

Data Insights: Federal Reserve

Wednesday, October 29, 2025

[Today's FOMC statement](#): how the language changed from [prior meeting](#)

~~September 17~~[October 29](#), 2025

[Available](#) indicators suggest that ~~growth of~~ economic activity ~~moderated in the first half of the year~~[has been expanding at a moderate pace](#). Job gains have slowed [this year](#), and the unemployment rate has edged up but ~~remains~~[remained](#) low ~~through August; more recent indicators are consistent with these developments~~. Inflation has moved up [since earlier in the year](#) and remains somewhat elevated.

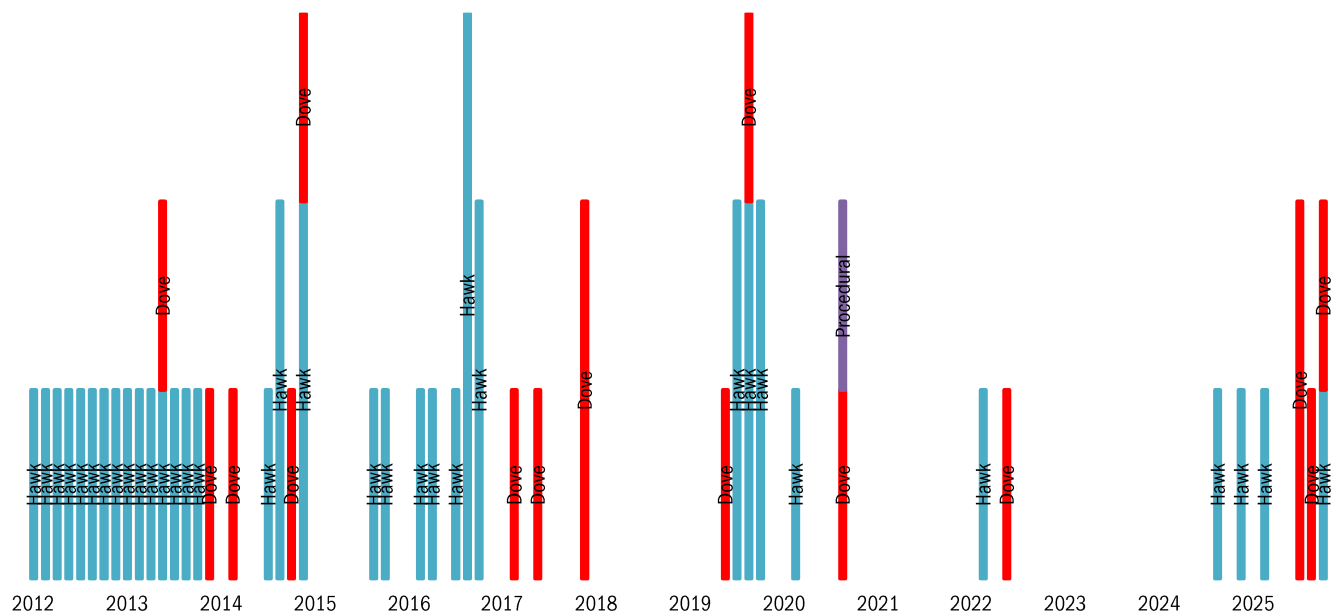
The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment ~~have risen~~[rose in recent months](#).

In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to [3-3/4](#) to ~~4-1/4~~ percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee ~~will continue reducing~~[decided to conclude the reduction of its holdings of Treasury aggregate securities and agency debt and agency mortgage-backed securities](#)[holdings on December 1](#). The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Susan M. Collins; Lisa D. Cook; Austan D. Goolsbee; Philip N. Jefferson; Alberto G. Musalem; ~~Jeffrey R. Schmid~~; and Christopher J. Waller. Voting against this action ~~was were~~ Stephen I. Miran, who preferred to lower the target range for the federal funds rate by 1/2 percentage point at this meeting ~~and Jeffrey R. Schmid, who preferred no change to the target range for the federal funds rate at this meeting~~.

