

ECONOMY

# Fed's Clarida Says Central Bank Will 'Act as Appropriate' to Sustain Growth

Vice chairman says U.S. economy 'confronts some evident risks'; investors expect a third interest-rate cut at the rate-setting committee's Oct. 29-30 meeting



Richard Clarida, vice chairman of the U.S. Federal Reserve, in June PHOTO: AL DRAGO/BLOOMBERG NEWS

*By Nick Timiraos*

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Federal Reserve Vice Chairman Richard Clarida said the central bank's rate cuts in July and September provided a "somewhat more accommodative policy" in response to rising risks to growth, and the Fed would approach future policy decisions on a meeting-by-meeting basis.

Mr. Clarida, speaking in Boston on Friday, was among the final central bank speakers to make public comments ahead of the Fed's customary premeeting quiet period that begins on Saturday.

Investors in interest-rate futures markets have maintained strong expectations of a third interest-rate cut at the rate-setting committee's Oct. 29-30 policy meeting, in part because Fed officials have done little to dispel those expectations.

"Monetary policy is not on a preset course, and the committee will proceed on a meeting-by-meeting basis to assess the economic outlook as well as the risks to the outlook," Mr. Clarida said

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remarks.  
“It will act  
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growth, a  
strong

labor market, and a return of inflation to our symmetric 2% objective.”

Mr. Clarida described the baseline economic outlook for the economy as a favorable one. “The U.S. economy is in a good place,” he said, but he noted that it confronts “some evident risks,” including a drop in business investment, weaker manufacturing activity, and global disinflationary pressures.

Mr. Clarida said there was no evidence that stronger labor markets were fueling excessive pressures on U.S. inflation, which “remains muted,” he said.

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