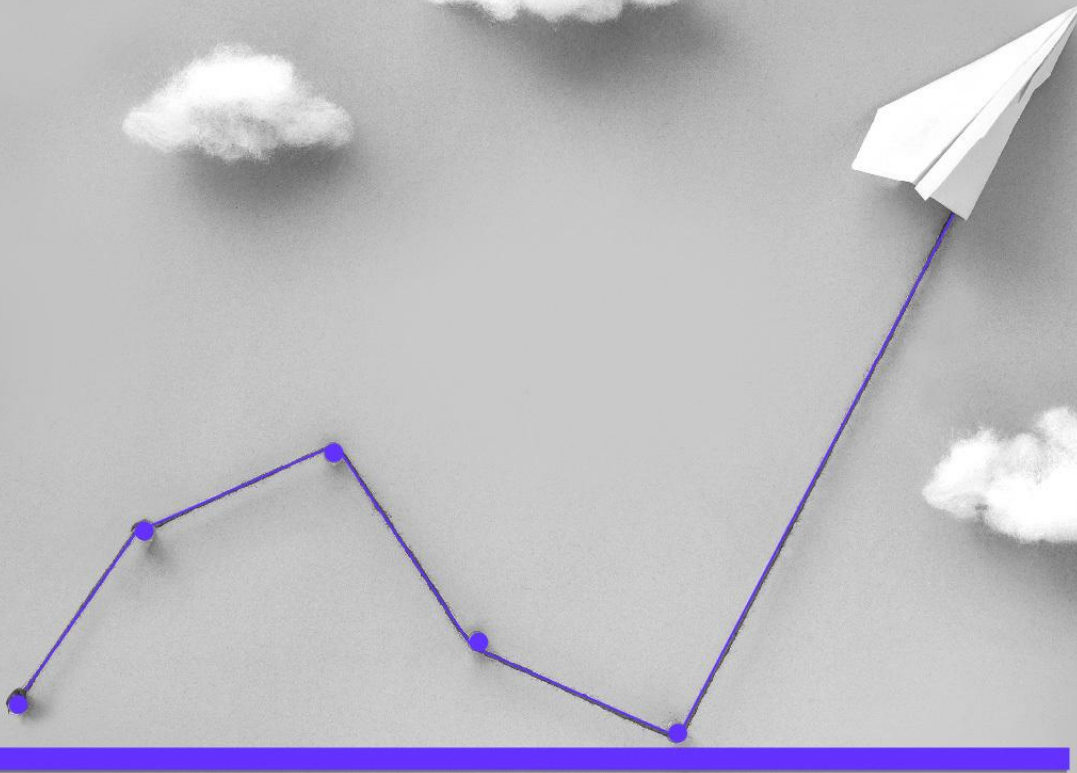


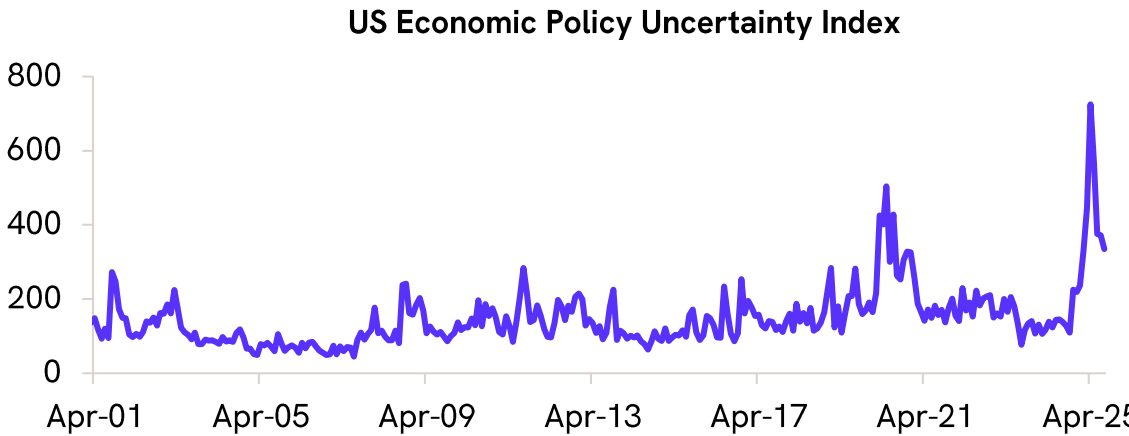
