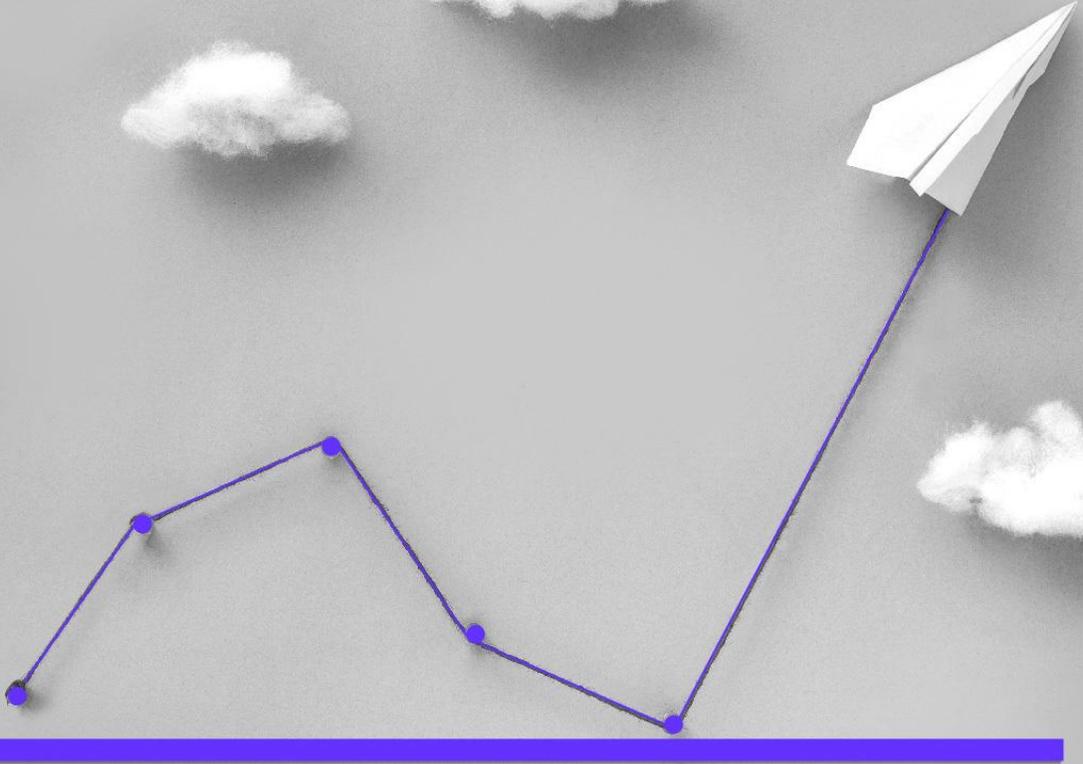


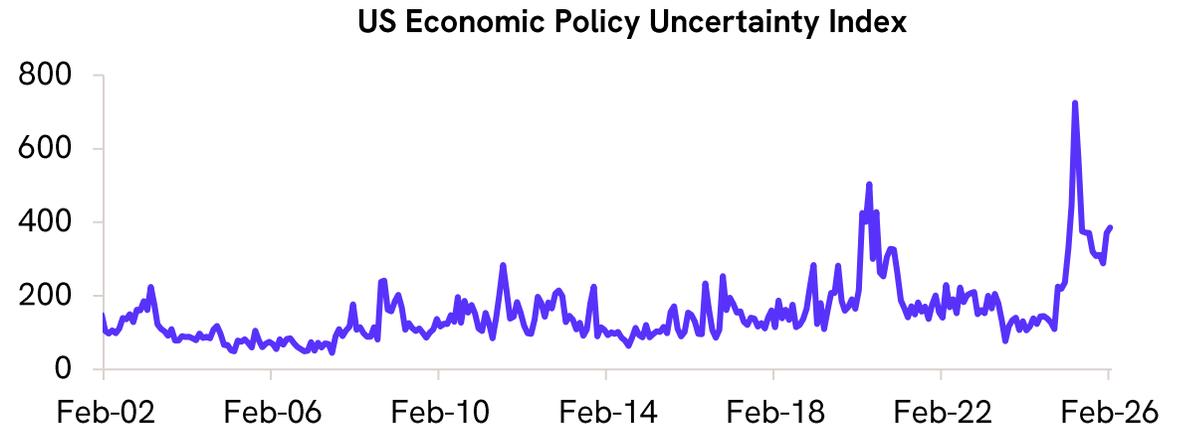
