

Will Fed Chair Powell Get a Second Term?

Everything is on the negotiating table, including Powell's future.

Provided by DSA Financial Group

Financial markets tend to function best when they have clear, strong leadership. When there's concern about who's the boss, markets can struggle.

Jerome Powell's first term as Fed Chair ends in February 2022. Until the past few weeks, Wall Street overwhelmingly believed he would be nominated to a second term by President Biden.¹

But Powell's prospect for being renominated appears less certain than ever. During an appearance by Powell before the Senate Banking Committee in September, a prominent committee member stated that she would not support his nomination. Other senators have voiced concerns, but this was the first time that a key senator declared opposition.²

As the budget, debt ceiling and infrastructure debates continue in D.C., it's clear that everything is on the negotiating table, including Powell's future.

Biden is not obligated to nominate Powell, and for now, Powell appears to enjoy bipartisan support in the Senate for a second term. But if resistance increases and throws a second term into doubt, it could have an unsettling impact on the markets.^{1,2}

We're keeping an eye on what's going on at the Fed—like we keep an eye on all events that could have an influence on the financial markets. We will keep you posted if anything unfolds that may cause us to reconsider certain strategies.

Raymond Dahlman may be reached at 281-724-8181, 8310 South Valley Hwy, Suite 300, Englewood, CO 80112 or r.dahlman@dsafinancialgroup.com.

www.dsafinancialgroup.com

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Investment advisory services offered through DSA Financial Group, Inc., a registered investment adviser.

Citations

1. CNBC.com, April 27, 2021
2. CNBC.com, September 28, 2021