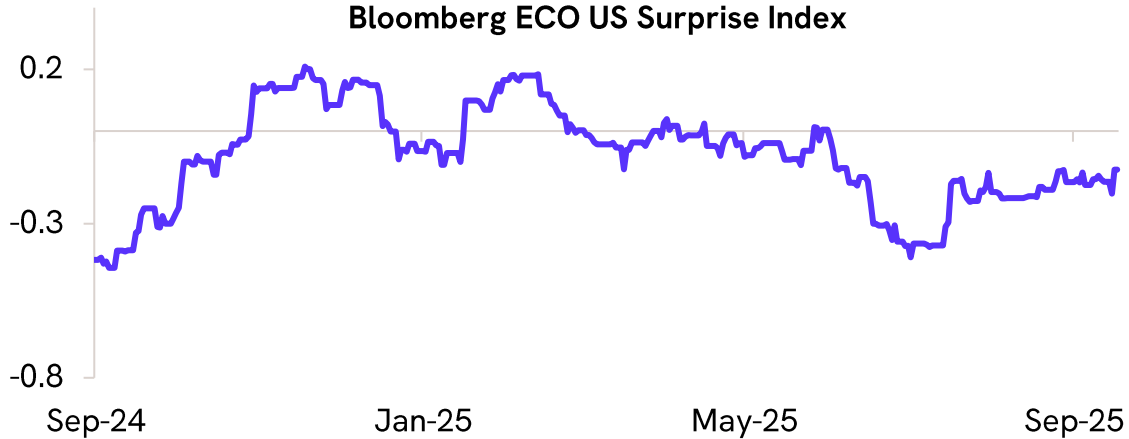
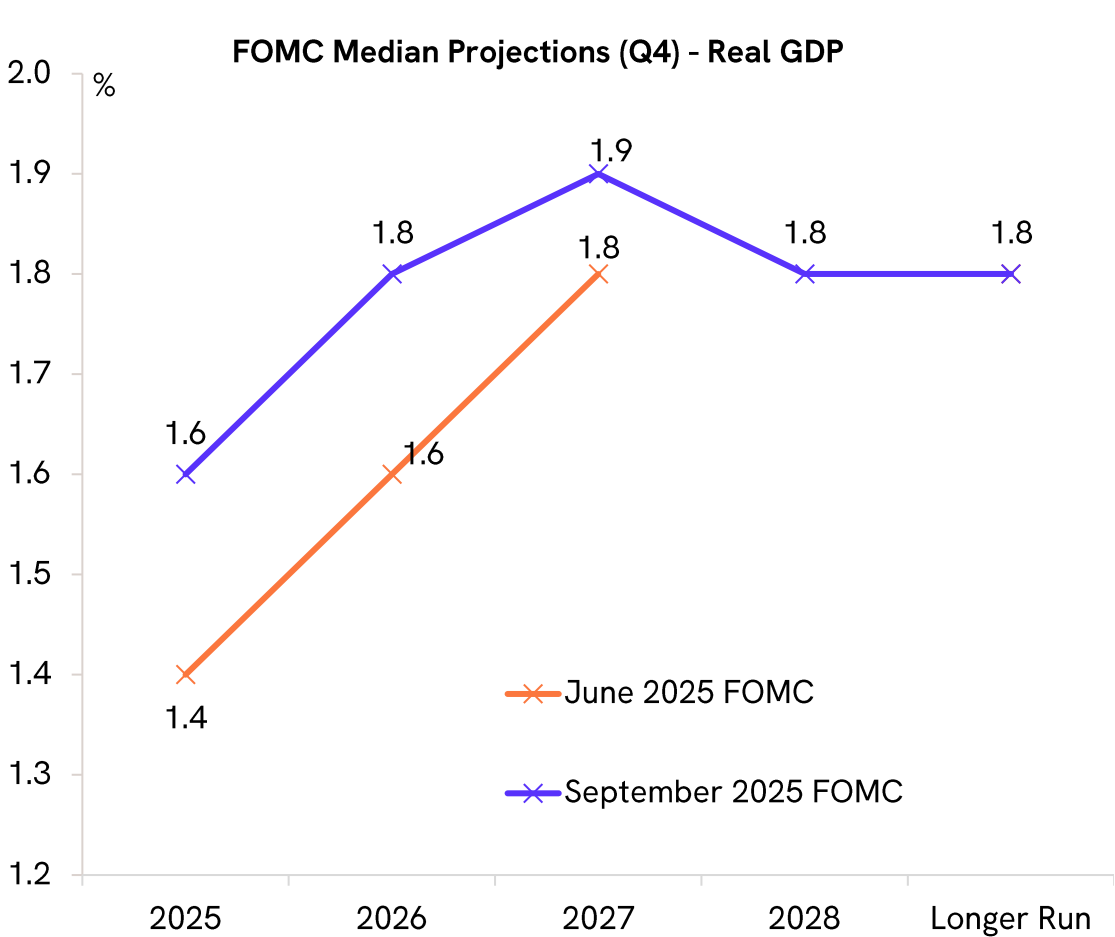
TRENDS & TIDES

