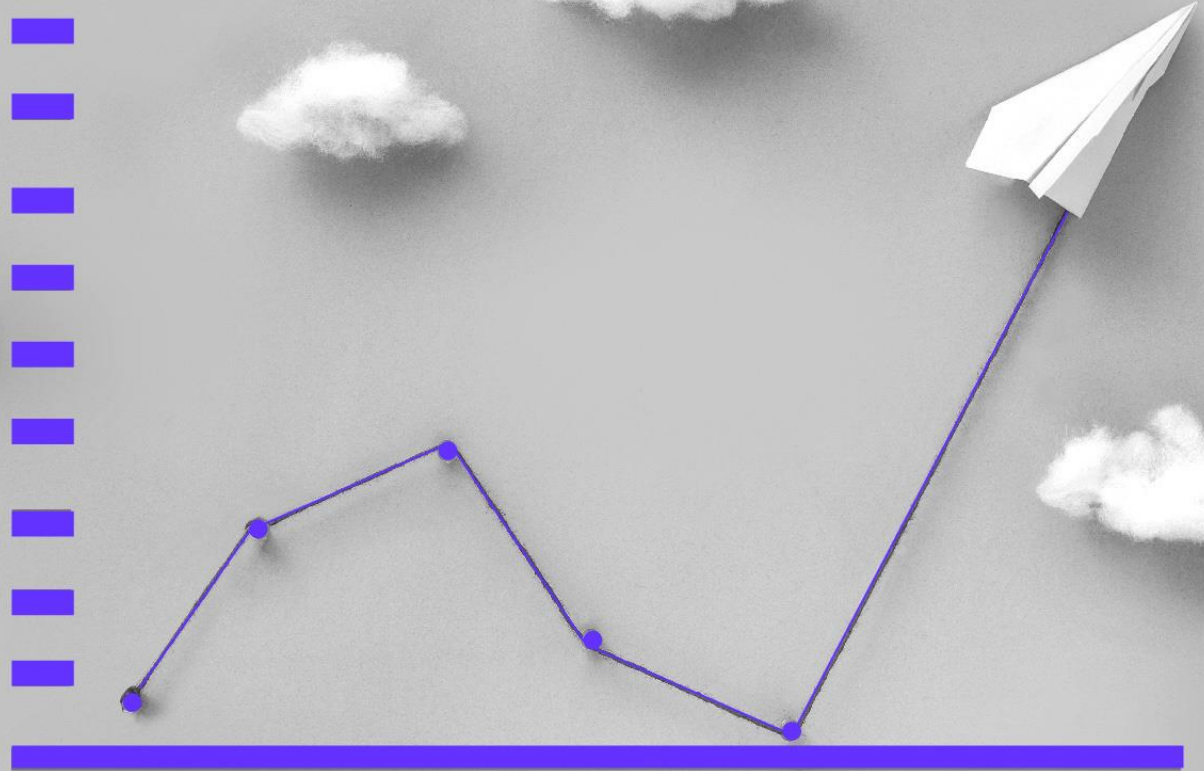


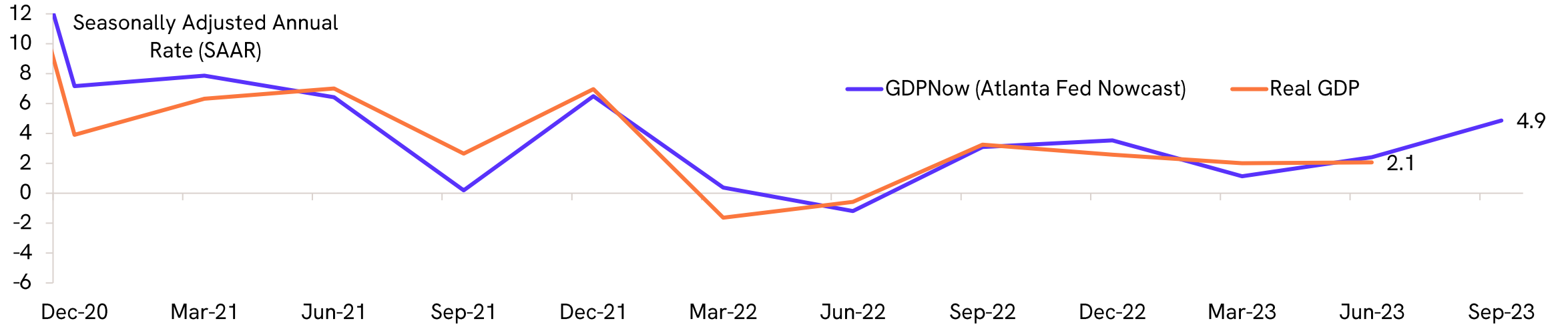
TRENDS & TIDES

**Sep'23 US FOMC keeps
interest rates unchanged at
5.25-5.50%, dot plot signals
one more rate hike**



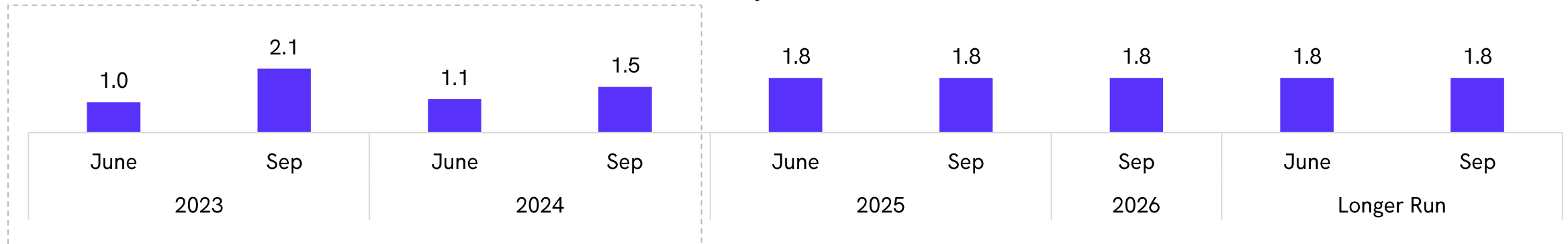
US growth still going strong, raising expectations of a soft landing

