

Monetary Policy Implementation in an Ample Reserves Regime

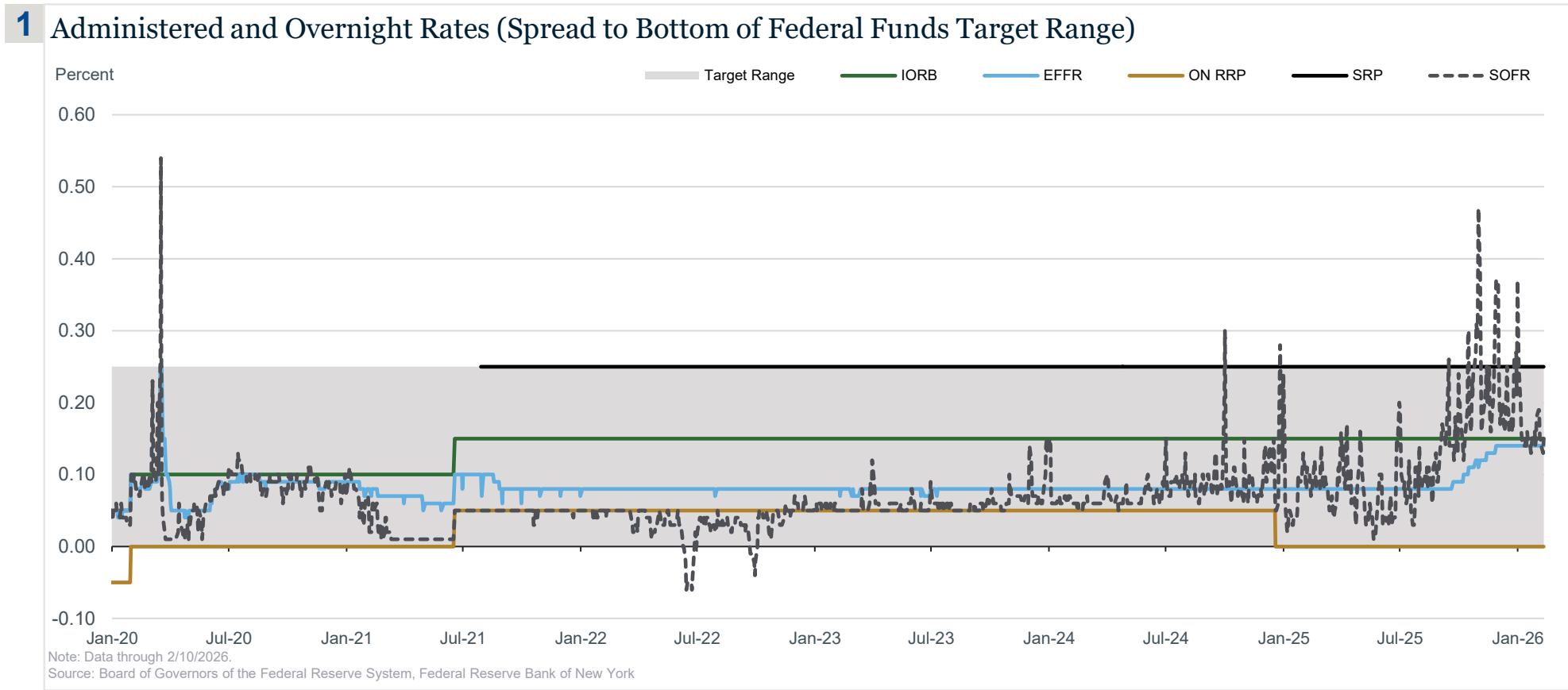
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The Fed uses an ample reserves framework to implement monetary policy, which has been effective in controlling the federal funds rate



The Fed has many large balance sheet liabilities whose growth and variability impact the supply of reserves

2 Stylized Balance Sheet Table (\$ Billions)

Assets	Late January 2026	Liabilities and Capital	Late January 2026
SOMA Portfolio	6320	FR Notes	2400
U.S. Treasuries	4300		
Agency Securities	2020		
Standing Repo	0	Deposits with Federal Reserve Banks	1175
		TGA	950
		Other Deposits ¹	225
		FIMA Reverse Repo	325
		Overnight Reverse Repo	0
		Reserves	2900
Other Assets	280	Other Liabilities and Capital	-200
Total Assets	6600	Total Liabilities and Capital	6600

Note: Stylized balance sheet based on late January 2026. 1) Other deposits includes deposits held at Federal Reserve Banks by foreign official accounts, government-sponsored enterprises, designated financial market utilities, and other, smaller liabilities.
Source: Federal Reserve Board of Governors

Ample reserves can be thought of as a region of the reserves demand curve in which changes in supply result only in modest shifts in the federal funds rate

3 Stylized Reserve Demand Curve

