

Government limits USD => USD value increase ?

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[Motaz Abu Gharbia](#) · 3 days ago

I heard today in the news that USA government is boosting interest rate, and limiting dollar. Does this mean that USD value will increase ?

What data is needed to know estimation of the value of the increase or decrease in USD ?

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[Kevin](#) · 3 days ago

Well, less money in circulation means the money left is more rare, more scarce, therefore more valuable.

However, if it will affect the actual value when it happens does not seem predictable. If people already anticipated it, then the value has already changed, probably before the interest rates actually changed. Human nature is involved. As well as the differences in the quality of information that people have.

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[Motaz Abu Gharbia](#) · 3 days ago

aha,, by people effect you mean demand versus price, just like any other product, right ?

ie: Gov limits (or intend to limit) dollar => people expect dollar value to increase so they buy more dollars. Wont this raise the dollar value even more ?

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Yao Yao · 2 days ago 





just curious, boosting interest rate and limiting dollar means contractionary monetary policy. Shouldn't US be stimulating economy nowadays?

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