FOMC median projection for 2023 real GDP growth revised upwards to 2.1% from 1.0% in the June FOMC



Step increase in growth projections in Sep FOMC

FOMC Median Projections - Real GDP

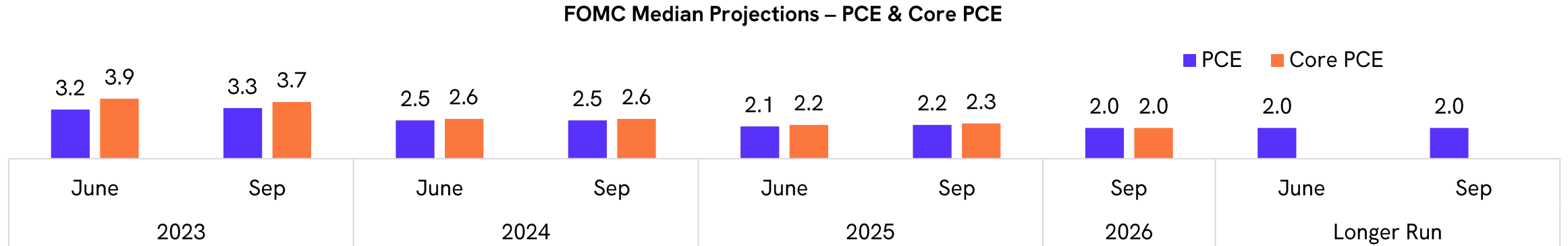
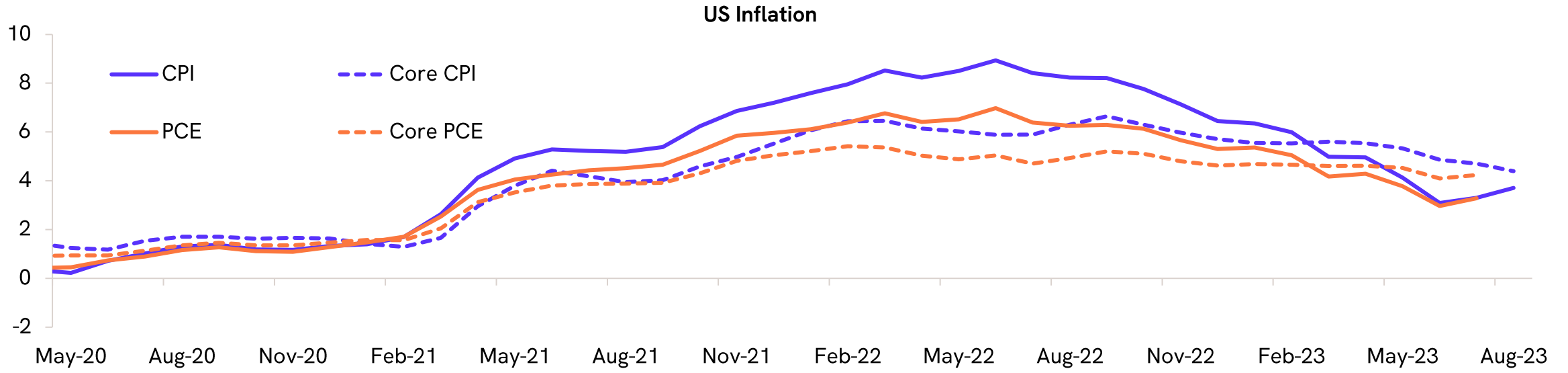


