

FOMC Meeting Update

... as summarized by Smith Shellnut Wilson

SMITH
SHELLNUT
WILSON

SSW Research Department
Office: (601) 605-1776
Contact: Ray Thompson
Email: rayt@ssw1776.com

Federal Reserve officials strengthened their assessment of the economy on Wednesday and signaled that risks have diminished while leaving their key interest rate near zero and maintaining a \$120 billion monthly pace of asset purchases.

“Amid progress on vaccinations and strong policy support, indicators of economic activity and employment have strengthened,” the Federal Open Market Committee said in a statement following the conclusion of its two-day policy meeting. “The sectors most adversely affected by the pandemic remain weak but have shown improvement. Inflation has risen, largely reflecting transitory factors.”

Marking a clear improvement since the pandemic took hold more than a year ago, the Fed said that “risks to the economic outlook remain,” softening previous language that referred to the virus posing “considerable risks.” The statement also noted that sectors hit hardest by the Covid-19 pandemic had “shown improvement.”

Ten-year treasury yields rose to the high of the day before paring back, while inflation expectations over the decade held near their highest since April 2013. The dollar moved toward its lows of the day and the S&P 500 moved higher.

Please click the link for a [side-by-side comparison](#) of the U.S. Federal Open Market Committee statements from April 28, 2021 and March 17, 2021.

Source for the information in this update is Bloomberg News.

Smith Shellnut Wilson, LLC
661 Sunnybrook Rd, Ste 130
Ridgeland, MS 39157-1813
Office: (601) 605-1776
Fax: (601) 605-1710
Website: www.ssw1776.com
