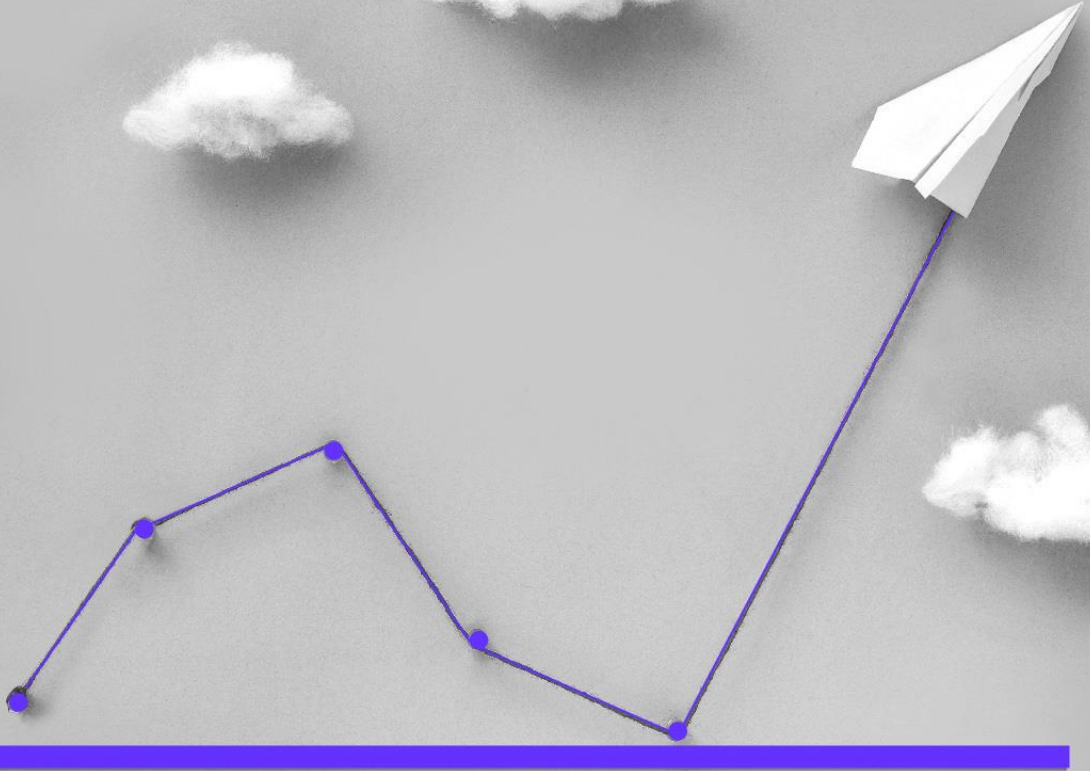


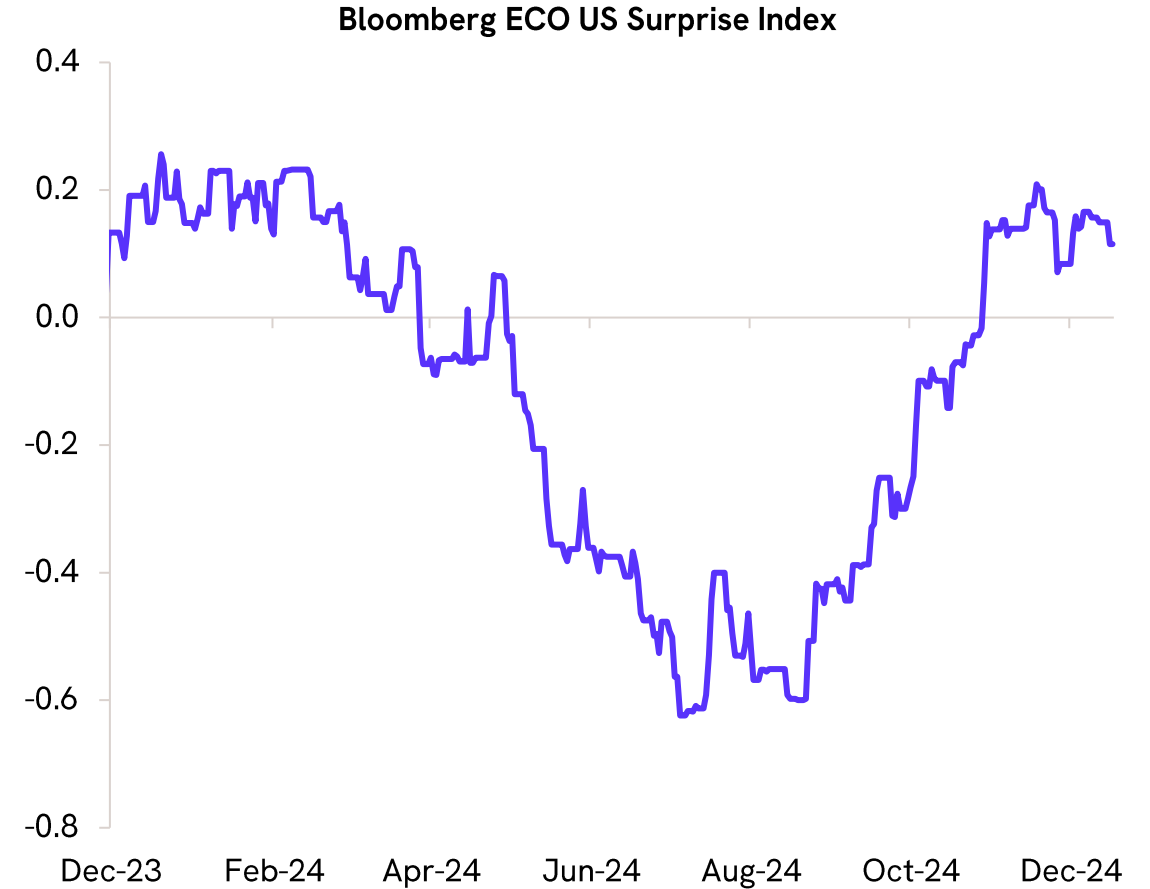
