US economy has slowed, feds takes no action

WASHINGTON (AP) — The Federal Reserve said Wednesday that the U.S. economy is losing strength and repeated a pledge to take further steps to boost growth if hiring remains weak.

The Fed took no new action after a two-day policy meeting. But it acknowledged in a statement released after the meeting that economic activity had slowed over the first half of the year, with job creation remaining sluggish and consumer spending tapering off somewhat.

The Fed reiterated its plan to hold short-term interest rates, now near zero, at very low levels until at least late 2014.

Market reaction to the Fed's announcement was muted. Stock indexes dipped shortly after the statement was released at 2:15 p.m., but then moved higher.