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Powell to Deliver Key Economic Speech in Wyoming

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Federal Reserve Chair Jerome Powell is set to deliver a closely watched speech at the annual Jackson Hole economic symposium in Wyoming, amid heightened scrutiny of the central bank's policies and political pressure from former President Donald Trump.

For months, Powell has resisted Trump's repeated calls to lower interest rates and ignored demands for his resignation. The Federal Reserve has held rates steady at five consecutive policy meetings, with most officials seeking further clarity on the impact of tariffs, trade measures, and other policies before adjusting monetary policy.

Friday's address comes at a critical time, as investors and economists look for guidance on the future direction of U.S. monetary policy. According to CME's FedWatch tool, traders currently place the probability of a September rate cut at 73.5 percent. If delivered, it would mark the Fed's first rate reduction in nine months.

The July Federal Open Market Committee (FOMC) meeting highlighted growing divisions within the central bank. Two governors opposed the decision to hold rates steady, marking the first multi-member dissent since 1993. Following that meeting, government data indicated that job growth had slowed during the summer, while inflation pressures continued to build.

Powell's appearance at Jackson Hole will also carry symbolic significance, as it is expected to be his last as chair of the Federal Reserve before his term expires in May 2026. His remarks are likely to be scrutinized not only for policy direction but also for signals about leadership changes within the Fed.

Several potential successors are expected to be considered in the coming months, including governors Christopher Waller and Michelle Bowman, both of whom previously supported rate cuts, as well as Kevin Hassett, a former White House economic adviser.

Meanwhile, tensions between the Trump administration and the central bank have intensified. The former president has criticized Powell directly, calling him a “numbskull” in a series of public remarks and online posts. Trump also made an unusual visit to the Federal Reserve’s Washington headquarters in July to tour ongoing renovations, which he suggested—without evidence—were excessively costly.

Earlier this week, Trump called on Fed Governor Lisa Cook to resign, following unproven allegations made by an administration ally. Cook has firmly rejected those calls, stating she has “no intention of being bullied” out of her position.

As Powell prepares to speak in Wyoming, markets, policymakers, and international observers will be watching closely for signs of how the Federal Reserve plans to respond to economic headwinds while maintaining its independence amid political challenges.