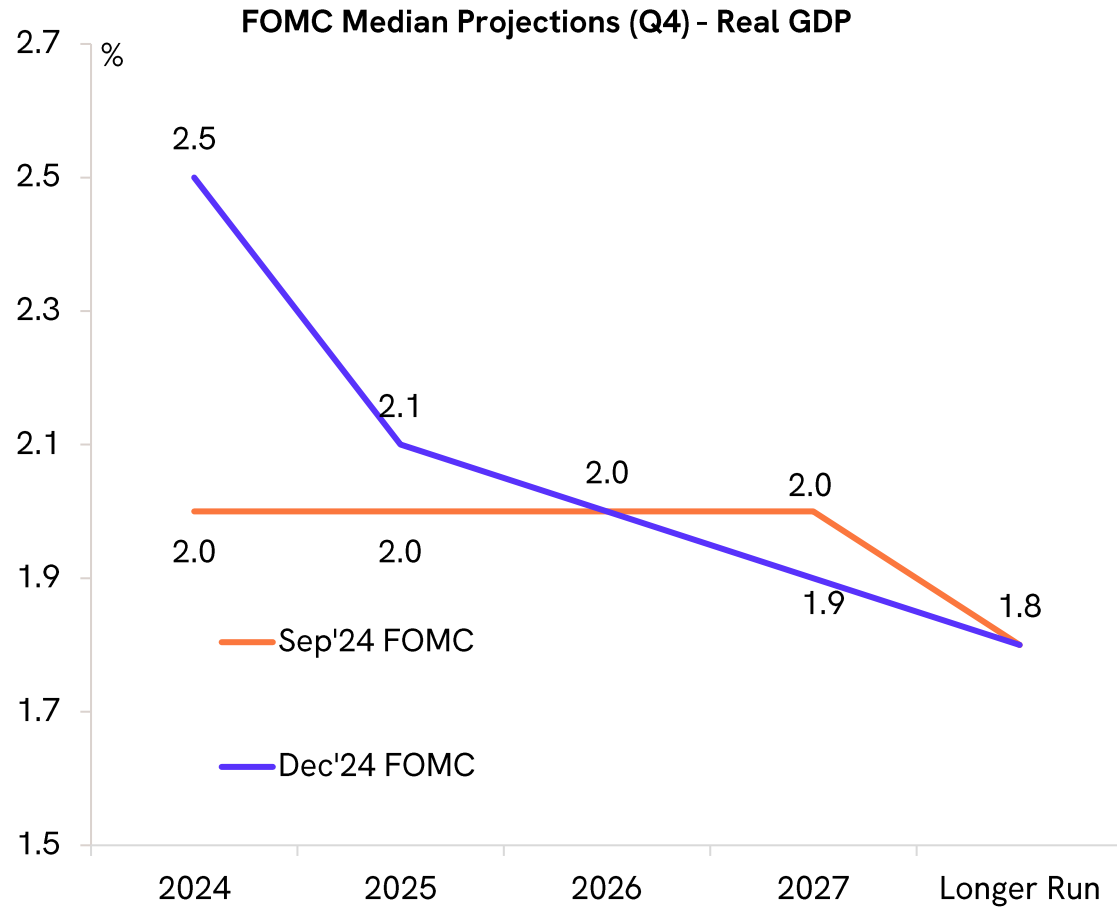
TRENDS & TIDES

