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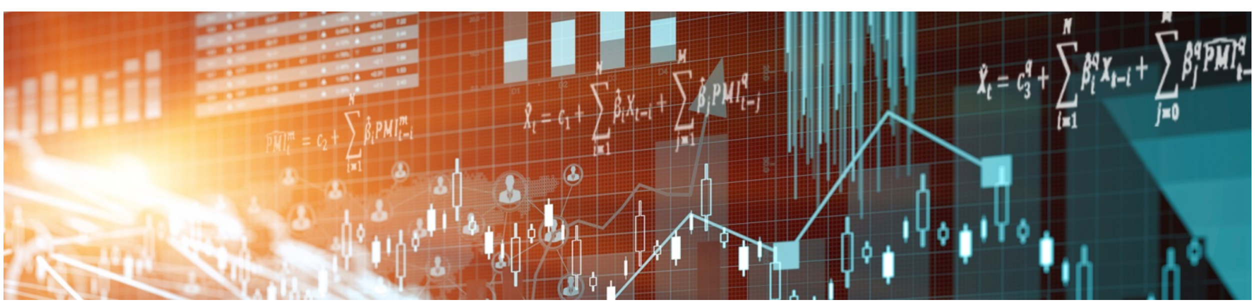
Furor over the Fed : Presidential Tweets and Central Bank Independence



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Abstract

We illustrate how market data can be informative about the interactions between monetary and fiscal policy. Federal funds futures are private contracts that reflect investor's expectations about monetary policy decisions. By relating price movements of these contracts with President Trump's tweets on monetary policy, we explore how markets have perceived presidential attempts to influence monetary policy decisions. Overall, our results indicate markets expected the Federal Reserve to adjust monetary policy in the direction suggested by President Trump.

Bank topics: Monetary policy; Financial markets; Credibility; Central bank research
JEL codes: E44, E52, E58

Résumé

Nous montrons comment les données de marché peuvent renseigner sur les relations entre la politique monétaire et la politique budgétaire. Les contrats à terme sur les fonds fédéraux sont des contrats privés qui reflètent les attentes des investisseurs en matière de politique monétaire. Nous mettons en relation les variations des prix de ces contrats et les gazouillis du président Trump concernant la politique monétaire pour analyser la façon dont les marchés ont perçu les tentatives présidentielles d'influencer les décisions de la banque centrale américaine. Nos résultats indiquent que, dans l'ensemble, les marchés s'attendaient à ce que la Réserve fédérale infléchisse sa politique dans le sens souhaité par le président Trump.

Sujets : Politique monétaire; Marchés financiers; Crédibilité; Recherches menées par les banques centrales
Codes JEL : E44, E52, E58

Introduction

Over the past century, central banks around the world have been granted independence to shield monetary policy decisions from political influence and reduce inflationary bias. Under this institutional arrangement, politicians remain responsible for taxes, debt and deficit, while central bankers focus on different concepts of price stability.

This separation of policy assignments is regularly challenged by electoral concerns or imperatives of public debt management. Mounting political pressures or government interference are widespread. Using media reports, Binder (2018) documents that, out of a sample of 118 central banks, 39 percent experienced at least one event of pressure between 2010 and 2018. Accordingly, central banks are being watched closely by economists and the broader public to understand whether, or to what degree, their decisions are influenced by outside pressures.

We study the case of attempted influence by the President of the United States on that country's central bank starting in November 2017. In particular, President Donald Trump repeatedly criticized the Federal Reserve System (Fed) and its Chair for keeping interest rates too high. The pressure to lower rates is occurring amid the ongoing trade war with China, rising government debt and upcoming elections. We present an empirical method to elicit markets' perceptions of the outcome of this influence game.

The unique feature of the recent US example is that President Trump often makes comments related to policy through his Twitter account. We exploit this and construct a dataset of the President's tweets that comment on US monetary policy following the nomination of Jerome Powell as Chair of the Fed on November 2, 2017. Financial market participants follow the President's tweets as closely as they follow economic data and other daily news. The publication time-stamp is therefore a good proxy for the time when financial market participants become aware of the tweet.

We merge the sample of tweets with high-frequency financial data to study the effect of published tweets on market expectations of future monetary policy decisions. At every Federal Open Market Committee (FOMC) meeting, the Fed announces a target for the federal funds rate, a key monetary policy instrument.[1] This rate is a benchmark for financial markets: private and government-sponsored investors regularly trade futures contracts indexed to this rate.[2] Accordingly, variation in prices of fed funds futures reflects changing market expectations regarding future FOMC decisions. We focus on short-term expectations of the next policy decision.

Using futures data since Jerome Powell was nominated as Chair of the Federal Reserve, we find that the average daily revision of the expected fed funds rate during the days without relevant tweets is slightly positive regardless of whether there was a release of major economic news. In

1. There are eight regularly scheduled FOMC meetings every year, at an average frequency of every six weeks. Figure 2 reports the evolution of the fed funds rate.

2. A futures contract is a legal agreement to buy or sell a particular commodity or asset at a predetermined price at a specified time in the future. Fed funds futures are indexed to the fed funds rate.

contrast, during days with relevant tweets, the average revision is negative: financial markets react to the President's comments and anticipate a higher probability of a rate cut at the upcoming FOMC meeting. Finally, the fed funds rate realizations are above the lagged expected value on the FOMC meeting days that follow episodes of pressure. Hence, the corresponding policy decisions are not as accommodative as expected.

Our analysis supports the following narrative. The President's efforts to influence the Fed escalated over 2019, both in the tone and the frequency of tweets. Financial markets reacted to President Trump's tweets by assigning a higher probability of a policy rate cut in the future. We find that market adjustments on the FOMC decision days correct for expectations of larger interest rate cuts, suggesting that the Fed did not surrender to political pressure, at least not as much as financial market participants anticipated.

Related studies. The goal of this note is to illustrate a methodology that uses data from financial markets to study the effects of pressure on monetary policy. Bianchi, Kung and Kind (2019) conduct an independent and thorough analysis of the same topic. Rather than relying on daily market data, as we do, they use narrow intraday time windows to identify the reaction of markets to the President's tweets. Tillmann (2019) studies the effect of the President's comments released through Twitter and other media on long-term interest rates. Using daily data on Treasury yields with maturity of one year and longer, he finds that interest rates decline in response to the pressure on monetary policy.

Blanchard and Collins (2019) use a similar method to infer how financial market participants perceive the effects of the Trump administration's trade policies. In particular, they look at the intraday price changes of futures on stock market indexes in the United States and China after the President posted tweets about trade with China. They show that the reaction of stock markets in both the United States and China to tweets promoting a trade war is negative: a trade war is not a zero-sum game—it's a lose-lose situation.

