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Data, talk about the economy both unhelpful

Many Federal Reserve officials spoke last week. Several economic indicators combined to offer a slew of data. None of it changed enough—if at all—to alter forecasts of how the Federal Open Market Committee might vote Nov. 7. The ballots for the general election two days earlier might not matter much to policymakers, as its impact won't be felt for some time, let alone decided.

The state of the U.S. economy means more to the Fed than politics, anyway, and that has been difficult to gauge recently. The labor market has confirmed its positive inflection was not a fluke, with weekly jobless claims at 227,000. Consumer sentiment, durable goods orders, new home sales and purchasing managers data changed little from previous reports—which is to say warm, rather than boiling. It was the latter that last month triggered investor projections of considerable easing of 75 basis-points by year-end 2024. But markets now anticipate the Fed to cut the fed funds rate at most twice, and of a magnitude of only 25 basis points.

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