

## FOMC Statement: the key change

Contrary to Trump, Fed selected words are carefully screened. Therefore, this change in wording could be significant:

The June Statement said:

...economic activity has been rising at a **solid** rate.

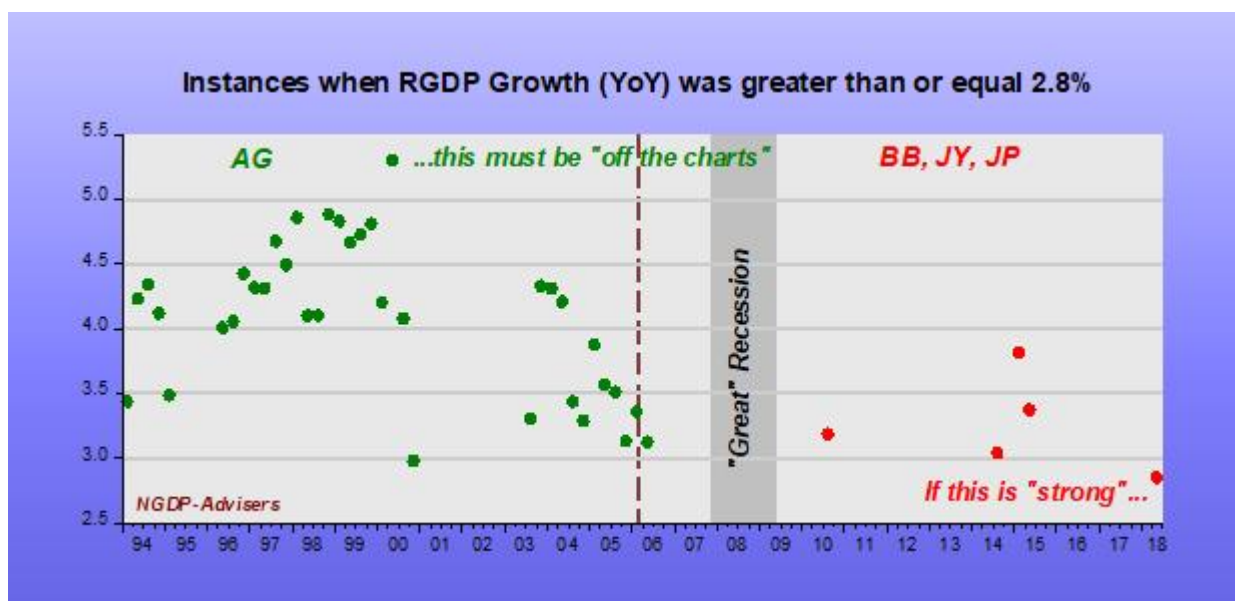
In July that changed to:

...economic activity has been rising at a **strong** rate.

In one of the next meetings this year, will the wording change to ...the rise in economic activity has continued to **strengthen**.

If it does, (Trump-style) **BEWARE!**

The Fed can say what it wants, and as the charts show, their “foundation” can be very shaky.



If over the last 12 years the economy has been “promoted” from “dismal”, to “solid” and now “strong” (and risking to “strengthen”), what could be said of the economy during most of Greenspan’s 12 years? Positively “Herculean” comes to mind.

Further, if you notice what has happened to inflation in the two periods, for most of the time remaining comfortably below the 2% “barrier”, you’ll wonder why the FOMC is so keen to continue

hiking.

