



# **Rodney's Take**

July 15, 2024

## **The Fed Is Talking: Are You Listening?**

Fed Chair Jay Powell says the Fed is getting closer to lowering rates. He'll be speaking today. Oracle of the Federal Reserve Nick Timiraos of the *Wall Street Journal* recently reported that the Fed was looking to change rates sooner rather than later.

I've said it before and have yet to change my mind: if the central bankers say something about what they intend to do, it's a good idea to listen. Recent reports have put inflation closer to the Fed's 2% goal. That's little consolation to those of us whose grocery bills have gone up, but it's something. It's all a bit of a game, though. The real rise in inflation is in things like car, medical, and home insurance.

While we've gotten some relief on gas prices (at least those of us who didn't have to get out of town or run a generator after Hurricane Beryl), areas like insurance not only haven't come down in price, they keep rising.

But if the Fed thinks inflation is down, it's still going to affect rates. They could move downward this month; if not, rates could drop in September.

Keep that in mind as you ponder this question: If you knew you had to go outside in the rain, would you leave your umbrella in the closet or drag it out, make sure it was in good working order, and open it up after stepping outside? It's the same idea with your investments. The Fed says it's likely to rain. Your job is to get your investments into working order and step out. Remember, the Fed does not talk about the economic weather for a couple of

weeks at a time. We likely just reached the high in short-term rates for years and we should invest as if rates will work their way lower at least through 2025.

*It's the end of an era! Except for special occasions, this is likely my last Rodney's Take. I have so much more to say, but my health and my neuro-oncologist tell me that's not possible. My lovely wife has worked with me for the past year and kept me going long past when I should have not have been able to continue. I thank all of you for reading. I remain in debt to my lovely wife for helping and, of course, Harry for steering the ship for decades.*

Rodney

Got a question or comment? You can contact us at [info@hsdent.com](mailto:info@hsdent.com)