



# Global Macro Flash

US Economic GDP 1Q25\* Second Estimate | June 2<sup>nd</sup>, 2025

## US Economic Growth Falters in 1Q25 Amidst Cooling Inflation and High Savings

### Economic Growth (GDP, QoQ)

Period	Actual	Consensus
4Q24	2.40%	2.30%
3Q24	3.10%	2.80%
2Q24	3.00%	3.00%

Source : Tradingeconomics

### Interest Rate (INT)

Period	Actual	Change
Apr 2025	425-450 bps	Stable
Mar 2025	425-450 bps	Stable
Feb 2025	425-450 bps	Stable

Source : Tradingeconomics

### Head Inflation Rate (PCE)

Period	Actual (YoY)	Consensus
Mar 2025	2.30%	2.20%
Feb 2025	2.60%	2.50%
Jan 2025	2.50%	2.50%

Source : Tradingeconomics

### Unemployment Rate (UNE)

Period	Actual	Consensus
Mar 2025	4.20%	4.10%
Feb 2025	4.10%	4.00%
Jan 2025	4.00%	4.00%

Source : Tradingeconomics

### Non-Farm Payrolls (NFP)

Period	Actual	Consensus
Apr 2025	117K	130K
Mar 2025	228K	135K
Feb 2025	151K	159K

Source : Tradingeconomics

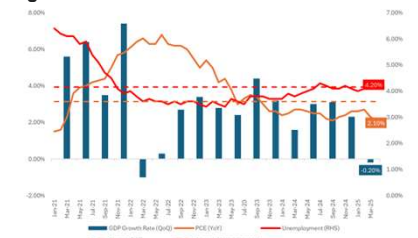
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Period	GDP*	INT	PCE (YoY)	UNE (MoM)
Apr 2025 / 1Q25	-0.2%*	425-450 bps	2.10%	4.20%

Source : Tradingeconomics | \* Second Estimated

Figure 1. GDP and Macroeconomic Indicators



Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

Figure 2. Contributor of GDP

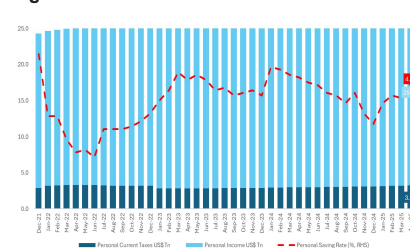


Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

U.S. economic growth contracted by -0.20% QoQ in the second estimate for Q1 2025, down from 2.40% QoQ in Q4 2024, as released by the US Bureau of Economic Analysis, and slightly better than market expectations of -0.3% QoQ contraction. It aligns with the slowdown in general inflation indicators, specifically the Personal Consumption Expenditure (PCE), which decreased to 2.10% year-over-year (YoY) in April 2025 from 2.30% YoY in March 2025. Meanwhile, the unemployment rate in May 2025 is expected by market consensus to remain stable at 4.2%, unchanged for two consecutive months since March 2025 (Figure 1).

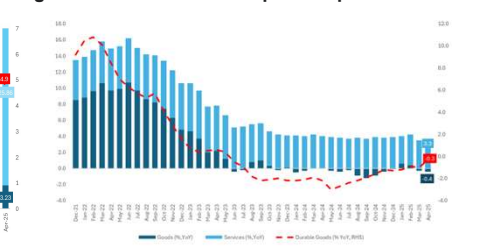
U.S. GDP growth was driven by personal consumption expenditure, which fell to 0.8% QoQ from 2.7% QoQ in Q4 2024, representing 69.4% of total GDP (Figure 2). Personal consumption value increased by 1.2% QoQ to US\$16.3 trillion, supported by increased spending on clothing and footwear. Other expenditures showed domestic investment growing at the highest rate of 24.4%QoQ. At the same time, government spending slowed by 0.7% QoQ due to President Donald Trump's policy of maintaining efficient government operations overseen by the Department of Government Efficiency (DOGE). Net exports showed the highest slowdown at 30.9% QoQ due to rising import values, as goods and services were not produced domestically.

Figure 3. Personal Income



Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

Figure 4. Personal Consumption Expenditure Index



Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

Personal Income (PI) grew an estimated 0.80% MoM in April 2025, primarily due to Americans receiving social assistance from the US government. Other significant contributions came from increased wages and salaries in service industries such as trade, transportation, and utilities. The preliminary saving rate in the United States increased 60 basis points to 4.9% in April 2025 from 4.3% in March 2025 (Figure 3).

The Personal Consumption Expenditure (PCE) Index slowed to 2.1% YoY in April 2025, from 2.30% YoY in March 2025, influenced by decreasing food and energy costs, which affected demand weakness. Meanwhile, goods consumption growth slowed to 0.4% YoY in April 2025. Durable goods began recovering despite still contracting at -0.30% YoY, while non-durable goods contracted by -0.4% YoY in April 2025 from an expansion of 0.1% YoY in March 2025 (Figure 4).

We assess that the contracted GDP report, high saving rate in the United States, and declining PCE inflation reaffirm expectations of a significant economic slowdown. Consumers show stable purchasing power thanks to declining energy prices; however, uncertainty about President Trump's tariff policies is expected to slow demand. These conditions are likely to form the basis for the Fed to take an accommodative approach to stimulate US economic growth. The probabilities (1/6) for the Fed's FOMC meeting in September rose to 57.40% from 55.72% on May 30, 2025, with the 400-425 bps range.