**US FOMC reduces Fed Funds
Rate by 25 bps to 4.00–4.25%**



FOMC revises growth projections upward despite disappointing data

US economic uncertainty has eased from its peak but remains elevated

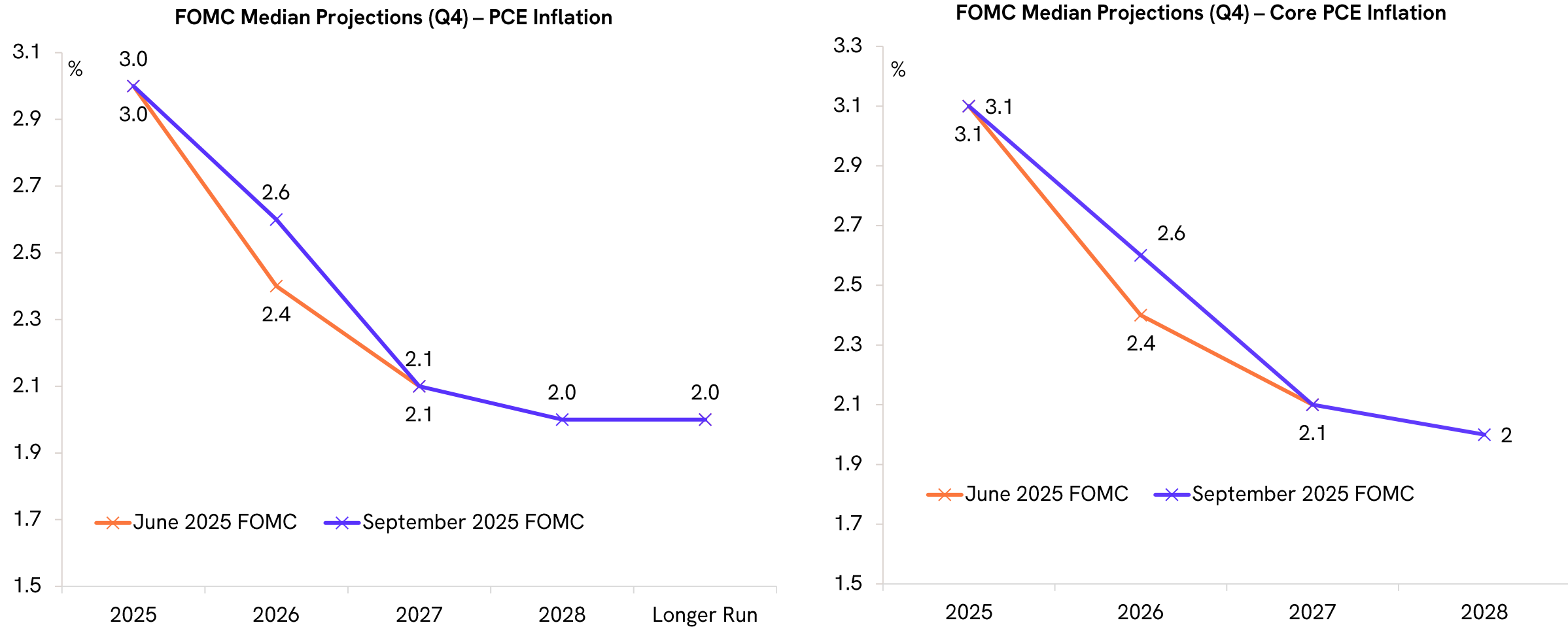


Source: Fed, Bloomberg, www.PolicyUncertainty.com, 360 ONE Asset Research

Note- FOMC: Federal Open Market Committee, Projections of real gross domestic product (GDP) are per cent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated

FOMC revises inflation projections higher for 2026

Participants project core PCE inflation at 2.6% in Q4 2026, up from the 2.4% projection in the June policy



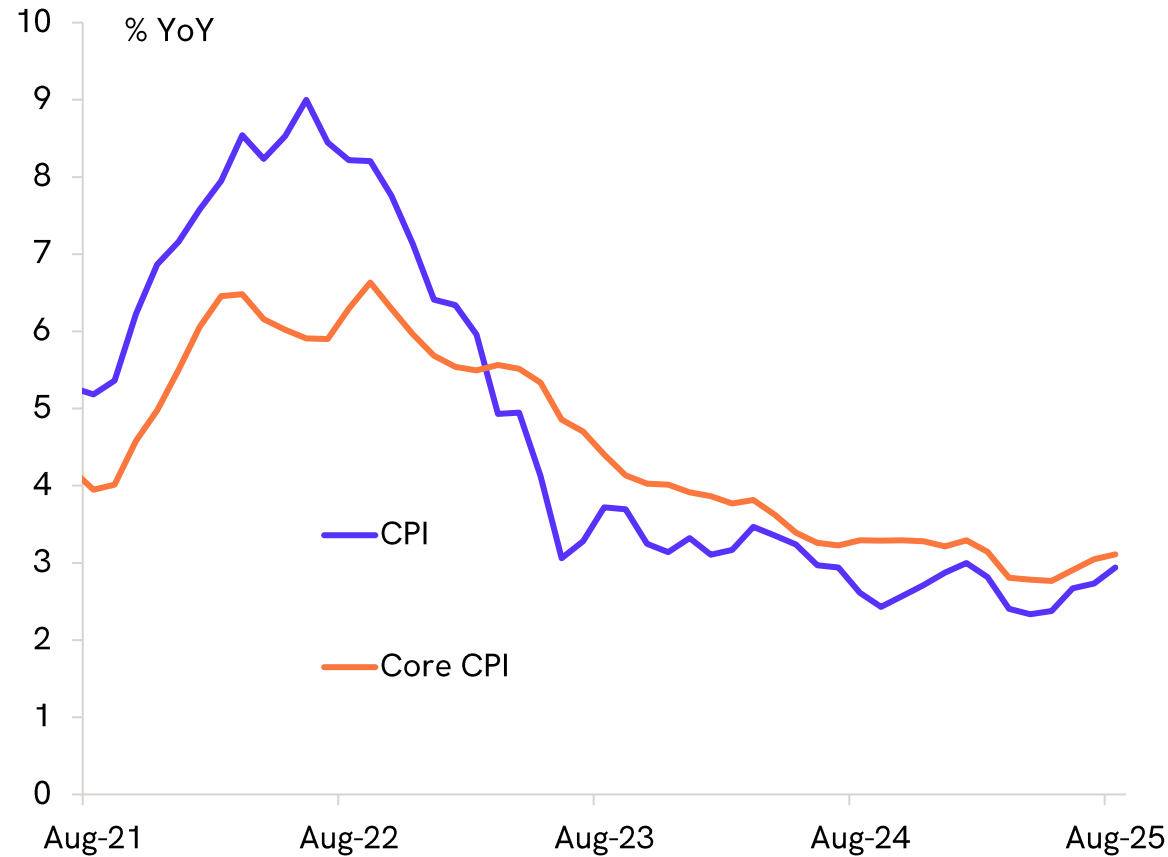
Source: Fed, 360 ONE Asset Research

Note- PCE: Personal Consumption Expenditure Price Index, Projections for both measures of inflation are per cent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated

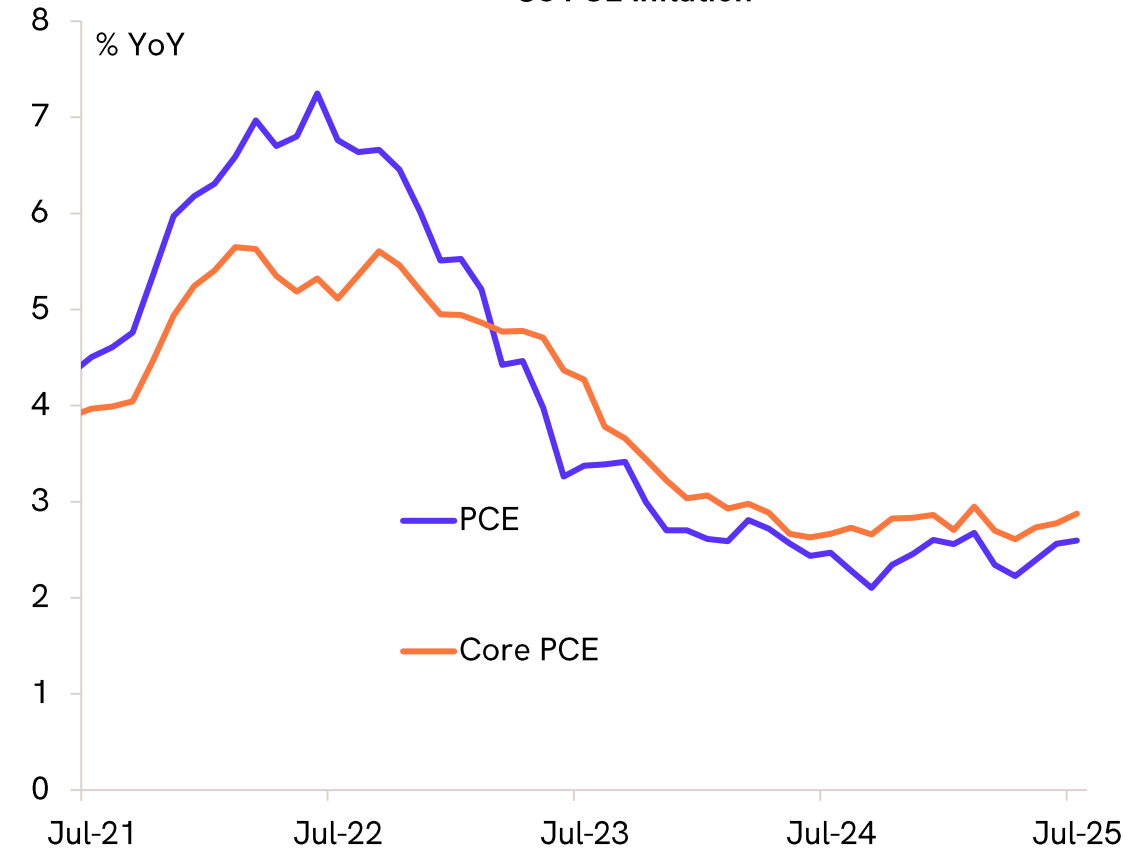
Tariff passthrough has begun to push US inflation higher

Powell reiterated tariffs will cause a one-time price jump, with inflation unlikely to persist amid a weaker labor market

