

## Hawkish Fed Talk Drives Yields Higher

San Francisco Fed President Mary Daly threw cold water on the recent Treasury rally in an interview this morning with LinkedIn, saying it's premature to believe the Fed's inflation fight is winding down. Daly characterized the inflation rate as "far too high," and said the Fed still had "a long way to go." Hawkish comments coming from one of the more dovish members of the FOMC carry considerable weight.

Another member of the Fed's policy-setting committee also indicated this morning that the markets may be premature in thinking the FOMC is close to reaching its policy objective. Chicago Fed President Charles Evans said he anticipates a 50 bp hike at the September meeting, but is not ruling out another 75 bps if inflation doesn't show improvement.

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