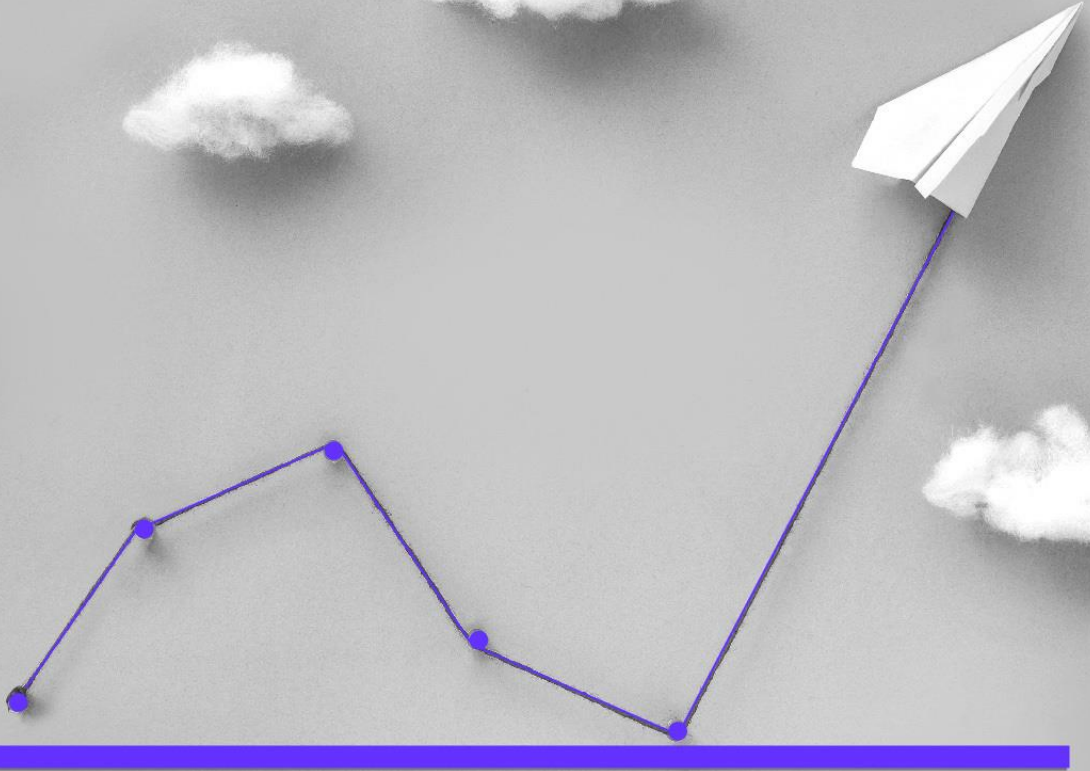


TRENDS & TIDES

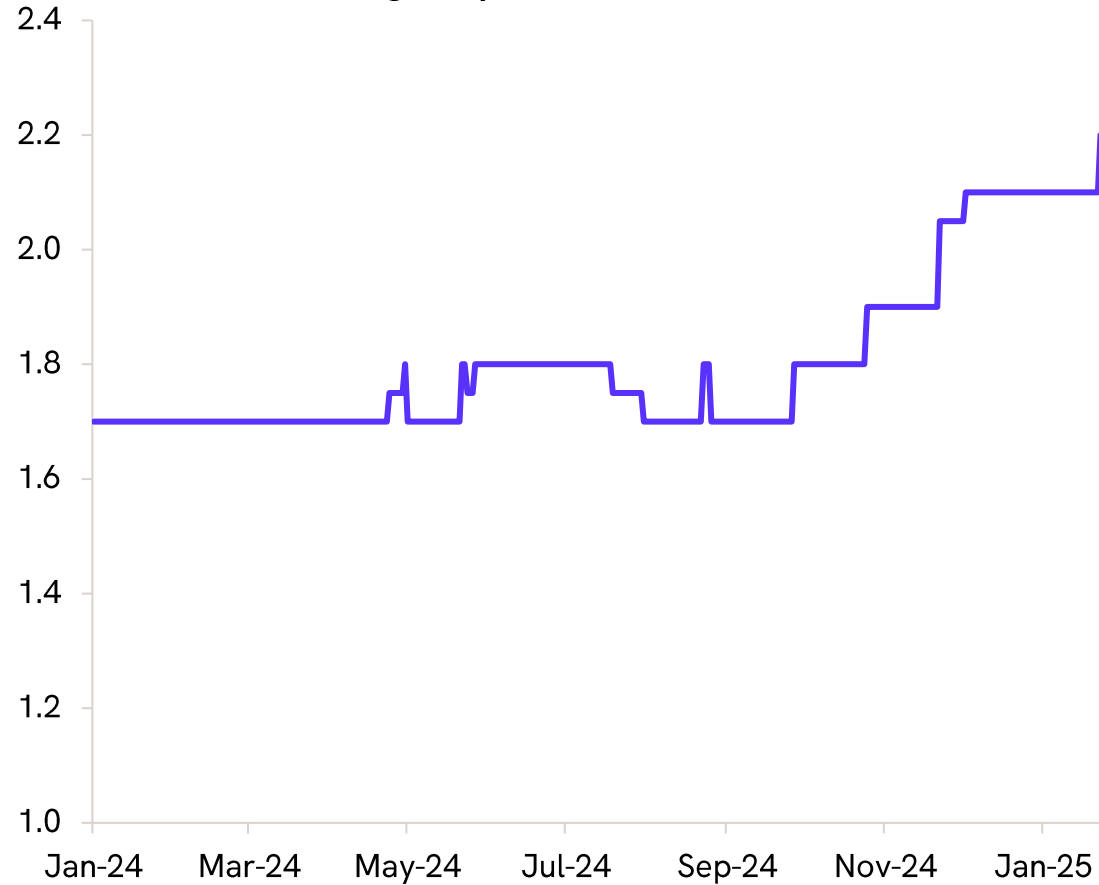
**US FOMC keeps the Federal
Funds Rate steady at