US CPI Inflation

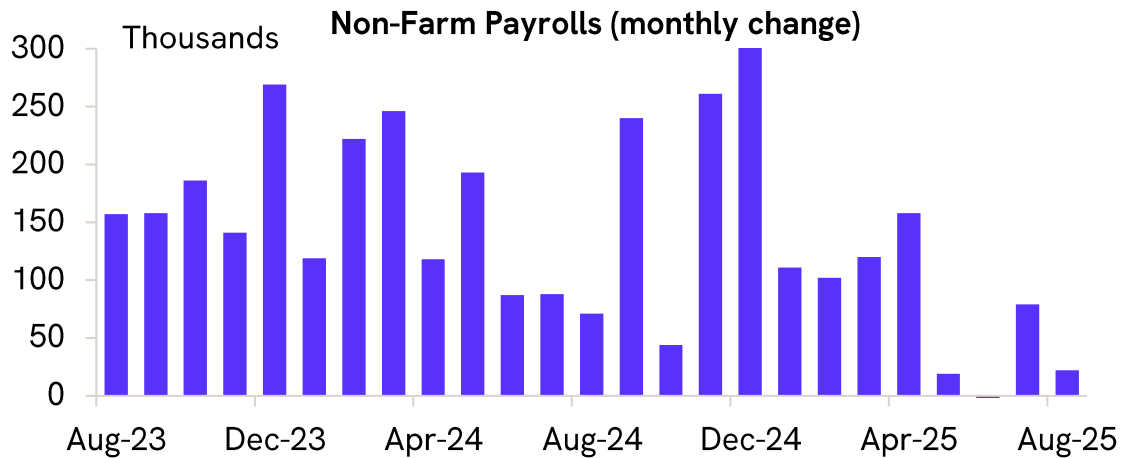
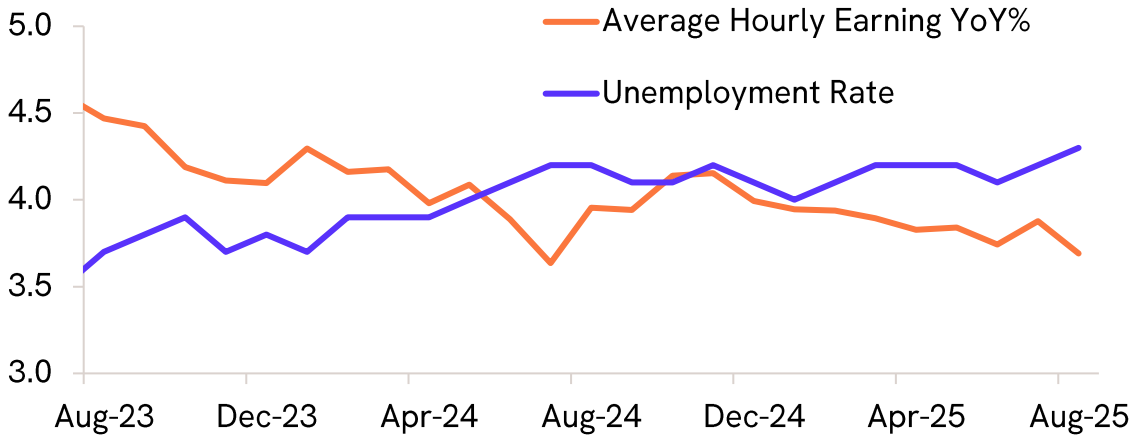
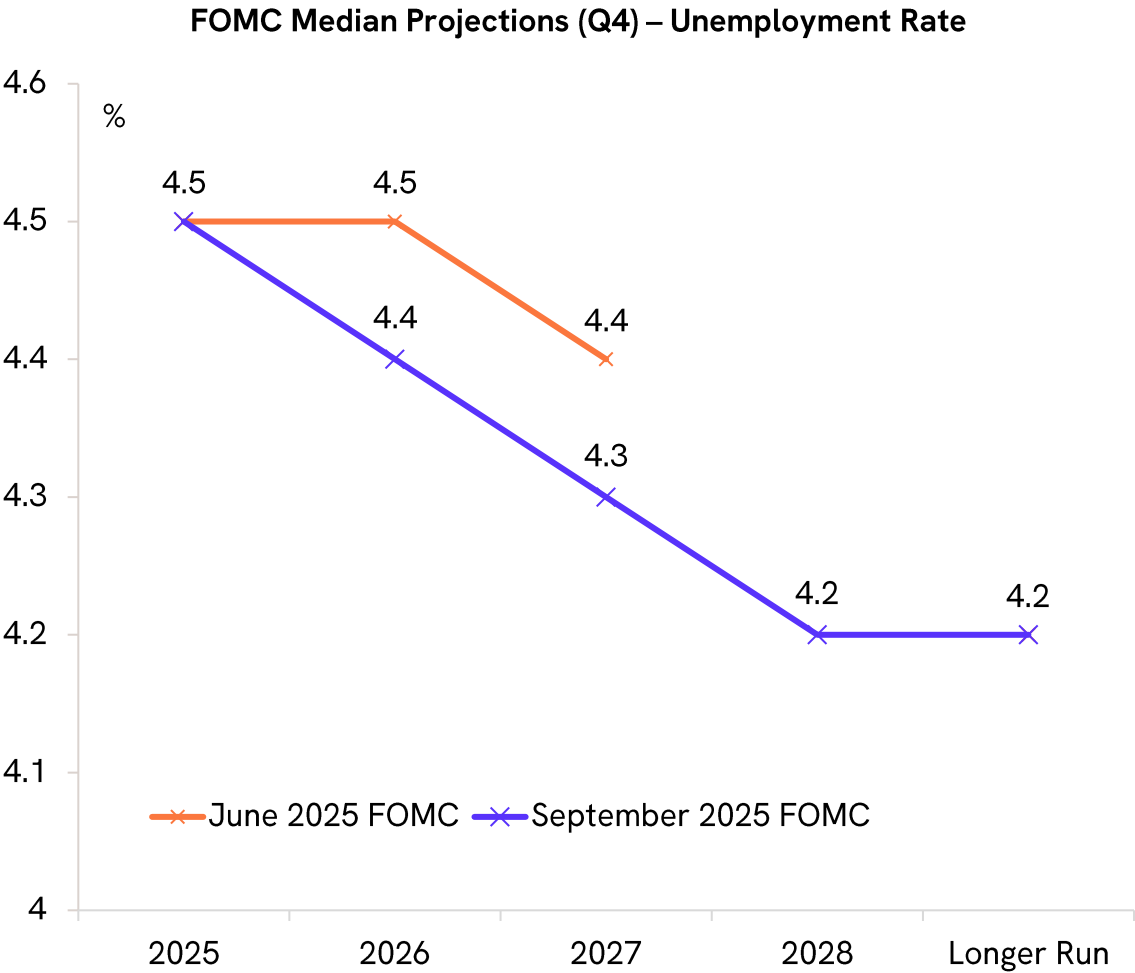


