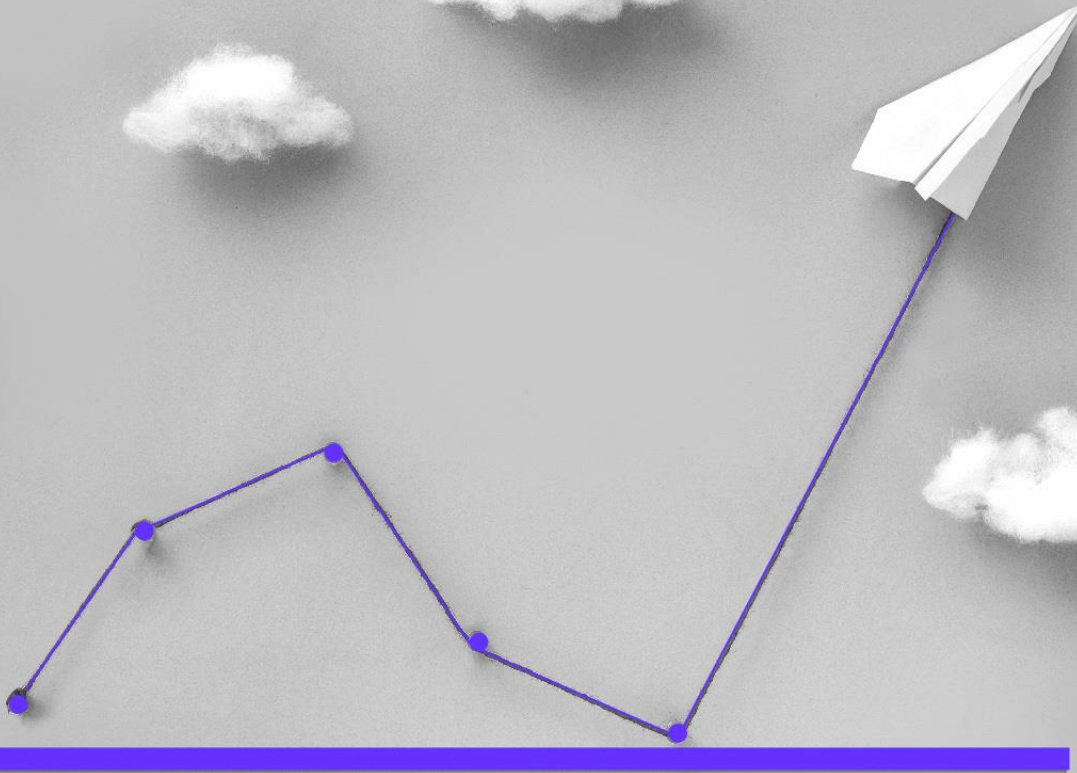


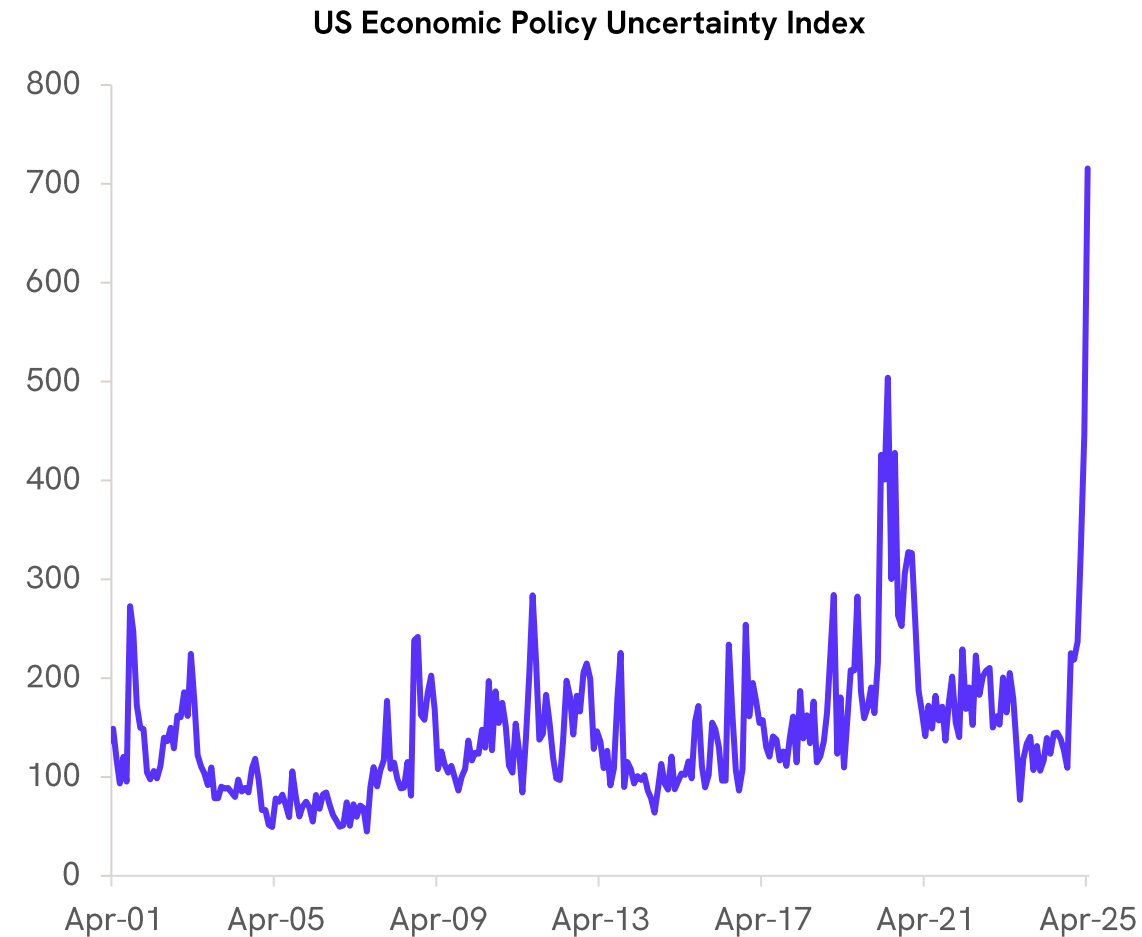
