

TRENDMACRO LIVE!
On Yellen's First Congressional Testimony

Tuesday, February 11, 2014
Donald Luskin

In her own words: more focus on labor and financial regulation; less on inflation.

Word clouds: latest Fed Chair's semi-annual report to congress

Yellen [today](#)



Bernanke [last July](#)



Source: FRB, Wordle, TrendMacro calculations

Update to strategic view

US FED: Bernanke has succeeded in handing Yellen a policy *fait accomplis* by setting tapering in motion over two FOMCs. In her first testimony today Yellen promised "a great deal of continuity in the FOMC's approach to monetary policy," including continuing to taper "asset purchases in further measured steps at future meetings." She said recent stresses in global markets "do not pose a substantial risk." Her prepared testimony was otherwise unremarkable, except for a subtle shift in emphasis away from Bernanke's primary focus -- inflation -- in favor of considerations of labor and financial regulation.

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