Source: FRED, Fed, 360 ONE Asset Research

Note: GDPNow update as on 19th September 2023

Headline inflation picking up on rising gasoline prices and base effects

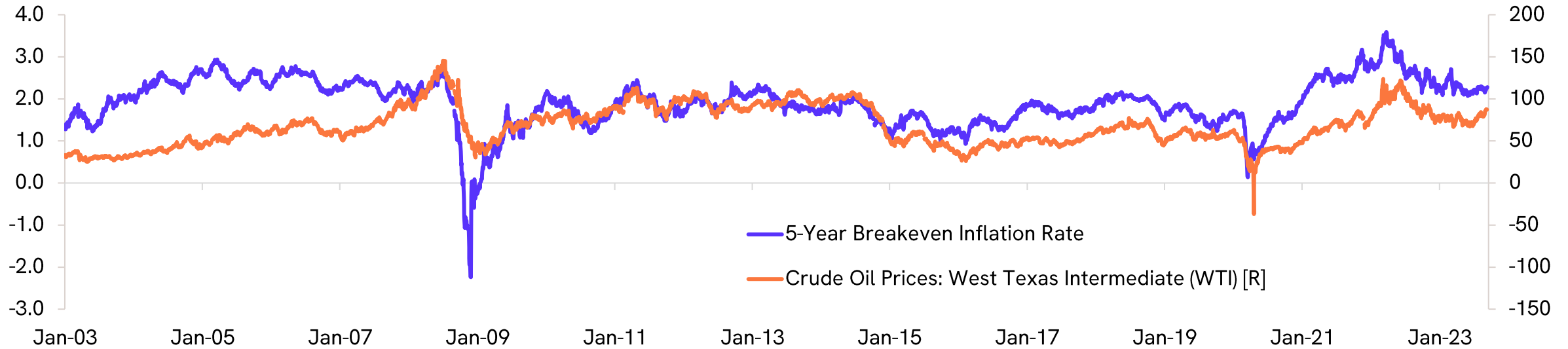
FOMC participants projects inflation to fall below 3% in 2024 and return to 2% target by 2026



