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Rates and dates - The Fed likely to hold off - by David Kirk

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David Kirk

After the Wednesday May 1st Federal Open Market Committee (FOMC) meeting chairman Powell delivered what was characterized as a dovish announcement. Some pundits called this one the first dovish announcements by chairman Powell, for that matter, also any of the members serving on the FOMC under his leadership. Who is counting. Speculation on 2024 dates and rates subsided. Almost, more certainty than previously, and improving certainty can be a positive trend, without a cut! And the global economy is trending positively too. Currency is a burden...to our trading partners and recovering economies.

Patterns of usage, utility and demand are strengthening. Absorption and pricing are flexing. Online dating and rate setting can inform better matches. Successful resilience is measured by occupancy and operating performance. Finding the new normal, interest rate included, is a bit of a party game without rules or end. A normal interest rate hangs on sky hooks, perceived to be 2% or so, like inflation. Upward adjustment in the normal interest rate, appears justified based current rates and trends. Inflation, too. Some games can be illuminating and provide a random dynamic that eludes the random numbers. Some so shadowy that the gaming exercise is meaningless.

Taking turns, for instance, is not real world. Simultaneous activity is a given. Rates or dates keep moving and patterns, like patterns from multiple regression analysis, can be informative, not reliably productive or predictive. What ifs help.

Do not use dynamite to change the weather. Prepare for change as much as possible, as reasonable. The commercial real estate sector has better numbers than the Fed, and is preparing for the changing weather as much as possible, and as reasonable. And the Fed is using combustibles.

War gaming can effectuate better decisions or better reasoning, or better strategies for achieving targets. Collateral damage is not as serious as roadkill or unintended consequences as the economy passes over this traumatic jolt in rate setting.

Spring is the season for growth and blooming, without foreboding weather storming across the nation. Better things happen in the spring season in our nation. Outlook. Cleaning. Get your share!

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