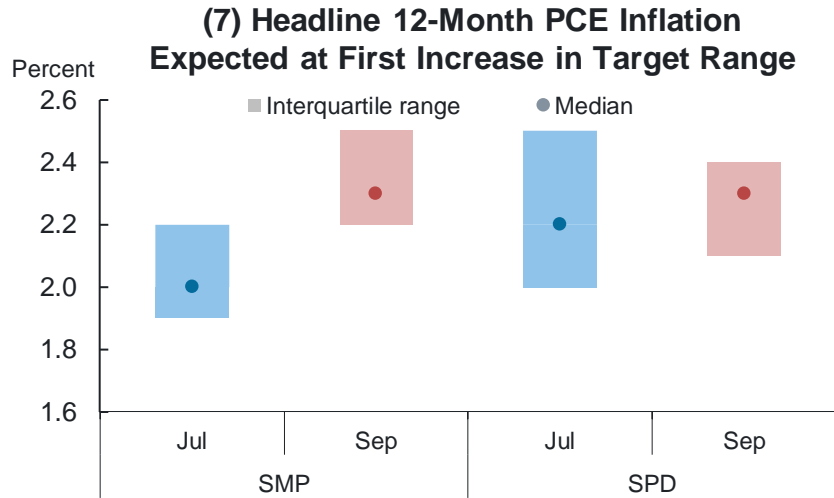
## (6) Survey Expectations for 2021 Real GDP Growth



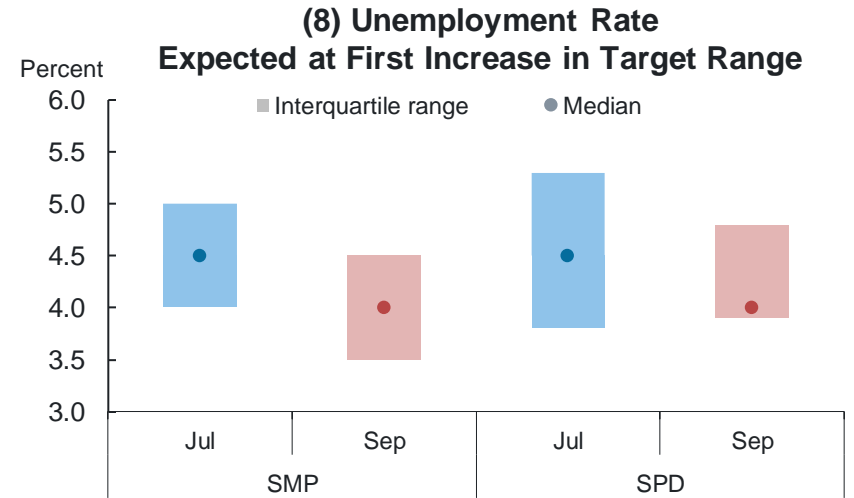
Note: Implied real GDP growth (Q4/Q4) based on respondents' quarterly growth estimates. Surveys of Primary Dealers and Market Participants.

Source: Federal Reserve Bank of New York

# Monetary policy strategy review influenced market perceptions of FOMC's reaction function



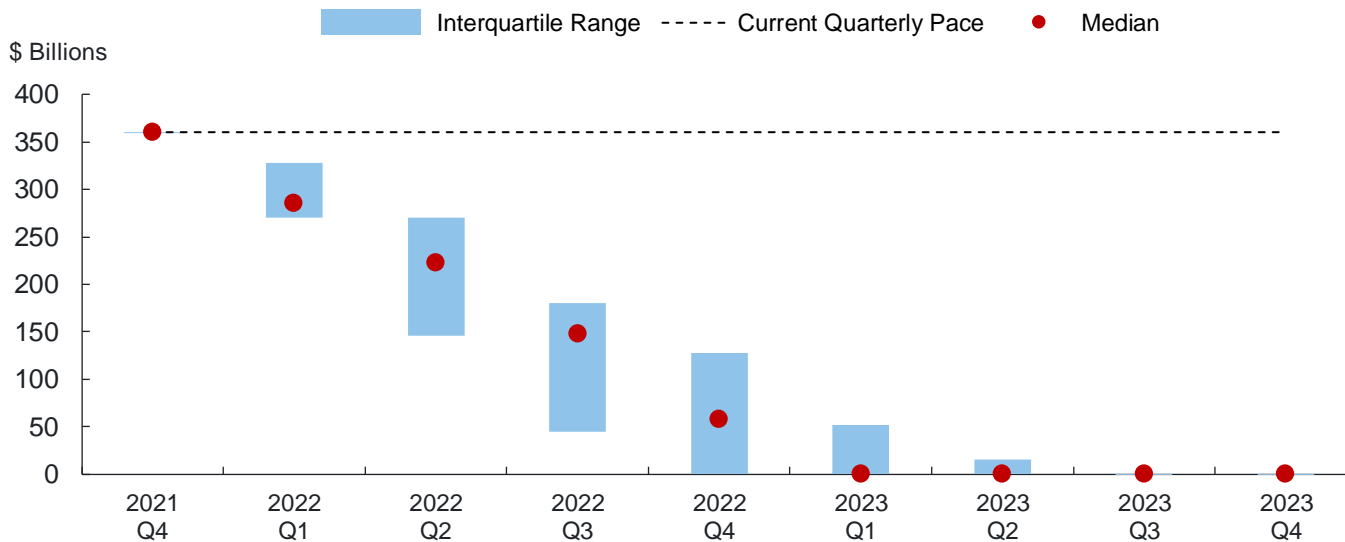
Note: Survey of Market Participants (SMP) and Survey of Primary Dealers (SPD).  
Source: Federal Reserve Bank of New York



