

[theme music]

A dark background with financial graphs, the words 'FOMC' with money graphics across it scrolls across the screen in segments. FOMC graphic then scales down to the full title in blue that reads, 'FOMC UPDATE'. Scene fades to black.

A male host named Tim Sustak sits in front of a white wall with a fireplace with various decorations on top of it. Below him is a screen width gray graphic with a blue border on top and white letters that reads, 'Federal Open Market Committee Update- Tim Sustak Chief Credit Officer April 29, 2021.

Tim: Hi, I'm Tim Sustak, chief credit officer with Vizo Financial, and this is your FOMC update for April 2021.

Tim: Well, as expected, more of the same from the Fed. They maintained the current fed funds target range at a level of 0-25 basis points as well as the rate on required and excess reserves at 10 basis points. Further, they maintained their commitment to increase holdings of treasury securities by at least \$80 billion per month, and agency mortgage-backed securities by at least \$40 billion per month. Again, the post meeting statement changed very little.

Tim: The committee acknowledged the economy has strengthened via policy support and vaccination progress, and also that inflation has risen, largely due to transitory factors. Other than that, not much new. A look at Chair Powell's press conference after the break.

Screen fades to black.

[music playing]

Female voice: Your employees are more than just the people who work at your credit union. They are the advice-givers, solution-seekers and unwavering advocates for your members.

Female voice: It's only fitting that we be their advocate too. *[text on top of footage: Be their advocate too.]*

Female voice: With I-Care through Vizo Financial and our partner, InterLutions, your credit union can offer better employee healthcare for less.

Female voice: Gain access to more providers, build custom plans and minimize your costs through cooperative buying.

Female voice: These people are the face of your credit union. Make sure they're always smiling with I-Care.

Screen fades to black.

Tim: Welcome back! The Chairman's press conference after the meeting provided some updates on the economy. He indicated that, since the beginning of the year, spending on household goods has risen

robustly, the housing sector has more than fully recovered, and business investment and manufacturing production have also increased.

Tim: Maybe more importantly, he mentioned that the service and hospitality businesses that were the most severely hurt by the crisis have shown improvement. He indicated that the recovery is far from complete, though continued vaccinations should allow the economy to return to more normal conditions later this year. He gave an update on the labor market, which showed an increase of 916,000 jobs in March and is encouraging as the leisure and hospitality sector posted a notable gain. However, he made sure to note we are a long way from pre-pandemic employment numbers, as 8.4 million people that had jobs before the pandemic are still unemployed.

Tim: On the inflation front, he indicated inflation measures are likely to rise further before moderating, but reiterated that the rise will be mostly due to transitory effects, like lower readings from early in the pandemic falling out of the equation, and the upward pressure on prices from supply bottlenecks and the rebound in spending as the economy continues to reopen. Though there are certainly encouraging signs, the Chairman made it clear that the economy is still a long way from the FOMC's goals, and it will likely take some time for substantial further progress to be made.

Tim: So, it is pretty clear the Fed is not budging from their stance to maintain accommodative monetary policy, even with things seemingly on the mend and inflation rising. More than once during the question-and-answer session of the press conference, Chair Powell was questioned about when the FOMC may start to remove accommodative monetary policy. No matter what angle the question took, the Chairman's response was pretty much the same; when they see data that indicates they have reached their inflation and labor market goals, they will start to talk about the removal of accommodation and make sure they clearly communicate their intentions well before they take any action. The Chairman also said more than once that we are not at that point yet. That's the FOMC update for April. Thanks for watching and be well!

Fades to Vizo Financial logo V and a red heart and the words, "CUs" in green on gray background. The logo fades into the Vizo Financial logo. Vizo Financial logo fades out and disclaimer text appears on screen.

Disclaimer says: "The content expressed in this video is the copyright of Vizo Financial Corporate Credit Union and is provided as general information. If you wish to apply the information, concepts or ideas contained in this video, you are taking full responsibility for your actions. Neither Vizo Financial Corporate Credit Union, the Writers, nor the Actors shall in any event be liable to any party for any direct, indirect, implied, punitive, special, incidental or consequential damages arising directly or indirectly from any use of this material, which is provided as is, and without warranties. Each credit union manages its operations and balance sheet differently. Viewers should never take any information perceived from this or any other video(s) at face value and should always do their own due diligence and, where applicable, seek the advice of a competent legal, tax, accounting or other professional before taking action."

