

## Fed Holds Steady, but September's Still a Toss-up

By a 9-2 count, Fed officials voted to hold the overnight funds target unchanged in a range of 4.25% to 4.50% for the fifth consecutive FOMC meeting. Two committee members dissented for the first time since 1993, with Fed Governors Chris Waller and Michelle Bowman favoring an immediate quarter point reduction. *Unusual but expected.* 

Scott McIntyre

The one-page official statement, a frequent source for monetary policy clues, was nearly identical to the statement from the previous meeting. The only notable change was a downgrade in the Fed's view of the economy. Whereas economic growth in mid-June had continued to "expand at a solid pace," the updated assessment was that growth had "moderated in the first half of the year." The clue in this case might be that the committee now perceives a weakening economy, which could indicate the first rate cut of the year has been teed-up for the September meeting ...or not. With no change in the rate target and no fresh dot plot or economic projections, all attentions shifted to Chairman Jerome Powell's postmeeting press conference.

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