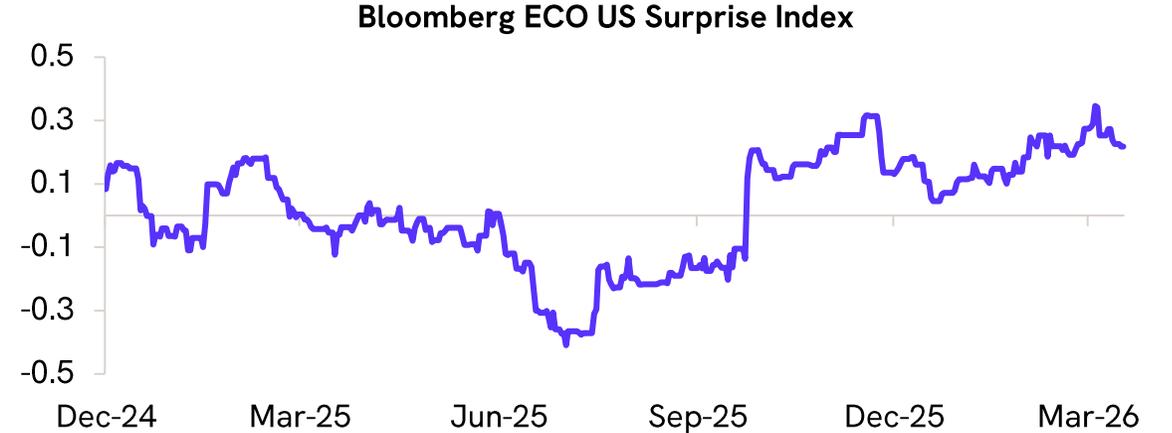
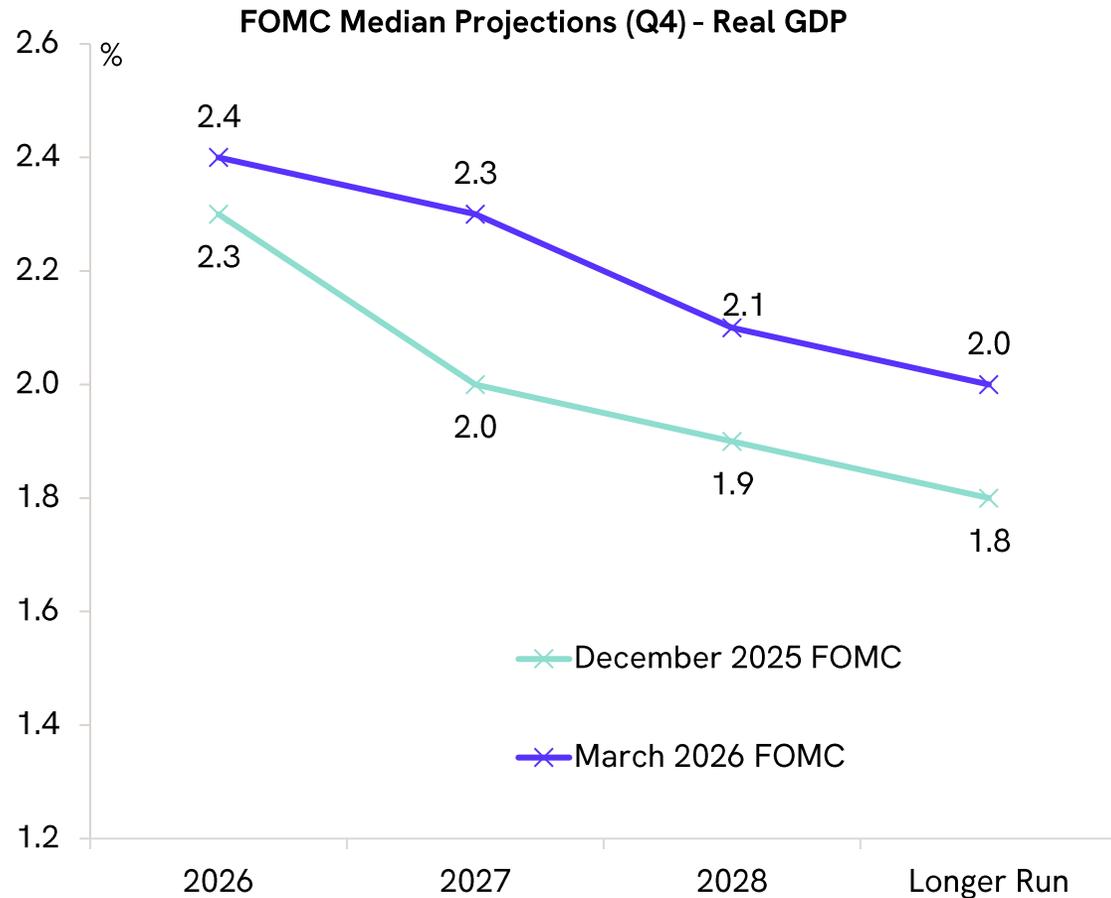
TRENDS & TIDES