Beyond these case studies, high-frequency financial data are commonly used to study the effects of monetary policy and overcome the pervasive endogeneity problem in macroeconometrics. Bernanke and Kuttner (2005) and Gürkaynak, Sack and Swanson (2005) extract expectations regarding monetary policy decisions from fed funds futures contracts using daily or intraday data.[3] They compare market expectations about the decision before the FOMC meeting with the actual decision. The difference between the expectations and the decision is then interpreted as exogenous monetary policy surprises. Such policy surprises can be used to study how monetary policy affects asset prices and other economic variables. Corsetti, Duarte and Mann (2018) apply this method to the euro zone to investigate the differential effects of common monetary policy decisions across member countries.[4]

3. See Gorodnichenko and Weber (2016) and Nakamura and Steinsson (2018) for more recent contributions.

4. Readers interested in data about the euro zone can readily consult asset reactions to monetary policy innovations

Empirical literature on central bank independence typically uses public commentary of politicians in the more traditional media such as newspapers. Ehrmann and Fratzscher (2011) document that elected politicians in Europe and the European Central Bank have different preferences about monetary policy. Binder (2018) finds evidence of pervasive political pressure on central banks across multiple countries around the world.[5]

Finally, in our ongoing work, Camous and Matveev (2019), we build a theoretical game of monetary-fiscal interactions. We ask whether a central bank should adjust its policy framework to defend its independence against fiscal influence. We show that designing monetary rules with explicit actions against fiscal influence is desirable: this can not only improve economic outcomes but also enhance the overall credibility of a central bank.

Data

Our analysis combines three types of data. First, we document pressure on the Fed's monetary policy using tweets posted by President Trump that contain specific keywords—Fed(eral), reserve, Powell, interest, rate, currency, inflation—and select only those tweets that directly relate to the Fed.[6,7] Second, we extract market expectations about the federal funds rate from daily prices of corresponding futures contracts to gauge market expectations about the policy decision at the upcoming FOMC meeting.[8] We combine these two data sources to study how financial markets participants changed their expectations of the federal funds rate on days with Trump tweets. Finally, we also collect data on the dates and time of major economic data releases to contrast market reactions to tweets and to economic news.[9]

Our analysis starts on November 2, 2017, the day the President announced the nomination of Jerome Powell as Chair of the Fed, and runs until the day of the FOMC meeting on September 18, 2019. There are 87 relevant tweets in our sample, including the tweet announcing the nomination of the Chair.[10] Some of the tweets belong to the same thread, or sequence of tweets; some of the days feature multiple threads that are relevant. Given our access to daily futures data,

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from the database provided by Altavilla et al. (2019).

5. Another strand of the literature often infers a measure of actual central bank independence by studying the predictability of monetary policy based on election cycles, see, e.g., Alpanda and Honig (2009).

6. The history of Trump's tweets is available at www.trumptwitterarchive.com.

7. For instance, the tweet *Thank you for soooo many nice comments regarding my Oval Office speech. A very* ***interest****ing experience!* (January 8, 2019, 22:33 CT, emphasis added) contains a target keyword but is obviously not related to monetary policy.

8. Daily data on the 30-Day Federal Funds Futures from the CME Group is available at www.quandl.com.

9. We use the following statistics available at www.tradingeconomics.com: (Core) Inflation, GDP Growth, Non-Farm Payrolls, Durable Goods Orders, Retail Sales, Personal Income and Spending, Balance of Trade, Institute for Supply Management (Non-)Manufacturing Purchasing Managers' Indexes, Michigan Consumer Sentiment.

10. *Today, it was my pleasure and great honor to announce my nomination of Jerome Powell to be the next Chairman of the @FederalReserve* (November 2, 2017, 17:35 CT). Before this tweet, Donald Trump had never tweeted about the Fed, its Chair or its policies as President.

we treat all tweets within the same trading day as one event.[11] Finally, we exclude tweets outside trading hours and during weekends. This leaves 42 days with tweets within the sample period. The list of tweets and their grouping is reported in Appendix C.

Analysis

Our analysis involves the following steps. We use data on fed funds rate futures to compute daily changes in expectations about the monetary policy decision at the upcoming FOMC for the full sample period: November 2, 2017, to September 18, 2019.[12] Then, we categorize days within the sample based on whether there were tweets posted by the President and/or economic data released. Finally, we split the full sample across time and categories of days to compute descriptive statistics. Overall, our analysis relies on the perception of market participants to support a narrative of the effects of the President's tweets on Fed policy adjustments.

Daily changes in expectations. Figure 1 displays daily changes in financial market expectations about future monetary policy decisions throughout the entire sample period. Negative numbers reflect a decrease in the expected policy rate. Days that feature major economic data releases are denoted with red dots, and remaining days are denoted with small grey dots. Days that feature relevant tweets by the President are denoted with blue squares. Dashed lines denote FOMC meetings, and large grey dots denote monetary policy surprises, i.e., the difference between the actual federal funds rate and the expected rate the day before the meeting.

[Figure 1 about here.]

Consider the general pattern of daily expectation changes. The revisions are tightly clustered around zero for all FOMC meetings until and including the one on May 1, 2019. The notable outlier during this period is the tight monetary policy shock resulting from the last interest rate hike announced after the FOMC meeting on December 19, 2018. The changes of policy expectations become more volatile in the remaining part of the sample.

Analysis of the full sample period. A first look at the distribution of tweets over time points to an escalation in the attempts of President Trump to weigh on the Fed's decisions. The frequency of relevant tweets is very low at the beginning of the period. However, the frequency increases to at least one thread every few days in August and September 2019. Furthermore, a semantic analysis,

11. Trading hours of the electronic platform: 17:00 CT on the previous day to 16:00 CT on the current day.

12. We follow the method described in detail in Appendix A to compute changes in expectation as the difference between end-of-day settlement prices of a futures contract on the previous day and the current day.

which is beyond the scope of this note, would point to a qualitative increase in the President's dissatisfaction with the conduct of monetary policy.[13]

To isolate the effects of tweets on market expectations, we proceed as follows. First, we discard days with FOMC meetings because a policy decision is announced. Second, we eliminate days that feature both a tweet and a major economic data release because we cannot distinguish the source of variation in expectations.[14] We are left with three distinct groups of observations: days that feature only a relevant tweet, days with only an economic data release, and days with neither of the two. The descriptive statistics for these three groups are displayed in the first row of Table 1. Additionally, the corresponding histograms are plotted in Appendix B.