Dec'24 US FOMC cuts Fed Funds Rate by another 25 bps; Dot Plot projects only 50 bps of additional rate cuts in 2025



FOMC revises growth projections higher on strong growth momentum

US economic activity remains robust, with recent economic data exceeding market expectations

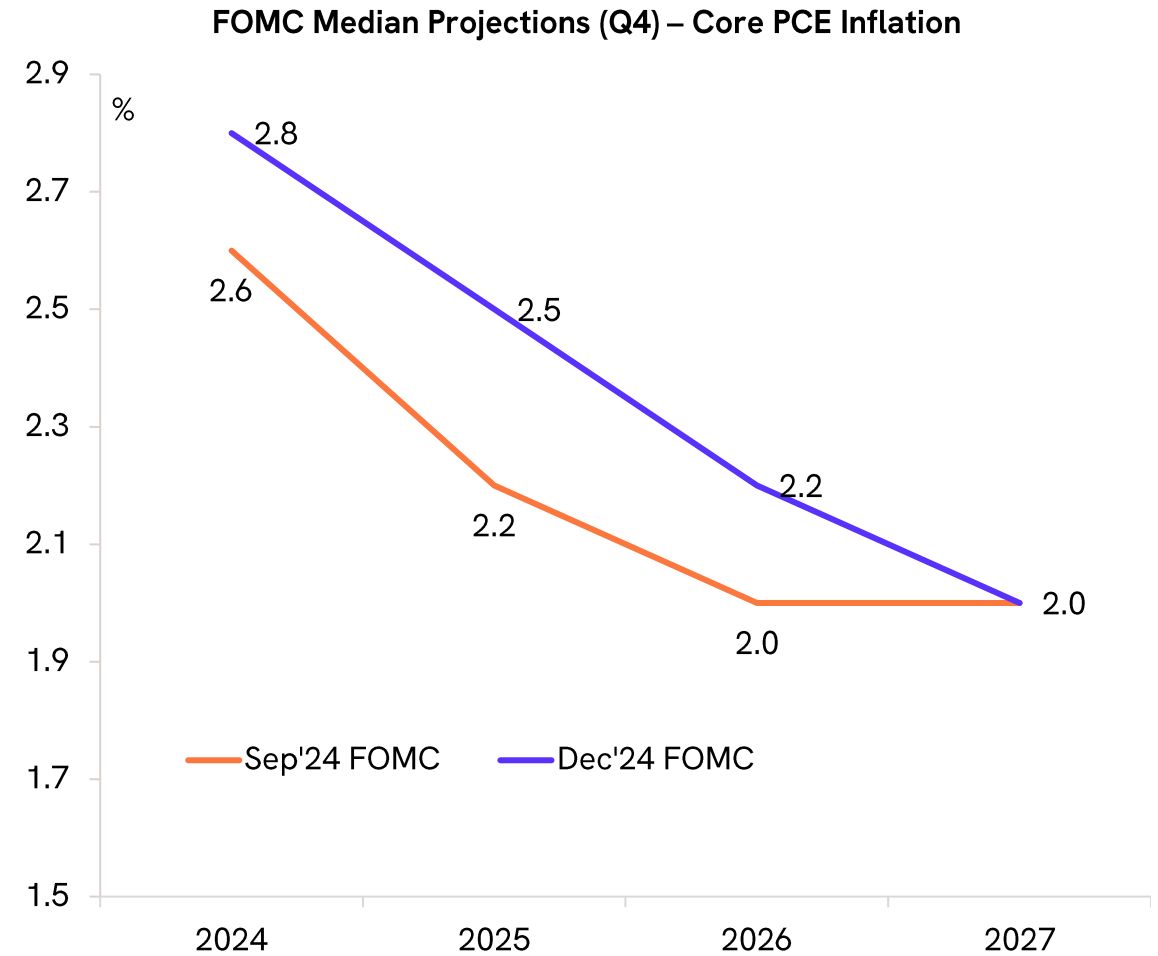
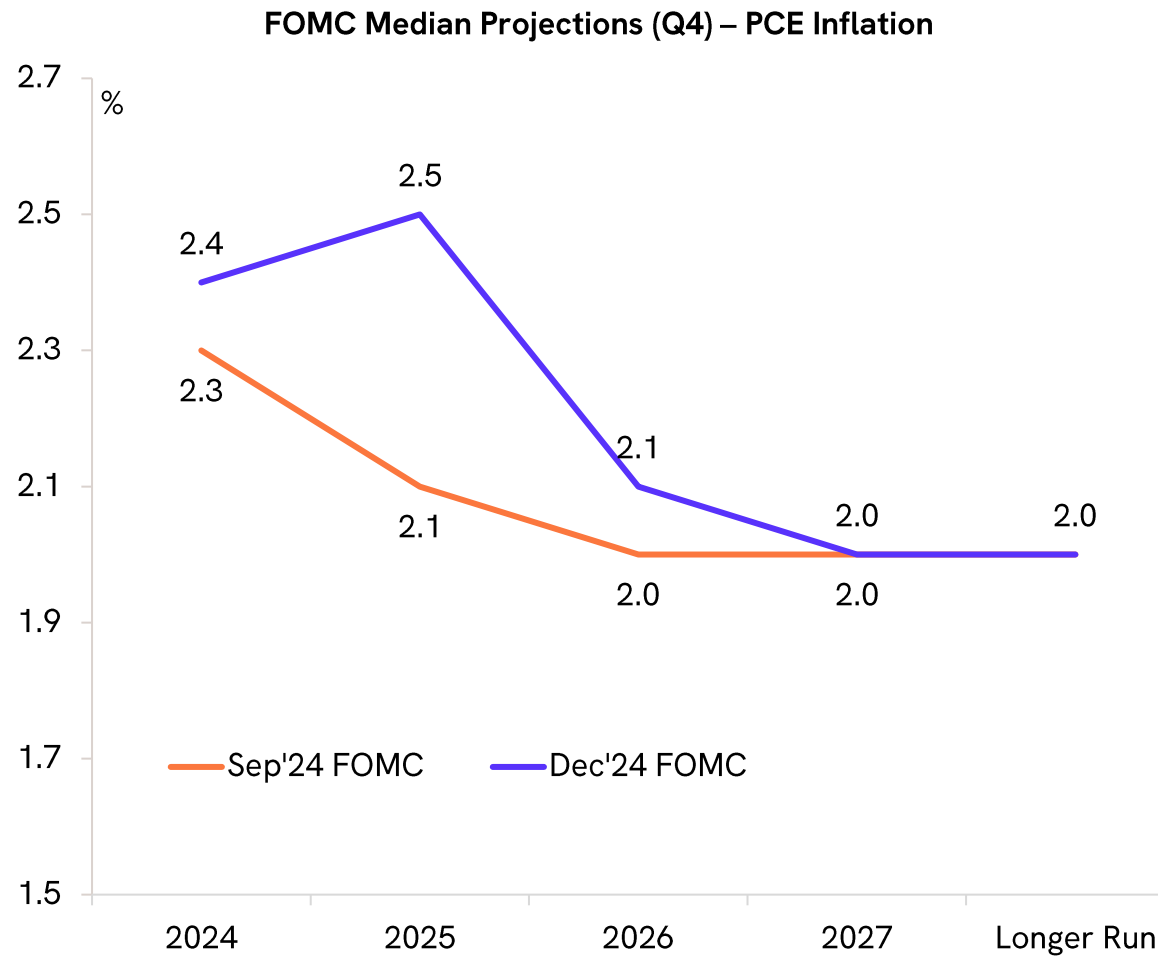


Note- FOMC: Federal Open Market Committee, Projections of real gross domestic product (GDP) are per cent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated

Source: Fed, Bloomberg, 360 ONE Asset Research

FOMC revises inflation projections upwards

Participants project core PCE inflation at 2.5% in Q4 2025, up from the 2.2% projection in the September policy