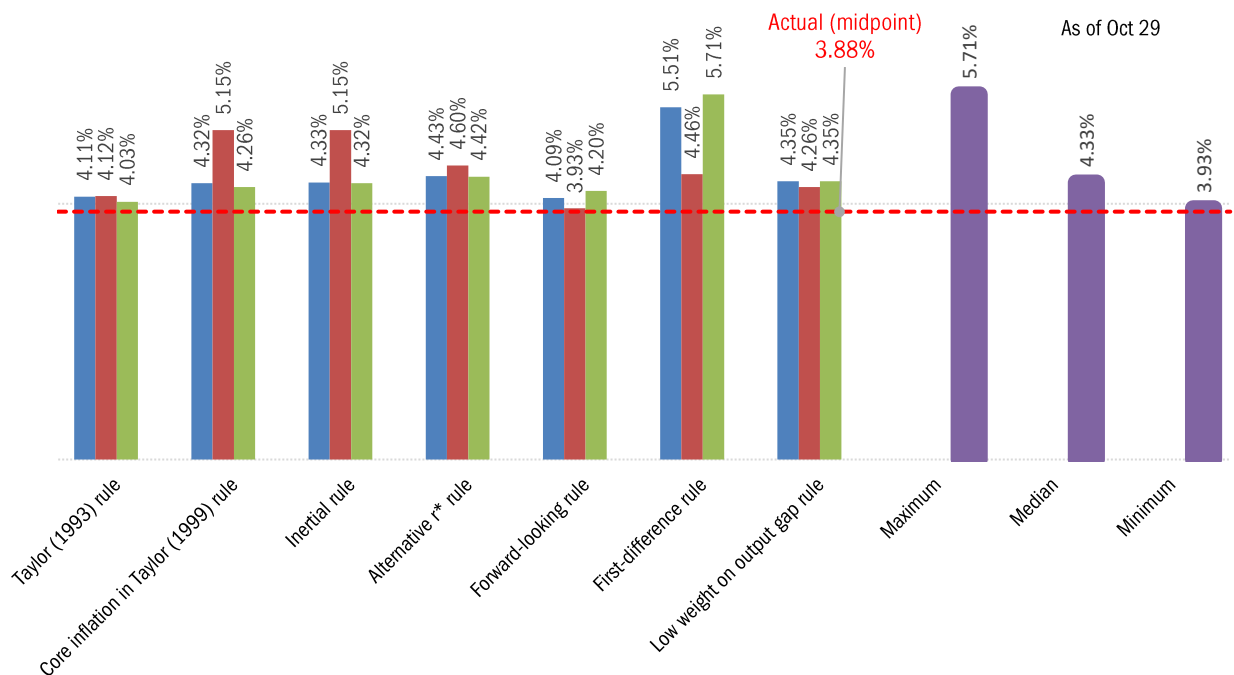
Other voices: number and direction of FOMC decision dissents



Source: FOMC, TrendMacro calculations

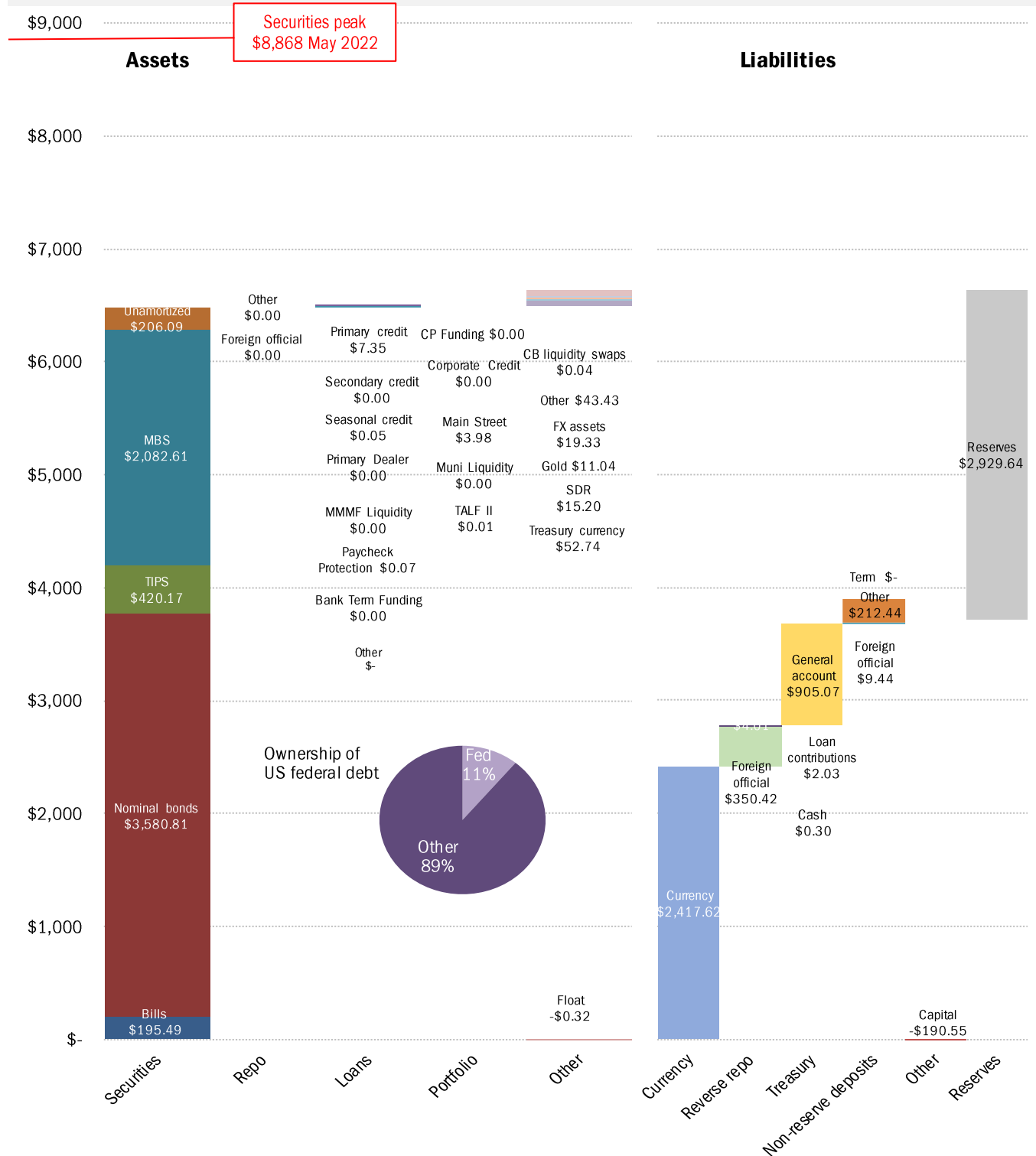
So many policy rules, so little inclination to follow any of them...