The average revision of expectations during the days without relevant tweets is slightly positive regardless of whether there was a release of economic data. In contrast, the average revision is negative on the days with tweets, which means a shift of expectations toward easier policy.[15]

Table 1: Data moments

	Regular Days			Data Days			Twitter Days		
	avg	std	N	avg	std	N	avg	std	N
Full sample	0.0004	0.0107	213	0.0010	0.0137	182	-0.0030	0.0274	26
After May 2019	0.0012	0.0228	34	0.0049	0.0301	31	-0.0037	0.0351	16
Selected tweets	——	——	—	——	——	—	-0.0229	0.0276	8

Notes. This table reports summary statistics for average daily changes in policy rate expectations at upcoming policy meeting. Daily changes are computed using the method described in Appendix A and expressed in percentage points. Reported statistics include average, standard deviation and number of underlying observations (N) within each sample. The sample of regular days consists of days without tweets by the President and without economic data releases. The sample of data days consists of days without tweets by the President but with at least one economic data release. The sample of Twitter days consists of days without economic data releases but at least one tweet by the President. Days with FOMC decision announcements as well as days with both tweets by the President and economic data releases are excluded from the analysis.

Subsample analysis. The volatility of changes in expectations is higher on the days with relevant tweets. Part of this wedge can be explained not by the effect of the tweets, but by the fact that these days are concentrated in the second part of our sample period. Accordingly, we also restrict the analysis to the subsample of data after the FOMC meeting on May 1, 2019. The difference in

13. Contrast, for instance, the first tweet *Russia and China are playing the Currency Devaluation game as the U.S. keeps raising interest rates. Not acceptable!* (April 16, 2018, 07:31 CT), with a later tweet *Our Federal Reserve cannot "mentally" keep up with the competition - other countries. At the G-7 in France, all of the other Leaders were giddy about how low their Interest Costs have gone. Germany is actually "getting paid" to borrow money - ZERO INTEREST PLUS! No Clue Fed!* (August 28, 2019, 09:36 CT).

14. This identification problem can be avoided by using high-frequency intraday data. See Bianchi, Kung and Kind (2019).

15. A standard statistical t-test to compare the means across groups is not appropriate given the small sample size and the clear presence of heteroskedasticity.

volatility becomes less stark, as displayed in the second row of Table 1. Corresponding histograms are reported in Appendix B.

Finally, we also find that half of the tweets in the restricted subsample occur on the days with idiosyncratic events or news—not captured by the calendar of major economic data releases—that have likely affected the expectations of monetary policy decisions in their own right. Examples include speeches by FOMC members and news on the progress of trade negotiations with China. The last row of Table 1 reports the statistics when excluding such contaminated observations. This sample cut results in a downward shift in the average change of expectations.

Economic interpretation. Overall, we find an average negative revision of expectations of between 0.3 and 2.3 basis points on the days with relevant tweets.[16] One way to assess the significance of these numbers is to convert them into a probability of a rate cut. Consider the policy choice menu of keeping the rate unchanged against cutting it by 25 basis points. A 0.3-basis-point change in expectations is then equivalent to a 1.2-percentage-point increase in the rate cut probability. Similarly, a 2.3-basis-point revision translates into a 9.2-percentage-point increase in the rate cut probability.

These figures can be compared with the average change in futures contracts on days of FOMC meetings, usually interpreted as the surprise component of monetary policy decisions. Over the period from November 2, 2017, to September 18, 2019, the average daily variation in similar contracts on FOMC days is +0.6 basis points.

FOMC policy decisions. Did the Fed surrender to the President's pressure? This is a delicate question because Fed decisions are (publicly) motivated only by "its statutory mandate of maximum employment and price stability".[17]

Actual policy decisions regarding the fed funds rate are reported in Figure 2: the Fed reached the peak of a tightening cycle in December 2018, maintained its target rate constant until July 2019 and then implemented two consecutive 25-basis-point cuts.[18] This loosening monetary stance occurred not only under the President's pressure, but also during a period of rising uncertainty regarding the performance of the US economy. Note that President Trump was not satisfied with these rate cuts, as indicated in this tweet in September 2019: *The Federal Reserve should get our interest rates down to ZERO, or less, ...*[19]

16. With an identification relying on intraday variation of futures contracts, Bianchi, Kung and Kind (2019) find an average negative effect of 0.3 basis points and a cumulative effect of 10 basis points.

17. See comments in the FOMC statement released on June 19, 2019, available on federalreserve.gov.

18. Data on the fed funds target rate are available from the Federal Reserve Bank of St. Louis database under the code DFEDTARU.

19. The tweet continues as follows: *... and we should then start to refinance our debt. INTEREST COST COULD BE BROUGHT WAY DOWN, while at the same time substantially lengthening the term. We have the great currency, power, and balance sheet. The USA should always be paying the the lowest rate. No Inflation! It is only the naïveté of Jay Powell and the Federal Reserve that doesn't allow us to do what other countries are already doing. A once in a*

[Figure 2 about here.]

An alternative is to monitor variations of fed funds futures on the exact day of monetary policy announcements. These observations are reported as black dots on Figure 1. These variations are usually interpreted as monetary policy surprises because they reflect readjustments of market expectations to new policy decisions. There is some dispersion, but the average variation is +0.6, suggesting the Fed did not implement a policy as loose as expected over the period.[20]

Finally, note that regardless of how the actual decision of the central bank turns out, expectations of financial markets participants of a possible accommodation of the President's demands by monetary policy might work its way to other interest rate markets and affect economic outcomes.

