



CHAO & COMPANY
FIDUCIA PERPETUA

FOMC, January 30, 2019

Press Release - Changes from December 19, 2018?

Summary

- Labor market continues to strengthen with solid job gains. (**slight change**)
- Gains in jobs are strong. (**no change**)
- Unemployment rate has remained low. (**no change**)
- Household spending has grown stronger. (**no change**)
- Business fixed investment has moderated. (**no change**)
- Economic activity is rising at a strong rate. (**no change**)
- Inflation (core and nominal) remains near to 2% (**no change**)
- Recognized short-term inflation moved lower but long-term, survey-based measures remain little changed for the long run. (**new, change**)
- Decided to maintain the federal funds target rate range at 2-1/4 to 2-1/2 percent. (**change**)
- Based on sustained economic activity, strong labor market and the “symmetric” 2% objective in the medium term. (**no change**)
- In light of global economic and financial developments and muted inflation pressure, the Committee will be patient as it determines future adjustments to the target rate range. (**new, change**)

For release at 2 p.m. EST

January 30, 2109 ~~December 19, 2018~~

Information received since the Federal Open Market Committee met in ~~December~~ ~~November~~ indicates that the labor market has continued to strengthen and that economic activity has been rising at a ~~solid~~ ~~strong~~ rate. Job gains have been strong, on average, in recent months, and the unemployment rate has remained low. Household spending has continued to grow strongly, while growth of business fixed investment has moderated from its rapid pace earlier ~~last in the~~ year. On a 12-month basis, both overall inflation and inflation for items other than food and energy remain near 2 percent. ~~Although market-based measures of inflation compensation have moved lower in recent months, survey-based measures~~ ~~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. ~~In support of these goals, the~~ ~~The~~ Committee ~~decided to maintain~~ ~~judges that some further gradual increases in~~ the target range for the federal funds rate ~~at 2-1/4 to 2-1/2 percent~~. ~~The Committee continues to view~~ ~~will be consistent with~~ sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective ~~as over~~ the ~~most likely outcomes~~. ~~In light of medium term~~. ~~The Committee judges that risks to the economic outlook are roughly balanced, but will continue to monitor~~ global economic and financial developments and ~~muted assess their implications for the economic outlook~~. ~~In view of realized and expected labor market conditions and~~ inflation pressures, the Committee ~~will be patient as it determines what future adjustments~~ ~~decided to raise~~ the target range for the federal funds rate ~~may be appropriate to support these outcomes~~. ~~to 2-1/4 to 2-1/2 percent~~.

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, Vice Chairman; ~~Thomas I. Barkin; Raphael W. Bostie~~; Michelle W. Bowman; Lael Brainard; ~~James Bullard~~; Richard H. Clarida; ~~Charles L. Evans; Esther L. George; Mary C. Daly; Loretta J. Mester; and~~ Randal K. Quarles; ~~and Eric S Rosengren~~.

Source: The Federal Reserve

<https://www.federalreserve.gov/monetarypolicy/files/monetary20190130a1.pdf>