

Monetary Policy Recommendation Statement

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Recommended Target (X=4.75%)	
target rate	probability
X+75bp	0
X+50bp	0
X+25bp	0.15
X	0.45
X-25bp	0.3
X-50bp	0.1
X-75bp	0

Only a Small Change in the Risks for Near-Term Economic Conditions

Since the last policy decision, global financial markets have continued to display dramatic volatility in response to policy challenges and initiatives in the United States and Europe. However, the extent to which this global financial volatility will impact domestic economic conditions remains unresolved. On balance, the risks have shifted a bit more towards the need for a near-term lowering of the policy rate. But the long-term importance of adherence to an inflation target rule rather than pure discretion argues for waiting until an easing of inflationary pressures or a slowing of overall economic growth is confirmed.

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