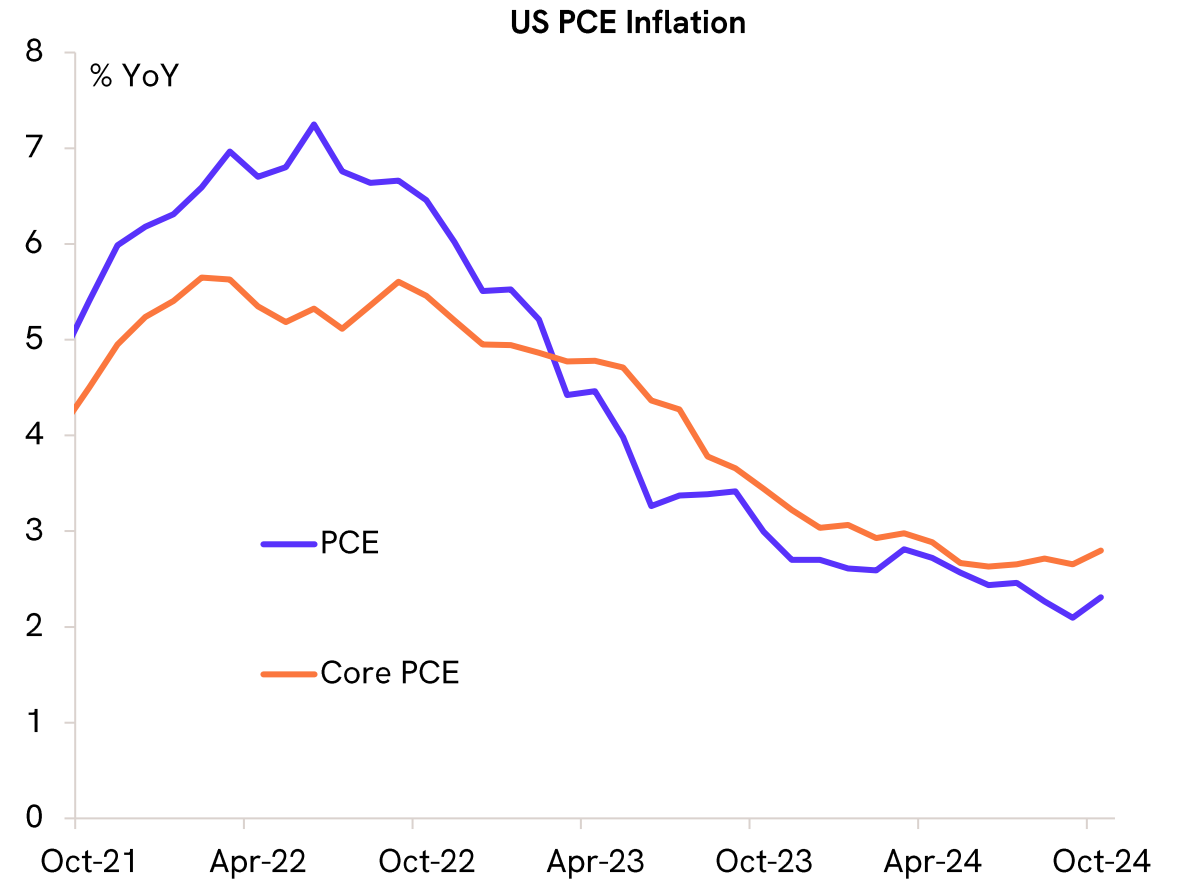
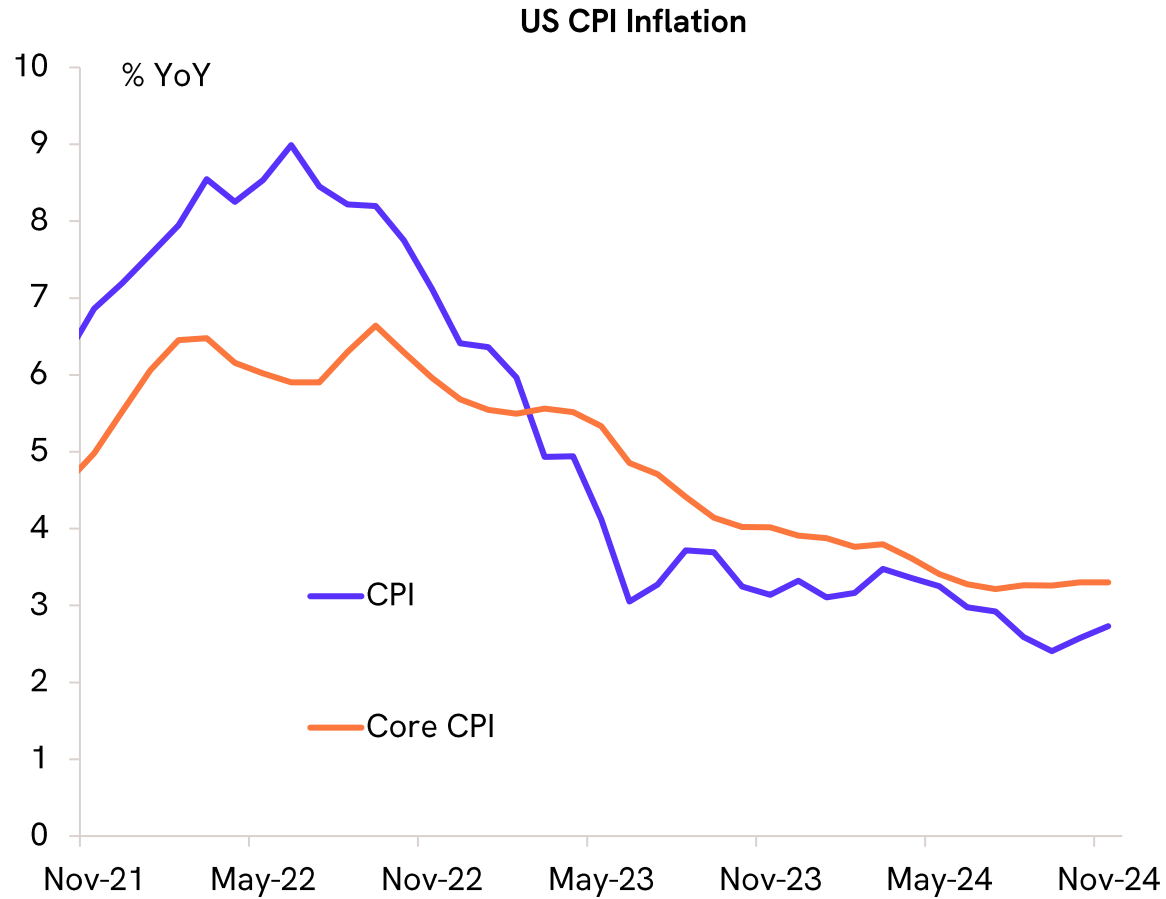


