



Kansas City Fed Policy Rate Skew

January 10, 2025

The Kansas City Fed's Measure of Policy Rate Skew (KC PRS) is a daily measure of how financial markets perceive the balance of risks to short-term U.S. interest rates one year in the future. A positive value of policy rate skew indicates financial markets believe interest rates are more likely to end up higher than projected, whereas a negative value suggests rates could end up lower than projected.

The KC PRS is constructed using the same methodology as the Chicago Board Options Exchange Skew Index (Cboe Skew) on Chicago Mercantile Exchange's (CME) options data. We use Eurodollar contracts prior to 2023 and contracts on the Secured Overnight Financing Rate (SOFR) from 2023 onward. The *Economic Bulletin* "[How Do Financial Markets Perceive the Balance of Risks to the Policy Rate?](#)" introduces the index and provides more details. Included below are a downloadable CSV and a plot of the entire history of the KC PRS. Data are updated regularly.

The KC PRS is calculated through an automated procedure using publicly traded options contracts and does not reflect the views of the Federal Reserve Bank of Kansas City, its staff, or the Federal Reserve System.

[Download a CSV file of the data.](#)

When using the data, please give attribution with the following reference:

- Bundick, Brent, Taeyoung Doh, and A. Lee Smith. 2024. "[How Do Financial Markets Perceive the Balance of Risks to the Policy Rate?](#)" Federal Reserve Bank of Kansas City, *Economic Bulletin*, December.