

Source: [Atom8 Forex Broker \(Review and Forex Cashback\)](#) Today the Federal Open Markets Committee begins a two day meeting in Washington, concluding with an announcement at 19:00 on 17th September, followed by a press conference chaired by Janet Yellen. The stakes are high and the global financial markets wait with bated breath. [The members have a tough decision to make, should they raise rates for the first time since June 2006?](#) Larry Summer, the 71st Secretary of the Treasury for President Clinton and Director of the National Economic Council for President Obama has stated in his blog that in the last 20 years the Fed has never tightened without guiding the futures market to at least a 70 percent chance of a tightening. Right now the Fed Funds futures market is assigning only a 28 percent chance of a September tightening. There is a more centrist view, held by John Williams the San Francisco Fed President that low interest rates are sending out the wrong signal. They indicate that a crisis going on, when reality is very different. The labour markets have improved the economy is getting back on track and the correct signal is to raise rates. However the recent turbulence may make the members cautious. What options are available? Do they raise rates and say they will not do so again until the inflation mandate is met or do they continue to be data dependent and give further hints as to when lift off will happen. We believe the press conference will give us a larger clue as to the normalisation process and prefer to be long volatility as the Fed seeks to explain how it's mandate of maximum employment, stable

prices and moderate long term interest rates will be achieved.