Conclusions

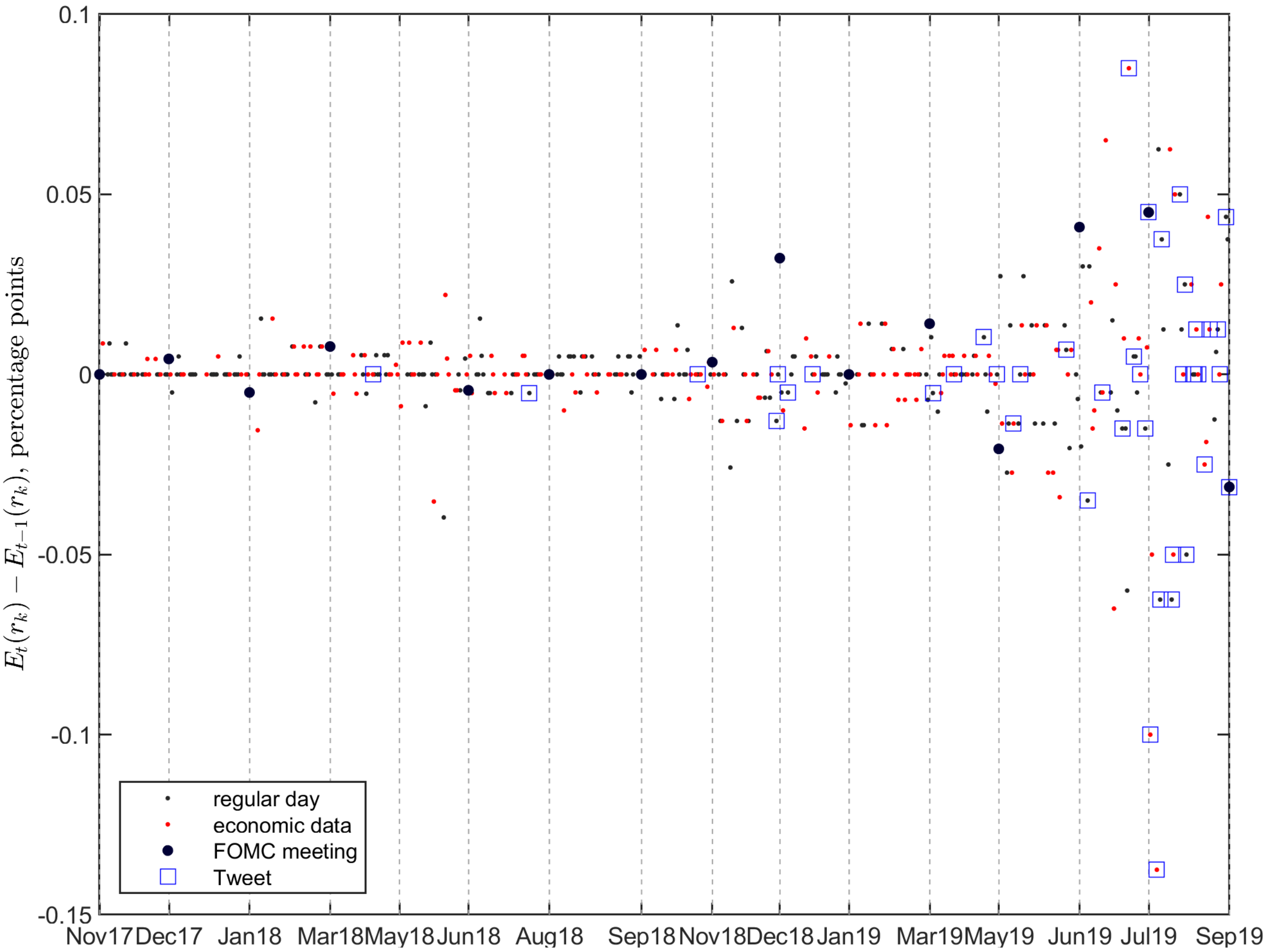
How did financial markets react to President Trump's attempts to influence monetary policy? We present a method that extracts changes of market expectations about future monetary policy decisions in response to the President's tweets. The analysis reveals that markets are sensitive to the President's comments about monetary policy, which raises important questions about the independence of the central bank.

A richer dataset, such as the one used by Bianchi, Kung and Kind (2019), allows for further analysis of how markets perceived the effects of the President's tweets on monetary policy decisions. In particular, futures contracts are available at longer maturities, covering expectations over several FOMC meetings. With such information, one can verify that market reactions are not simply a readjustment in the timing of a rate cut already anticipated.

lifetime opportunity that we are missing because of "Boneheads."

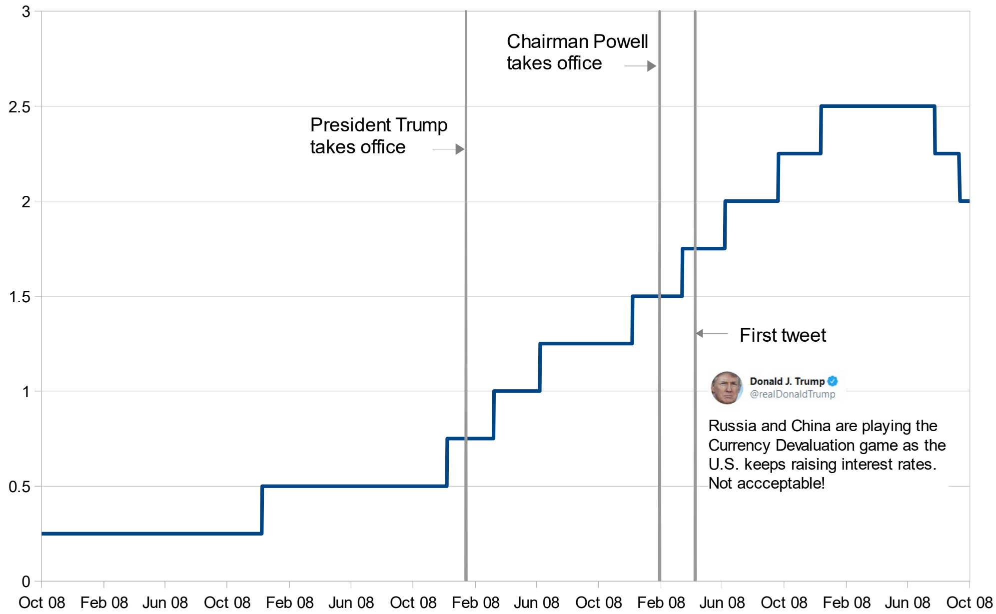
20. Including the observation on the day of the September 2019 FOMC meeting might be problematic because specific tensions on interbank markets and Fed reactions to this particular situation might have interfered with the policy announcement. In particular, a shortage of liquidity in the repo market pushed the effective fed funds rate above the target range for the first time since the Great Recession. The monetary policy surprise, which seems accommodative, on the day of the FOMC meeting seen on Figure 1 is likely due to the Fed's open-market operations that calmed the market. Without this observation, the average variation on FOMC days is +0.9 basis points.

Figure 1: Daily revision of expectations about the fed funds rate at the next Federal Open Market Committee meeting



Notes: Grey dashed lines mark days of the FOMC meetings. Dots represent daily changes in expectations of the monetary policy rate at the upcoming meeting. The federal funds target rate (FFR) after the upcoming FOMC announcement in month k is denoted as r_k; $\mathbb{E}_t$ denotes expectation conditional on information at time t. Daily changes are computed using the method described in Appendix A and expressed in percentage points, e.g., a reduction of expected policy rate from 2 percent to 1.95 percent is 0.05 percentage points.

Figure 2: Federal funds rate target



Notes: The federal funds rate is a central target for the implementation of monetary policy. Formally, this is the interest rate at which banks lend excess reserves to each other. The Federal Reserve buys and sells securities to maintain the fed funds rate around the target rate. The target rate is evaluated regularly, according to the evolution of economic activity.

