



Global Macro Flash

US Federal Open Market Committee (FOMC) | January, 30th 2025

Previous Data

Period	Actual	Change
Dec 2024	4.50%	-25bps
Nov 2024	4.75%	-25bps
Oct 2024	5.00%	-

Source : Tradingeconomics

Probability Target Rate (%)

Target Rate (bps)	Now*	-1W	-1M
375-400	-	0.3%	4.7%
400-425	23.0%	24.6%	45.3%
425-450	77.0%	75.2%	50.0%

Source : CME FedWatch Tool | *(29/1)

Headline Inflation (PCE)

Period	Actual (YoY)	Consensus
Nov 2024	2.40%	2.50%
Oct 2024	2.30%	2.30%
Sep 2024	2.10%	2.10%

Source : Tradingeconomics

Unemployment

Period	Actual	Consensus
Dec 2024	4.10%	4.20%
Nov 2024	4.20%	4.20%
Oct 2024	4.10%	4.10%

Source : Tradingeconomics

Nonfarm Payrolls (NFP)

Period	Actual	Consensus
Dec 2024	256K	160K
Nov 2024	212K	200K
Oct 2024	36K	113K

Source : Tradingeconomics

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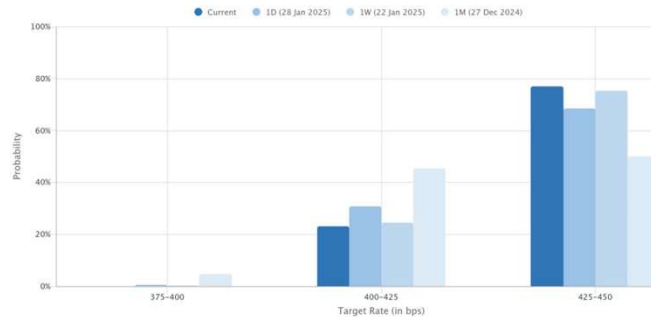
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Fed Eyes Inflation Data and Trump Policy Impacts

Period	Actual	Change	Consensus
Jan 2025	4.50%	-	4.50%

Source : Tradingeconomics

Figure 1. Target Rate Probabilities for 19 Mar 25 FOMC- as of 29 Jan 2025



Source : Phintraco Sekuritas Research | CME FedWatch Tool

The Fed maintained interest rate within the range of 4.25–4.50% on January 30, 2025. Fed Chair Jerome Powell stated that the U.S. central bank required a temporary pause to further observe inflation trends following a prior rate reduction at the end of the previous year (19/12). This policy was adopted due to the continued strength of the U.S. economy and the diminished restrictive impact of interest rates on economic activity compared to earlier periods. Additionally, stable labor market conditions allowed Fed policymakers to delay adjustments to the benchmark rate until more concrete evidence of a sustained decline in inflation materializes. As measured by the Personal Consumption Expenditures (PCE) Price Index, inflation data stood at 2.40% year-over-year (YoY) in November 2024, while market consensus projections anticipated an increase to 2.60% YoY in December 2024.

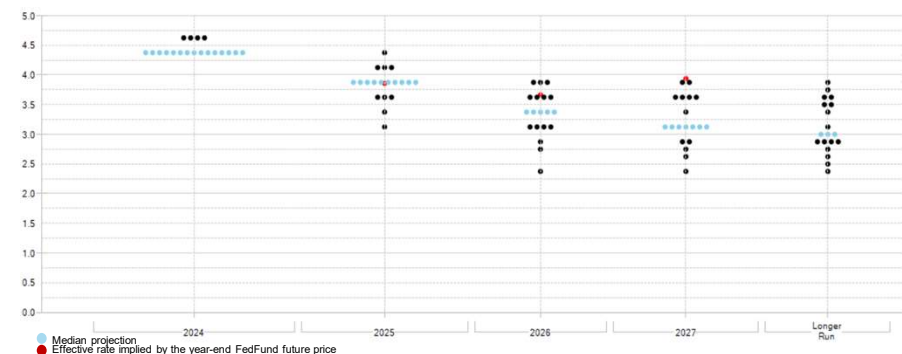
Pursuing its dual mandate of maximum employment and a 2% inflation target, the Fed adopted an exceedingly cautious approach in considering future rate adjustments. The central bank also emphasized the need to evaluate the potential economic impacts of Donald Trump's policies on immigration, tariffs, and taxation on U.S. economic stability.

The Fed members projected a 77.00% probability that interest rates would remain unchanged within the 4.25–4.50% range during the Federal Open Market Committee (FOMC) meeting scheduled for March 19th, 2025. This probability reflects an increase compared to figures recorded the prior week (22/1) and the previous month (27/12) (Figure 1).

According to dot plot projections (18/12), the Federal Reserve's benchmark rate is anticipated to undergo two 50 bps reductions over the next year, reaching a range of 3.75–4.00% by the end of 2025. Over the longer term, interest rates will trend toward a neutral range of 2.75–3.00% (Figure 2).

In our view, The Fed decision to maintain interest rates in line with market expectations has contributed to a marginal weakening of the Dollar Index (DXY) in today's trading session (30/1). Furthermore, the 2-year U.S. Treasury (UST) yield stabilized at 4.21%, while the 10-year UST yield declined by 1 basis point (bps) to 4.52% (30/1).

Figure 2. Dot Plot FOMC Participants - as of 18 Dec 2024



Source : Phintraco Sekuritas Research | CME FedWatch Tool