

# **Economic Commentary**

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## **Fed Monetary Policy Meeting Tomorrow: Fed Expected to Leave Rates Unchanged at 1.25%**

Tomorrow morning the Federal Reserve's FOMC committee will conclude its two-day deliberations by announcing its latest position on the direction of monetary policy. The Fed is not expected to make any changes in the rate or the policy bias, which weighs the risks between recession and inflation. With the impending war with Iraq in the background the fed would rather postpone any changes until after the geopolitical crisis has cleared up and the economy shows more definite signs of its direction.

In the meantime, geopolitical uncertainties are weighing heavily on the US and global economy with consumer confidence in the US recording new lows not seen since November 1993 levels and global equity markets sliding toward the lows recorded last fall.

The announcement is expected tomorrow Wednesday at 2:15 PM. The next FOMC meeting is scheduled for March 18th while the next BOC meeting is scheduled for March 4th.

Kenneth Matziorinis, Ph.D.  
**Canbek Economic Consultants Inc.**