A Market expectations of monetary policy

We infer revisions of market expectations of the upcoming policy decision using futures contracts that are settled at the end of the month corresponding to the next FOMC meeting. Let k be the month of the upcoming FOMC meeting and f_t^k be the price of the corresponding federal funds rate futures contract at time t. Also, let r_k be the federal funds target rate after the FOMC announcement. Then the revision of expectation regarding r_k between $t-1$ and t is proportional to the change of the futures price during this period:

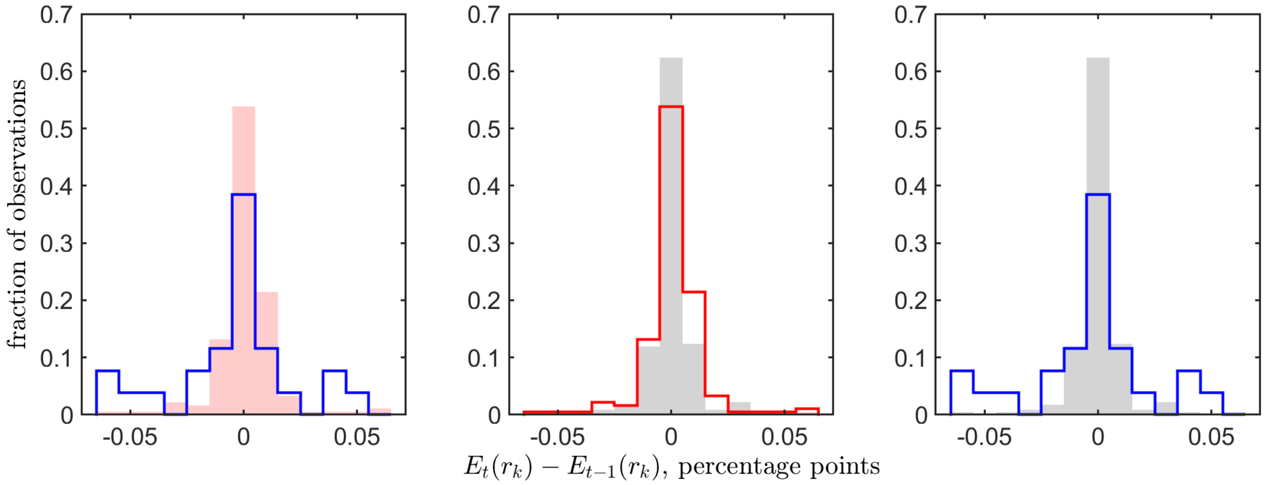
$$\mathbb{E}_t(r_k) - \mathbb{E}_{t-1}(r_k) \propto f_t^k - f_{t-1}^k, \tag{1}$$

where $\mathbb{E}_t$ denotes expectation conditional on information at time t, and a constant of proportionality depends on the number of days between the FOMC meeting and the end of the month when it occurs.

Note that equation (1) neglects possible variations in market risk premium, which is a common approach when working with high-frequency data because the risk premium has been found to vary at business-cycle frequency—see, e.g., Piazzesi and Swanson (2008). Moreover, we follow Gürkaynak, Sack and Swanson (2005) and use the unscaled change in next-month futures contract when the FOMC meeting occurs on a day within the last seven days of the month.

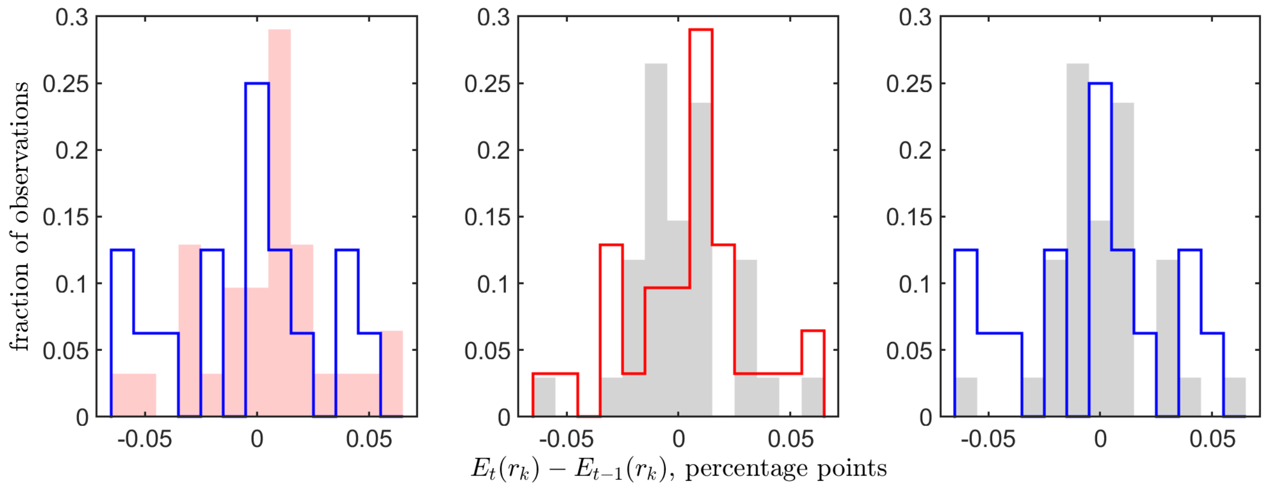
B Sample histograms

Figure 3: Daily revision of expectations about the fed funds rate at the next Federal Open Market Committee meeting



Notes: These histograms display distributions of daily changes in expectations of the monetary policy rate at the upcoming meeting. Daily changes are computed using equation (1) and expressed in percentage points. Data represent three types of event days, as in Table 1. Grey shaded area: days with no tweets by the President and economic data releases. Red contour or shaded area: days with only economic data releases. Blue contour or line: only tweets by President Trump.

Figure 4: Daily revision of expectations about the fed funds rate at the next Federal Open Market Committee meeting, after May 2019



Notes: See notes for Figure 3. In this figure, the sample period begins after the FOMC meeting on May 1, 2019. Grey shaded area: days with no tweets by the President and economic data releases. Red contour or shaded area: days with only economic data releases. Blue contour or line: only tweets by President Trump.

C Dataset of tweets

We used the following dataset of tweets by President Trump in our analysis. The time-stamps of tweets are reported using the Central Time (CT) Zone, which simplifies the match with the data on fed funds futures that are traded on the Chicago Mercantile Exchange. Tweets are grouped daily in reverse chronological order according to the following trading hours: 17:00 CT on the previous day to 16:00 CT on the current day. For convenience, we also report the dates of upcoming FOMC meetings and the revisions of expectations about the corresponding policy rate decision. The revisions are computed using equation (1) and expressed in percentage points.

Expectation revision: -0.0313 p.p.

18-Sep-2019 13:25:07	Jay Powell and the Federal Reserve Fail Again. No "guts" no sense no vision! A terrible communicator!

