



## Weekly Economic News & Updates

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### FOMC

Can a leopard change its spots? Ancient prophesy tells us no, but those ancient prophets didn't know Jerome Powell. As a participant in a panel discussion sponsored by the American Finance Association on January 9, 2017, Mr. Powell proclaimed "it is not the Fed's job to stop people from losing, or making, money." That was before he replaced Janet Yellen at the head of the big, shiny table and before violent market volatility reared its ugly head at the end of 2018. Readers of the recently released minutes of the FOMC's January meeting might reasonably conclude that, as Chairman, Mr. Powell has changed his tune; or rather, his spots.

The tough love toward markets and their participants that previously characterized Chairman Powell's rhetoric has demonstrably shifted toward a startling sensitivity to the prices of financial assets and the degree to which those prices can be affected by monetary policy. Perhaps more startling is the sense that this is a revelation to the experienced central banker.

### A Look at the Fed Minutes

There were no surprises from the Federal Reserve's Board of Governors, who released the transcript from their January meeting on Tuesday. Investors pore over the meeting minutes looking for clues about the Fed's next move on short-term interest rates.

Fed policymakers appeared split on what might be next. Some felt another rate hike was needed to help slow the strong economy, while others favored a "wait-and-see" approach.

### Home Sales Slump

In January, existing home sales were at their slowest pace since November 2015 and down 8.5% year-over-year. One factor: rising home values. Last month, the median single-family home sale price was \$247,500, almost \$7,000 higher than a year ago.

Mortgage rates have now fallen for three consecutive weeks, a development that may influence home buying decisions in coming months. Thursday, a Freddie Mac survey found the average interest rate on a 30-year, fixed-rate loan at just 4.35%. (A 30-year, fixed-rate mortgage is a conventional home loan meeting the lending requirements of Fannie Mae and Freddie Mac, but it is not guaranteed or insured by any government agency.)

### FINAL THOUGHT

The Dow Jones and Nasdaq have posted gains for nine straight weeks and are now at levels unseen since early November. Concerns over volatility have decreased, but that does not mean it is off the table. Whatever the market does in the coming weeks and months, remember your investing strategy should be based on your goals, risk tolerance, and time horizon.

### WEEKLY QUOTE

*"Discipline is the bridge between goals and accomplishment."*

JIM ROHN

### WEEKLY TIP

Many companies that sponsor employee retirement plans offer **matching contributions**, sometimes even dollar for dollar. If your employer will match, make sure you **contribute enough** to get it. The match amounts to free money.

### WEEKLY RIDDLE

*I can **point** in every direction, but I cannot **reach** a destination by **myself**. What am I?*

### Last week's answer:

*She was born in the southern hemisphere, which experiences summer during our winter.*

Sources: MarektingPro, Financial Strategies Group, The Baker Group, w.sj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

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