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## Recession reports - US recession likely over - Mr Bernanke

*Friday, 18 Sep, 2009*

Reuters quoted Mr Ben Bernanke chairman of Federal Reserve as saying that US recession is very likely over as data showed retail sales rose last month at the fastest rate in more than three years.

Sales rose by 2.7%, with the expected boost from the popular cash for clunkers car rebate program accompanied by a surprise pick up in other spending. This raised hopes that US consumers might be re emerging from the rubble of the housing market collapse, the roller coaster ride in equities markets and rising unemployment.

Mr Bernanke, who did not comment directly on the sales report, remained cautious about the shape of the recovery. He said he expected a moderate recovery in 2010 with growth not much faster than the underlying potential growth rate of the economy, which means about 3%.

Meanwhile, wholesale prices rose 1.7% in August after falling 0.9% in July. The rise was greater than analysts expected, given a lot of spare capacity in the economy, and was led by an 8% rise in energy prices and a 23% jump in the cost of petrol.

US president Mr Barack Obama echoed Mr Bernanke's comments when he promised struggling car workers he was committed to rebuilding a thriving US auto industry and said the economy was on the mend. Mr Obama said that "It is going to take some time to achieve a complete recovery."

(Sourced from Financial Times Limited)

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