

U.S. Federal Reserve lowers benchmark interest rate ahead of presidential election

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The U.S. central bank's Federal Reserve System (Fed) has left [its benchmark interest rate](#) unchanged, and it is expected that the final benchmark interest rate will decline.

At the '2023 ICSA (International Securities Associations) Annual Meeting International Conference' held at the Four Seasons Hotel in Seoul on the 20th, global capital market experts discussed 'global politics and economics such as the 2024 US presidential election and strategic competition between the US and China' They put their heads together on the subject of 'Prospects and Market Impact'.

Peter Matheson, executive director of the American Securities Industry and Financial Markets Association (SIFMA), commented on the political and economic situation in the United States. "The US financial market has recovered resiliently, but the market remains uncertain due to the presidential election scheduled for 2024," said Peter.

Inflation is expected to be 3.0% both at the end of this year and next year. "78% of U.S. economists expect the Fed's benchmark interest rate to rise between 5.00 and 5.25% and then fall," Peter said. He continued, "Considering that the economy is weak, decisions will be made accordingly. It seems that (the United States) has not yet entered a recession."

Urban Funered, chairman of the Swedish Securities Markets Association (SSMA), said, "Europe's financial market has entered a recovery zone since the corona era, but (currently) is cautious due to the instability of the international financial market." he explained. In particular, he emphasized that "the purpose of the EU's Capital Market Union (CMU) after Britain's withdrawal from the European Union (EU) must be preserved" and "a new driving force must be found through the unification of the European market."

Jeon Byeong-seo, director of the China Institute of Economics and Finance, analyzed the impact of the US-China conflict on the international financial market, saying, "The US market has the upper hand, but we need to keep a close eye on the future direction of the semiconductor-battery war." Director Jeon predicted, "There is a possibility that China will exceed the GDP of the United States."