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## You never know

Ever since Federal Reserve Chair Jerome Powell established that a press conference will take place after every Federal Open Market Committee (FOMC) meeting, there's a chance something unexpected will turn up. There's simply more chance for a slip of the tongue or even more details spooking the markets. But the likelihood is low that we will learn much from the meeting this week—especially as there will not be a release of a new Summary of Economic Projections or dot plot.

Markets will probably hear the same tune as the last FOMC statement: a robust recovery continues, inflation has increased but won't be sticky, the delta variant of Covid-19 is troubling, and the tapering discussion is beginning but the employment picture has not improved enough.

The only other news in a slow period is that the federal debt limit will be reestablished Aug. 1 after being suspended for two years. This won't have any immediate ramifications as the U.S. Treasury has much cash on hand and other ways to cover its bills. Also, overnight trading continues to be smoother since the Fed raised the rate on the reverse repo facility, with repo trading at or slightly above 5 basis points.