4.25-4.50%**



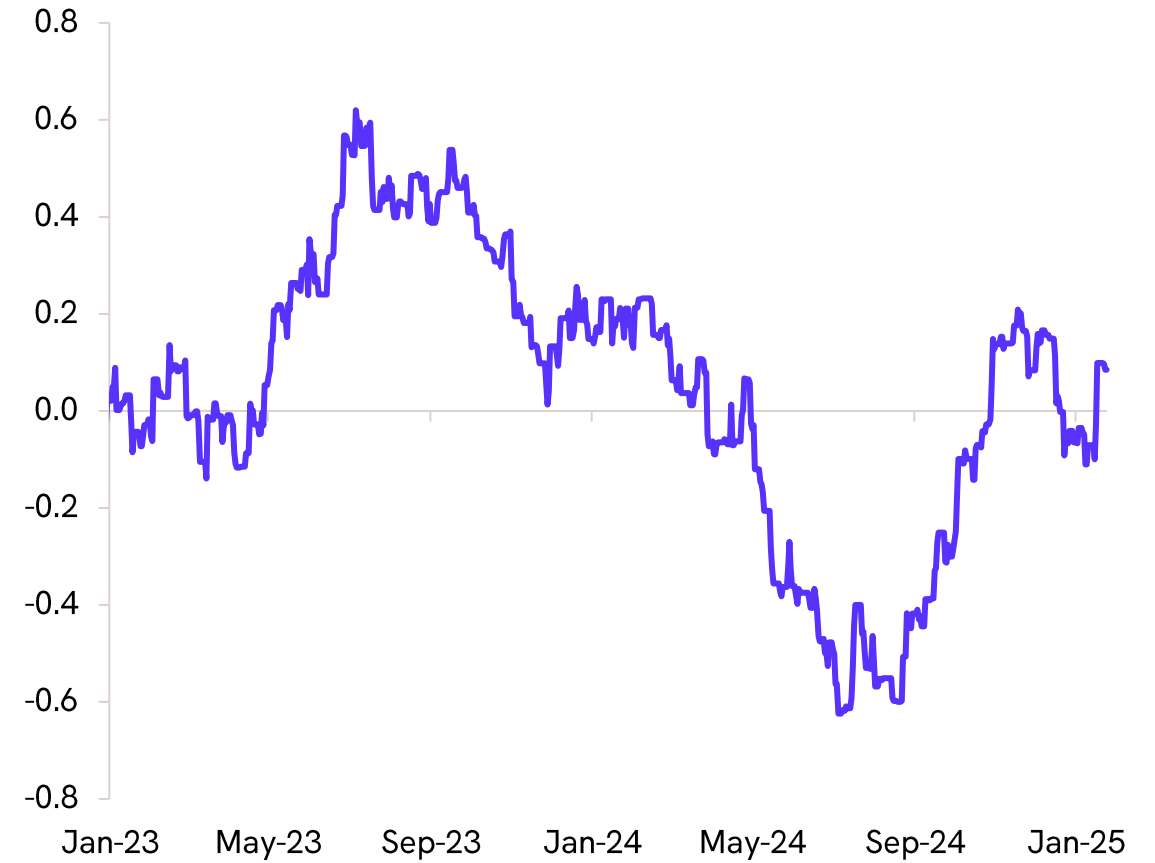
US economic data continues to meet or surpass expectations