FOMC meeting day

Expectation revision: 0.0437 p.p.

16-Sep-2019 06:47:56	Producer prices in China shrank most in 3 years due to China's big devaluation of their currency, coupled with monetary stimulus. Federal Reserve not watching? Will Fed ever get into the game? Dollar strongest EVER! Really bad for exports. No Inflation...Highest Interest Rates...
16-Sep-2019 06:47:57	...The United States because of the Federal Reserve is paying a MUCH higher Interest Rate than other competing countries. They can't believe how lucky they are that Jay Powell & the Fed don't have a clue. And now, on top of it all, the Oil hit. Big Interest Rate Drop, Stimulus!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0000 p.p.

12-Sep-2019 07:13:09	European Central Bank, acting quickly, Cuts Rates 10 Basis Points. They are trying, and succeeding, in depreciating the Euro against the VERY strong Dollar hurting U.S. exports.... And the Fed sits, and sits, and sits. They get paid to borrow money, while we are paying interest!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0125 p.p.

11-Sep-2019 05:42:13	The Federal Reserve should get our interest rates down to ZERO, or less, and we should then start to refinance our debt. INTEREST COST COULD BE BROUGHT WAY DOWN, while at the same time substantially lengthening the term. We have the great currency, power, and balance sheet.....
11-Sep-2019 05:42:13	....The USA should always be paying the the lowest rate. No Inflation! It is only the naïveté of Jay Powell and the Federal Reserve that doesn't allow us to do what other countries are already doing. A once in a lifetime opportunity that we are missing because of "Boneheads."

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0125 p.p.

06-Sep-2019 10:14:20	"China is eating the Tariffs." Billions pouring into USA. Targeted Patriot Farmers getting massive Dollars from the incoming Tariffs! Good Jobs Numbers No Inflation(Fed). China having worst year in decades. Talks happening, good for all!
06-Sep-2019 07:22:25	I agree with @jimcramer the Fed should lower rates. They were WAY too early to raise, and Way too late to cut - and big dose quantitative tightening didn't exactly help either. Where did I find this guy Jerome? Oh well, you can't win them all!
05-Sep-2019 22:33:33	....that our economy is very strong. If the Fed would lower rates to where the bond market says they should be, then I really wouldn't worry about a recession." @jimcramer @JoeSquawk

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.0250 p.p.

03-Sep-2019 08:45:24	Germany, and so many other countries, have negative interest rates, "they get paid for loaning money," and our Federal Reserve fails to act! Remember, these are also our weak currency competitors!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0000 p.p.

30-Aug-2019 09:10:13	If the Fed would cut, we would have one of the biggest Stock Market increases in a long time. Badly run and weak companies are smartly blaming these small Tariffs instead of themselves for bad management...and who can really blame them for doing that? Excuses!
30-Aug-2019 08:55:41	The Euro is dropping against the Dollar "like crazy," giving them a big export and manufacturing advantage...and the Fed does NOTHING! Our Dollar is now the strongest in history. Sounds good, doesn't it? Except to those (manufacturers) that make product for sale outside the U.S.
30-Aug-2019 08:55:41	....We don't have a Tariff problem (we are reigning in bad and/or unfair players), we have a Fed problem. They don't have a clue!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0125 p.p.

29-Aug-2019 08:05:22	The Economy is doing GREAT, with tremendous upside potential! If the Fed would do what they should, we are a Rocket upward!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0000 p.p.

28-Aug-2019 09:36:41	Our Federal Reserve cannot "mentally" keep up with the competition - other countries. At the G-7 in France, all of the other Leaders were giddy about how low their Interest Costs have gone. Germany is actually "getting paid" to borrow money - ZERO INTEREST PLUS! No Clue Fed!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0000 p.p.

27-Aug-2019 11:37:59	The Federal Reserve loves watching our manufacturers struggle with their exports to the benefit of other parts of the world. Has anyone looked at what almost all other countries are doing to take advantage of the good old USA? Our Fed has been calling it wrong for too long!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.0500 p.p.

23-Aug-2019 09:40:56	As usual the Fed did NOTHING! It is incredible that they can "speak" without knowing or asking what I am doing, which will be announced shortly. We have a very strong dollar and a very weak Fed. I will work "brilliantly" with both and the U.S. will do great...
23-Aug-2019 09:57:40	....My only question is who is our bigger enemy, Jay Powell or Chairman Xi?
23-Aug-2019 08:01:33	Now the Fed can show their stuff!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0250 p.p.

22-Aug-2019 09:21:52	The Economy is doing really well. The Federal Reserve can easily make it Record Setting! The question is being asked, why are we paying much more in interest than Germany and certain other countries? Be early (for a change), not late. Let America win big, rather than just win!
22-Aug-2019 07:53:13	Germany sells 30 year bonds offering negative yields. Germany competes with the USA. Our Federal Reserve does not allow us to do what we must do. They put us at a disadvantage against our competition. Strong Dollar, No Inflation! They move like quicksand. Fight or go home!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0000 p.p.

21-Aug-2019 08:56:12	So Germany is paying Zero interest and is actually being paid to borrow money, while the U.S., a far stronger and more important credit, is paying interest and just stopped (I hope!) Quantitative Tightening. Strongest Dollar in History, very tough on exports. No Inflation!.....
21-Aug-2019 08:56:12	....WHERE IS THE FEDERAL RESERVE?
21-Aug-2019 07:52:27	Doing great with China and other Trade Deals. The only problem we have is Jay Powell and the Fed. He's like a golfer who can't putt, has no touch. Big U.S. growth if he does the right thing, BIG CUT - but don't count on him! So far he has called it wrong, and only let us down....
21-Aug-2019 07:52:27	.....We are competing with many countries that have a far lower interest rate, and we should be lower than them. Yesterday "highest Dollar in U.S.History." No inflation. Wake up Federal Reserve. Such growth potential, almost like never before!
21-Aug-2019 07:04:27	"The speed bump has been missteps by the Federal Reserve." @CharlesPayne2nd @foxandfriends So true!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0500 p.p.

19-Aug-2019 10:26:20	Our Economy is very strong, despite the horrendous lack of vision by Jay Powell and the Fed, but the Democrats are trying to "will" the Economy to be bad for purposes of the 2020 Election. Very Selfish! Our dollar is so strong that it is sadly hurting other parts of the world...
19-Aug-2019 10:26:20	.....The Fed Rate, over a fairly short period of time, should be reduced by at least 100 basis points, with perhaps some quantitative easing as well. If that happened, our Economy would be even better, and the World Economy would be greatly and quickly enhanced-good for everyone!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.0500 p.p.

