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Baron Point Research
What is the Fed's Goal?
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Baron Point issue research describing current intermediate term trends and topics we find interesting. This research is intended to complement the regular Monthly Fact Sheets which include our monthly return updates.

A summary table of contents is shown below. **If you have any comments please feel free to email us at info@baronpoint.com or call +1 (212) 248-2733 x701.**



**“Doctor, I’m not sure that I can trust you
with my feelings.”**

Source: Cartoonstock.com



“If you would be a real seeker after truth, it is necessary that at least once in your life you doubt, as far as possible, all things.”

- RenéDescartes



What is the Fed's Goal?

By Baron Point Financial with the Curmudgeon

We are starting to consider that it may not really be to lower inflation via rate hikes that the U.S. Federal Reserve (the "Fed"), seeks, because the current strategy will not affect price rises due to supply chain bottlenecks, the war in Ukraine, manufacturing problems in China, and the continued heavy spending by the U.S. government.

For those who naively believe the Fed is "Independent," please consider the words of William McChesney Martin — the longest serving Fed Chairman (April 1951-January 1970) in 1980 spoken on Milton Friedman's TV series Free to Choose:

"We are independent within the government, not independent of the government."

So, in comparison, today, we either have one of the more poorly informed FOMC membership in history, or does the Fed have an agenda we don't know about or understand?


While we are not conspiracy theorists here, which is it? Is the FOMC stupid, or has the Fed become political, and the strategy is to drive rates up as high as possible to sacrifice the House and Senate Democrats as pawns (assuming the bulk of the mid-term U.S. elections are honest) to then set up for lower rates and a resurgent economy into the 2024 U.S. Presidential election?

We are at the abyss, and the current action could result in a deeper recession, or perhaps a second depression, then, they blame the calamity on the Republican's control of Congress (assuming they were to gain substantial seats in the mid-terms)?

Let us see in November how many House and Senate seats will be lost in the mid-terms. You have to be your own judge about that, because reading of the current polls, could be like listening to "Tokyo Rose" in World War II.



Thanks for reading,


James J. Coppola III
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If you would like to discuss anything in this paper or any other topic, email us at info@baronpoint.com or call +1 212 248 2733.