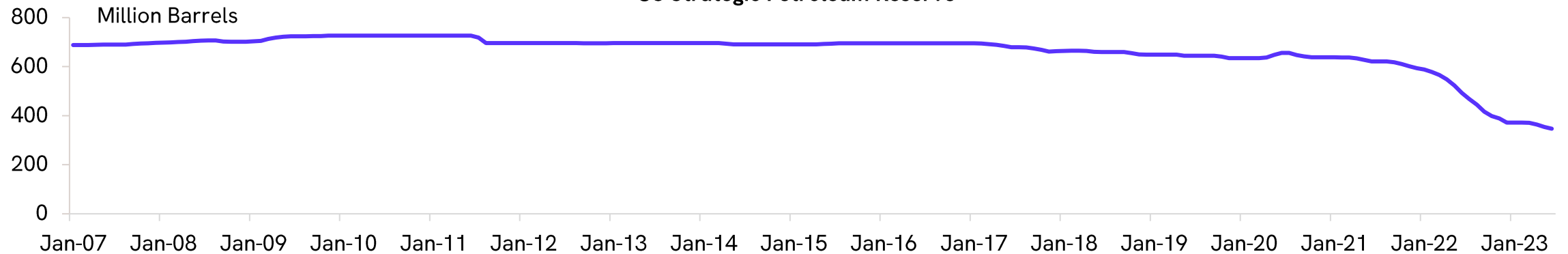
Source: FRED, Fed, 360 ONE Asset Research

Rising oil prices could un-anchor inflation expectations

US strategic petroleum reserve drained by approx. 44% over the last 2 years, limiting scope for further intervention



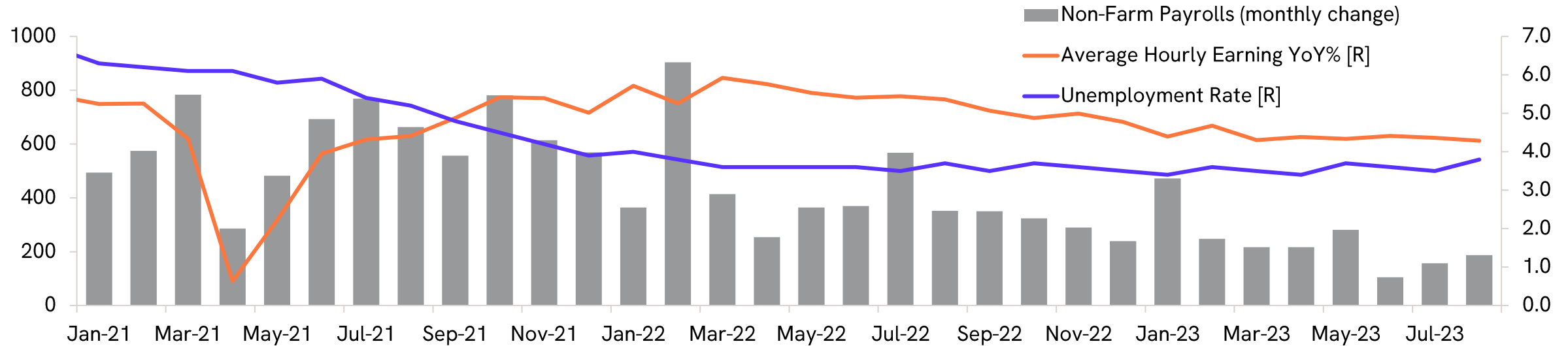
US Strategic Petroleum Reserve



Source: FRED, EIA, 360 ONE Asset Research

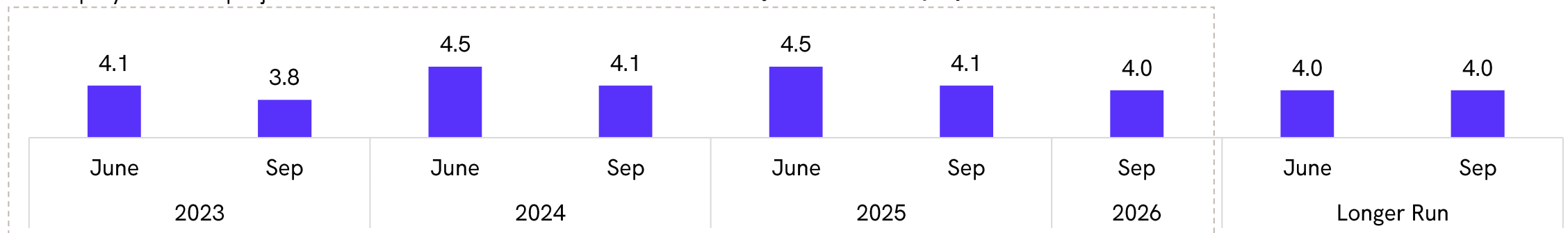
Labor market eases with lower payrolls and higher unemployment

