Fed announces rate hike, mortgages already on the rise

In a widely anticipated move, newly appointed Federal Reserve Chairman Jerome Powell on Wednesday announced a modest benchmark interest rate hike of between 1.5 percent and 1.75 percent amidst continued optimism over economic growth in 2018. In the first of what economists predict will likely be three adjustments in 2018, the Fed called for a 25 basis point increase, and a fed funds rate of 1.63 percent, at the conclusion of the Central Bank's two-day Open Market Committee meeting. The new benchmark rate is the highest since September 2008, near the beginning of the housing crisis. "Information received since the Federal Open Market Committee met in January indicates that the labor market has continued to strengthen and that economic activity has been rising at a moderate rate," according to a statement issued by the Fed on Wednesday. "Job gains have been strong in recent months, and the unemployment rate has stayed low." Powell said median projections for inflation now stan...

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