

Federal Open Market Committee (FOMC) Meeting Results:

Date: July 31-August 1, 2018

Fed holds rates steady

Fed funds range remains at 1.75%-2.00%

Meeting Location: Marriner S. Eccles Federal Reserve Board Building, Washington DC

Economic Highlights: *Labor markets strong and unemployment rate low; economic activity rising; household spending and business fixed investment growing strongly, and the inflation is near the 2.0% goal.*

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

Announcements: *Fed funds rate unchanged. Fed claims monetary policy is still accommodative in effort to keep labor market strong and keep inflation near the 2.0% goal.*

- The Committee decided to leave the target range for the federal funds rate at 1.50 - 1.75 percent
- The Committee declared that the economy is currently balanced with respect to the risk of higher unemployment or higher inflation. The Fed believes that the probability of either dangerous unemployment or excessive inflation are roughly equal.
- 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.

Forward Guidance: *Fed drops recent warning that rates will rise gradually and that the path of future rates will remain below the level normally expected in the longer run. Instead they indicate that future rate hikes will depend on economic developments, both domestic and international*

- 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 Results: ***No dissenting vote at this meeting.***

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

Next Meeting: ***September 25-26, 2018***