



Weekly Commentary

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Not this again

In Donald Trump's first presidential term, he did an about-face on his opinion of Jerome Powell. In late 2017, Trump nominated Powell to succeed Janet Yellen as chair of the Federal Reserve. But not long after, the president began to criticize and threaten to fire him—the latter not legally possible unless Congress passes a new law allowing it.

Last Thursday, Trump lashed out at Powell again, saying on social media that: "Jerome Powell of the Fed, who is always TOO LATE AND WRONG, yesterday issued a report which was another, and typical, complete mess!" The post was in response to Powell's claims that Trump's trade war will almost certainly raise the inflation rate, at least temporarily.

Trump's outburst referenced his belief that the Fed should lower interest rates, in part because other central banks are doing just that. In fact, later that day, the European Central Bank cut its benchmark rate.

Powell has the chair until May of 2026 and has made clear he will not resign, so unless Trump finds a way to fire him, expect more fireworks.

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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