Note- PCE: Personal Consumption Expenditure Price Index, Projections for both measures of inflation are per cent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated

Source: Fed, 360 ONE Asset Research

Inflation has turned out to be stickier than expected

The descent of inflation has slowed, prompting the FOMC to revise inflation projections upwards



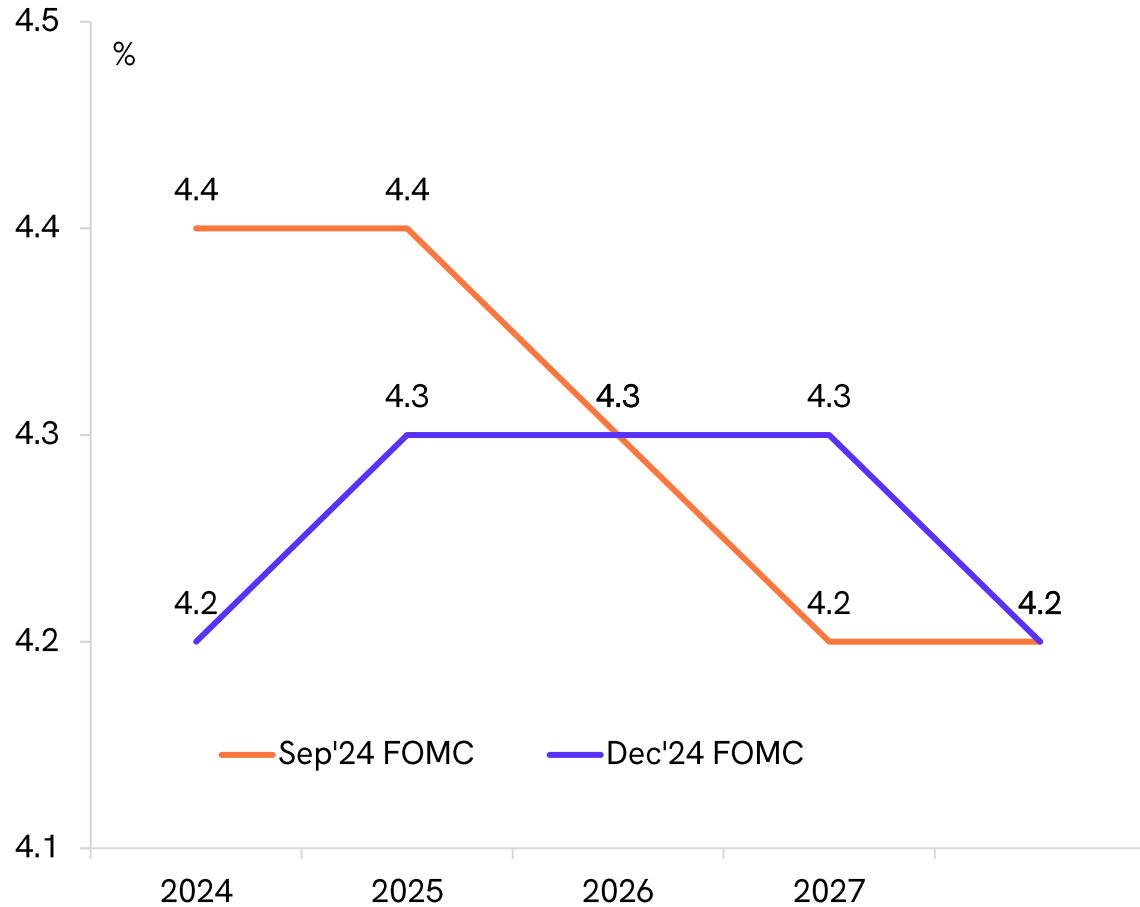
Source: FRED, Bloomberg, 360 ONE Asset Research

