



Federal Reserve Raises Interest Rates 25 Basis Points Amid Banking Crisis

Description

USA: The Federal Reserve on Wednesday raised interest rates another 25 basis points – or 0.25% – amid the banking crisis.

“Inflation pressures continue to run high,” Fed Chair Jerome Powell said. “The process of getting inflation back down to 2% has a long way to go.”

CNBC reported:

The Federal Reserve raised interest rates by a quarter of a percentage point, bringing the benchmark funds rate to 5% to 5.25%. In its post-meeting statement, the central bank appeared to soften its language on future rate increases, removing a line on “additional policy firming.” In his press conference, however, Chair Jerome Powell noted that the policy-setting committee thinks it will take time for inflation to come down and it would not be appropriate to cut rates.

The banking crisis stems from the Federal Reserve’s decision to hike interest rates seven times in 2022 to fight Bidenflation.

However, Americans are *still* getting crushed by Joe Biden’s inflation crisis.

The Federal Reserve has raised interest rates 10 times for a total of 525 basis points since last year – 7 times in 2022 and 3 times in 2023 – in an effort to hedge inflation.

It’s not working.

Inflation rates are **STILL** high.

The higher interest rates are now posing a problem for the banking sector and the real estate market.

Silicon Valley Bank, Signature Bank and First Republic Bank collapsed this year after depositors

withdrew billions of dollars from the lending institutions.

Regional bank stocks are also getting hammered amid fears of contagion.

PacWest Bancorp's stock plunged in after hours trading on Wednesday amid sale rumors.

30-year fixed rates mortgages are over 7.5% and housing prices are plunging.

Today's 1/4 point [#Fed](#) rate hike, basically another price increase, won't do anything to subdue [#inflation](#). Consumer prices still have a long way to rise due to past QE and will rise even further as a result of future QE as the Fed soon responds to a worsening financial crisis.

— Peter Schiff (@PeterSchiff) [May 3, 2023](#)

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