**US FOMC holds rates steady
amid heightened economic
uncertainty**



FOMC upgrades growth projections on better-than-expected data

Economic policy uncertainty is rising again amid the Middle East conflict



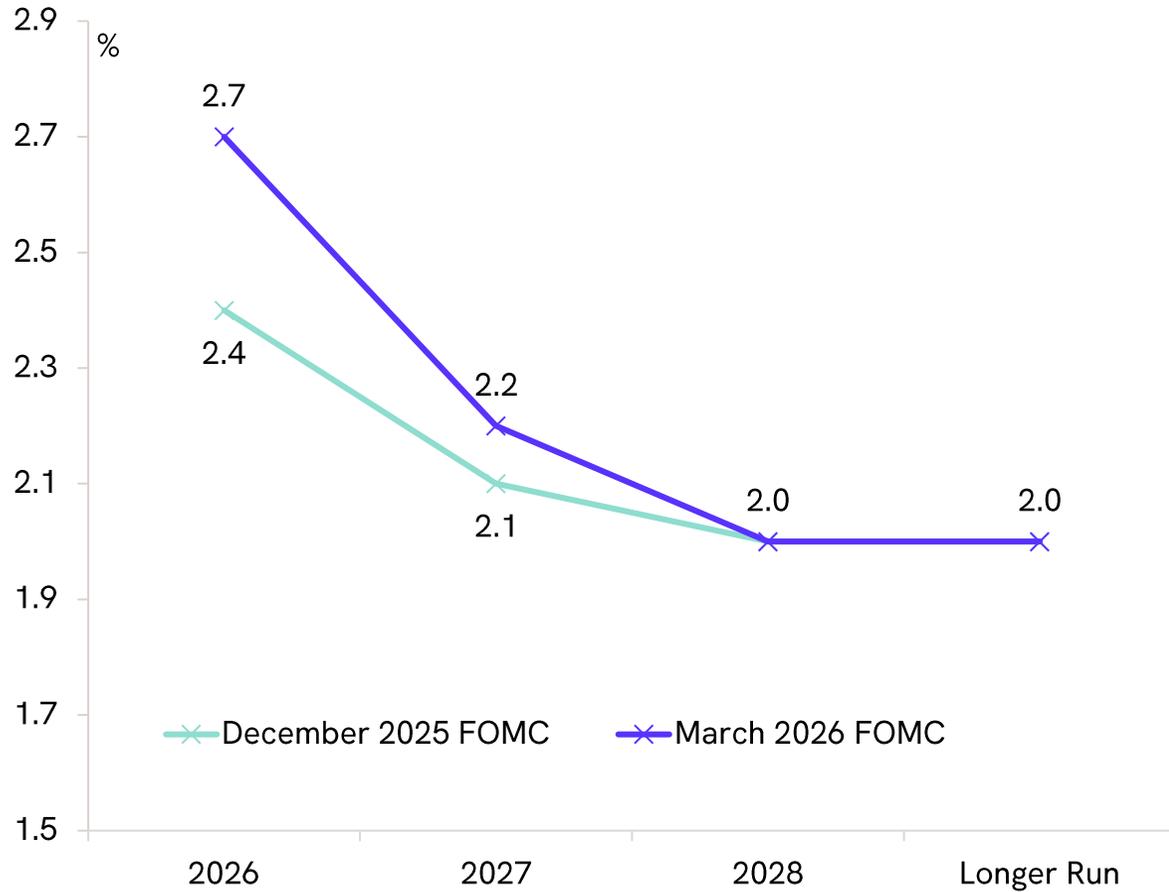
Source: Fed, Bloomberg, www.PolicyUncertainty.com, 360 ONE Asset Research