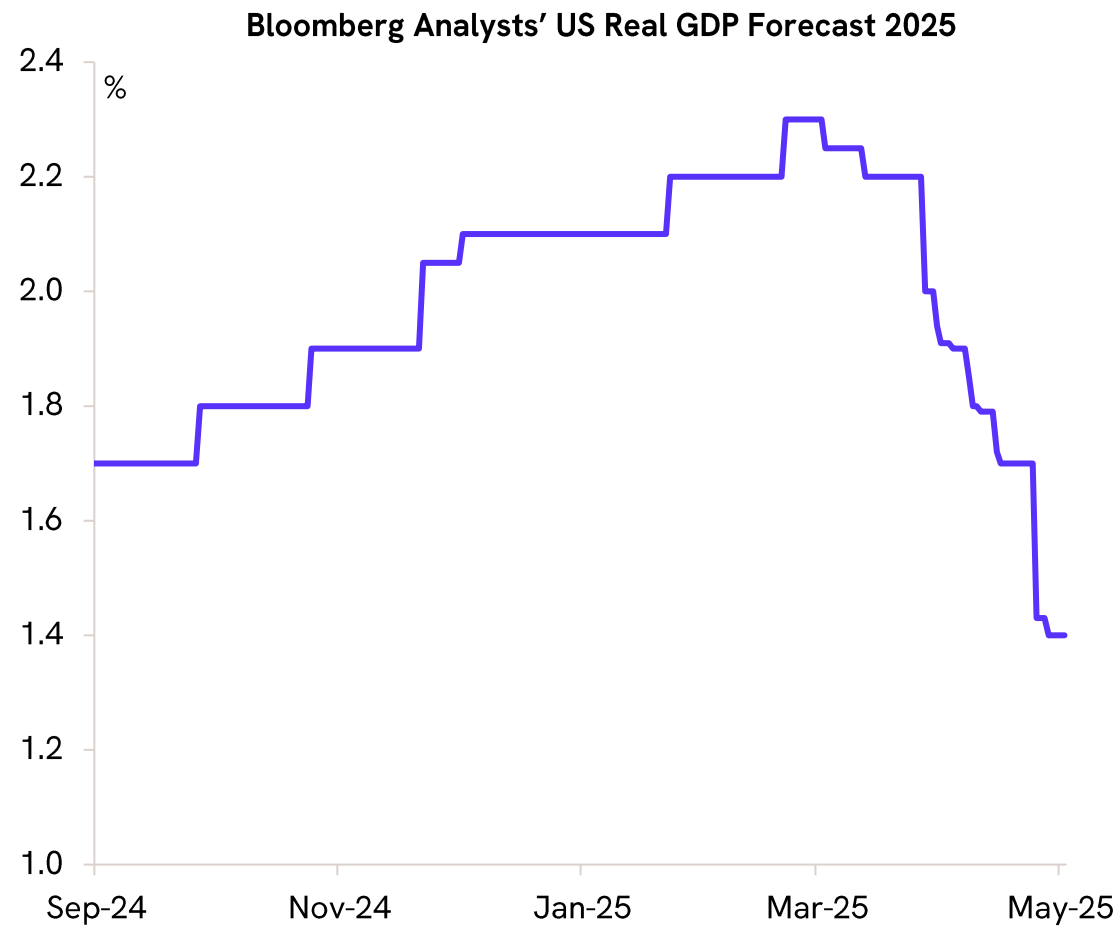
# TRENDS & TIDES

