

Is a Recession on the Horizon for America?

Investors hope Friday's rally on Wall Street will keep going in the weeks ahead.

Stocks took off Friday after Federal Reserve Chairman Jerome Powell said the central bank would be patient with future hikes in interest rates.

Many investors have blamed the Fed for the sharp drop in stocks in the last three months because of its plans to keep raising rates.

"If we were to go into a recession in 2019, the villain would be the Fed," Stephen Moore, former economic adviser to President Donald Trump, told CBN News.

Moore says that in order to become the hero, the Federal Reserve should be lowering—not raising—interest rates.

"The Fed should absolutely stop raising rates. In fact, they should start cutting rates, reverse the mistakes they made the week before Christmas," he said.

That mistake, as Moore puts it, is when the Fed raised interest rates for the fourth time in 2018. Job growth and what had been strong economy last year encouraged the Federal Reserve Board to go for the quarter percent increase.

But Moore says investors clearly saw it as the wrong move because of growing concerns of an economic slowdown and weaker profits for businesses. And they thought higher rates could hurt the economy at a time when it could be getting weaker.
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