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

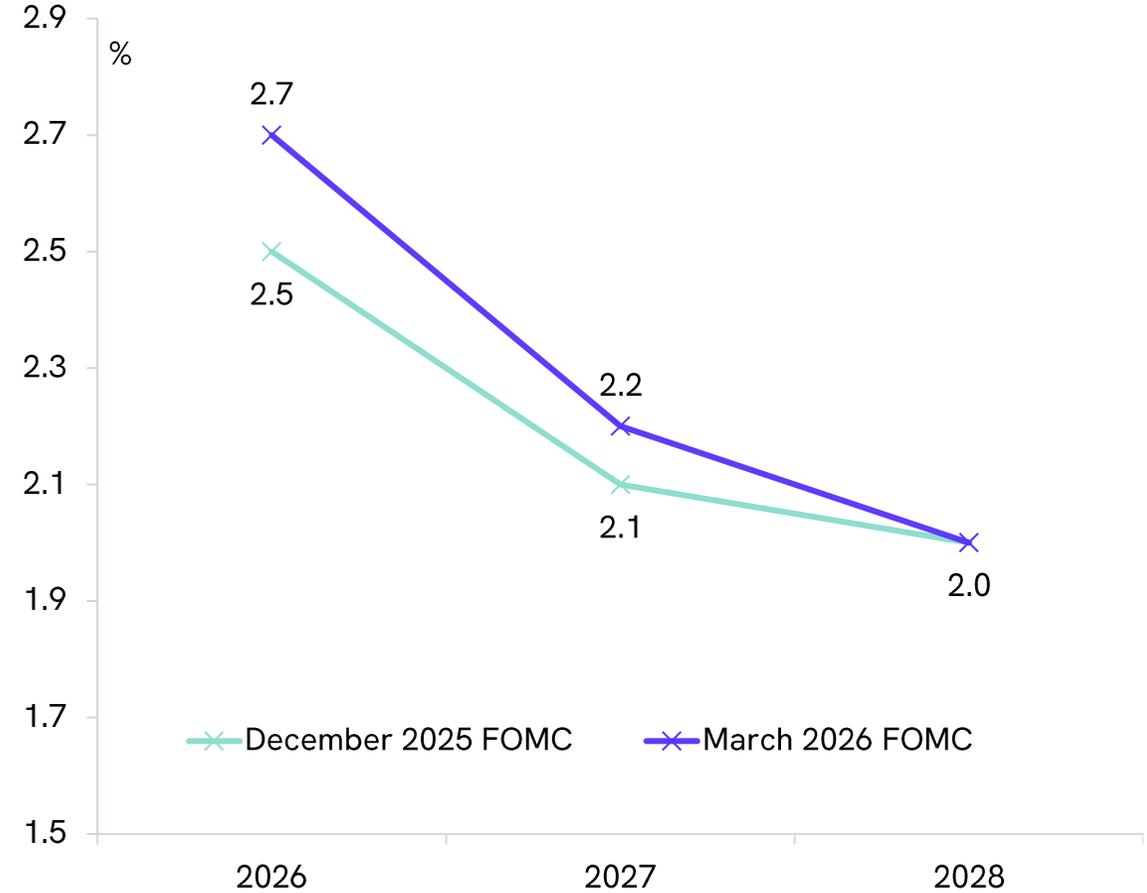
FOMC revises inflation projections higher for 2026 & 2027

Participants project core PCE inflation at 2.7% in Q4 2026, up from the 2.5% projection in the December policy

