



What options priced for the Fed

Reading the decision

The market's forecast

S&P 500 options price an expected move for Fed day. That number is the collective forecast of how much Powell can move markets. It is usually the biggest priced move of the month.

Each official, one dot

Four times a year the Fed publishes every official's rate forecast as dots on a chart. More dots higher means more hikes priced. Markets reprice on the dots, not just the decision.

Priced vs. actual

A 1% priced move and a 2% actual move means the Fed surprised. Surprises move markets, not decisions. The priced move is the hurdle. The actual move is the verdict.

Watch the 2-year

During the press conference, watch the 2-year Treasury yield. It is the market's live vote on everything Powell says. Rising means hawkish. Falling means dovish.





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