# PREVIEW: FOMC Minutes due Wednesday, 18th February 2026 at 19:00GMT/14:00EST

**SUMMARY**: In the January FOMC, the Fed left rates unchanged at 3.50-3.75%, as expected, in a 10-2 vote, with Governors Miran and Waller dissenting in favour of a 25bps reduction. The Minutes will be eyed to see if any forward guidance is given, although it is unlikely, given the continued approach Chair Powell has given that the Fed is "well positioned", will be "data-dependent", and take it "meeting-by-meeting". In addition, despite there only being two dissenters, attention will be on whether how many, if any, non-voters felt a rate cut was necessary. In terms of current Fed money market pricing, 1bps of cuts are priced in for March, the first fully priced 25bps reduction is by July, with 59bps of cuts seen by year-end.

**STATEMENT**: The January statement upgraded its economic assessment, replacing "economic activity has been expanding at a moderate pace" with "expanding at a solid pace", "job gains have slowed this year" with "job gains have remained low", and "the unemployment rate has edged up" with it having "shown some signs of stabilisation". It also simplified "inflation has moved up since earlier in the year and remains somewhat elevated" to "inflation remains somewhat elevated". In addition, December's tweak that the Committee "judges that downside risks to employment rose in recent months" was removed, leaving only that it is attentive to risks on both sides of the mandate. Overall, the statement's tone was slightly more positive on the economy and labour market and broadly unchanged on inflation.

**AHEAD**: Heading into the January confab, and moving forward, participants continue to look for signals on the future policy path, but the statement offered no immediate clues and Powell's post-meeting presser provided little by way of new information. The Chair once again reiterated that decisions will be made on a meeting-by-meeting basis, guided by the data and balance of risks. Powell added that policy is well-positioned, reiterating it is currently within a plausible neutral range, but towards the higher end – something which Fed members have differing views on this. In addition, if the Fed sees goods pricing peaking over this year, that suggests the Fed can loosen policy further.

**DATA**: Powell highlighted that data since the December meeting has improved the outlook, and that inflation remains somewhat elevated. Goods and tariff-related inflation expected to peak around mid-2026, with many effects already passed through. He noted that the labour market has weakened alongside solid growth, but recent data suggests stabilisation following a period of cooling. Job gains remain subdued, and while risks to employment have diminished, they have not disappeared, making it difficult to judge whether the dual mandate is fully in balance. Since the January FOMC meeting, we have seen a stronger-than-expected jobs report and a softer-than-expected CPI report. Post-US jobs metrics, we have had many analyst updates to Fed projections for the year, with many pushing back the start of the Fed resuming their easing cycle, but some haven't actually altered their 2026 magnitude of reductions. Note, the minutes are an account of the meeting so only information available to the FOMC at the time of the meeting will be incorporated.

**RECENT FED SPEAK**: Following the jobs report, after the January meeting for which the Minutes reflect, a couple of Fed members spoke and gave different views. Schmid (2028 Voter, Hawk) believes it's appropriate to keep restrictive monetary policy with inflation close to 3%, and he is not seeing evidence that the current level of interest rates is restraining the economy. Further Fed rate cuts could allow higher inflation to persist for longer. Governor Miran (Voter, Dove) said the NFP report does not mean the Fed can't lower rates, and there are a variety of reasons why the Fed can cut rates. Hammack (2026 Voter, Hawk) thinks the Fed should stay on hold for now as labour markets look like it is "finding a healthy balance" while inflation is still too high. Goolsbee (2027 voter) said rates can still go down, but need to see progress on inflation, and doesn't know how restrictive Fed policy is. Since the Jan. meeting, but before the data, Governor Waller (voter) argued policy remains too restrictive, the labour market "does not look remotely healthy", and tariff-driven inflation should be looked through. Governor Cook (voter) stressed stalled disinflation and the need to maintain credibility, and Vice Chair Jefferson (voter) described policy as well-positioned, expects tariff effects to fade and inflation to ease in 2026. Logan (2026 voter) noted current policy stance may be very close to neutral. Among the non-voters, Musalem cautioned against further easing with inflation near 3%, while Daly, Barkin and Bostic emphasised resilience but warned inflation remains above target.