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Steady as she goes

The Federal Reserve's penultimate monetary-policy meeting concludes Wednesday. If any officials thought last week would help to sway their vote, they were probably disappointed.

While a dip in pending home sales suggests the US housing market might be worsening, other reports were status quo. The University of Michigan sentiment index did not budge, the Conference Board's Leading Indicators Index was steady and jobless claims continued in a tight range.

When policymakers include these reports with earlier data showing moderate gross domestic product growth, healthy labor statistics and decent retail sales, they might view a rate hike as necessary this week to cool the US economy. But they also might want to judge the effect September's hike is having. If that is the case, they might push a hike to December. For what it is worth, their September Summary of Economic Projections indicated another hike could happen this year. We will find out shortly.

Views are as of the date above and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.

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