

BANKING/ FINANCE

Powell Opens Door to July Rate Cut Amid Trump Uncertainty

by Rich Miller and Christopher Condon

Former Federal Reserve Chairman Alan Greenspan once remarked that uncertainty is the “defining characteristic” of monetary policy – and he never had to deal with President Donald Trump.

In a reversal of monetary policy, current Fed chief Jerome Powell on Wednesday opened the door to an interest rate cut as early as next month.

He made clear that uncertainty — primarily about the president’s trade battles and their potentially corrosive impact on the U.S. and other economies — was a major factor behind the shift, along with weaker-than-wanted inflation.

“While the baseline outlook remains favorable, the question is whether these uncertainties will continue to weigh on the outlook and thus call for additional monetary policy accommodation,” he told reporters after the Fed left rates unchanged.

Those uncertainties may not lift any time soon. While Trump is slated to meet Chinese President Xi Jinping later this month at the G-20 summit in Japan to discuss their ongoing trade war, the president’s proclivity to abruptly shift his tariff strategy could keep corporate decision makers on edge for a while. It’s also put the European Central Bank on alert for a potential easing of its monetary policy.

The trade tensions “are undercutting confidence and that is slowly spreading throughout the economy,” said Ethan Harris, head of global economics research at Bank of America Merrill Lynch. “The tariff termites are chewing quietly under the surface.”

Trump, for his part, has been far from quiet. He’s repeatedly criticized Powell and the Fed for keeping credit too tight and complained that the central bank is undercutting efforts to win his battles with China and other trading partners.

The president asked White House lawyers earlier this year to explore options for removing Powell as Fed chairman, and Trump told confidants as recently as Wednesday that he believes he has the authority to replace him, Bloomberg reported this week.

Powell, who’s vowed to protect the Fed’s independence, said on Wednesday that he expects to get a clearer a read on whether the economy needs easier credit “in the very near term.” He also refused to rule out the possibility of a half percentage point reduction.

“That’s just something we haven’t really engaged with yet,” he said when asked about a 25 or 50 basis point move. “It will depend very heavily on incoming data and the evolving risk picture as we move forward.”

“You can’t rule out a 50 basis point move in July,” said John Herrmann, director of U.S. rate strategy at MUFG Securities Americas. “He sounded at least willing to entertain the idea, which is more aggressive than markets were thinking.”



RICK KOPSTEIN

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Goldman Sachs Group Inc. now expects the Fed to cut by 25 basis points in both July and September and isn’t ruling out the possibility of a move of 50 basis points “if the news flow disappears.” The need to get ahead of the bond market could be another reason to push Fed officials toward a bigger reduction, economists, including Jan Hatzius, wrote in a note.

The Fed’s statement Wednesday and Powell’s remarks in the subsequent press conference were well received by investors, with both stock and bond prices rising. Markets have sometimes expressed disappointment at Powell’s communications.

The Fed can afford to be aggressive because inflationary pressures are muted. Indeed, Powell suggested that sluggish price pressures could be a reason on their own for the central bank to reduce rates.

“We are well aware that inflation weakness that persists even in a healthy economy could precipitate a difficult-to-arrest downward drift in longer run inflation expectations,” he said.

The Fed has failed to convincingly hit its 2% inflation objective since 2012. What’s more, inflation expectations, particularly in financial markets, have fallen recently and Fed officials themselves marked down their forecast of price rises this year, to 1.5%, from 1.8% in March.

Powell also suggested that the labor markets might not yet be tight enough to generate the sort of the wage-driven rise in inflation that the Fed is seeking.

While salaries are increasing, they’re not growing “at a pace that would provide much upward impetus to inflation,” he said.

That’s despite the fact unemployment is near a half-century low of 3.6%.

Rich Miller and Christopher Condon report for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **Zoning Workshop** on **Thursday, June 27, 2019 at 6:00 PM**. This meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53 Terrace, Doral, FL 33166** to consider the following public hearing application:

HEARING NO.: 19-6-DOR-08

APPLICANT: Flightway Sixteen, LLC (the “Applicant”)

PROJECT NAME: Flightway Sixteen, LLC

PROJECT OWNER: Flightway Sixteen, LLC

LOCATION: 6371 NW 102 Avenue, Doral, FL 33178

FOLIO NUMBER: 35-3017-001-0645

SIZE OF PROPERTY: 4.73± Acres

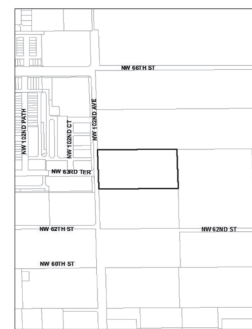
PRESENT LAND USE: Industrial

PRESENT ZONING: Industrial Commercial (IC) District

REQUEST: The Applicant is proposing to develop a vacant property into a multi-tenant warehouse building consisting of twelve units totaling 100,056 square feet. The 100,056 total square feet will be broken down as follows: 19,672 square feet of office space and 80,384 square feet will be warehouse space.

LEGAL DESCRIPTION: West ½ of Tract 62, of “Florida Fruit Lands Company’s Subdivision No. 1”, In Section 17, Township 53 South, Range 40 East, according to the Plat, thereof as recorded in Plat Book 2, at Page 17, of the Public Records of Miami-Dade County, Florida.

Location Map



ZONING WORKSHOP PROCESS: The zoning workshop consists of two sessions:

1. **First Session.** The first session of a zoning workshop shall provide a forum for members of the public to learn about proposed developments within the city. Developments may be presented to the public simultaneously, in several locations within the meeting site. During this session, members of the public are encouraged to ask questions and to provide feedback to the applicant about the proposed development. The applicant shall provide visual depictions, such as renderings, drawings, pictures, and the location of the proposed development. In addition, representatives of the applicant shall be available to answer questions that members of the public may have about the proposed development. The members of the City Council shall not be present during the first session of the zoning workshop. No meeting shall start before 6:00 PM Eastern Standard Time and shall take place at a time and date to maximize public participation.

2. **Second Session.** The second session of a zoning workshop shall provide a forum for the City Council to learn about the proposed developments discussed at the first session of the zoning workshop. No quorum requirement shall apply. Developments shall be presented by the applicants sequentially, one at a time, for the City Council’s review and comment. The applicant shall again present visual depictions of the proposed development. In addition, the applicant shall be available to answer any questions that members of the City Council may have about the proposed development.

No quorum requirement shall apply nor will any vote on any project be taken, but roll call will be taken, as it is a publicly noticed meeting.

Information relating to this request is on file and may be examined in the City of Doral, Planning and Zoning Department located at **8401 NW 53rd Terrace, Doral, FL 33166**. All persons are invited to appear at this meeting or be represented by an agent, or to express their views in writing addressed to the City Clerk, **8401 NW 53rd Terrace, Doral, FL 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Any persons wishing to speak at a public hearing should register with the City Clerk prior to that item being heard. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

NOTE: If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide translation services during the zoning application process or during any quasi-judicial proceeding.

NOTA: Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento o durante el proceso de solicitudes de zonificación.

Connie Diaz, MMC

City Clerk

City of Doral

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