US PCE Inflation



FOMC lowers unemployment rate projections for 2026 and 2027

FOMC statement notes that job gains have slowed, and the unemployment rate has edged up but remains low



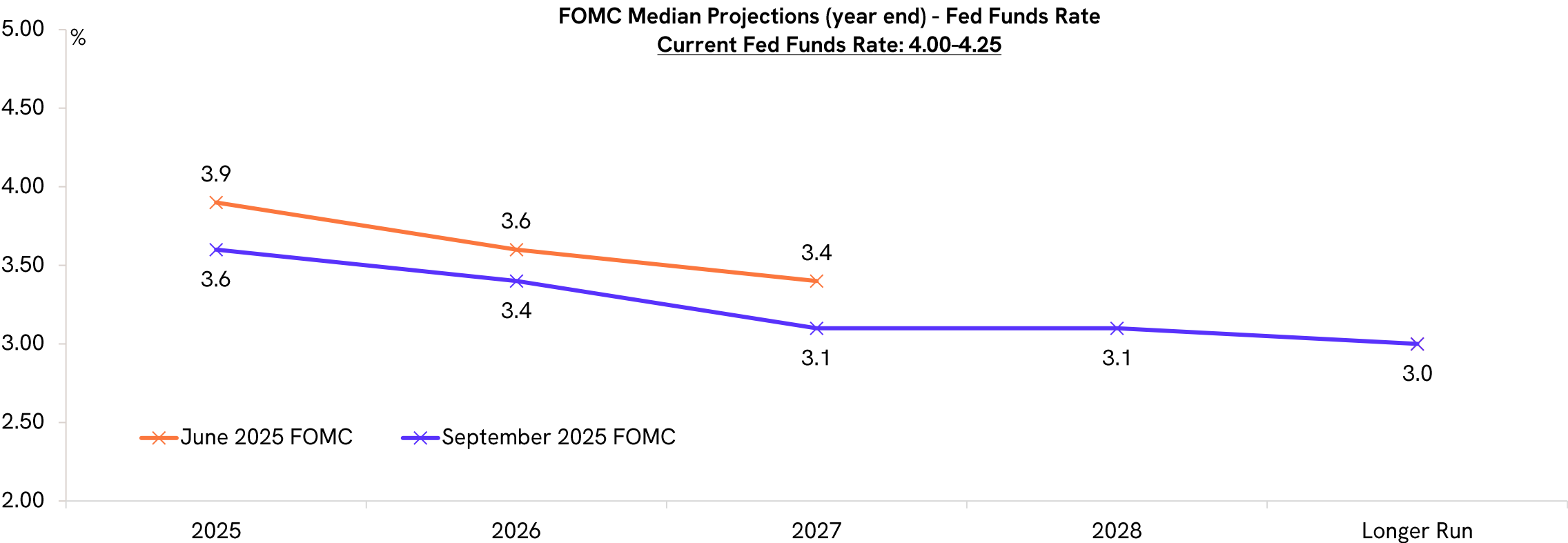
Source: FRED, FED, 360 ONE Asset Research

Note: Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated

Dot plot points to 50 bps more easing in 2025 and 25 bps in 2026

FOMC remains attentive to risks on both sides of dual mandate and judges that downside risks to employment have increased

Chair Jerome Powell struck a cautious tone, describing the move as ‘risk management’ in response to labour market softness, while emphasising there is no urgency to accelerate easing



Note: The projections for the federal funds rate are the value of the midpoint of the projected appropriate target range for the federal funds rate or the projected appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run

Source: Fed, 360 ONE Asset Research

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