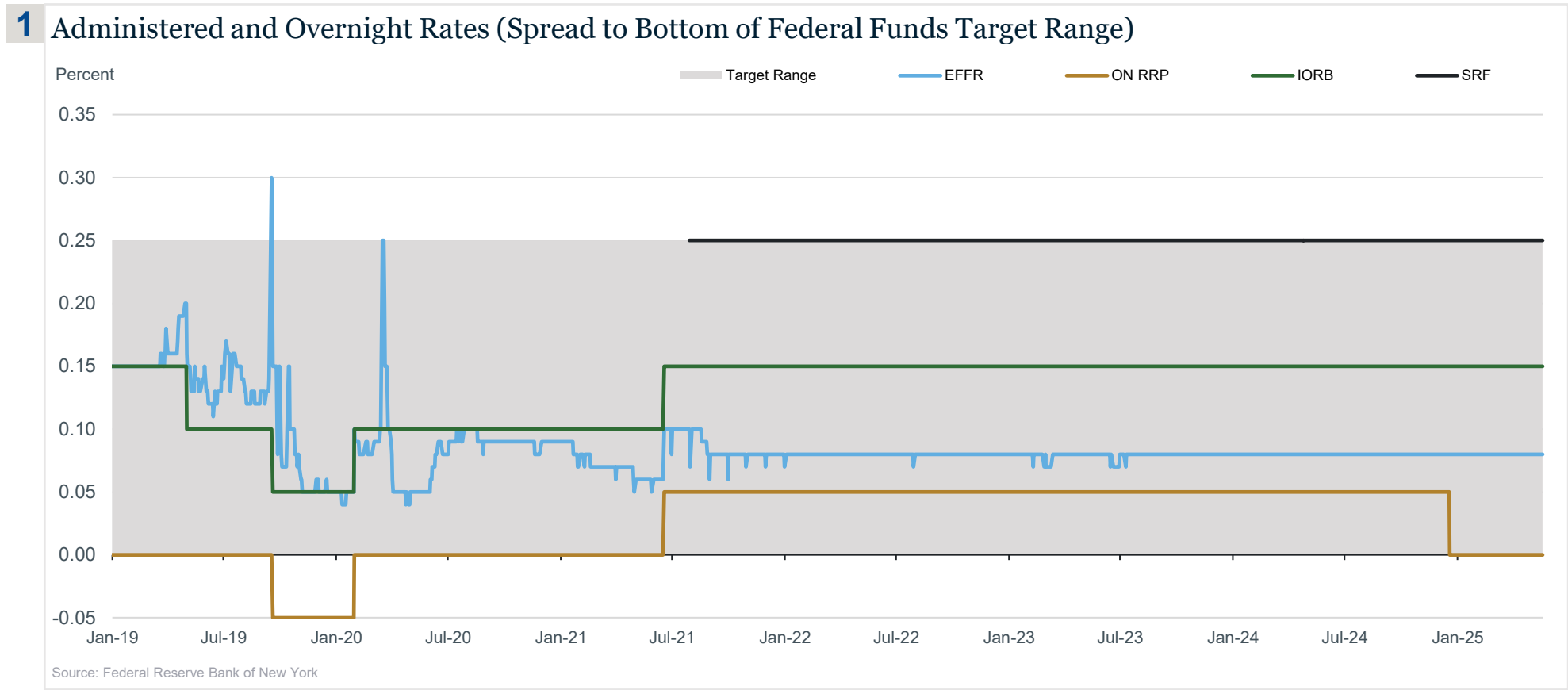


The Evolution of the Federal Reserve's Monetary Policy Implementation Framework

Roberto Perli, System Open Market Account (SOMA) Manager
New York Fed – Columbia SIPA Monetary Policy Implementation Workshop
May 22, 2025