**US FOMC keeps the Federal  
Funds Rate steady at  
4.25-4.50%**



# US GDP projections are being significantly revised downwards

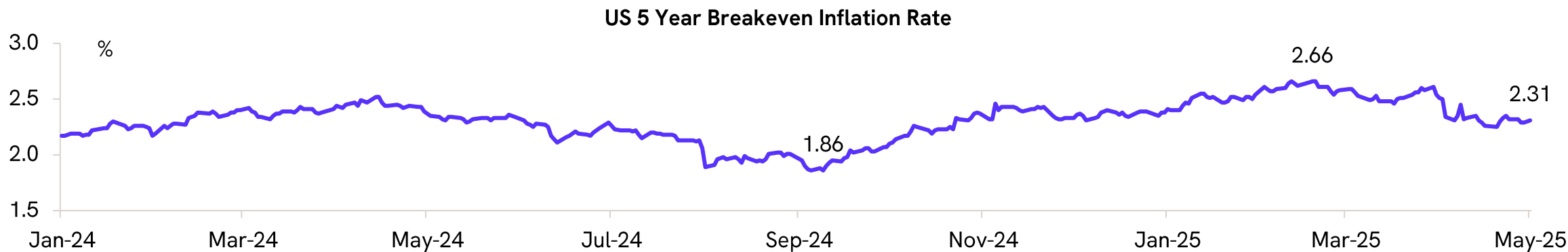
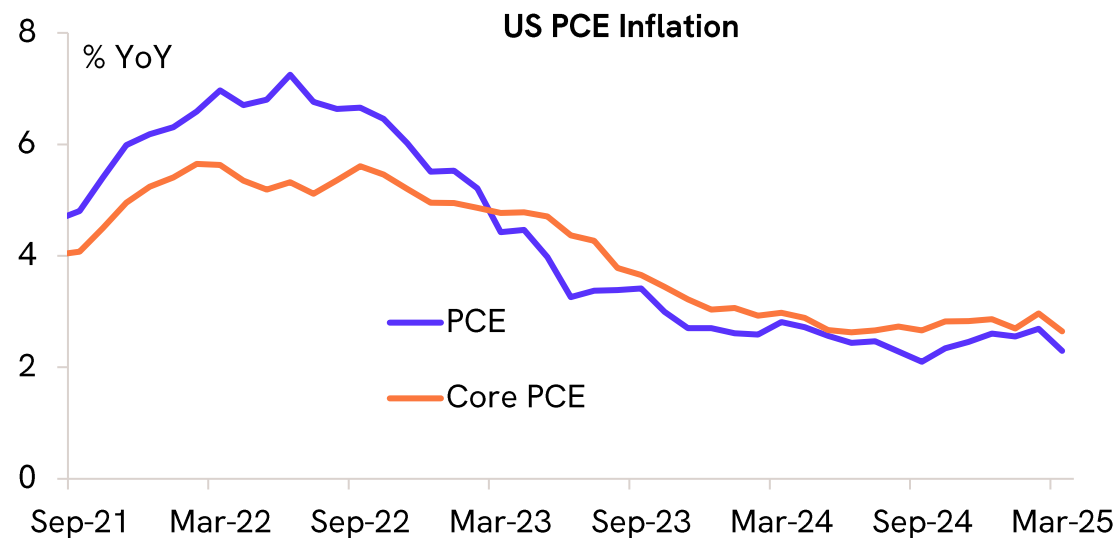
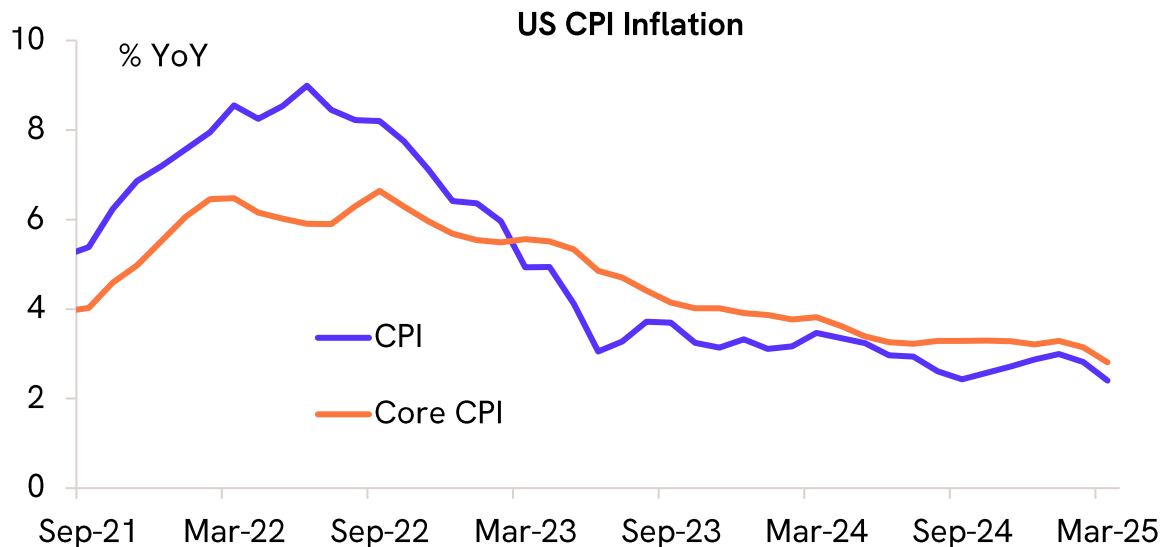
US economic policy uncertainty has surged to a record high due to erratic tariff policies