15-Aug-2019 15:14:16	"If they don't get this Trade Deal with the U.S. done, China could have it first recession (or worse!) in years. There's disinvestment in China right now. Also, the Fed is too tight (I agree)." Steve Moore, Heritage Foundation

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.0625 p.p.

14-Aug-2019 14:21:05	We are winning, big time, against China. Companies & jobs are fleeing. Prices to us have not gone up, and in some cases, have come down. China is not our problem, though Hong Kong is not helping. Our problem is with the Fed. Raised too much & too fast. Now too slow to cut....
14-Aug-2019 14:21:05	..Spread is way too much as other countries say THANK YOU to clueless Jay Powell and the Federal Reserve. Germany, and many others, are playing the game! CRAZY INVERTED YIELD CURVE! We should easily be reaping big Rewards & Gains, but the Fed is holding us back. We will Win!
14-Aug-2019 12:14:50	The Great Charles Payne @cvpayne correctly stated that Fed Chair Jay Powell made TWO enormous mistakes. 1. When he said "mid cycle adjustment." 2. We're data dependent. "He did not do the right thing." I agree (to put it mildly!). @Varneyco
14-Aug-2019 10:39:31	"The Fed has got to do something! The Fed is the Central Bank of the United States not the Central Bank of the World." Mark Grant @Varneyco Correct! The Federal Reserve acted far too quickly, and now is very, very late. Too bad, so much to gain on the upside!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0375 p.p.

08-Aug-2019 09:38:16	As your President, one would think that I would be thrilled with our very strong dollar. I am not! The Fed's high interest rate level, in comparison to other countries, is keeping the dollar high, making it more difficult for our great manufacturers like Caterpillar, Boeing.....
08-Aug-2019 09:38:17	....John Deere, our car companies, & others to compete on a level playing field. With substantial Fed Cuts (there is no inflation) and no quantitative tightening, the dollar will make it possible for our companies to win against any competition. We have the greatest companies...
08-Aug-2019 09:38:17	....in the world there is nobody even close, but unfortunately the same cannot be said about our Federal Reserve. They have called it wrong at every step of the way, and we are still winning. Can you imagine what would happen if they actually called it right?

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.0625 p.p.

07-Aug-2019 07:46:22	"Three more Central Banks cut rates." Our problem is not China - We are stronger than ever, money is pouring into the U.S. while China is losing companies by the thousands to other countries, and their currency is under siege - Our problem is a Federal Reserve that is too.....
07-Aug-2019 07:46:23	....proud to admit their mistake of acting too fast and tightening too much (and that I was right!). They must Cut Rates bigger and faster, and stop their ridiculous quantitative tightening NOW. Yield curve is at too wide a margin, and no inflation! Incompetence is a.....
07-Aug-2019 07:46:24	....terrible thing to watch, especially when things could be taken care of sooo easily. We will WIN anyway, but it would be much easier if the Fed understood, which they don't, that we are competing against other countries, all of whom want to do well at our expense!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.1375 p.p.

05-Aug-2019 07:12:44	China dropped the price of their currency to an almost a historic low. It's called "currency manipulation." Are you listening Federal Reserve? This is a major violation which will greatly weaken China over time!

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: -0.1000 p.p.

31-Jul-2019 19:17:45	Experts stated that the Fed should not have tightened, and then waited too long to undo their mistake. James Bullard of St. Louis Fed said they waited too long to correct the mistake that they made last December. "Mistake, Powell cut rate and then he started talking." @LouDobbs

Upcoming FOMC meeting: 18-Sep-2019

Expectation revision: 0.0450 p.p.

31-Jul-2019 15:41:17	What the Market wanted to hear from Jay Powell and the Federal Reserve was that this was the beginning of a lengthy and aggressive rate-cutting cycle which would keep pace with China, The European Union and other countries around the world....
31-Jul-2019 15:41:18	....As usual, Powell let us down, but at least he is ending quantitative tightening, which shouldn't have started in the first place - no inflation. We are winning anyway, but I am certainly not getting much help from the Federal Reserve!

FOMC meeting day

Expectation revision: -0.0150 p.p.

29-Jul-2019 08:18:14	The Fed "raised" way too early and way too much. Their quantitative tightening was another big mistake. While our Country is doing very well, the potential wealth creation that was missed, especially when measured against our debt, is staggering. We are competing with other.....
29-Jul-2019 08:18:14	....countries that know how to play the game against the U.S. That's actually why the E.U. was formed....and for China, until now, the U.S. has been "easy pickens." The Fed has made all of the wrong moves. A small rate cut is not enough, but we will win anyway!
29-Jul-2019 06:48:54	The E.U. and China will further lower interest rates and pump money into their systems, making it much easier for their manufacturers to sell product. In the meantime, and with very low inflation, our Fed does nothing - and probably will do very little by comparison. Too bad!

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: 0.0000 p.p.

26-Jul-2019 09:40:26	Q2 GDP Up 2.1% Not bad considering we have the very heavy weight of the Federal Reserve anchor wrapped around our neck. Almost no inflation. USA is set to Zoom!

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: 0.0050 p.p.

22-Jul-2019 07:05:12	It is far more costly for the Federal Reserve to cut deeper if the economy actually does, in the future, turn down! Very inexpensive, in fact productive, to move now. The Fed raised & tightened far too much & too fast. In other words, they missed it (Big!). Don't miss it again!
22-Jul-2019 07:02:19	With almost no inflation, our Country is needlessly being forced to pay a MUCH higher interest rate than other countries only because of a very misguided Federal Reserve. In addition, Quantitative Tightening is continuing, making it harder for our Country to compete. As good.....
22-Jul-2019 07:02:20	....as we have done, it could have been soooo much better. Interest rate costs should have been much lower, & GDP & our Country's wealth accumulation much higher. Such a waste of time & money. Also, very unfair that other countries manipulate their currencies and pump money in!

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: 0.0850 p.p.

19-Jul-2019 08:42:16	....Fed: There is almost no inflation!
19-Jul-2019 08:38:21	I like New York Fed President John Williams first statement much better than his second. His first statement is 100% correct in that the Fed "raised" far too fast & too early. Also must stop with the crazy quantitative tightening. We are in a World competition & winning big...
19-Jul-2019 08:38:21	....but it is no thanks to the Federal Reserve. Had they not acted so fast and "so much," we would be doing even better than we are doing right now. This is our chance to build unparalleled wealth and success for the U.S., GROWTH, which would greatly reduce % debt. Don't blow it!
19-Jul-2019 07:43:05	Because of the faulty thought process we have going for us at the Federal Reserve, we pay much higher interest rates than countries that are no match for us economically. In other words, our interest costs are much higher than other countries, when they should be lower. Correct!

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: -0.0150 p.p.

