

## Federal Open Market Committee Meeting | June 17, 2026

# A new sheriff in town

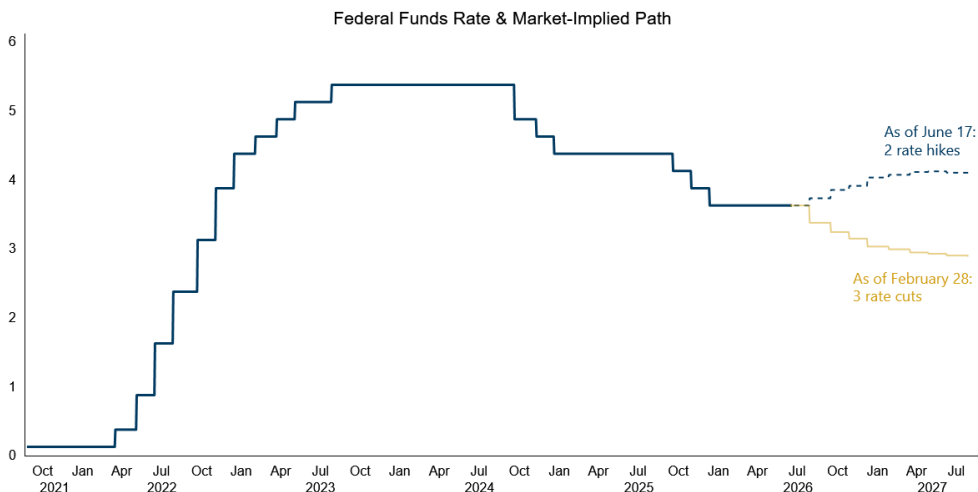
The [Federal Reserve](#)'s new chairman, Kevin Warsh, has steered the Fed in a new direction with a clear commitment to price stability. Following each Federal Open Market Committee meeting, the Fed releases a written statement detailing its policy stance. Chairman Warsh cut the length of the statement by more than half—from 341 to 130 words. However, he added six unambiguous words at the very end: “The Committee will deliver price stability,” a theme he reiterated several times in his post-meeting press conference.

Stronger economic data and firmer inflation have recently pushed markets to change their tune on rate cuts, shifting toward a policy path on hold with a modest tightening bias. Today's policy statement, economic projections, and press conference confirmed what markets had already begun to reflect: absent a meaningful deterioration in the economic outlook, rate hikes look more likely than cuts.

Financial markets reacted accordingly. Front-end Treasury yields rose sharply, with the 2-year rising 15 basis points to 4.2%, the highest level in over a year. Longer-dated yields rose by less, with the 10-year yield up 5 basis points to 4.5%, driving further curve flattening. Equities sold off, with the S&P 500 falling 1.2% led by declines in mega-cap technology stocks.

Chairman Warsh's message today adds to the [hawkish energy](#) that has been building among investors and policymakers. We continue to see a relatively high bar for rate hikes, but Chairman Warsh's immediate and explicit commitment to price stability signals that there's a new sheriff in town with less tolerance for inflation.

### Exhibit 1: Markets now expect the Federal Reserve to raise rates



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