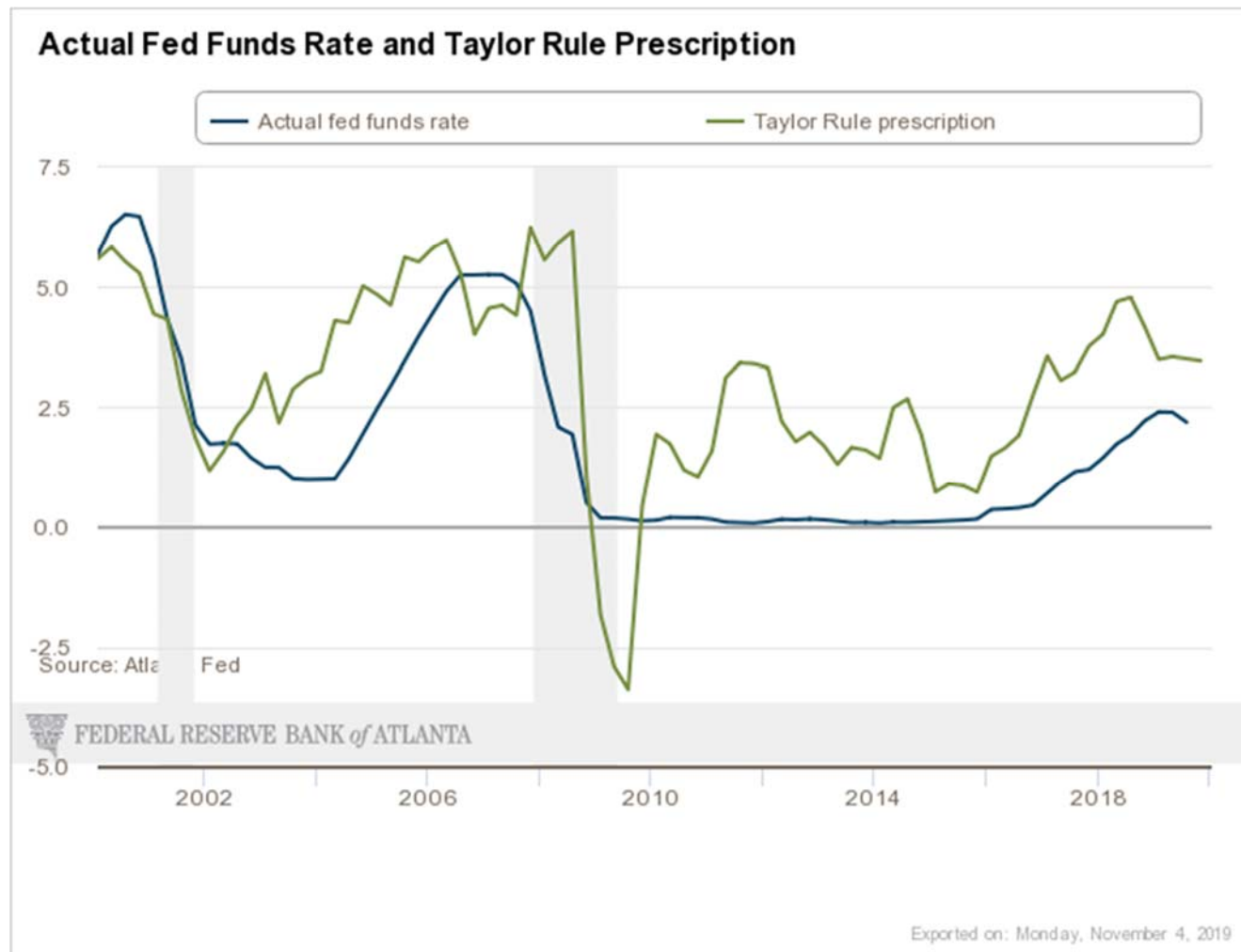


Taylor Rules

$$\widehat{FFR}_t = \rho FFR_{t-1} + (1 - \rho)[(r_t^* + \pi_t^*) + 1.5(\pi_t - \pi_t^*) + \beta gap_t]$$

Set $\rho = 0$, $r^* = 2\%$, $\pi^* = 2\%$, π is PCE 4 qtr inflation, gap is CBO output gap



Source: FRB Atlanta, <https://www.frbatlanta.org/cqer/research/taylor-rule.aspx?panel=1>

Set $\rho = 0$, $r^* = 1$ sided Laubach-Williams estimate, $\pi^* = 2\%$, π is PCE 4 qtr inflation, gap is CBO output gap

