

Fed Policy – The most significant TRUMP card for the markets remains unknown

While markets wait for the election, getting closer by the day- one big question – in fact maybe the most important question – What is Trump's plans (if any) for Fed policy? [As we explain in Splitting Pennies – Understanding Forex – Fed Policy \(Monetary Policy\) TRUMPS any regulation](#), domestic political policy, corporate policy, or social movement. In fact – the only thing more powerful than Fed policy is a nuclear arsenal (which is why – there is a correlation between the most powerful currencies and the most powerful militaries).

The BIG Question

Even TRUMP supporters don't know the answer to this question – because Trump never explicitly said it. Maybe Trump doesn't understand Fed policy. He is sure of himself that he understands debt. Maybe he does know – but also knows that the people don't know so it's pointless to talk about it. Whatever is the case – we don't know where Trump stands on the one issue that will determine America's economic fate one way or another – Fed policy. Will the Fed continue Quantitative Easing? Will radical Fed policies clean up a junk filled economy (for example, by raising rates to 10%) ? Will Trump nationalize the Fed? (Maybe – that's what the Elite are worried about!) – Let's make one thing perfectly clear. He can do it! 99% of 'folks' don't understand what the President really does, what his powers are, for example the President is more of a 'ceremonial' and 'cultural' leader than anything else.. But Trump would have the power to do something like this if President. Would he do it? Something like this – just as an example – would transform Wall St. and the US economy completely. [Maybe, as we've covered in previous articles, this is THE REAL DEBATE going on right now at the Fed, and behind closed doors on Wall St.](#)

Let's take a step back, and understand how far Presidential power stretches. A great President, maybe one of only great Presidents- Richard Nixon – Created the Forex market as we know it today. In one swift move, [Nixon defaulted on Bretton Woods](#) and in the same moment, defaulted on his Gold obligations, and made the US Dollar the World's Reserve Currency. [For detailed info about Nixon checkout this book.](#) Practically, although Nixon stiffed the French and other potential Gold customers that wanted payment in Gold – the world didn't have many other choices. For example, had France been stronger in that time, we'd all be using French Francs instead of USD. Anyway, Nixon's actions were a pro-Fed, pro-USD move- whether this was calculated or not is irrelevant. The fact is that, the USD is really the only "One World Currency" in operation today, and will be for the foreseeable future.

In case you are not following the way the world really works, Read this book: [Confessions of an Economic Hit Man](#). This is a MUST READ for any trader, investor, economist, businessman, politician, lawyer, or anyone interested in the world. The point here is that, yes – it's true. The Fed Chairman is the most powerful person in the world, because they control the money supply, the amount of US Dollars in the world, and the interest rates. But – Trump could oust-em! What does Trump think about the current Fed? [Well, he's not happy with Fed policy, and says The Fed and in particular Chairman Yellen "Should be Ashamed"-](#)

Republican presidential nominee Donald Trump on Monday

accused the Federal Reserve of keeping interest rates low for political reasons, the latest in a string of often contradictory critiques of the nation's central bank.

The Fed vehemently defends the setting of its influential interest rate as independent of political considerations – a principle that is considered fundamental not only to the Fed but for central banks around the world. Yet speaking on CNBC, Trump said Fed Chair Janet L. Yellen should be “ashamed” of keeping interest rates so low for so long. “She’s obviously political and doing what Obama wants her to do, and I know that’s not supposed to be the way it is,” Trump said.

In another moment, Trump stated in crystal clarity, a moment of sobriety of sorts for Trump, that he's aware – the game is rigged, and it's all a house of cards waiting to crash:

*The latest such comment came Monday, when Trump responded to a question from a reporter about the potential for a Federal Reserve interest rate hike this year. “They’re keeping the rates down so that everything else doesn’t go down,” Trump said, according to reports. **“We have a very false economy.”** “At some point the rates are going to have to change,” Trump added. “The only thing that is strong is the artificial stock market.”*

There we go- we have our answer. At least, we have a hint on the answer. But the BIG QUESTION remains – will Trump simply put in his own chairman – or abolish the Fed altogether? Wouldn't that be something. Either way it seems Dollar Up for a Trump victory. Put your limit orders in now – [Open a Forex Account](#).

To learn more about how Trump can really affect the markets, if elected – checkout [Splitting Pennies – Understanding Forex – YOUR GUIDE TO THE ELECTIONS ON HOW THEY CAN IMPACT MONETARY POLICY](#) or in Plain English – [How politics determines the value of what our dollars are worth, i.e. the dollar in your pocket](#). For a more detailed [Forex Education – Checkout Fortress Capital Trading Academy](#).