



CHAO & COMPANY
FIDUCIA PERPETUA

FOMC August 1, 2018

Press Release - Changes from June 13, 2018?

Summary

- Labor market continues to strengthen with strong job gains. (**no change**)
- Economic activity rising at a strong rate. (**upward change**)
- Unemployment rate has stayed low. (**no change**)
- Gains in jobs are strong. (**no change**)
- Household spending has grown stronger. (**upward change**)
- Business fixed investment has grown stronger. (**upward change**)
- Inflation (core and nominal) remain near to 2% (**no change**)
- Expects further gradual increase in the target rate range based on sustained economic activity, strong labor market and the “symmetric” 2% objective in the medium term. (**no change**)
- Long-term inflation expectation remains unchanged. (**no change**)
- Risks to the economic outlook appear roughly balanced. (**no change**)
- The federal funds rate target range remains unchanged at 1.75% to 2%. (**no change**)

Press Release

For release at 2 p.m. EDT ~~August 1~~ June 13, 2018

Information received since the Federal Open Market Committee met in ~~June~~ May indicates that the labor market has continued to strengthen and that economic activity has been rising at a ~~strong solid~~ rate. Job gains have been strong, on average, in recent months, and the unemployment rate has ~~stayed low declined~~. ~~Recent data suggest that growth of h~~Household spending and ~~has picked up, while~~ business fixed investment ~~has continued to grow~~ have grown strongly. On a 12-month basis, both overall inflation and inflation for items other than food and energy ~~have moved close to~~ remain near 2 percent. Indicators of longer-term inflation expectations are little changed, on balance.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective over the medium term. Risks to the economic outlook appear roughly balanced.

In view of realized and expected labor market conditions and inflation, the Committee decided to ~~maintain raise~~ the target range for the federal funds rate ~~to at~~ 1-3/4 to 2 percent. The stance of monetary policy remains accommodative, thereby supporting strong labor market conditions and a sustained return to 2 percent inflation.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

Voting for the FOMC monetary policy action were Jerome H. Powell, Chairman; ~~John C. Williams~~ William C. Dudley, Vice Chairman; Thomas I. Barkin; Raphael W. Bostic; Lael Brainard; ~~Ester L. George~~; Loretta J. Mester; Randal K. Quarles; and John C. Williams.

Source: The Federal Reserve

<https://www.federalreserve.gov/monetarypolicy/files/monetary20180801a1.pdf>