14-Jul-2019 21:17:10	We are doing great Economically as a Country, Number One, despite the Fed's antiquated policy on rates and tightening. Much room to grow!

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: -0.0050 p.p.

03-Jul-2019 09:21:52	China and Europe playing big currency manipulation game and pumping money into their system in order to compete with USA. We should MATCH, or continue being the dummies who sit back and politely watch as other countries continue to play their games - as they have for many years!
02-Jul-2019 17:36:48	I am pleased to announce that it is my intention to nominate Judy Shelton, Ph. D., U.S. Executive Dir European Bank of Reconstruction & Development to be on the board of the Federal Reserve....
02-Jul-2019 17:08:29	I am pleased to announce that it is my intention to nominate Christopher Waller Ph. D., Executive VP and Director of Research, Federal Reserve Bank of St. Louis, Missouri, to be on the board of the Federal Reserve....

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: -0.0350 p.p.

24-Jun-2019 07:29:49	Despite a Federal Reserve that doesn't know what it is doing - raised rates far to fast (very low inflation other parts of world slowing, lowering & easing) & did large scale tightening, $50 Billion/month, we are on course to have one of the best Months of June in U.S. history..
24-Jun-2019 07:29:49	....Think of what it could have been if the Fed had gotten it right. Thousands of points higher on the Dow, and GDP in the 4's or even 5's. Now they stick, like a stubborn child, when we need rates cuts, & easing, to make up for what other countries are doing against us. Blew it!

Upcoming FOMC meeting: 31-Jul-2019

Expectation revision: 0.0068 p.p.

11-Jun-2019 07:10:26	The United States has VERY LOW INFLATION, a beautiful thing!
11-Jun-2019 07:08:30	This is because the Euro and other currencies are devalued against the dollar, putting the U.S. at a big disadvantage. The Fed Interest rate way to high, added to ridiculous quantitative tightening! They don't have a clue! https://t.co/0CpnUzJqB9

Upcoming FOMC meeting: 19-Jun-2019

Expectation revision: 0.0000 p.p.

14-May-2019 07:35:41	China will be pumping money into their system and probably reducing interest rates, as always, in order to make up for the business they are, and will be, losing. If the Federal Reserve ever did a "match," it would be game over, we win! In any event China wants a deal!

Upcoming FOMC meeting: 19-Jun-2019

Expectation revision: -0.0136 p.p.

10-May-2019 08:01:47	Great Consumer Price Index just out. Really good, very low inflation! We have a great chance to "really rock!" Good numbers all around.

Upcoming FOMC meeting: 19-Jun-2019

Expectation revision: 0.0000 p.p.

30-Apr-2019 12:56:57	China is adding great stimulus to its economy while at the same time keeping interest rates low. Our Federal Reserve has incessantly lifted interest rates, even though inflation is very low, and instituted a very big dose of quantitative tightening. We have the potential to go...
30-Apr-2019 13:05:02	....up like a rocket if we did some lowering of rates, like one point, and some quantitative easing. Yes, we are doing very well at 3.2% GDP, but with our wonderfully low inflation we could be setting major records &, at the same time, make our National Debt start to look small!

Upcoming FOMC meeting: 01-May-2019

Expectation revision: 0.0103 p.p.

22-Apr-2019 11:16:38	My friend Herman Cain, a truly wonderful man, has asked me not to nominate him for a seat on the Federal Reserve Board. I will respect his wishes. Herman is a great American who truly loves our Country!

Upcoming FOMC meeting: 01-May-2019

Expectation revision: 0.0000 p.p.

04-Apr-2019 07:01:15	Despite the unnecessary and destructive actions taken by the Fed, the Economy is looking very strong, the China and USMCA deals are moving along nicely, there is little or no Inflation, and USA optimism is very high!

Upcoming FOMC meeting: 01-May-2019

Expectation revision: -0.0052 p.p.

22-Mar-2019 11:47:33	It is my pleasure to announce that @StephenMoore, a very respected Economist, will be nominated to serve on the Fed Board. I have known Steve for a long time – and have no doubt he will be an outstanding choice!

Upcoming FOMC meeting: 01-May-2019

Expectation revision: 0.0000 p.p.

08-Jan-2019 07:01:15	Economic numbers looking REALLY good. Can you imagine if I had long term ZERO interest rates to play with like the past administration, rather than the rapidly raised normalized rates we have today. That would have been SO EASY! Still, markets up BIG since 2016 Election!

Upcoming FOMC meeting: 30-Jan-2019

Expectation revision: -0.0050 p.p.

24-Dec-2018 09:55:22	The only problem our economy has is the Fed. They don't have a feel for the Market, they don't understand necessary Trade Wars or Strong Dollars or even Democrat Shutdowns over Borders. The Fed is like a powerful golfer who can't score because he has no touch - he can't putt!

Upcoming FOMC meeting: 30-Jan-2019

Expectation revision: 0.0000 p.p.

18-Dec-2018 06:13:24	I hope the people over at the Fed will read today's Wall Street Journal Editorial before they make yet another mistake. Also, don't let the market become any more illiquid than it already is. Stop with the 50 B's. Feel the market, don't just go by meaningless numbers. Good luck!

Upcoming FOMC meeting: 19-Dec-2018

Expectation revision: -0.0129 p.p.

17-Dec-2018 07:27:16	It is incredible that with a very strong dollar and virtually no inflation, the outside world blowing up around us, Paris is burning and China way down, the Fed is even considering yet another interest rate hike. Take the Victory!

Upcoming FOMC meeting: 19-Dec-2018

Expectation revision: 0.0000 p.p.

30-Oct-2018 07:53:03	"If the Fed backs off and starts talking a little more Dovish, I think we're going to be right back to our 2800 to 2900 target range that we've had for the S&P 500." Scott Wren, Wells Fargo.

Upcoming FOMC meeting: 08-Nov-2018

Expectation revision: -0.0052 p.p.

20-Jul-2018 07:43:05	China the European Union and others have been manipulating their currencies and interest rates lower, while the U.S. is raising rates while the dollars gets stronger and stronger with each passing day - taking away our big competitive edge. As usual, not a level playing field...
20-Jul-2018 07:51:45	....The United States should not be penalized because we are doing so well. Tightening now hurts all that we have done. The U.S. should be allowed to recapture what was lost due to illegal currency manipulation and BAD Trade Deals. Debt coming due & we are raising rates - Really?

Upcoming FOMC meeting: 01-Aug-2018

Expectation revision: 0.0000 p.p.

16-Apr-2018 07:31:02	Russia and China are playing the Currency Devaluation game as the U.S. keeps raising interest rates. Not acceptable!

Upcoming FOMC meeting: 02-May-2018

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