The Federal Reserve Bank of St. Louis Presents:

"Why We're Not Worried About the Economy's First-Quarter Stumble"

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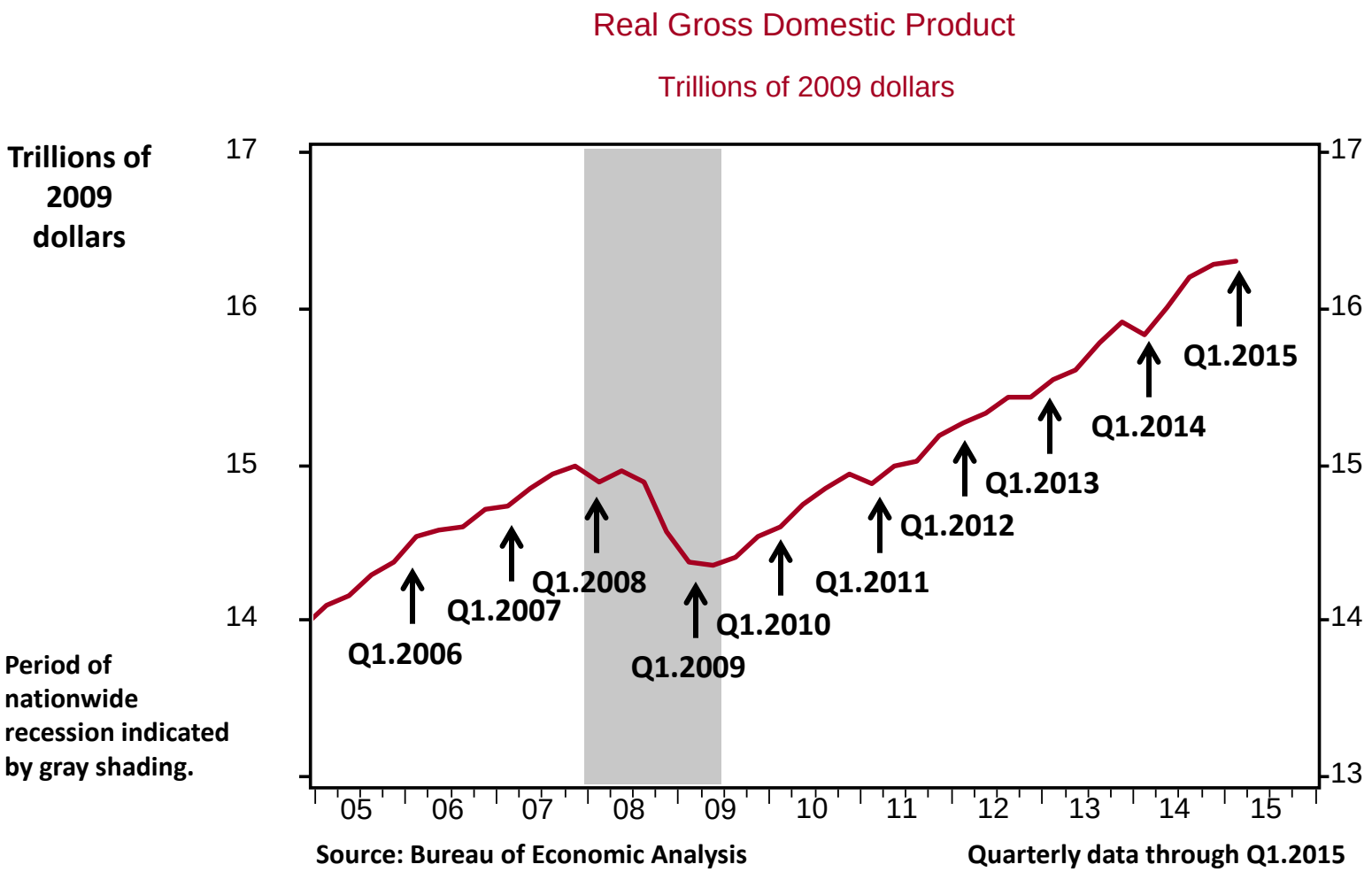
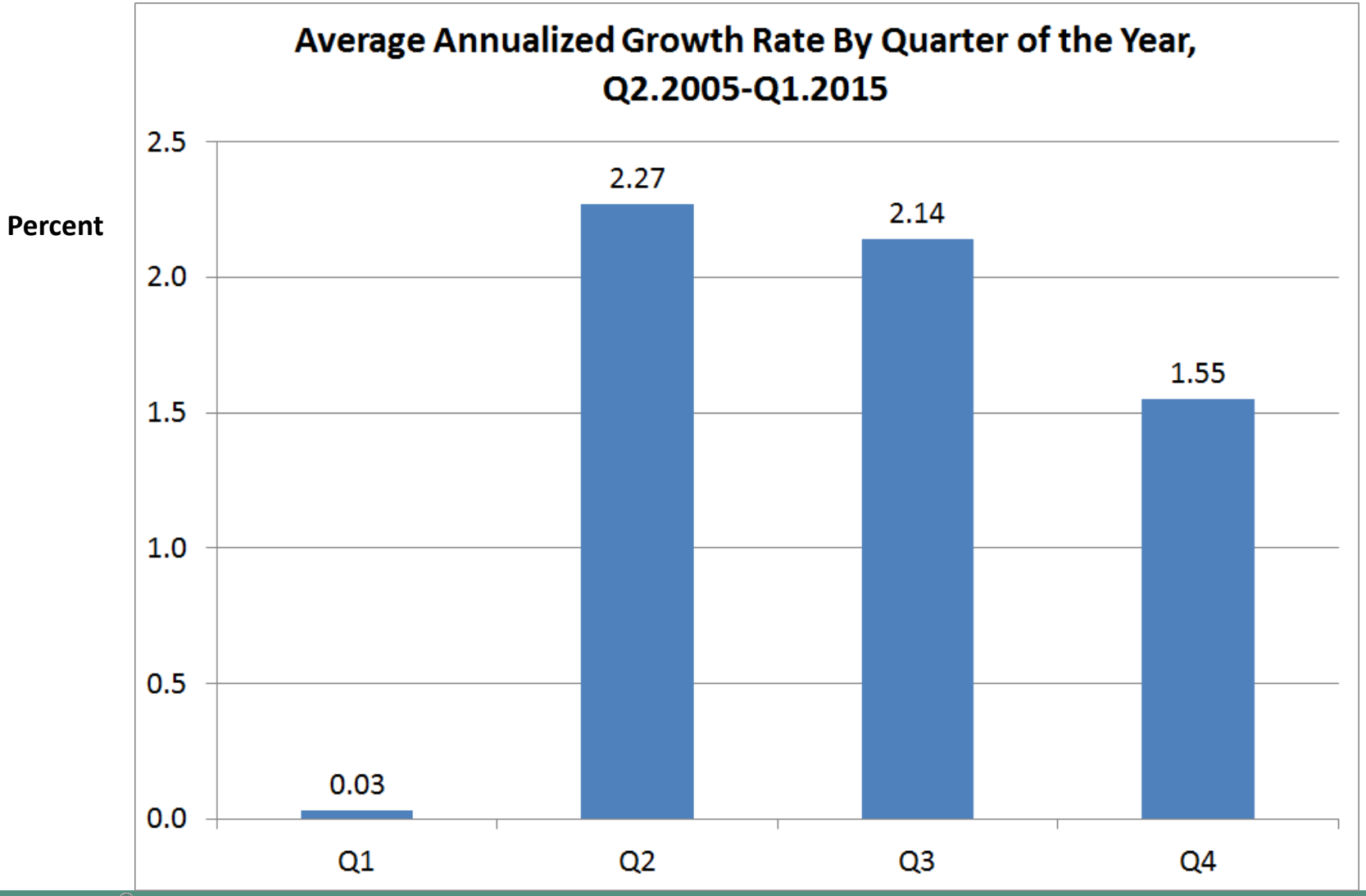
Why We're Not Worried About the Economy's First-Quarter Stumble