Note- PCE: Personal Consumption Expenditure Price Index, CPI: Consumer Price index

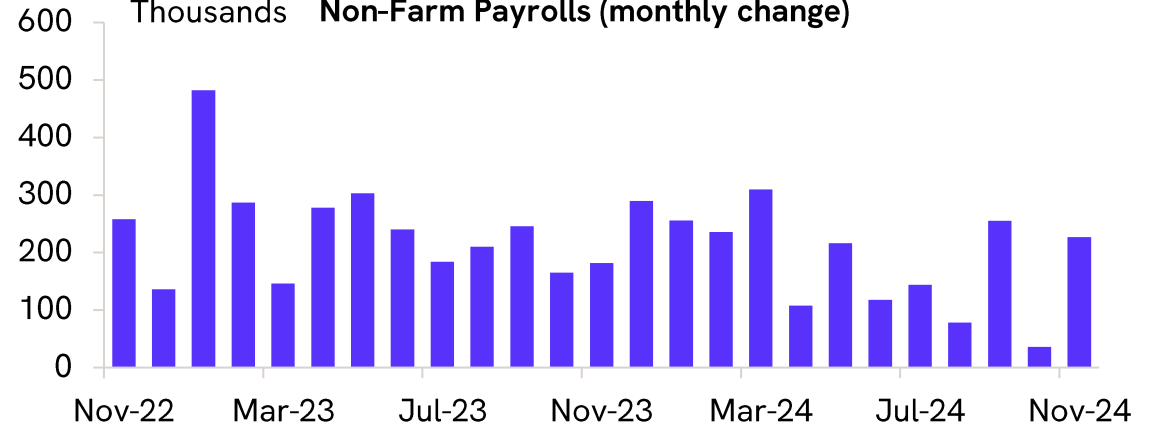
FOMC revises unemployment rate projections lower

Powell states that the job market is still cooling, but the Fed doesn't believe further cooling is needed to bring inflation down

