
Fed increases benchmark interest rate to between 2% and 2.25%

By Editorial Staff *Thu, Sep 27, 2018*

The Fed's decision, announced after a two-day meeting of its Federal Open Market Committee, which sets monetary policy, represents the eighth time that the Fed has raised interest rates since the 2008 financial crisis, and the third time this year. Another increase is expected in December.

The Federal Reserve's chairman, Jerome H. Powell, said on Wednesday that the American economy was experiencing Citing the current economic environment "a particularly bright moment" for the US economy, Fed chairman Jerome H. Powell announced this week that it would raise its benchmark interest rate and anticipates future increases.

The decision to raise rates to a range between 2% and 2.25% was not intended to stifle growth, Powell said, according to the New York Times. President Trump told the media that the increase reflects a strong economy but that he is "not happy" with higher rates because they increase the country's borrowing costs.

The Fed's decision, announced after a two-day meeting of its Federal Open Market Committee, which sets monetary policy, represents the eighth time that the Fed has raised interest rates since the 2008 financial crisis, and the third time this year. Another increase is expected in December.

The Fed described economic conditions as "strong." It predicted that growth this year could top 3%, before slowing in coming years. Unemployment remains low, inflation remains around the 2% pace the Fed regards as optimal, and the pace of investment has increased, it said.

The Fed did not describe its monetary policy as "accommodative," but Powell said that monetary policy remained accommodative at the moment.

© 2018 RIJ Publishing LLC. All rights reserved.