FOMC Median Projections (Q4) – PCE Inflation



FOMC Median Projections (Q4) – Core PCE Inflation

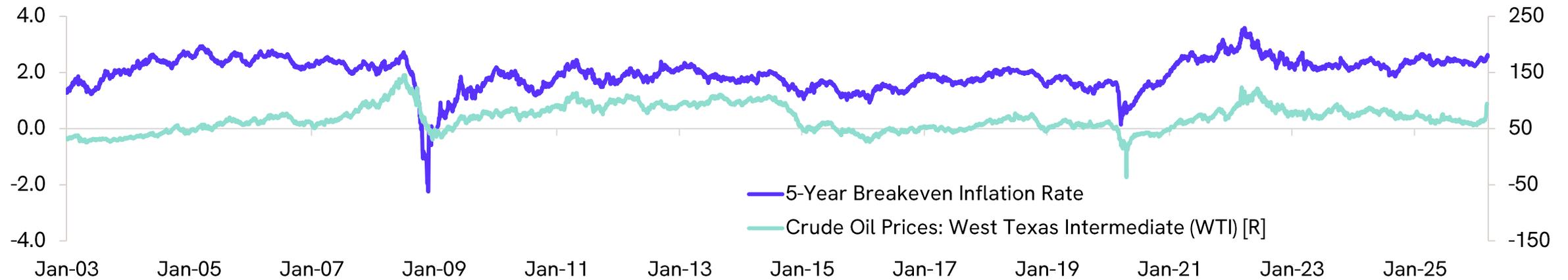
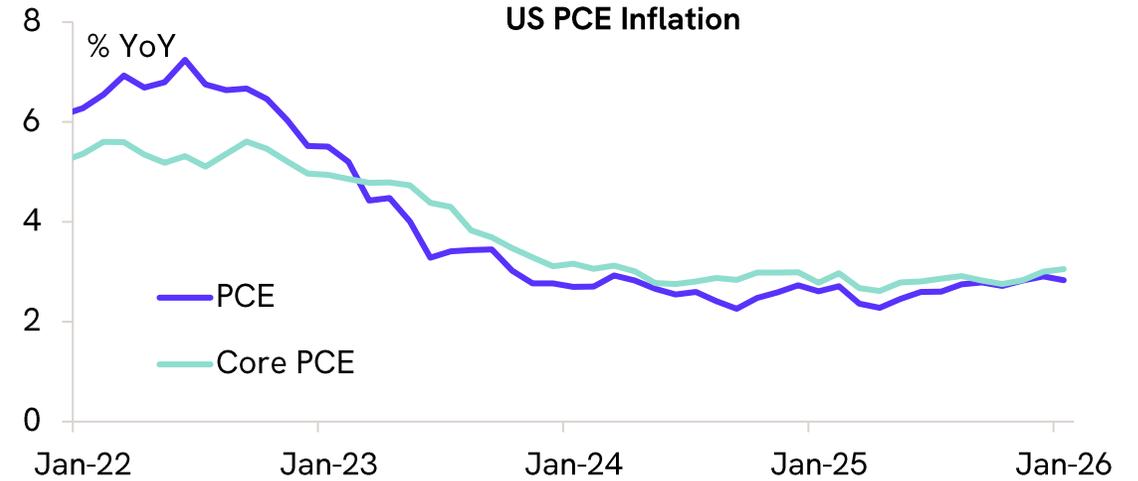
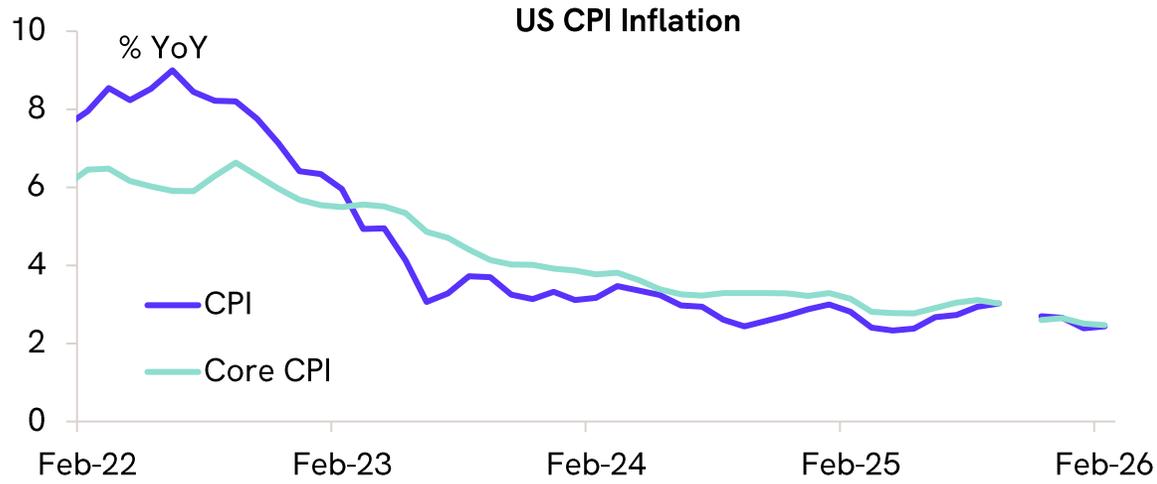