Source: Bloomberg, FRED, 360 ONE Asset Research

# Recent US inflation prints have been encouraging

Markets have also lowered inflation expectations, as growth risks outweigh the potential impact of a tariff-led spike in prices

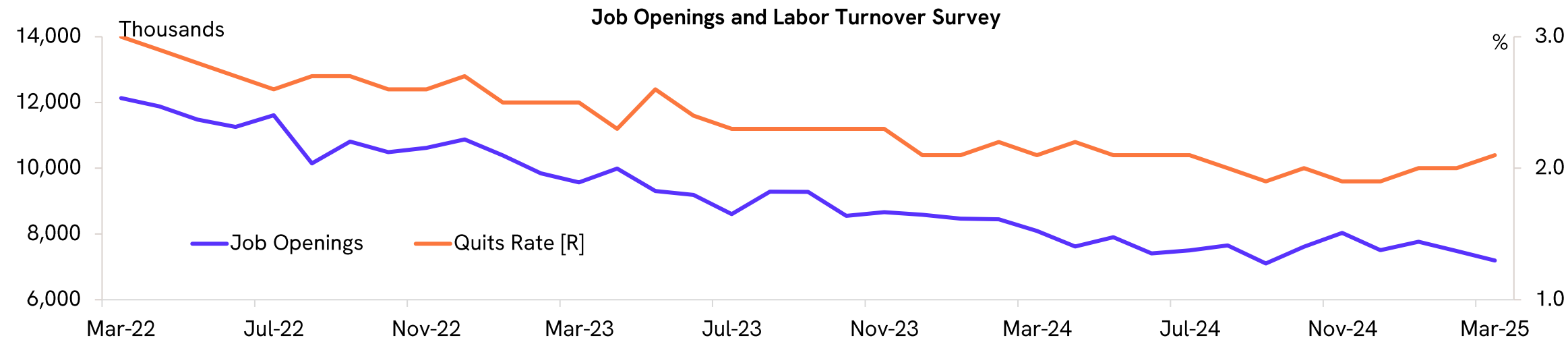
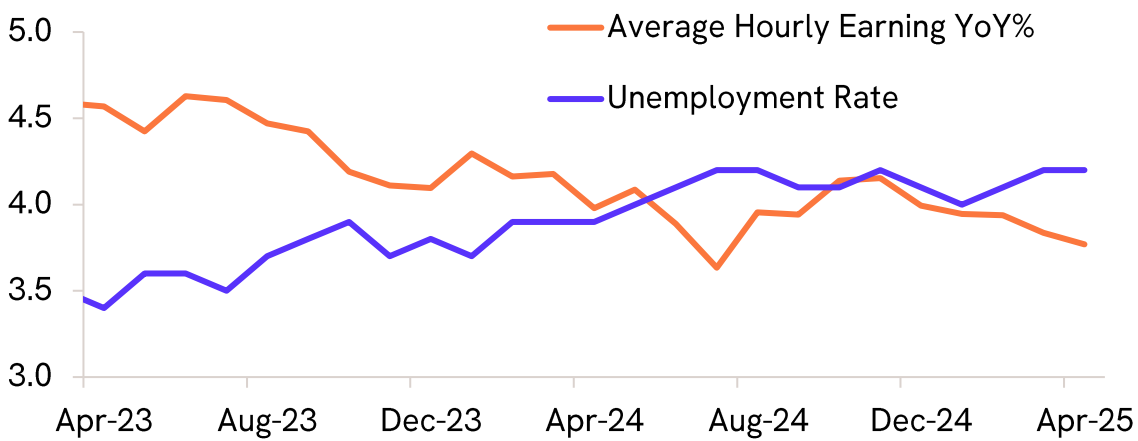
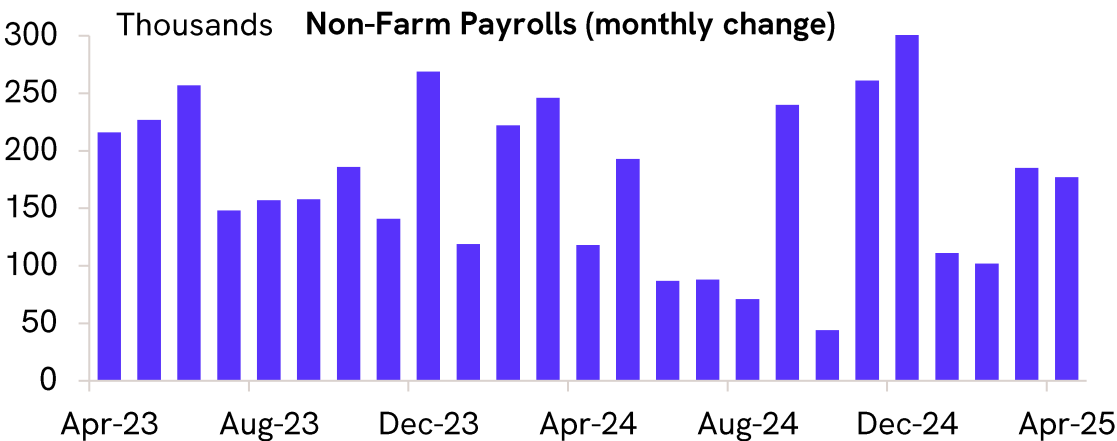


Source: Bloomberg, FRED, 360 ONE Asset Research

Note- PCE: Personal Consumption Expenditure Price Index, CPI: Consumer Price index

# US labor market stays strong, but signs of gradual cooling are appearing

FOMC also notes that the unemployment rate has stabilised at a low level and labour market conditions remain solid