Unemployment rate forecasted to peak at 4.1% in 2024 and stay there in 2025, below the 4.5% peak from June FOMC



Unemployment rate projections revised lower

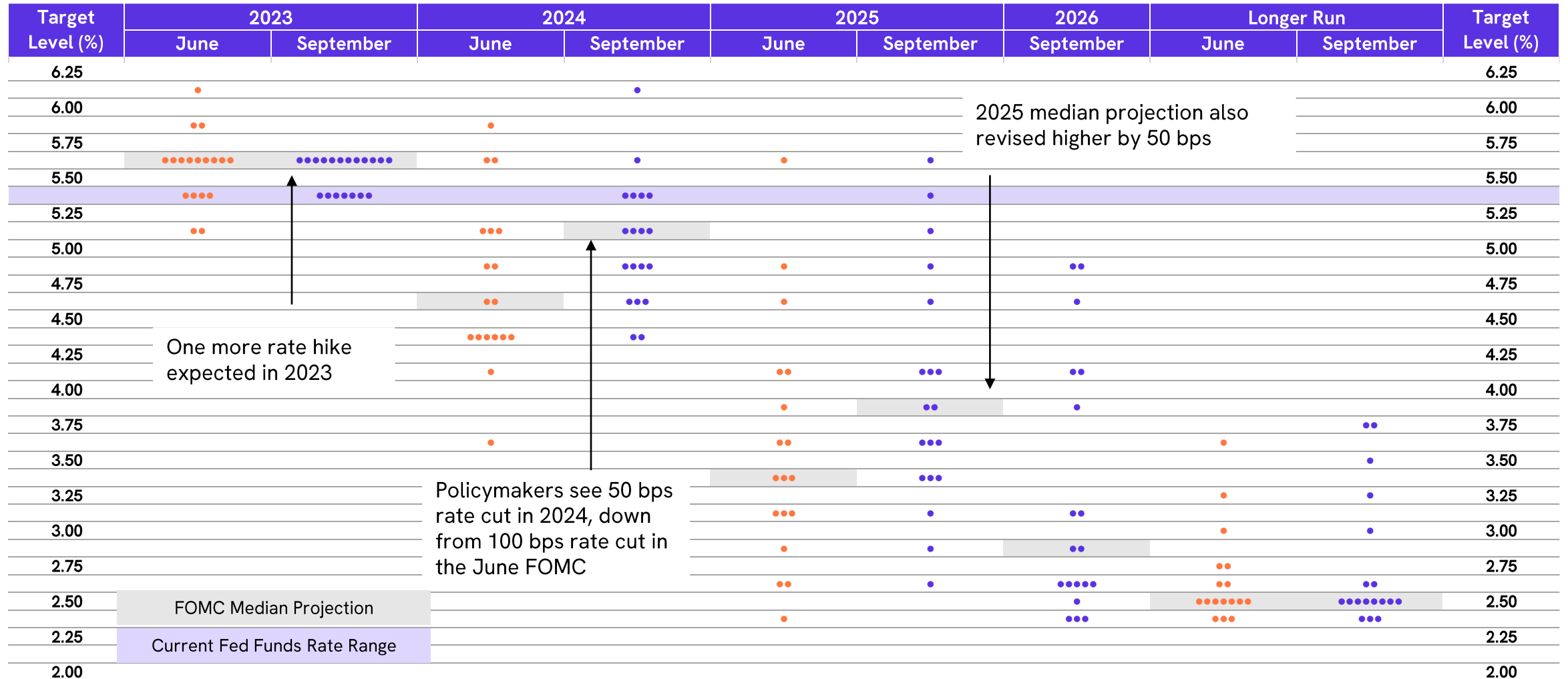
FOMC Median Projections – Unemployment Rate



Source: FRED, FED, 360 ONE Asset Research

Dot Plot shows one more rate hike in 2023, lifts future trajectory

Powell suggests caution, stating a soft landing isn't the baseline despite latest projections implying otherwise

