



Global Macro Flash

US Federal Open Market Committee (FOMC) | March, 20th2025

Previous Data

| Period | Actual | Change |
|----------|--------|--------|
| Feb 2025 | 4.50% | - |
| Jan 2025 | 4.50% | - |
| Dec 2024 | 4.50% | -25bps |

Source : Tradingeconomics

Probability Target Rate (%)

| Target Rate (bps) | Now* | -1W | -1M |
|-------------------|-------|-------|-------|
| 375-400 | - | 0.5% | 0.3% |
| 400-425 | 18.7% | 27.8% | 12.8% |
| 425-450 | 81.3% | 71.7% | 86.9% |

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

Headline Inflation (PCE)

| Period | Actual (YoY) | Consensus |
|----------|--------------|-----------|
| Jan 2025 | 2.50% | 2.50% |
| Dec 2024 | 2.60% | 2.60% |
| Nov 2024 | 2.50% | 2.50% |

Source : Tradingeconomics

Unemployment

| Period | Actual | Consensus |
|----------|--------|-----------|
| Feb 2025 | 4.1% | 4.0% |
| Jan 2025 | 4.0% | 4.1% |
| Dec 2024 | 4.1% | 4.2% |

Source : Tradingeconomics

Nonfarm Payrolls (NFP)

| Period | Actual | Consensus |
|----------|--------|-----------|
| Feb 2025 | 151K | 160K |
| Jan 2025 | 143K | 170K |
| Dec 2024 | 256K | 160K |

Source : Tradingeconomics

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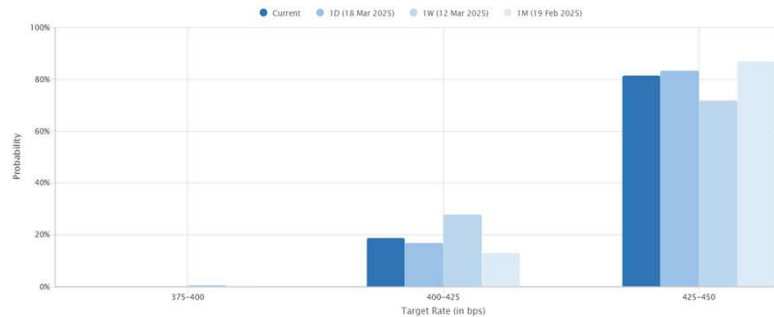
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Fed Holds Rates Steady Amidst Economic Uncertainty

| Period | Actual | Change | Consensus |
|----------|--------|--------|-----------|
| Mar 2025 | 4.50% | - | 4.50% |

Source : Tradingeconomics

Figure 1. Target Rate Probabilities for 7 May 2025 FOMC - as of 19 Mar 2025



Source : Phintraco Sekuritas Research | CME FedWatch Tool

The Fed maintained interest rate at 4.25%-4.50% during the Federal Open Market Committee (FOMC) meeting on March 19, 2025. Fed members anticipate a slowdown in US economic growth while inflation remains high. This policy decision was made due to continued uncertainty surrounding US import tariff policies. This uncertainty underlies the Fed's cautious approach to adjusting fund rates, especially with inflation still above target. The latest Personal Consumption Expenditures (PCE) price index shows general inflation declined to 2.50% YoY in February 2025, while consensus forecasts expect inflation to stabilize at 2.40% YoY by the end of 2025.

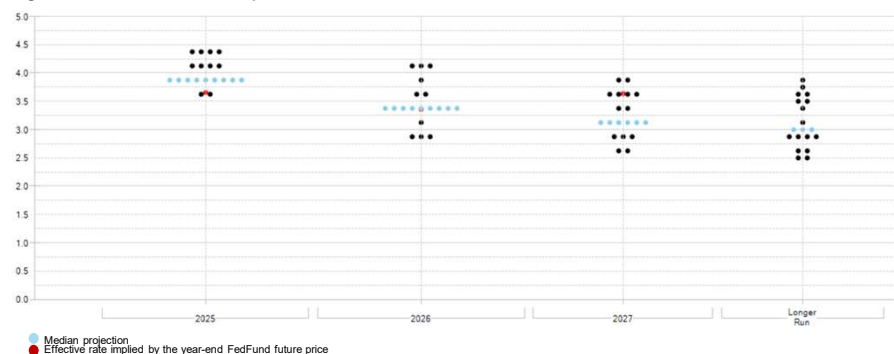
Fed Chairman Jerome Powell added that recession risks have increased but remain manageable. Solid labor market data evidence this, although weak indicators such as market sentiment show concerns about a potential US recession. However, he noted that this sentiment has weakened while economic activity remains strong.

Fed members project that interest rates will remain in the 4.25%-4.50% range with a 77.00% probability for the Federal Open Market Committee (FOMC) meeting scheduled for May 7, 2025. The probability levels have remained stable, with no significant differences between last week (3/12), last month (2/19), and yesterday (3/19) (Figure 1).

Based on the dot plot projections (12/18), the Fed funds rate is projected to undergo two 50 basis point (bps) cuts over the next year, reaching 3.75%-4.00% with a median point of 3.9% by the end of 2025. In the longer run, interest rates are expected to move toward 2.75%-3.00%, with a median point of 3.0% (Figure 2).

The Fed's decision to maintain interest rates aligned with market expectations led to a minor Dollar Index (DXY) weakening yesterday (3/19).

Figure 2. Dot Plot FOMC Participants - as of 19 March 2025



Source : Phintraco Sekuritas Research | CME FedWatch Tool