



Global Macro Flash

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

Previous Data

Period	Actual	Change
Sep 2025	4.25%	-25 bps
Aug 2025	4.50%	-
Jul 2025	4.50%	-

Source : Tradingeconomics

Historical Probability Target Rate (%)

Target Rate (bps)	Now*	-1W	-1M
350-375	-	91.1%	77.3%
375-400	70.1%	8.8%	21.9%
400-425	29.9%	0.1%	0.7%

Source : CME FedWatch Tool | *(18/9)

Headline Inflation (PCE)

Period	Actual (YoY)	Consensus
Aug 2025	2.70%	2.80%
Jul 2025	2.60%	2.60%
Jun 2025	2.60%	2.30%

Source : Tradingeconomics

Unemployment

Period	Actual	Consensus
Aug 2025	4.3%	4.3%
Jul 2025	4.2%	4.2%
Jun 2025	4.1%	4.3%

Source : Tradingeconomics

Nonfarm Payrolls (NFP)

Period	Actual	Consensus
Aug 2025	22K	75K
Jul 2025	79K	106K
Jun 2025	-13K	111K

Source : Tradingeconomics

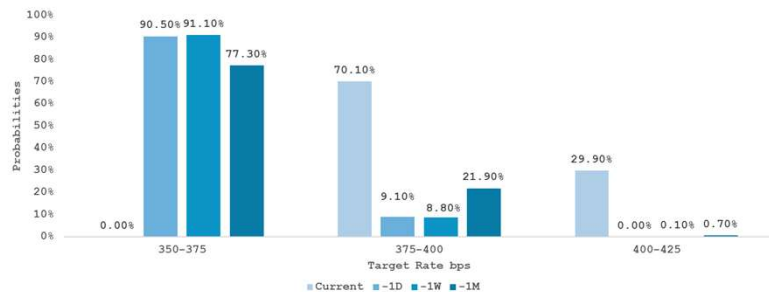
Macro & Fixed Income Analyst
Nur Ryshalti
+62 21 255 6138 Ext. 8302
nur.ryshalti@phintracosekuritas.com

The Fed Lowers Rates Amid Labor Market Weakness

Period	Actual	Change	Consensus
October 2025	4.00%	25 bps	4.00%

Source : Tradingeconomics

Figure 1. Target Rate Probabilities for 10 Dec 2025 FOMC- as of 29 October 2025



Source : Phintraco Sekuritas Research | CME FedWatch Tool

The Fed cut the benchmark interest rate by 25 bps to 3.75%–4.00% at the Federal Open Market Committee (FOMC) meeting on October 29, 2025. This marks the second rate cut in 2025. The decision was driven by concerns over weakening U.S. labor market conditions, amid limited access to economic data due to the government shutdown at the end of October 2025. The Fed Committee assessed that recent indicators are consistent with current developments, in which downside risks to employment have increased alongside rising U.S. inflation.

The Fed Committee stated that the rate cut is expected to support employment despite the recent uptick in inflation, and price pressures remain contained. In addition, the Committee decided to continue reducing its holdings of U.S. Treasury securities, agency debt, and agency mortgage-backed securities. The Fed will continue to monitor incoming information and its implications for the economy. It will adjust monetary policy as necessary should risks arise that could hinder its objectives of maintaining economic growth and price stability.

The Fed assessed that an additional rate cut in December 2025 is not guaranteed, as economic data have not yet provided sufficient support, and policymakers remain divided. The Fed is expected to maintain the policy rate in the range of 3.75%–4.00% with a 70.10% probability at the FOMC meeting scheduled for 10 December 2025. This probability reflects a hawkish stance to keep interest rates unchanged. This contrasts with the probabilities recorded yesterday (10/28), last week (10/23), and one month ago (9/30), which signaled a more dovish outlook (Figure 1).

This is supported by data from the Conditional Meeting Probabilities, which indicate that the Fed is expected to keep interest rates unchanged at the FOMC meeting on December 10th 2025, with a probability of 70.10% (Figure 2). On an aggregate basis, the Fed's benchmark rate is projected to undergo two rate cuts, totaling 50 basis points (bps), reaching a range of 3.25%–3.50% by the end of 2026, with probabilities of 74% and 68%, respectively, at the beginning of 2Q26 and 3Q26 (Figure 3).

Figure 2. Conditional Probability (as of 29-10-2025)

MEETING DATE	300-325	325-350	350-375	375-400	400-425
12/10/25	0.00%	0.00%	0.00%	70.10%	29.90%
01/28/26	0.00%	0.00%	28.00%	54.10%	18.00%
03/18/26	0.00%	11.00%	38.20%	39.90%	10.90%
04/29/26	2.70%	17.70%	38.60%	32.70%	8.20%
06/17/26	11.70%	30.20%	35.10%	18.10%	3.30%
07/29/26	18.00%	31.90%	29.30%	13.00%	2.20%
09/16/26	23.30%	30.90%	23.10%	8.90%	1.30%
10/28/26	24.70%	29.40%	20.40%	7.50%	1.10%
12/09/26	25.60%	27.70%	17.90%	6.20%	0.90%

Source : Phintraco Sekuritas Research | CME FedWatch Tool

Figure 3. Aggregate Probability (as of 29-10-2025)

MEETING DATE	300-325	325-350	350-375	375-400	400-425
12/10/25	0.00%	0.00%	0.00%	70.14%	29.86%
01/28/26	0.00%	0.00%	10.00%	90.00%	0.00%
03/18/26	0.00%	0.00%	49.17%	50.83%	0.00%
04/29/26	0.00%	0.00%	74.00%	26.00%	0.00%
06/17/26	0.00%	33.79%	66.21%	0.00%	0.00%
07/29/26	0.00%	68.00%	32.00%	0.00%	0.00%
09/16/26	6.18%	93.82%	0.00%	0.00%	0.00%
10/28/26	25.00%	75.00%	0.00%	0.00%	0.00%
12/09/26	44.11%	55.89%	0.00%	0.00%	0.00%

Source : Phintraco Sekuritas Research | CME FedWatch Tool