Updated September 5, 2025 Based on inputs from: FOMC SEP CBO Cleveland Fed



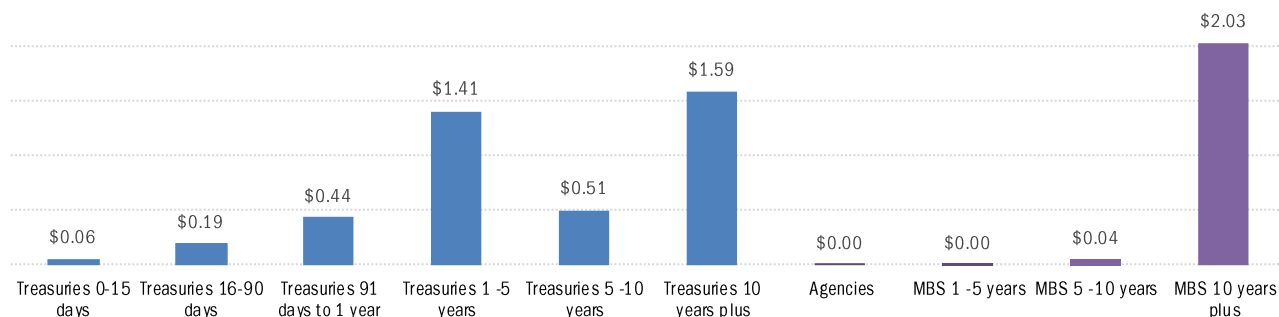
Source: [Cleveland Fed](#), TrendMacro calculations

The Fed's assets, and how they are funded (USD billions)



