

June 19, 2013 Chairman Bernanke's Press Conference

Bernanke vertelt in central bankierstaal dat hij op dit moment maandelijks \$85 miljard print....

The second policy tool being employed by the Committee is asset purchases. Specifically, the Committee has been purchasing 40 billion dollars per month in agency mortgage-backed securities and 45 billion dollars per month in Treasury securities.

...en dat hij daar nu geen verandering in aanbrengt

When our program of asset purchases was initiated last September, the Committee stated the goal of promoting a substantial improvement in the outlook for the labor market in a context of price stability, and noted it would also be taking appropriate account of the efficacy and costs of the program. Today the Committee made no changes to the purchase program.

Although the Committee left the pace of purchases unchanged at today's meeting, it has stated that it may vary the pace of purchases as economic conditions evolve. Any such change will reflect the incoming data and their implications for the outlook, as well as the cumulative progress made toward the Committee's objectives since the program began in September.

Bernanke geeft aan dat hij een verbeterende economie verwacht

Going forward, the economic outcomes that the Committee sees as most likely involve continuing gains, supported by moderate growth that picks up over the next several quarters as the near-term restraint from fiscal policy and other headwinds diminishes. We also see inflation moving back toward our 2 percent objective over time.

Als hij daarin gelijk krijgt, dan gaat het maandelijks te printen bedrag omlaag

If the incoming data are broadly consistent with this forecast, the Committee currently anticipates that it would be appropriate to moderate the monthly pace of purchases later this year; and if the subsequent data remain broadly aligned with our current expectations for the economy, we would continue to reduce the pace of purchases in measured steps through the first half of next year, ending purchases around midyear. **De Fed heeft echter nog nooit iets goed voorspeld.**

In this scenario, when asset purchases ultimately come to an end, the unemployment rate would likely be in the vicinity of 7 percent, with solid economic growth supporting further job gains, a substantial improvement from the 8.1 percent unemployment rate that prevailed when the Committee announced this program.

Bernanke houdt de bekende "slag om de arm"

I would like to emphasize once more the point that our policy is in no way predetermined and will depend on the incoming data and the evolution of the outlook, as well as on the cumulative progress toward our objectives. If conditions improve faster than expected, the pace of asset purchases could be reduced somewhat more quickly.

If the outlook becomes less favorable, on the other hand, or if financial conditions are judged to be inconsistent with further progress in the labor markets, reductions in the pace of purchases could be delayed; indeed, should it be needed, the Committee would be

prepared to employ all of its tools, including an increase in the pace of purchases for a time, to promote a return to maximum employment in a context of price stability.

Bernanke benadrukt dat hij bij een verbeterende economie alleen het gaspedaal iets omhoog zal laten komen. Maar dat hij niet op de rem gaat staan.

It's also worth noting here that, even if a modest reduction in the pace of asset purchases occurs, we would not be shrinking the Federal Reserve's portfolio of securities but only slowing the pace at which we are adding to the portfolio, while continuing to reinvest principal payments and proceeds from maturing holdings as well.

These large and growing holdings will continue to put downward pressure on longer-term interest rates. To use the analogy of driving an automobile, any slowing in the pace of purchases will be a kin to letting up a bit on the gas pedal as the car picks up speed, not to beginning to apply the brakes.

I will close by drawing again the important distinction between the Committee's decisions about adjusting the pace of asset purchases and its forward guidance regarding the target for the federal funds rate. As I mentioned, the current level of the federal funds rate target is likely to remain appropriate for a considerable period after asset purchases are concluded.

Bernanke benadrukt dat hij alleen minder geld zal printen als de economie daadwerkelijk verbetert

To return to the driving analogy, if the incoming data support the view that the economy is able to sustain a reasonable cruising speed, we will ease the pressure on the accelerator by gradually reducing the pace of purchases. However, any need to consider applying the brakes by raising short-term rates is still far in the future.

In any case, no matter how conditions may evolve, the Federal Reserve remains committed to fostering substantial improvement in the outlook for the labor market in a context of price stability.

Jack's conclusie

AL BIJ AL HEEFT BERNANKE EIGENLIJK NIETS GEKS GEZEGD!

Het enige wat je opvallend zou kunnen noemen is dat Bernanke, na er zoveel keren naast te hebben gezeten, nog steeds het lef heeft om met een stalen gezicht een voorspelling over de economie te doen. Maar ook dat is geen verrassing.