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+0.74%	▲ +10.87
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<b>NASDAQ</b>	2,623.65
+1.05%	▲ +27.29
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# Fed Statement Leaves Stocks Flat

By [Robert Holmes](#)  
 TheStreet.com Staff Reporter  
 6/28/2007 4:42 PM EDT

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*Updated from 4:12 p.m. EDT*

Stocks ended little changed Thursday after traders dissected a **Federal Reserve** policy statement that came with a tempered view on inflation but overall few surprises.

The **Dow Jones Industrial Average** initially spiked after the statement, but it wavered and ultimately closed down 5.45 points, or 0.04%, at 13,422.28. The **S&P 500** was off 0.63 point, or 0.04%, at 1505.71. The **Nasdaq** added 3.02 points, or 0.12%, to 2608.37.

The Federal Reserve Open Market Committee, as expected, kept its fed funds target rate at 5.25% for the eighth straight meeting.

While the FOMC reiterated in its policy statement that the adjustment in the housing sector is ongoing, the Fed altered language when referring to economic growth, now saying that recent indicators showed that "growth appears to have been moderate during the first half of this year."

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The Fed also removed the term "elevated" in describing inflation. It said that readings on core inflation "have improved modestly in recent months," but that "a sustained moderation in inflation pressures has yet to be convincingly demonstrated."

Any future rate changes, the Fed said in repeating past comments, will depend on the outlook for both inflation and economic growth, as indicated by incoming data.

"It's no big surprise, but there are a few interesting points," said Steven Sheldon, CFA and principal of SMS Capital Management.

"They are aware that housing is a problem, but that the economy is holding up pretty well. It looks as though they're going to continue to be on hold, until the housing sector gets worse or the labor market gets tighter."

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