- Economic growth stalled in the first quarter of 2015.
- The first quarter usually is the weakest quarter of the year.
- April job creation was strong, pointing to an economic rebound in the second quarter.
- Inflation remains very low, reducing the urgency of tighter monetary policy.

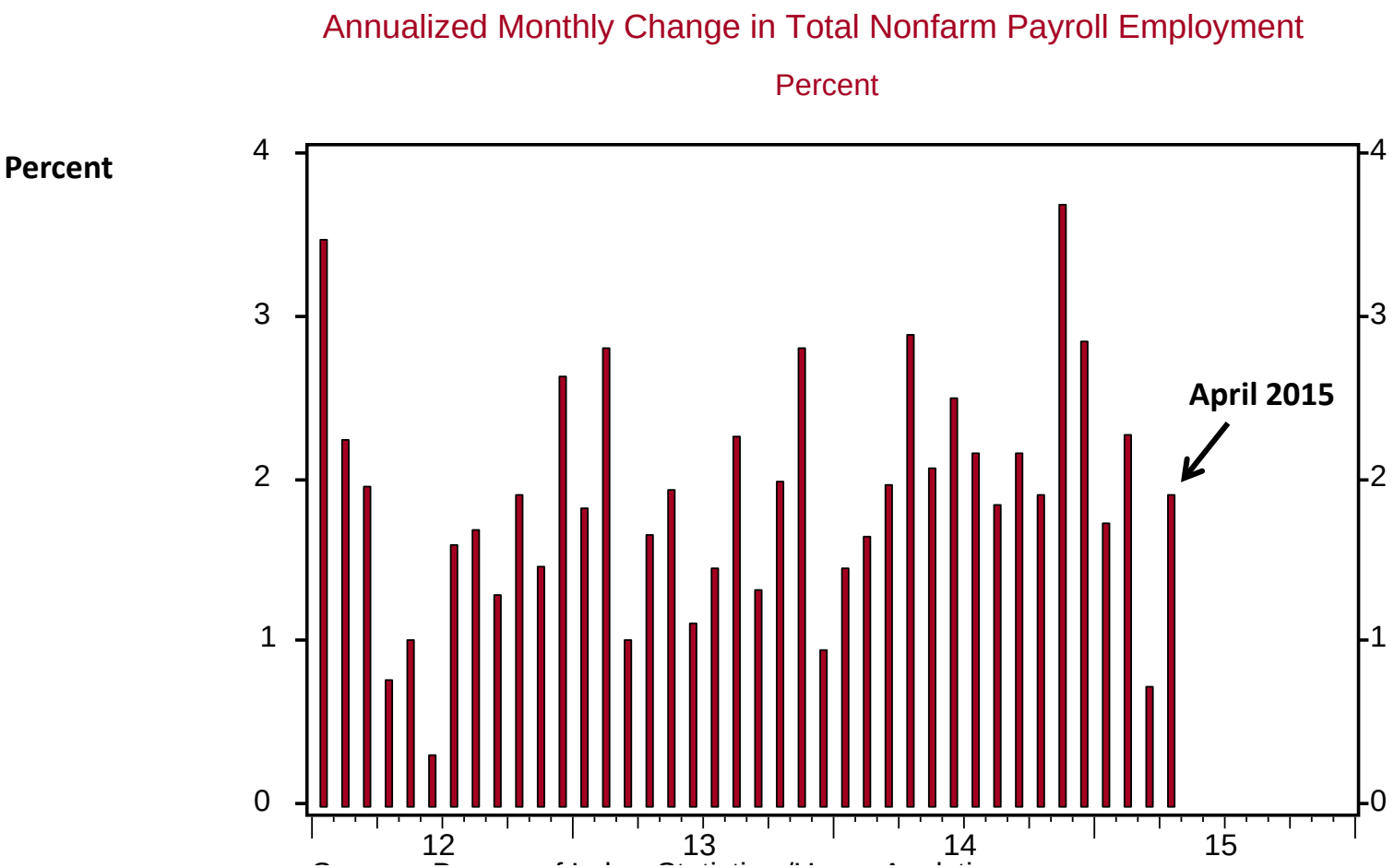
The Economy Stalled in Q1—Again



Q1 is Usually the Weakest Quarter



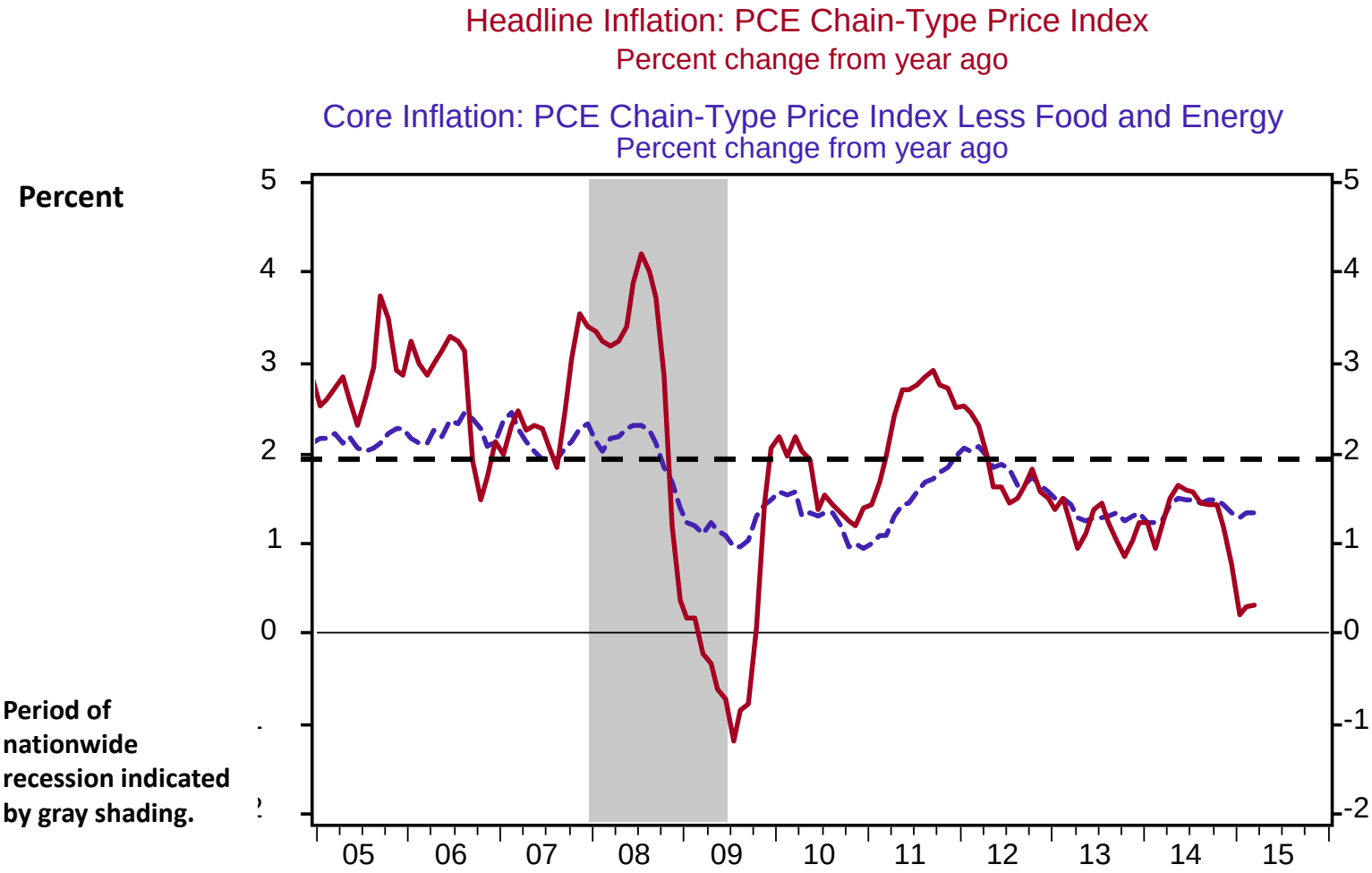
Strong Job Creation Resumed in April



Source: Bureau of Labor Statistics

Monthly data through April 2015

Low Inflation Makes the Case for Tighter Monetary Policy Less Urgent



Economy Stumbled in First Quarter But Rebound Is Likely

- Weak first-quarter growth probably reflected special factors and seasonal-adjustment problems.
- The economy's recovery remains on track.
- Low inflation reduces pressure on the Fed to raise short-term interest rates.