US economic momentum continues to be robust, as reflected in the upward revision of growth estimates for 2025

Bloomberg Analysts' US Real GDP Forecast 2025



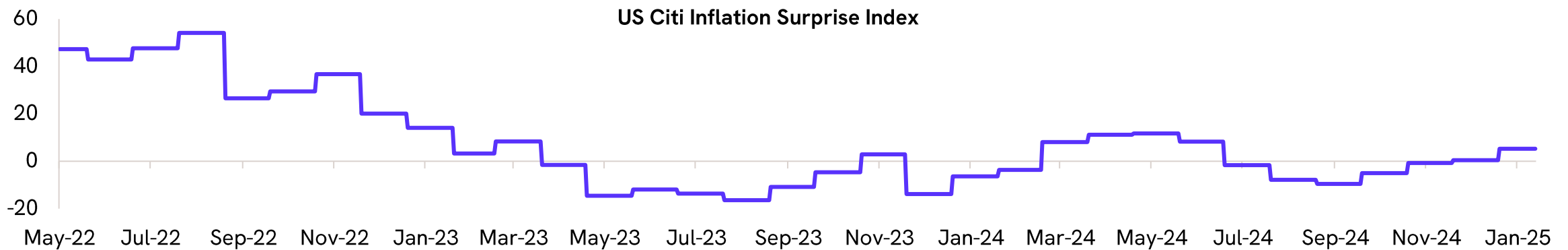
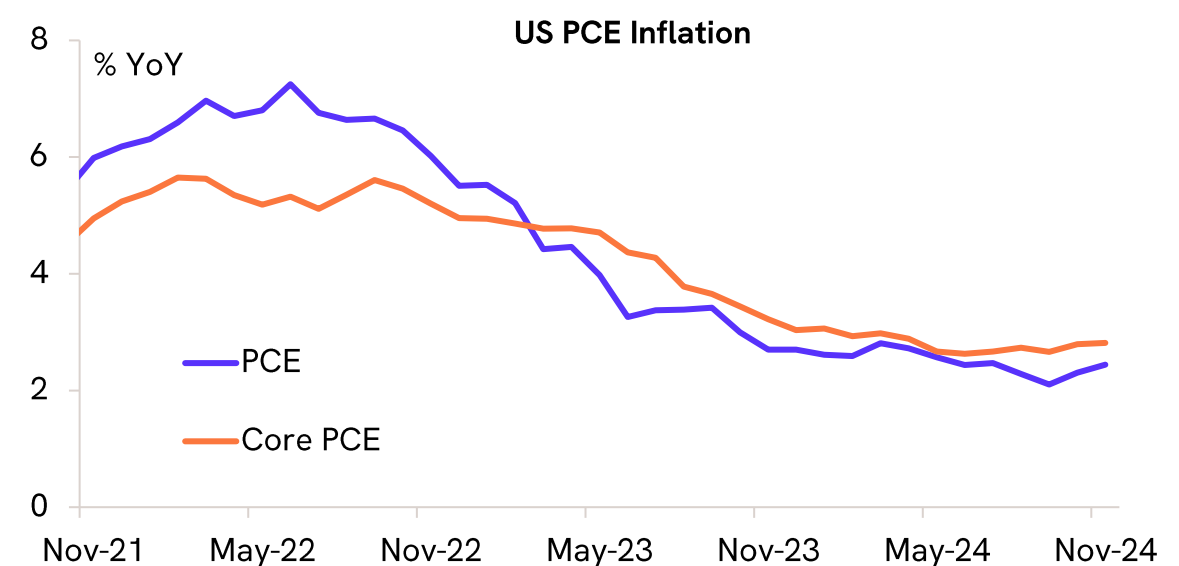
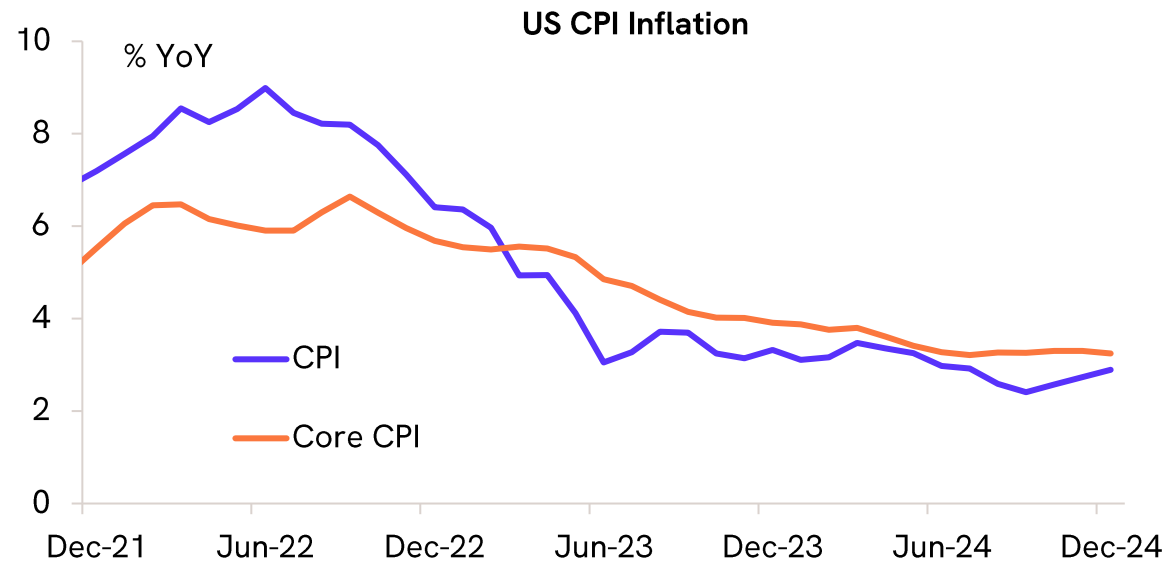
Bloomberg ECO US Surprise Index