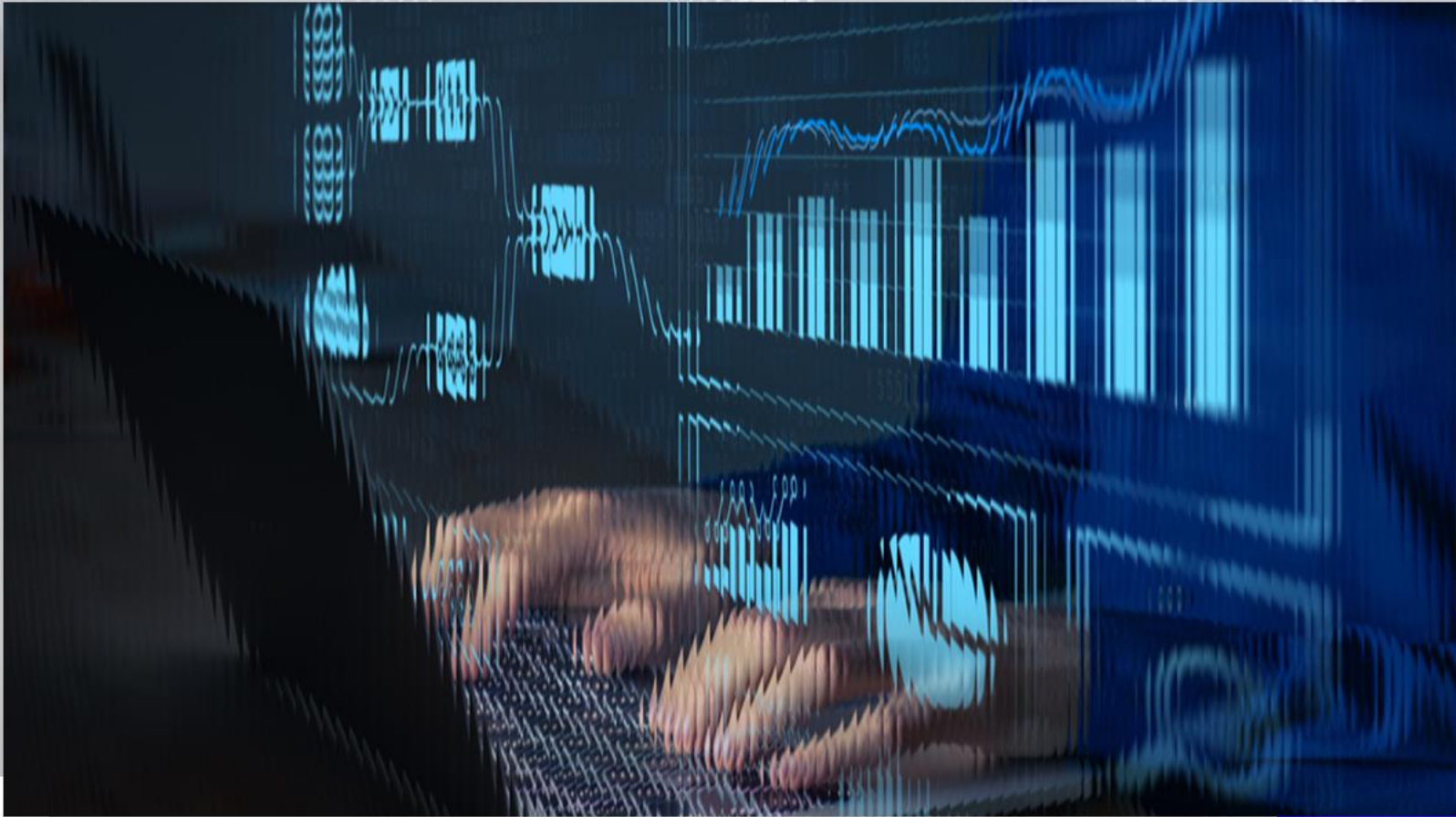


Source: Fed, 360 ONE Asset Research

Note: The Fed dot plot shows where each FOMC member thinks interest rates will be by the end of the year. Each "dot" represents a member's individual view.

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