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Key takeaways from the US Federal Reserve meeting this week?

It is now considering increasing interest rates at least once by 2023. That's earlier than previously mentioned and a sign that they have more serious concerns about inflation. The date might even be closer to where we are today. We might see more volatility in the stock market if we remain in this limbo of uncertainty on when interest rates will rise. We should get accustomed to the fact that governments and their central banks are going to start tapering their support of policies that they implemented to revive the economy. The time is right because of the vaccination rollout but they must be careful on the speed at which this is done – we don't want to create massive volatility and reverse the gains achieved so far. It will be a delicate balancing act between withdrawing support, and letting the economy stand by itself because it is going in the right direction.

What's the fallout for weaker members of the global economy?

The US dollar reaction was expected and there will be a chain reaction, including on oil exports, especially for those that have their currency pegged to the dollar. But it's not just the poorer nations who will be impacted. The markets and health of the global economy today are still dependent on what governments and central banks do. The question remains whether we see the economy go back to the same growth rate as before the pandemic, or to a much lower speed, once the massive support is withdrawn. ■

**Paraphrased comments*

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