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Weekly Commentary

Are we having fun yet?

These days, Federal Reserve Chair Jerome Powell can't win for losing. The economy, in his mind, is too solid to justify cutting rates but President Trump continues to publicly insist upon it. Lately others have piled on. Most are allied with the administration, but one is a voting member of the Federal Open Market Committee (FOMC). Governor Christopher Waller recently said he would vote for lowering the fed funds target range at the FOMC meeting at the end of July.

The situation got worse for Powell last week when the Wall Street Journal reported Trump might take a path, we knew was possible: naming the person he will appoint to succeed the Fed chair far earlier than is typical. The newspaper floated Waller, Fed Governor Kevin Warsh, National Economic Council director Kevin Hassett, Treasury Secretary Scott Bessent and former World Bank President David Malpass. That's a lot of names, though. By the time it is sorted out, it already might be time to announce the nominee.

Few who lead a central bank probably consider it "fun," but Powell can't possibly like his job much now.

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