Source: Bloomberg, 360 ONE Asset Research

The decline in US inflation appears to have stalled

FOMC statement notes that inflation remains 'somewhat elevated', removes reference to 'progress toward the 2% objective'

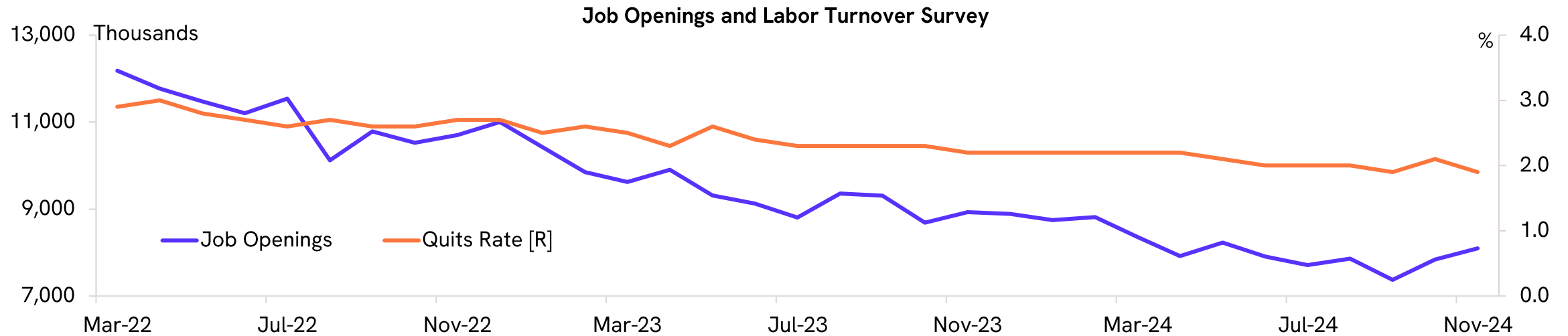
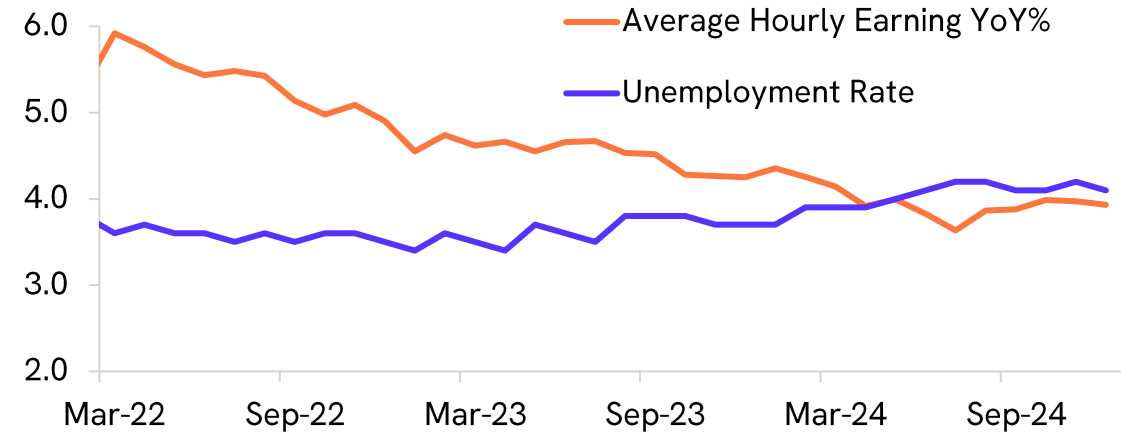
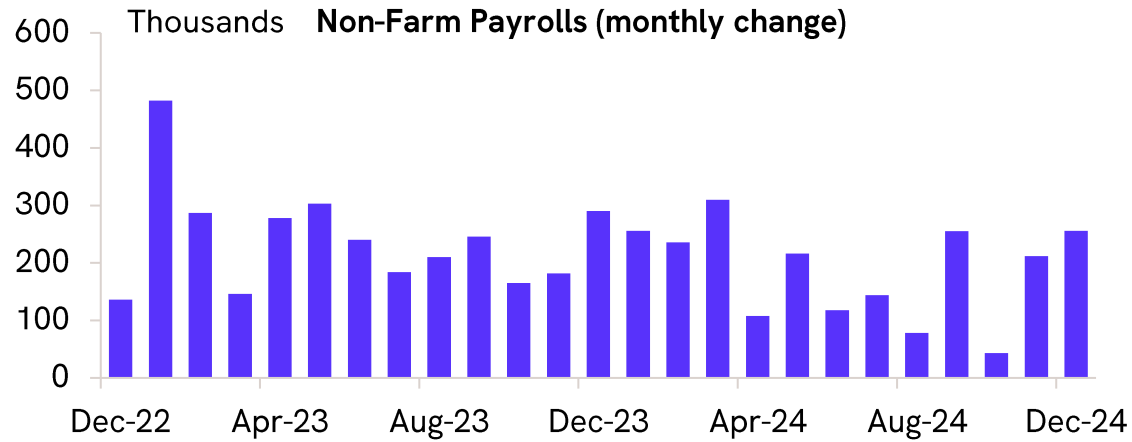