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Source: Federal Reserve Bank of New York

# Market expectations are for Federal Reserve asset purchases to begin to taper in early 2022

(9) Survey Expectations for Pace of Net Asset Purchases

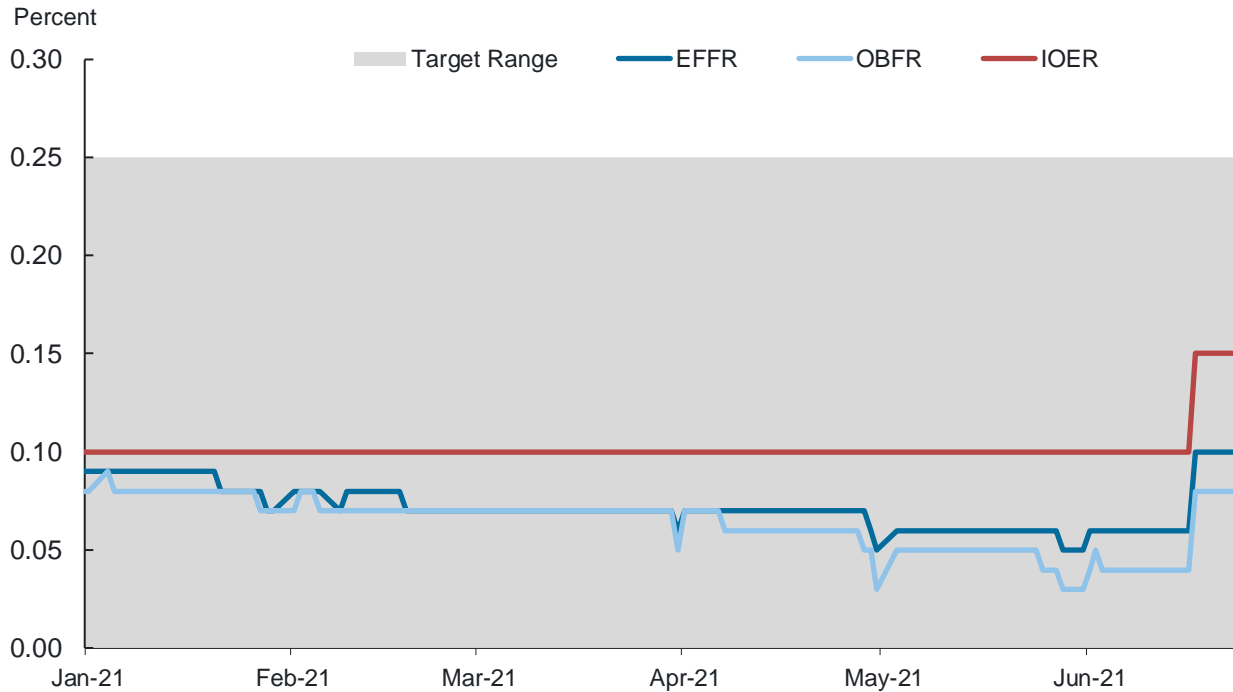


Note: Combined Treasury and agency MBS purchases. April 2021 Surveys of Primary Dealers and Market Participants.  
Source: Federal Reserve Bank of New York



# Effective Federal Funds Rate increased following technical adjustment

## (10) Overnight Unsecured Rates



Source: Federal Reserve Bank of New York, Board of Governors of the Federal Reserve System