



# Global Macro Flash

US Economic GDP 1Q25| June 30<sup>th</sup>, 2025

## 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
Apr 2025	2.3%	2.2%
Mar 2025	2.3%	2.2%
Feb 2025	2.7%	2.8%

Source : Bloomberg

## Unemployment Rate (UNE)

Period	Actual	Consensus
Apr 2025	4.2%	4.2%
Mar 2025	4.2%	4.1%
Feb 2025	4.1%	4.0%

Source : Bloomberg

## Non-Farm Payrolls (NFP)

Period	Actual	Consensus
May 2025	139K	130K
Apr 2025	177K	130K
Feb 2025	102K	120K

Source : Trading Economics

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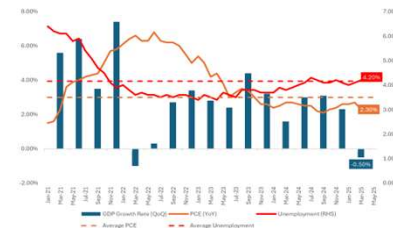
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## U.S. GDP Shrinks 0.5% QoQ in 1Q25: Trade War, Sluggish Spending, and Government Cuts Spending

Period	GDP	INT	PCE (YoY)	UNE (MoM)
May 2025/ 1Q25	-0.5%	425-450 bps	2.30%	4.20%

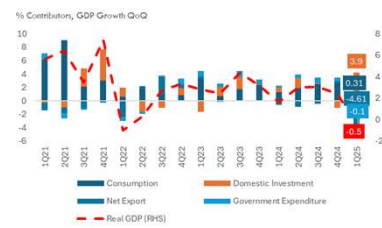
Source : Tradingeconomics

Figure 1. GDP and Macroeconomic Indicators



Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

Figure 2. Contributor of GDP

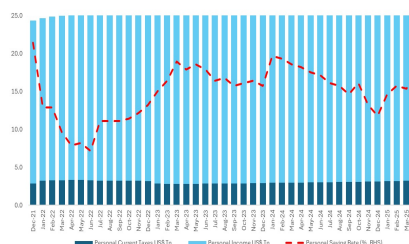


Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

U.S. economic growth contracted by 0.5% QoQ final in 1Q25 from 2.40% QoQ in 4Q24, as released by the US Bureau of Economic Analysis, and below market expectations of 0.2% QoQ expansion. It aligns with the slowdown in general inflation indicators, namely Personal Consumption Expenditure (PCE) to 2.30% YoY in March 2025 from 2.70% YoY in February 2025. Meanwhile, the unemployment rate in March rose to 4.2% from 4.1% in February 2025 (Figure 1).

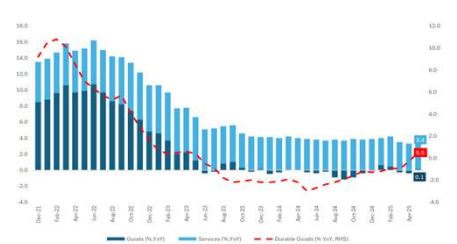
U.S. Growth Domestic Product (GDP) has growth driven by personal consumption expenditure contribution, which grew only by 0.5% QoQ or 69.3% of total GDP. Based on value, personal consumption increased by 0.11% QoQ to US\$18.6 trillion, supported by increased household service spending. Other expenditures, such as domestic investment, grew highest at 23.8% QoQ. In comparison, government spending slowed by 0.6% QoQ due to U.S. President Donald Trump's policy of maintaining efficient government operations overseen by the Department of Government Efficiency (DOGE). In terms of net exports, the highest slowdown contracted by 29.07% QoQ due to rising import values as goods and services were not produced in the US (Figure 2).

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) fell estimated 0.99% MoM in May 2025. It was due to US residents experiencing significant decreases in government social benefit payments and farm income. Meanwhile, other income contributions remained relatively stable compared to the previous month. As well, the preliminary saving rate in the United States decreased by 40 basis points to 4.5% in May 2025 from 4.9% in April 2025 (Figure 3).

Personal Consumption Expenditure (PCE) Index slightly increased to 2.3% YoY in May 2025 from 2.20% in April 2025, influenced by significant decreases in energy costs and oil prices affecting weak demand. Meanwhile, goods consumption growth rose 0.1% YoY in May 2025. Durable goods grew significantly by 0.5% YoY, while non-durable goods showed improvement although still contracting to -0.2% YoY in May 2025 from -0.4% YoY in April 2025 (Figure 4).

We assess that the declining Gross Domestic Product (GDP) report and falling PCE inflation are due to US producers tending to increase imports before tariff implementation significantly. Additionally, consumers exhibited weak purchasing power due to declining energy prices, resulting in slower demand. These conditions are expected to form the basis for The Fed to take a more accommodative monetary approach to stimulate US economic growth.