

## Fed rate action commentary from Swiss Re's chief US economist

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Following today's Federal Reserve Bank interest rate cut of 50 basis points, Swiss Re's chief US economist, Kurt Karl said, "The Fed's latest interest rate cut was very much in line with expectations. Like a solid contact hitter in baseball, Chairman Greenspan keeps hitting doubles — no 25 basis point cuts, always 50 basis points."

Karl added, "Slowly, but surely, these hits are bolstering the confidence of the American consumer. The US economy may be down, but it is not out, and the lower interest rates will turn things around by the fourth quarter of this year. At Swiss Re, we still expect at least one more hit, taking the federal funds rate to 3.5 percent, perhaps lower, by the third quarter."

Swiss Re is one of the world's leading reinsurers with over 70 offices in more than 30 countries. In the 2000 financial year, gross premium volume amounted to CHF 26.1 billion (USD 16.1 billion) and the net income after tax reached CHF 3 billion (USD 1.8 billion). Swiss Re is rated "AAA" by Standard & Poor's, "Aaa" by Moody's and "A++" (superior) by A.M. Best.

### **Advisory:**

Mr. Karl is available for interviews with reporters and editors to elaborate on his comments:

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