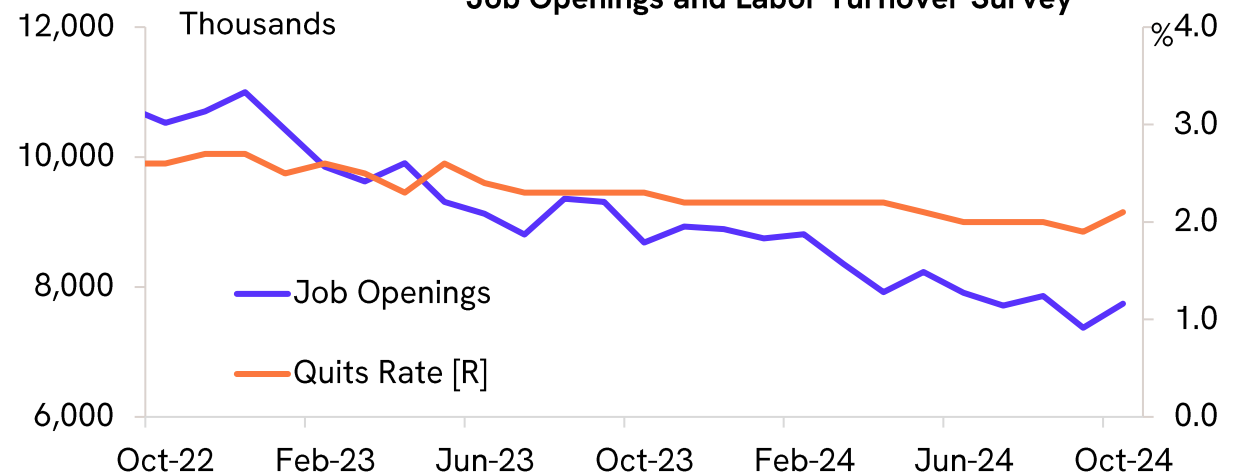
FOMC Median Projections (Q4) – Unemployment Rate



Thousands Non-Farm Payrolls (monthly change)



Job Openings and Labor Turnover Survey

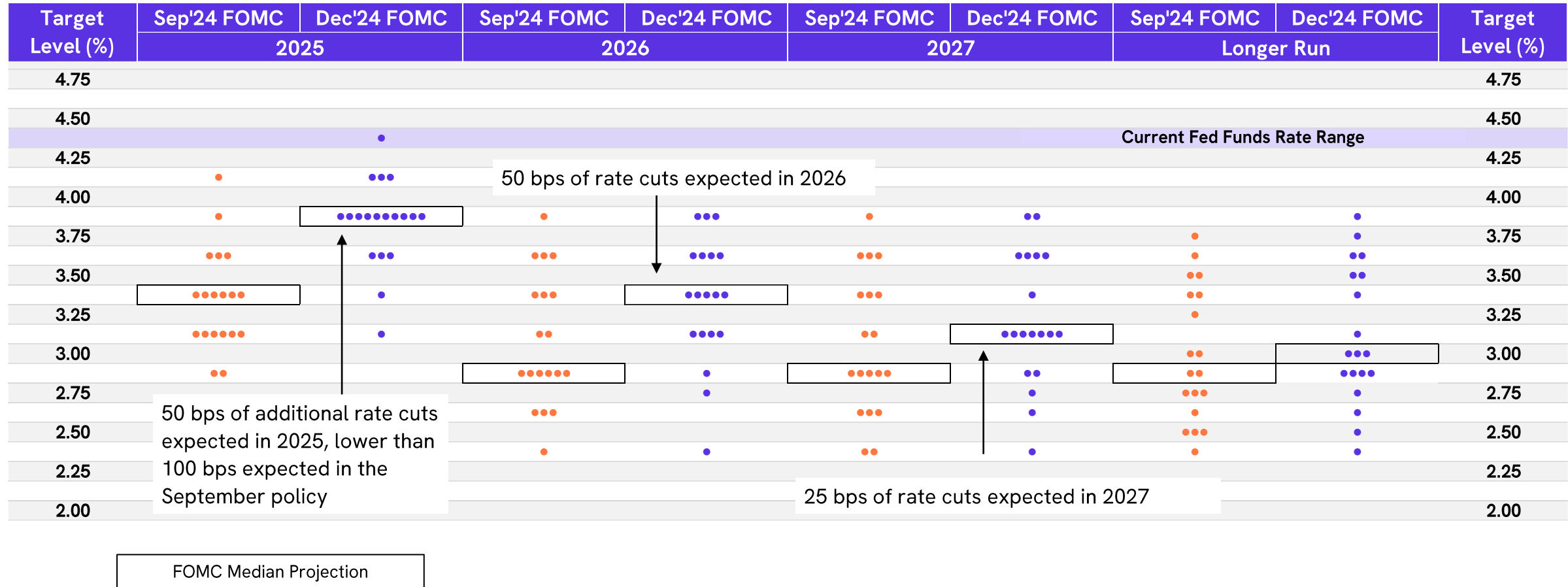


Source: FRED, FED, 360 ONE Asset Research

Note: Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated

FOMC dot plot indicates 50 bps of rate cuts in both 2025 and 2026

Powell states that the Fed can be more cautious with rate cuts, as the policy stance is now significantly less restrictive



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

Source: Fed, 360 ONE Asset Research

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