

Bernanke is supported by Central Bankers

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- [Banking Sector](#)
- [TNM](#)
- [Ben Bernanke](#)

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Mr. Ben. S. Bernanke, the chairperson of the Federal Reserve Bank, will be expressing his opinion on Friday stating that due to undervaluation of currencies in China and other developing markets there exists the imbalances in trade which is posing a growing economic and financial risk.

It is expected that Bernanke will issue a warning stating that as the speed of the economic recovery is not uniform the wealthiest nations are lagging behind developing and upcoming markets of countries like India and China which in turn hampers the cooperation that is needed by the world economy in its recovery.

He will be voicing his views echoing the words of the Obama Administration which also voiced the same view in the G20 Summit that happened in Seoul in the last week but was not paid much heed.

On Thursday the Fed had released the text of speech that had been prepared for Bernanke which he is supposed to deliver at the conference of the European Central Bank in Frankfurt. That speech will be accompanied with remarks that he plans to say while taking part in the panel discussion.

Since first week of November the Federal Reserve banks is being criticized adversely for taking the decision of injecting six hundred billion dollars into the banking system through next June for keeping the long-term rates of interest low.

Those criticisms were found to continue on Thursday, as speakers at a conference organized by the libertarian Cato Institute issued warnings that due to the monetary policy of the Fed there asset-price bubbles may occur, similar to the housing boom that crumbled in the year of 2007.

Those attacks continued Thursday. Speakers at a conference here, organized by the libertarian Cato Institute, warned that the Fed's monetary policy could lead to asset-price bubbles like the housing boom that crashed in 2007.

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