PHINTRACO SEKURITAS
Member of Indonesia Stock Exchange

Global Macro Flash

US Federal Open Market Committee (FOMC) | December, 11th 2025

Previous Data

Period	Actual	Change
Oct 2025	4.00%	-25 bps
Sep 2025	4.25%	-25 bps
Aug 2025	4.50%	-

Source : Tradingeconomics

Historical Probability Target Rate (%)

Target Rate (bps)	Now*	-1W	-1M
325-350	19.9%	25.4%	28.2%
350-375	80.1%	66.2%	52.7%
375-400	0.0%	8.4%	19.2%

*Source : CME FedWatch Tool l *(11/12)*

Headline Inflation (PCE)

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

Source : Tradingeconomics

Unemployment

Period	Actual	Consensus
Sept 2025	4.4%	4.3%
Aug 2025	4.3%	4.3%
Jul 2025	4.2%	4.2%

Source : Tradingeconomics

Nonfarm Payrolls (NFP)

Period	Actual	Consensus
Sept 2025	119K	50K
Aug 2025	22K	75K
Jul 2025	79K	106K

Source : Tradingeconomics,

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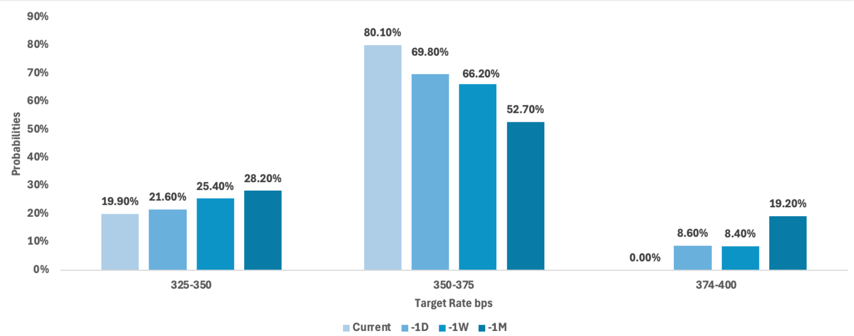
Fed Delivers Third Rate Cut as Labor Market Weakness Persists

Period	Actual	Change	Consensus
December 2025	3.75%	-25 bps	3.75%

Source : Tradingeconomics

Figure 1. Target Rate Probabilities for 28 Jan 2026 FOMC- as of 11 December 2025



Source : Phintraco Sekuritas Research | CME FedWatch Tool

The Fed lowered the federal funds rate by 25 bps to 3.50%-3.75% at the Federal Open Market Committee (FOMC) meeting on December 10, 2025. This marked the third rate cut in 2025. The decision was taken amid indicators showing that economic activity continued to expand at a moderate pace, alongside slowing job gains and a rising unemployment rate through September 2025. With economic uncertainty remaining elevated, the Fed assessed that downside risks to the labor market had increased, making policy easing necessary to maintain balance within its dual mandate.

The Committee reaffirmed its commitment to achieving maximum employment and returning inflation to the 2% target. Going forward, the Fed will closely monitor incoming economic data and the balance of risks in determining the direction of policy. The Fed also signaled its readiness to adjust policy if risks arise that could hinder the attainment of its objectives. In addition, the Fed judged that bank reserve balances have declined to ample levels and will conduct purchases of short-term U.S. Treasury securities as needed to maintain sufficient reserves on an ongoing basis.

The Fed indicated that this rate cut may be the last for some time. Its latest policy statement suggests a leaning toward holding rates steady in the near term, with markets pricing in an 80.10% probability that the federal funds rate will be kept at 3.50%-3.75% at the upcoming FOMC meeting on January 28, 2026. The increase in this probability compared with yesterday (10/12), last week (4/12), and one month ago (11/11) reflects a more hawkish stance from the Fed **(Figure 1).**

Based on Conditional Meeting Probabilities, the Fed is widely expected to keep rates unchanged at the January 28, 2026, FOMC meeting, with an 80.10% probability **(Figure 2).** Aggregately, the federal funds rate is anticipated to see two cuts, totaling 50 basis points, reaching the 3.00%-3.25% range by early 2027, with probabilities of 54.20% and 59.93% by the end of 1Q26 and early 3Q26, respectively **(Figure 3).**

Figure 2. Conditional Probability (as of 11-12-2025)

MEETING DATE	300-325	325-350	350-375	375-400	400-425
1/28/2026	0.00%	19.90%	80.10%	0.00%	0.00%
3/18/2026	6.80%	40.50%	52.60%	0.00%	0.00%
4/29/2026	14.20%	43.20%	41.20%	0.00%	0.00%
6/17/2026	29.80%	42.10%	18.90%	0.00%	0.00%
7/29/2026	33.50%	35.20%	13.30%	0.00%	0.00%
9/16/2026	34.00%	28.00%	8.90%	0.00%	0.00%
10/28/2026	33.20%	25.30%	7.60%	0.00%	0.00%
12/09/26	32.00%	22.60%	6.50%	0.00%	0.00%
1/27/2027	31.90%	22.70%	6.70%	0.10%	0.00%

Source : Phintraco Sekuritas Research | CME FedWatch Tool

Figure 3. Aggregate Probability (as of 11-12-2025)

MEETING DATE	250-275	275-300	300-325	325-350	350-375
1/28/2026	0.00%	0.00%	0.00%	19.93%	80.07%
3/18/2026	0.00%	0.00%	0.00%	54.20%	45.80%
4/29/2026	0.00%	0.00%	0.00%	75.93%	24.07%
6/17/2026	0.00%	0.00%	30.00%	70.00%	0.00%
7/29/2026	0.00%	0.00%	59.93%	40.07%	0.00%
9/16/2026	0.00%	0.00%	92.54%	7.46%	0.00%
10/28/2026	0.00%	6.93%	93.07%	0.00%	0.00%
12/09/26	0.00%	22.08%	77.92%	0.00%	0.00%
1/27/2027	0.00%	20.93%	79.07%	0.00%	0.00%

Source : Phintraco Sekuritas Research | CME FedWatch Tool