

# Fed Slashes Rates Again to Shore Up Economy as Coronavirus Spreads

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Reuters – March 16, 2020



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Excerpt below:

*(Reuters) – The Federal Reserve unexpectedly cut interest rates on Sunday for the second time in less than two weeks, an emergency move to help shore up the U.S. economy as a coronavirus pandemic spreads worldwide.*

*In a statement, the central bank said it was cutting rates to a target range of 0% to 0.25%.*

*The Fed included dramatic moves to keep credit flowing to businesses and families, encouraging banks to tap trillions of dollars in equity and liquid assets built up as capital buffers since the global financial crisis to support people whose lives may be upended by the virus.*

DAVID R KOTOK, CHAIRMAN AND CHIEF INVESTMENT OFFICER,  
CUMBERLAND ADVISORS, FLORIDA:

*“They fired a full broadside...Any additional policy response will have to be fiscal.*

*“My guess is another \$200 billion to \$500 billion needed quickly in order to offset damages from various shutdowns.*

*“Fed action is scaring folks because of unprecedented response. Markets see Fed replay of 2007-8-9 and are assuming a repeat of financial crisis is at hand.”*

Read the full article at NYT:  
<https://www.nytimes.com/reuters/2020/03/16/business/16reuters-fed-reserve-instant-view.html>

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