

Central bank signals caution as economic pressures persist

Federal Reserve Chair Jerome Powell stated this week that the U.S. central bank cannot afford to ignore the risk of higher inflation, even as price growth has moderated in recent months. Speaking at a financial policy forum, Powell emphasized the need for continued vigilance and data-driven decisions.

While recent indicators show some easing in consumer prices, Powell noted that underlying pressures — including wage growth and global supply chain shifts — could reignite inflation. The Fed remains committed to its 2% target and will adjust interest rates as needed to maintain price stability.

***“We are prepared to respond if inflation threatens to accelerate again,”
Powell said.***