Still Waiting…

The July FOMC meeting minutes were neutral, as the committee largely expects inflation to drift back toward 2% following "successive supply shocks" that delayed the disinflation process. This is important considering that ***the July 28-29 meeting took place before the release of the softer jobs and contained inflation reports*** on August 7 and 12, ***likely confirming the views of many 'wait-and-see' voters while also shifting swing voters in a more dovish direction***. The minutes also revealed that, "[s]everal participants assessed that the pass-through of past increases in tariffs into the level of prices was now largely complete", implying that ***future inflation reports should soften in their views***. Looking ahead, we would note that the ***2027 rotation of regional Fed bank voters is likely more dovish than the current roster of voters*** based on their most recent commentary (shown below).

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Dovish Regional Fed Bank Rotation in 2027…

Notable Commentary from 2026 Fed Voters

2026 Voters (12)	Majority Needed (7)	Hawk/Dove	Notable Commentary	Ready to Hike?
Chair	***Warsh***	***Hawkish***	***Jul 29: "There is no soft inflation target [...] it's 2%. PCE is our number and we're sticking with it."***	Not Ready Yet
Governor	***Jefferson***	***Neutral***	***Jul 16: If "inflation does not [...] cool down soon [...] it could be appropriate to reconsider our current policy stance"***	Not Ready Yet
Governor	Powell	Neutral/Dovish	Apr 29: "Maybe a little bit of restriction or the high end of neutral is just the right place to be. [W]e can wait here."	No
Governor	Bowman	Neutral/Dovish	Aug 8: Fed policy is "well positioned" for returning inflation to the 2% target.	No
Governor	Barr	Dovish	Jun 3: "Policy is in a good place, likely to stay there for some time."	No
Governor	***Waller***	***Neutral***	***Jul 13: "Fed must avoid repeating inflation mistake of 2021-2022 [....] Need to see several months of lower inflation readings."***	No
Governor	***Cook***	***Neutral***	***Aug 5: "If I do not see signs of continued disinflation soon, I am prepared to act" and "we do not have [the] luxury [of waiting]"***	Not Ready Yet
Pres (NY)	Williams	Dovish	Aug 3: "[M]onetary policy currently is well positioned [...] to support that disinflationary path"	No
Pres (PHI)	Paulson	*Neutral/Dovish*	Aug 4: "Open minded". "Underlying inflation is [...] between 2.4 and 2.8 [%]. If [this] remains stubbornly elevated, the passage of time without progress would itself signal that more restrictive policy is needed."	No
Pres (CLE)	***Hammack***	***Hawkish***	***Aug 13: "My view is we need to act now." "Recent inflation reports are definitely better [...] I don't have confidence we'll continue to see that."***	Yes
Pres (DAL)	***Logan***	***Hawkish***	***Jul 31: "Modest action in the near term would reduce the likelihood of needing to take sharper action later."***	Yes
Pres (MIN)	***Kashkari***	***Hawkish***	***Aug 5: "Now is time to start slowly moving up rates." and "I am not calling for dramatic increase in rates."***	Yes

Source: Federal Reserve, SMBC Nikko US Economics

Very Dovish Fed Rotation in 2027

Notable Commentary from 2027 Fed Voters

2026 Voters (12)	Majority Needed (7)	Hawk/Dove	Notable Commentary	Ready to Hike?
Chair	***Warsh***	***Hawkish***	***Jul 29: "There is no soft inflation target [...] it's 2%. PCE is our number and we're sticking with it."***	Not Ready Yet
Governor	***Jefferson (VC role expires Sep 27)***	***Neutral***	***Jul 16: If "inflation does not [...] cool down soon [...] it could be appropriate to reconsider our current policy stance"***	Not Ready Yet
Governor	Powell (Seat expires Jan 31, 28)	Neutral/Dovish	Apr 29: "Maybe a little bit of restriction or the high end of neutral is just the right place to be. [W]e can wait here."	No
Governor	Bowman	Neutral/Dovish	Aug 8: Fed policy is "well positioned" for returning inflation to the 2% target.	No
Governor	Barr	Dovish	Jun 3: "Policy is in a good place, likely to stay there for some time."	No
Governor	***Waller***	***Neutral***	***Jul 13: "Fed must avoid repeating inflation mistake of 2021-2022 [....] Need to see several months of lower inflation readings."***	No
Governor	***Cook***	***Neutral***	***Aug 5: "If I do not see signs of continued disinflation soon, I am prepared to act" and "we do not have [the] luxury [of waiting]"***	Not Ready Yet
Pres (NY)	Williams	Dovish	Aug 3: "[M]onetary policy currently is well positioned [...] to support that disinflationary path"	No
Pres (RIC)	Barkin	Neutral/Dovish	Aug 13: "Much of today's elevated inflation level has come from shocks, which should pass." "Customers are highly price sensitive."	No
Pres (CHI)	***Goolsbee***	**Neutral**	***Aug 14: "[E]ncouraged by the last three months" of inflation data. Wants "three, four months in a row like what we saw in June"***	No
Pres (ATL)	***Venable (interim)****	***Neutral***	***Aug 11: "[L]abor market appears to be broadly stable." Much [of the Inflation outlook] depends on unpredictable geopolitical events."***	No
Pres (SF)	***Daly***	***Neutral***	***"If [energy, tariffs, AI] shocks don't dissipate, need to lean against that." "Scenario of short lived inflation still my modal forecast."***	No

Source: Federal Reserve, SMBC Nikko US Economics

*= Gray rows indicate possible swing Fed voters.

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