



S&P 500 and Nasdaq Reach New Record Highs as Inflation Eases and Fed Optimistic About the Future

Description

A positive surprise in inflation data just before the Federal Reserve's latest policy announcement has economists feeling upbeat about what Chair Jerome Powell might say. The Consumer Price Index for May revealed the smallest yearly increase in consumer prices since July 2022, which was lower than economists had predicted.

JPMorgan's chief US economist, Michael Feroli, believes that these unexpected results could influence the Fed's future interest rate decisions. He suggests that the "dot plot," which outlines policymakers' predictions for interest rates, may show a higher likelihood of two rate cuts this year based on the new data.

Feroli also anticipates that the Fed might revise its statement regarding progress towards the 2 percent inflation target, given the recent positive inflation numbers. Other economists, like Neil Dutta from Renaissance Macro, argue that with the rise in unemployment and easing core inflation, it may be time for the Fed to consider cutting interest rates to support the labor market.

Dutta emphasizes the need for a recalibration of monetary policy in light of the changing economic conditions. With unemployment up and core inflation down, many experts agree that the Fed should take action sooner rather than later to mitigate any potential negative impacts on the economy.

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Vocabulary List:

1. **Inflation** // (noun): The rate at which the general level of prices for goods and services rises causing purchasing power to fall.
2. **Economists** // (noun): Experts who study the production distribution and consumption of goods and services.
3. **Policy** // (noun): A course or principle of action adopted or proposed by an organization or individual.
4. **Interest Rate** // (noun): The amount charged expressed as a percentage of principal by a lender to a borrower for the use of assets.
5. **Unemployment** // (noun): The state of being without a job typically measured as a percentage of the workforce.
6. **Inflation Target** // (noun): A desired inflation rate that a central bank or other monetary authority aims to achieve.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is the process of obtaining or buying something?
Option: Expand
Option: Resilience
Option: Acquire
Option: Regulatory
2. Which term means to protect or guard against an attack or criticism?
Option: Institutional
Option: Dependable
Option: Defend
Option: Scandal
3. What process confirms that a product or service meets certain requirements or standards?
Option: Importation
Option: Forced Labor
Option: Allegations
Option: Certification
4. Which economic factor represents the percentage charged for borrowing money?
Option: Inflation Target
Option: Policy
Option: Unemployment



Option: Interest Rate

5. What term refers to the act of bringing in goods from another country?

Option: Components

Option: Importation

Option: Forced Labor

Option: Denouncing

6. Which economic concept describes a general increase in prices and fall in the purchasing value of money?

Option: Accuser

Option: Clarify

Option: Inflation

Option: Economists

7. What term is used to describe assertions or accusations that someone has done something illegal or wrong without proof?

Option: Criticizing

Option: Innocence

Option: Bouquet

Option: Allegations

8. What term refers to a course of action adopted or proposed by an organization or individual?

Option: Accusing

Option: Inflation Target

Option: Policy

Option: Viral

9. Who is a person or thing that influences someone or something?

Option: Accusations

Option: Influencer

Option: Forced Labor

Option: Denouncing

10. What term describes the ability to withstand or recover from difficult conditions?

Option: Regulatory

Option: Resilience

Option: Acquire

Option: Expand

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. The _____ industry deals with the design development manufacturing marketing and



selling of motor vehicles.

12. The company issued a statement _____ the use of forced labor in their supply chain.
13. The article was harsh in _____ the government's handling of the crisis.
14. The suspect maintained his _____ throughout the investigation and trial.
15. The new product release created a _____ among consumers leading to long queues at stores.
16. It is important to consider the _____ in which a statement was made to fully understand its meaning.
17. The authorities received numerous _____ regarding the company's environmental practices.
18. The political _____ rocked the nation and led to several resignations.
19. The company was accused of using _____ in its overseas factories.
20. The opposition party kept _____ the government of corruption.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. Customers value products that are trustworthy and reliable.
22. Government agencies play a crucial role in setting and enforcing industry standards.
23. The meme spread rapidly across social media platforms and became a sensation overnight.
24. The spokesperson held a press conference to explain the company's position and clear up any confusion.
25. The engineers focused on testing each of the individual parts that make up the final product.
26. Experts in the field of economics analyze trends and forecast future developments.



27. The revelation of financial misconduct led to a public outcry and tarnished the company's reputation.
28. The witness pointed at the defendant in the courtroom and made serious allegations.
29. The government introduced a new set of guidelines to address environmental concerns.
30. As the central bank raised the borrowing costs increased for consumers and businesses.

Answer

Multiple Choice: 1. Acquire 2. Defend 3. Certification 4. Interest Rate 5. Importation 6. Inflation 7. Allegations 8. Policy 9. Influencer 10. Resilience

Gap-Fill: 11. automotive 12. denouncing 13. criticizing 14. innocence 15. frenzy 16. context 17. inquiries 18. scandal 19. forced labor 20. accusing

Matching sentence: 1. dependable 2. regulatory 3. viral 4. clarify 5. components 6. economists 7. scandal 8. accusing 9. policy 10. interest rate

CATEGORY

1. Business - LEVEL4

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Author

aimeeyoung99

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