

Federal Open Market Committee Report

Ben Bernanke:

In its policy statement released earlier today, the Committee announced, first, that it is maintaining its existing policy of reinvesting principal payments from its security holdings; and second, that it will complete its planned purchases of six hundred billion dollars of longer-term Treasury securities by the end of the current quarter. Of course, going forward, the Committee will regularly review the size and composition of its securities holdings in light of incoming information and is prepared to adjust those holdings as needed to meet the Federal Reserve's mandate. The Committee made no change today in the target range for the federal funds rate, which remains at zero to one-fourth percent.

Ben Bernanke:

Looking ahead, Committee participants expect a moderate recovery to continue through 2011, with some acceleration of growth projected for 2012 and 2013. Specifically, as the table shows, participants' projections for output growth have a central tendency of 3.1 to 3.3 percent for this year but rise to 3.5 to 4.2 percent in 2012 and about the same in 2013.

Ben Bernanke:

And our view is that, um, most likely, and of course we don't know for sure, but we'll be watching carefully, our view is that gas prices, uh, will not continue to rise at the recent pace. And as they stabilize or even come down if-if the situation stabilizes in the Middle East, that that will provide some relief on the inflation front, but we'll have to watch it very carefully.

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