Hello, first off I'd like to thank you all for having us here today. Based on our analysis of the case at hand with respect to the duel mandate of promoting maximum employment as well as price stability we have decided to raise the the Target federal funds rate range to 1.25-1.50 from the 1-1 25 range derived from the current observed rate of 1.15 I will now I turn it over to my colleague **kimberley** to shed some light on why we made this decision,

Unemployment

In conclusion, The unemployment rate is currently below the natural rate of unemployment suggesting the potential for core pce inflation acceleration

Labor Market

We have little slack in the labor market with job growth appearing greater than new entrants to the labor force

GDP

Additionally real GDP is near potential real GDP with the long term trend being real GDP growth exceeding the growth in potential GDP . The slowdown of real GDP growth in q3 2017 is a temporary condition as a result of the hurricane in that quarter and based on our observations when the data is normalized we expect there to be a rebound.

Wages

There is also the matter of average hourly earnings growth acceleration in 2017, which will further increase consumer demand, adding to to business cost pressures to increase prices.

Thus
based on a tight labor market with fewer new entrants available for absorption,
As well as the surpassing of potential GDP growth by real GDP growth

we've decided to raise the federal funds Target rate to 1.25-1.50 which we will implement by **selling** treasury bonds on the secondary market. (Less money, higher rates)

Thank you again for hearing us and I'd like to open it up for questions