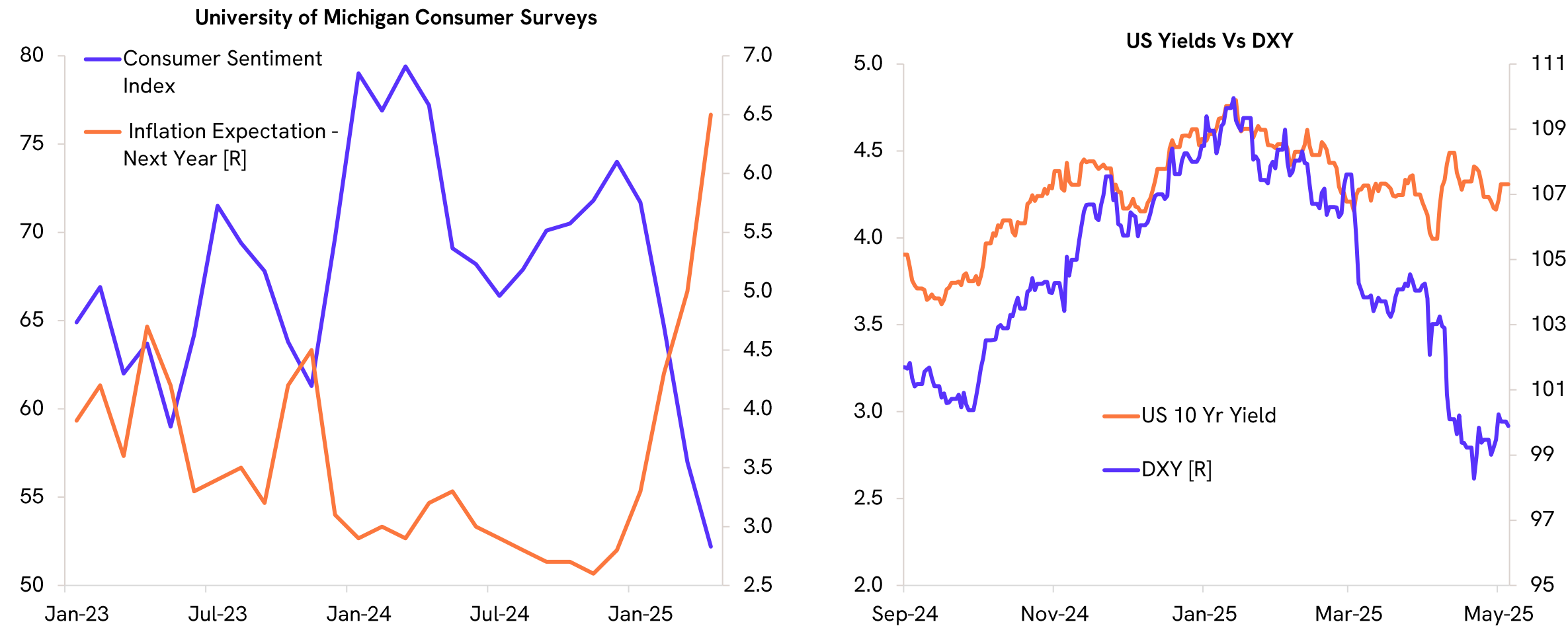


Source: FRED, 360 ONE Asset Research

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# Stagflation risk rises amid sinking sentiment and growing inflation fears

DXY/US\$ has weakened and Treasury yields remain elevated, as investors reassess the US's safe-haven status



Source: FRED, Bloomberg, 360 ONE Asset Research

# Markets anticipate 75 bps of rate cuts by the end of 2025

Fed Chairman Jerome Powell mentions that the current monetary policy is modestly or moderately restrictive

The FOMC statement flagged stagflation risks, noting that the risks of higher unemployment and elevated inflation have increased

The Fed Chair said the effect of tariff hikes on the US economy remains highly uncertain, but if the announced increases were to be sustained, they would impact inflation

Implied probabilities of upper end of Fed Funds Rate							
FOMC Meeting Date	3.00	3.25	3.50	3.75	4.00	4.25	4.50
	-150bps	-125bps	-100bps	-75bps	-50bps	-25bps	Current
18-06-2025	0.0%	0.0%	0.0%	0.0%	0.0%	20.1%	79.9%
30-07-2025	0.0%	0.0%	0.0%	0.0%	12.1%	55.9%	32.0%
17-09-2025	0.0%	0.0%	0.0%	10.1%	48.7%	36.0%	5.3%
29-10-2025	0.0%	0.0%	7.0%	36.9%	39.8%	14.6%	1.6%
10-12-2025	0.0%	5.1%	28.7%	39.0%	21.5%	5.2%	0.4%

Markets expect a 25 bps rate cut in the July 2025 policy meeting

Markets anticipate three rate cuts (cumulative 75 bps) by end-2025, in contrast to the two cuts projected in the March 2025 dot plot

Source: CME FedWatch Tool, 360 ONE Asset Research

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