Source: Bloomberg, FRED, 360 ONE Asset Research

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

US labour market remains resilient

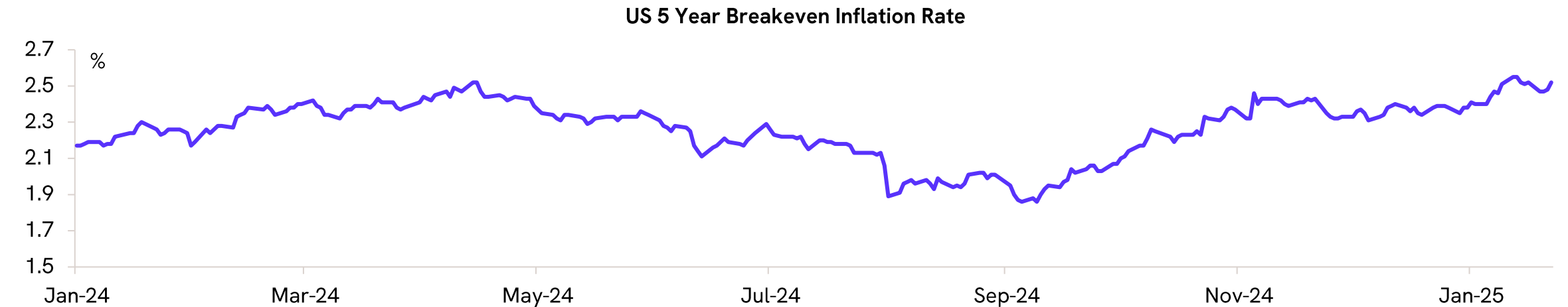
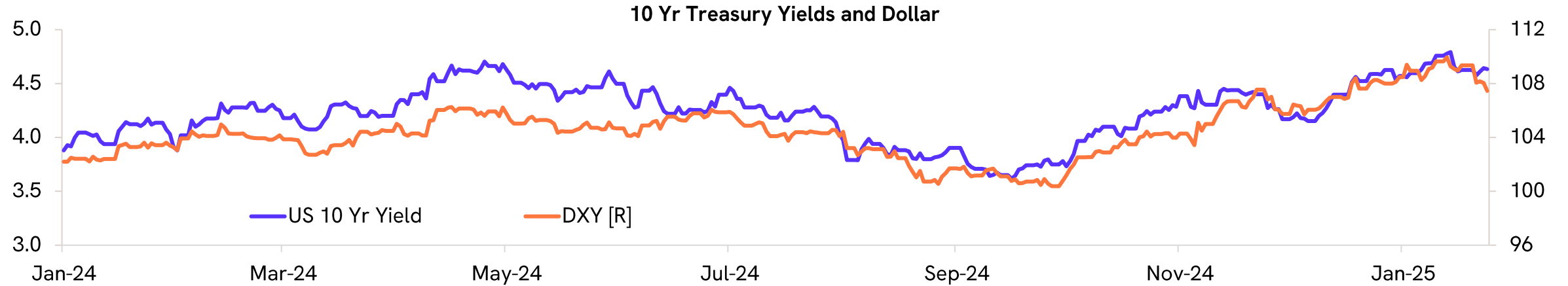
FOMC notes that the unemployment rate has stabilised at a low level and labour market conditions remain solid



Source: FRED, 360 ONE Asset Research

Yields have risen as markets lower expectations for the pace of easing

The 5-year breakeven inflation rate has also started inching up, as the policies of the new US admin. might be inflationary



Source: FRED, 360 ONE Asset Research

Note: The 5-year breakeven inflation rate implies expected inflation in the next 5 years on average

Markets anticipate further 25-50 bps of rate cuts by end-2025

Powell says the Fed is not rushing to lower interest rates, despite them being 'meaningfully above' the long-term neutral rate

Implied probabilities of upper end of Fed Funds Rate								
FOMC Meeting Date	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50
	-175bps	-150bps	-125bps	-100bps	-75bps	-50bps	-25bps	Current
19-03-2025			0.0%	0.0%	0.0%	0.0%	23.0%	77.0%
07-05-2025	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%	36.1%	58.3%
18-06-2025	0.0%	0.0%	0.0%	0.0%	3.0%	22.1%	48.1%	26.7%
30-07-2025	0.0%	0.0%	0.0%	0.5%	6.0%	26.2%	44.8%	22.6%
17-09-2025	0.0%	0.0%	0.2%	2.4%	12.9%	32.5%	37.2%	14.9%
29-10-2025	0.0%	0.0%	0.5%	3.8%	15.6%	33.2%	34.1%	12.8%
10-12-2025	0.0%	0.1%	1.2%	6.5%	19.6%	33.4%	29.2%	9.9%

↑
Markets assign similar probabilities to 25 bps and 50 bps of rate cuts by the end of 2025

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