

## Is Yellen trumping Trump?

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The [US Fed has raised interest rates](#). Let's not get overwhelmed: the range is now 1 to 1.25%.

But, let's ask why. The US is not facing an apparent inflation threat. QE has not delivered price increases as all the hawks said it would. Nor is the US economy over-heating on any measure bar climate abuse.

So why increase rates now when there is no apparent need to do so? This may be a tad controversial but I think the answer is that Yellen is making sure Trump can't go out of control. He threatens the Federal budget; his spending plans are disproportionate whilst offering little real return to the economy, and so his reckless inclinations are being curtailed in advance. This rate rise is, then, the US establishment fighting back.