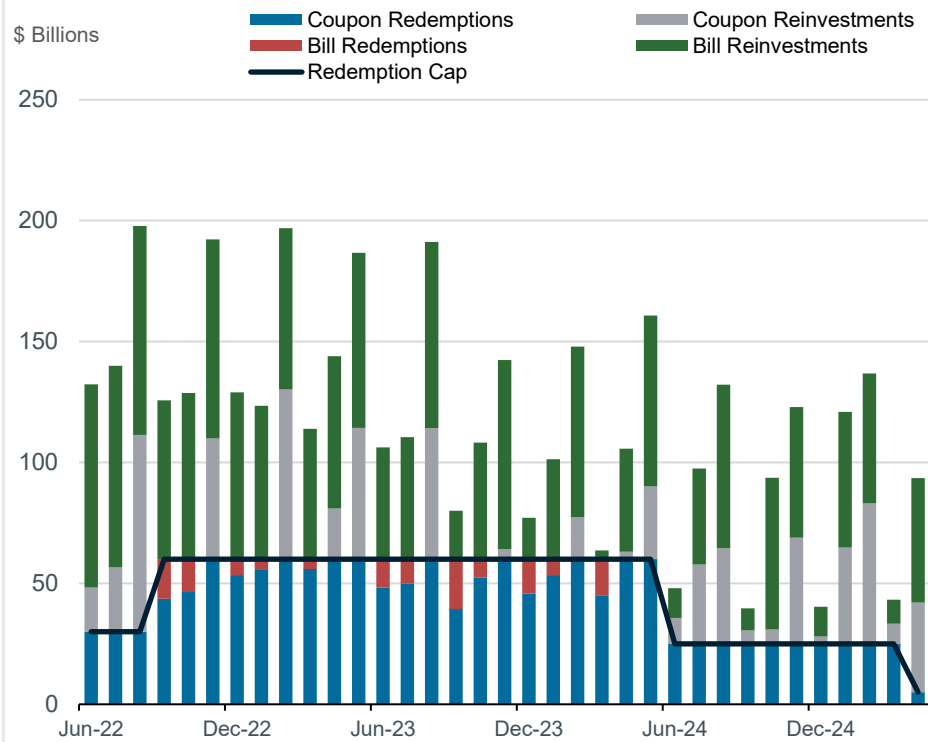


Since the formal adoption of the ample reserves framework in January 2019, the EFFR has been outside of the target range only one day



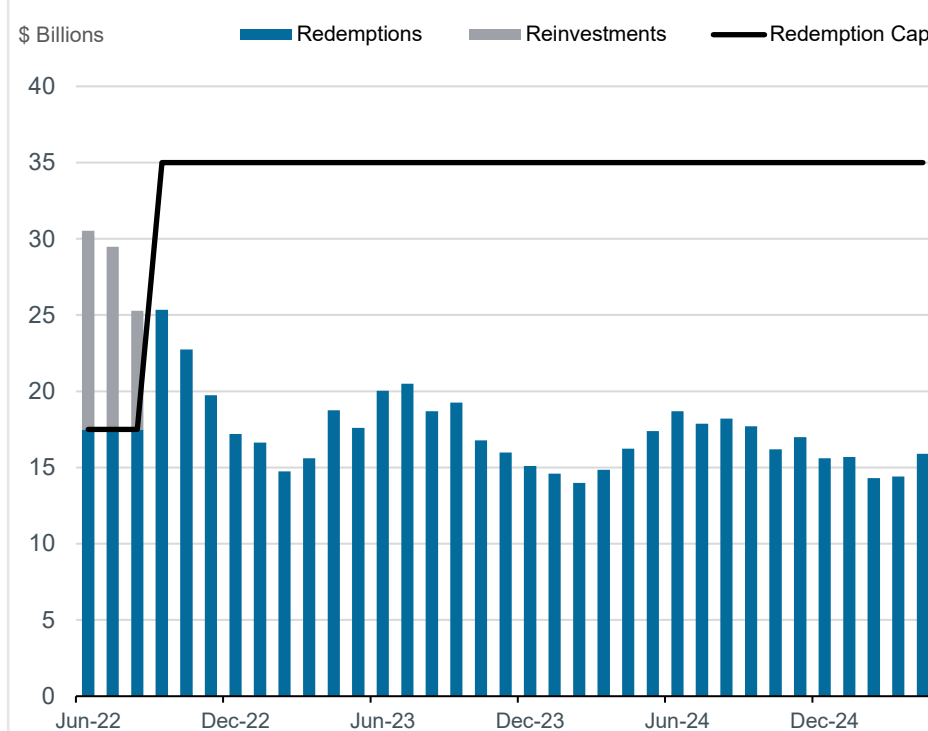
SOMA securities holdings have been running off at a predictable pace, subject to monthly redemption caps