Note- PCE: Personal Consumption Expenditure Price Index, Projections for both measures of inflation are per cent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated

Source: Fed, 360 ONE Asset Research

Powell notes that higher energy prices will raise inflation in the near term

US inflation expectations tend to be sensitive to the crude oil prices



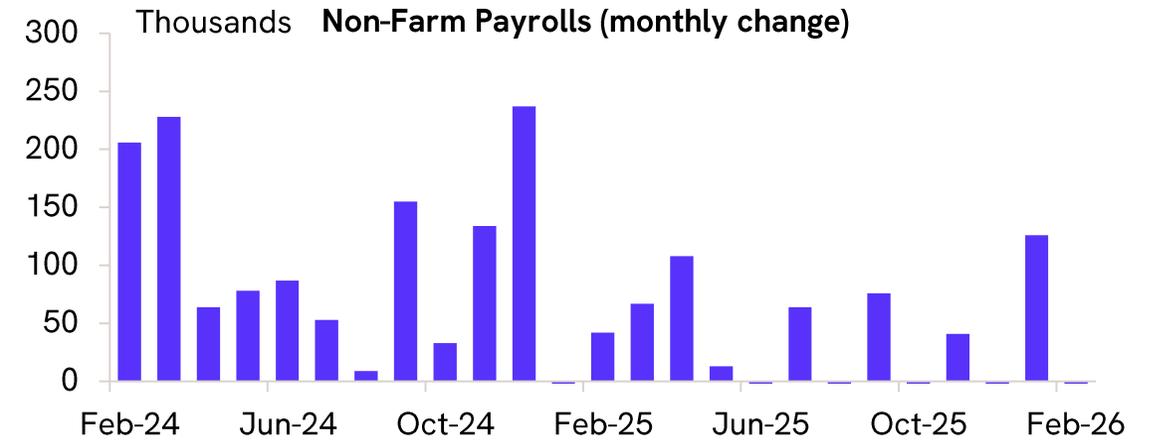
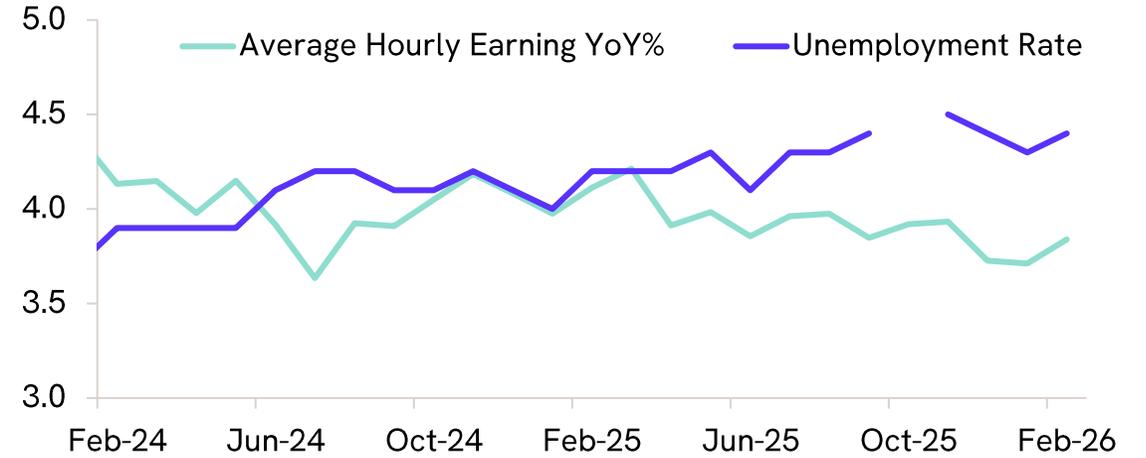
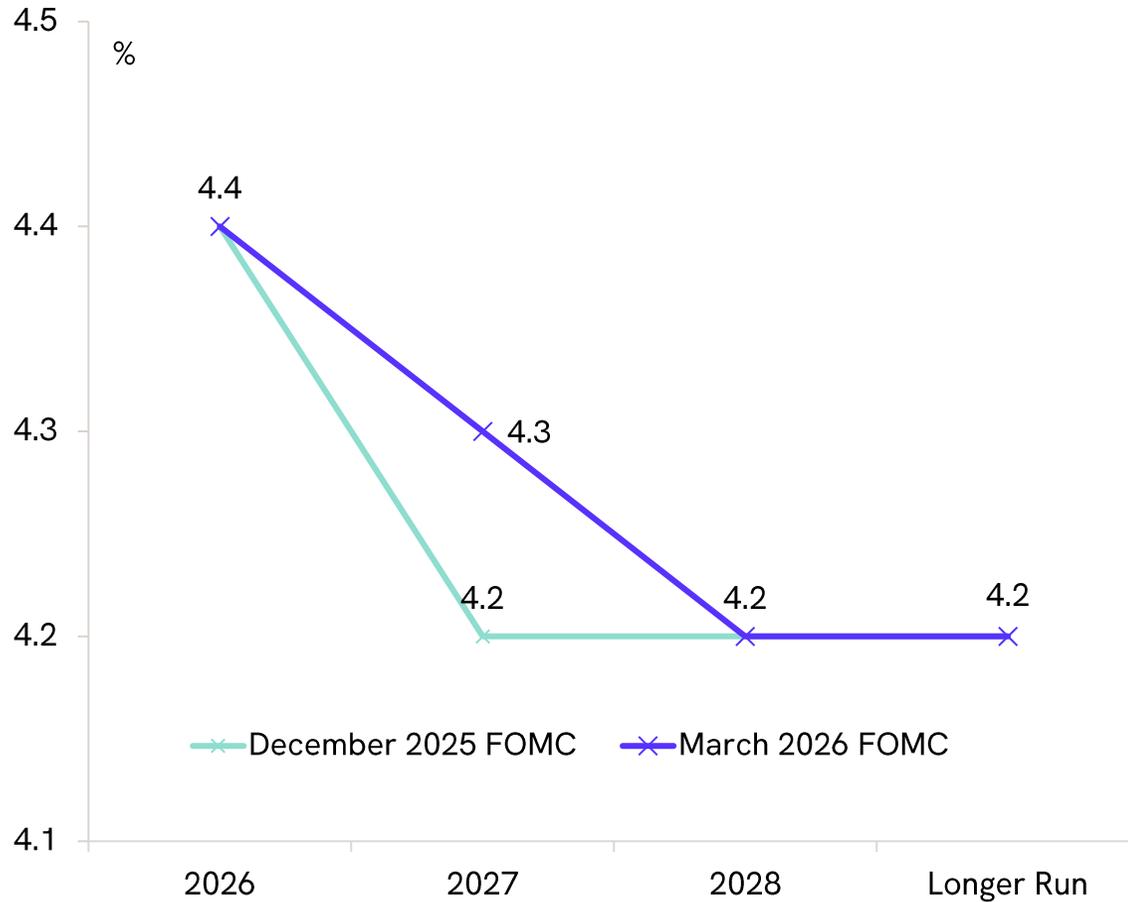
Source: FRED, Bloomberg, 360 ONE Asset Research

