

Federal Reserve Intentionally “Front-Loaded An Enormous [Stock] Market Rally in Order to Create a Wealth Effect”: Former Fed Official

By [Washington's Blog](#)

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Central banks – including the [Bank of Japan](#), [Bank of Israel](#), [Bank of Switzerland](#) and the [Czech Republic](#)– have been buying stocks to prop up their nations’ stock markets.

We’ve noted for years that Fed policy is [aimed](#) at [boosting stocks](#), as well.

Today, the decade-long former president of the Federal Reserve Bank of Dallas – a voting member of the the Fed’s principal monetary policymaking group (the Federal Open Market Committee) – [admitted](#) (CLICK [full interview](#)):



What The Fed did, and I was part of it, was front-loaded an enormous rally starting in 2009 ... in order to create a wealth effect...

I wouldn't blame [the declining stock market] on China.

An uncomfortable digestive period is likely now.

Indeed, only higher income brackets ever [liked the Fed's "wealth effect" policies](#).

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