2 SOMA Treasury Redemptions and Reinvestments



Note: Data through April 2025.
Source: Federal Reserve Bank of New York

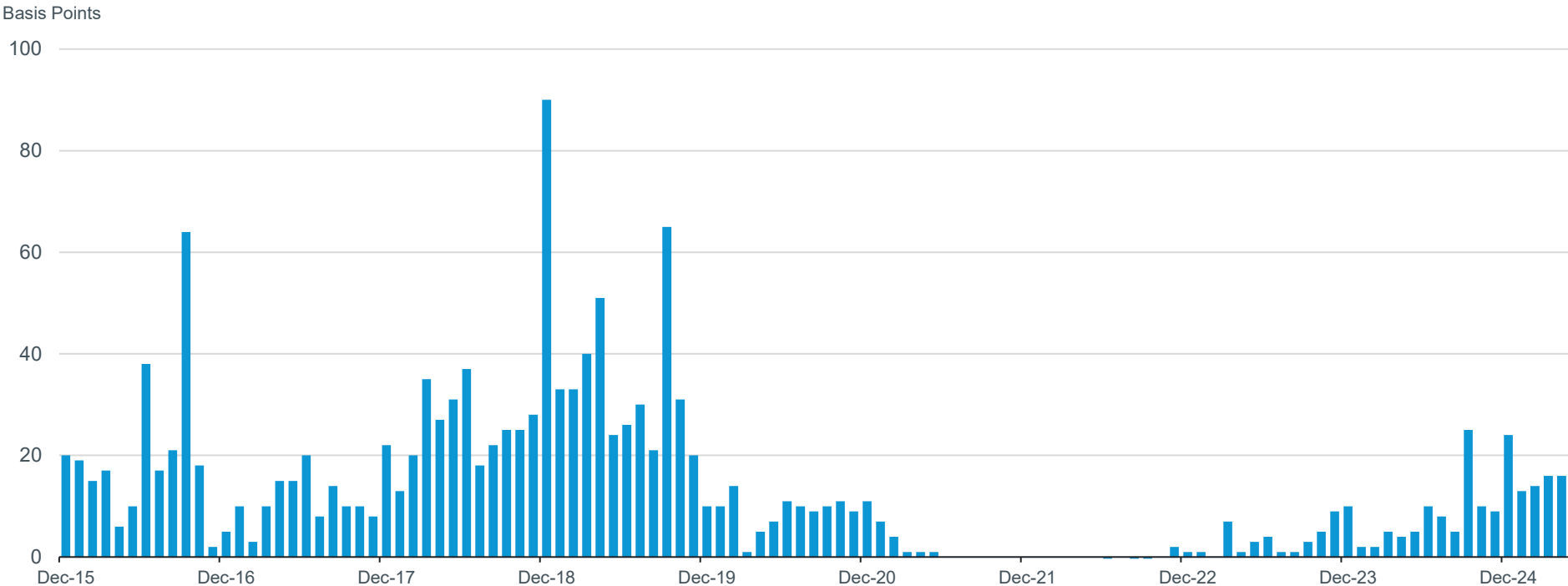
3 SOMA Agency MBS Redemptions and Reinvestments



Note: Data through April 2025.
Source: Federal Reserve Bank of New York

Repo rate pressures have increased, particularly on month-end dates

4 Month-End Repo Spreads to ON RRP Rate



Note: Month end spread calculated as the maximum SOFR-ON RRP spread in the 5 day period centered on the last business day of the month. Indicative SOFR values previously released by FRBNY are used for dates prior to SOFR's launch in April 2018.
Source: Federal Reserve Bank of New York