Note- PCE: Personal Consumption Expenditure Price Index, CPI: Consumer Price index
5-year breakeven inflation rate implies what market participants expect inflation to be in the next 5 years, on average

FOMC revises the unemployment rate marginally higher for 2027

FOMC statement notes that job gains have remained low, and the unemployment rate has been little changed

FOMC Median Projections (Q4) – Unemployment Rate



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

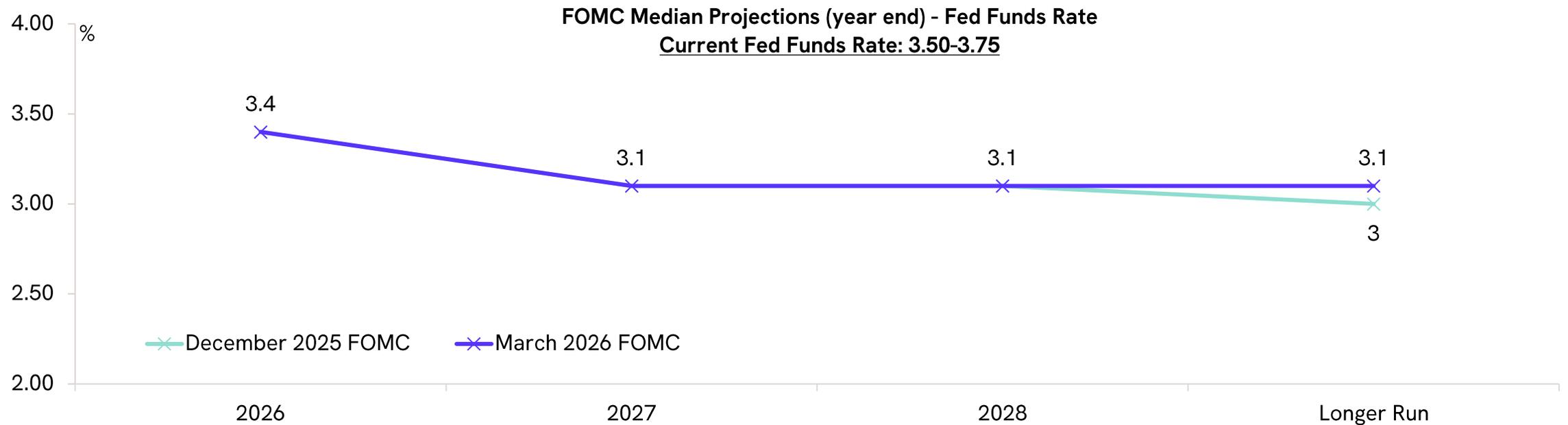
Dot plot maintains only a 25-bps cut in 2026

Policy statement notes that the implications of developments in the Middle East for the US economy are uncertain

Jerome Powell dismissed comparisons to stagflation, stating that current economic conditions do not justify that characterisation

He acknowledged ongoing high uncertainty, but added that the Fed could look past energy-driven shocks as long as inflation expectations remain well anchored

He emphasised that the projected rate cuts shown in the Fed's dot plot would depend on further progress in reducing inflation



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

Disclaimer

This document constitutes confidential and proprietary material and may not be reproduced or further distributed in part or full to any other person without the written permission of 360 ONE AMC. This document is the property of 360 ONE AMC and must be returned to 360 ONE AMC or its affiliates upon request. This document is provided for assistance only and is not intended to be used for taking investment decisions or otherwise. This document is not investment, legal, tax, or accounting advice. The recipients should also inform themselves, and should take appropriate advice, on the legal requirements and shall not rely on this document for any subscription, purchase, holding, exchange, redemption or disposal of any investments. The opinions expressed herein are the personal opinions of the author. Past Performance is not an indicator/guarantee of future returns. Investment in securities are subject to market risk. Whilst every care has been taken in preparing this document, 360 ONE AMC and its affiliates and agents to the fullest extent permitted by applicable law disclaim any liability or responsibility for any error or omission or inaccuracy or mistake of any nature or any consequences of the use of the material/ information displayed on this document. Notwithstanding the aforesaid, nothing set out above shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently. The information given in this document is not exhaustive and is subject to change without notice.



asset
360
ONE