Source: Federal Reserve H.4, US Treasury, TrendMacro calculations

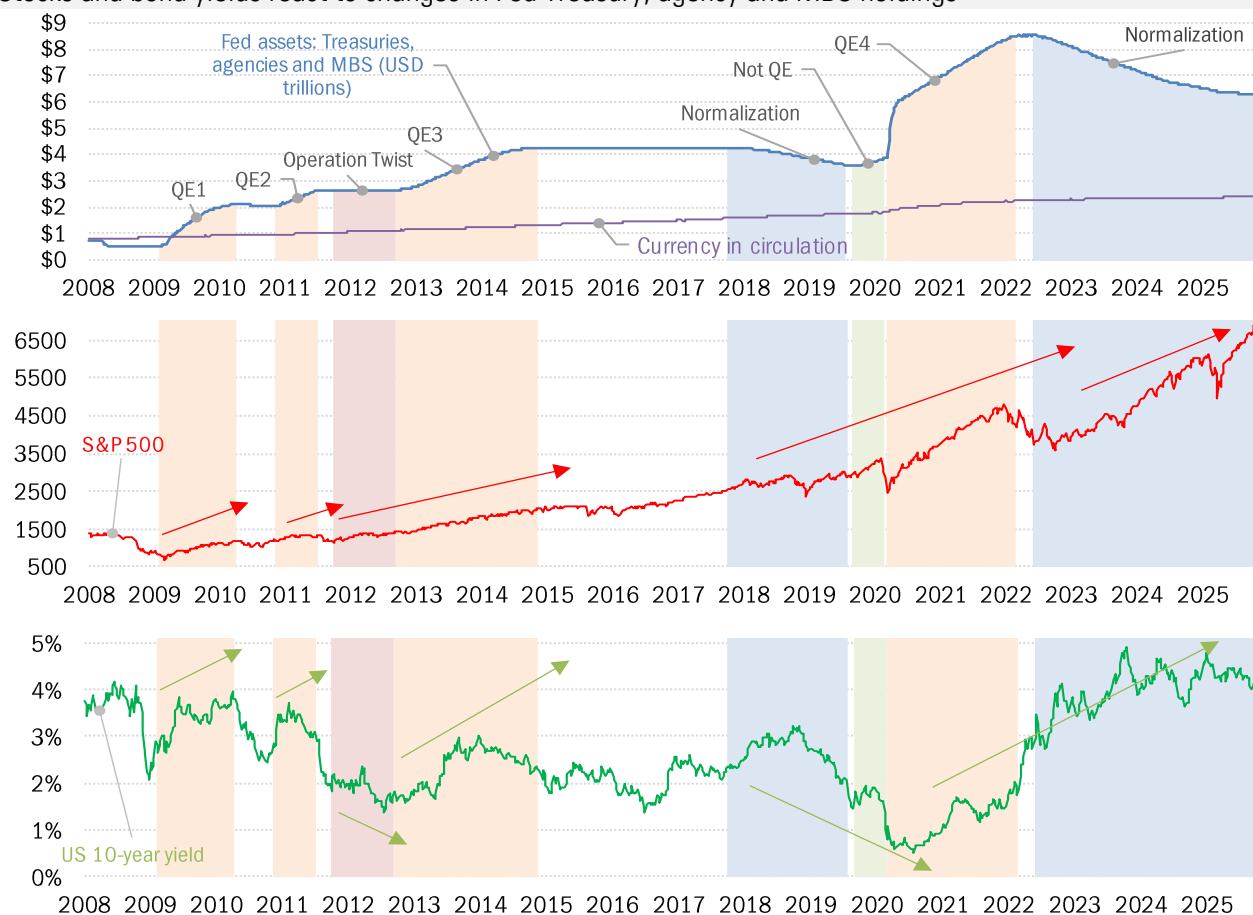
Sector and maturity breakdown of Fed government securities, USD trillions



Source: Federal Reserve, Bloomberg, TrendMacro calculations

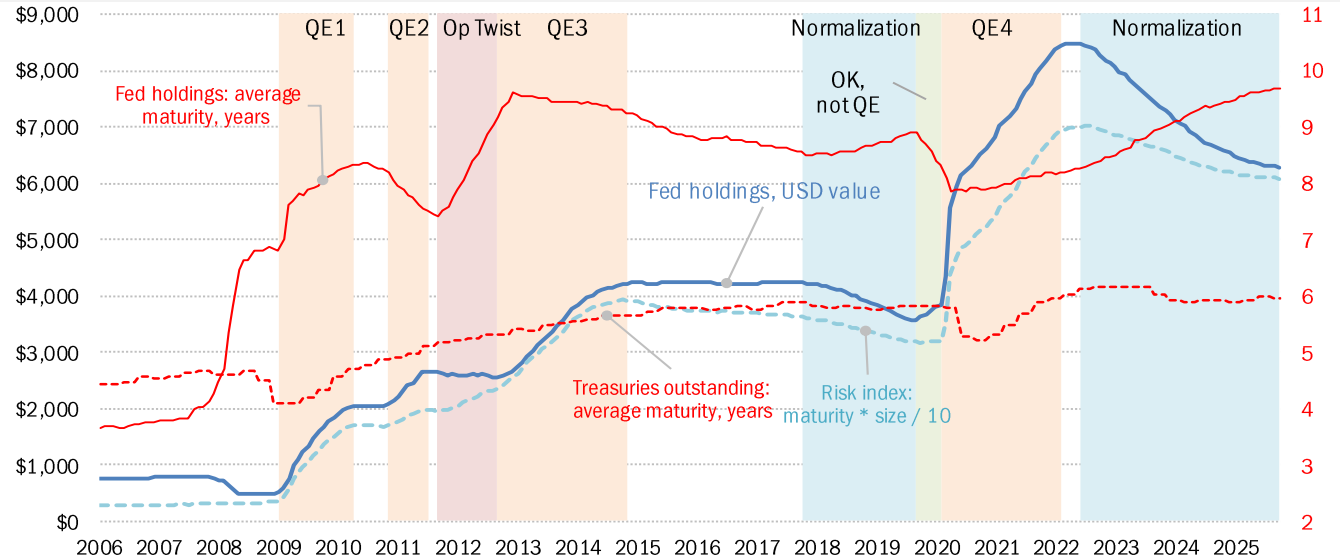
The Fed's asset purchases, and their effects on markets

Stocks and bond yields react to changes in Fed Treasury, agency and MBS holdings



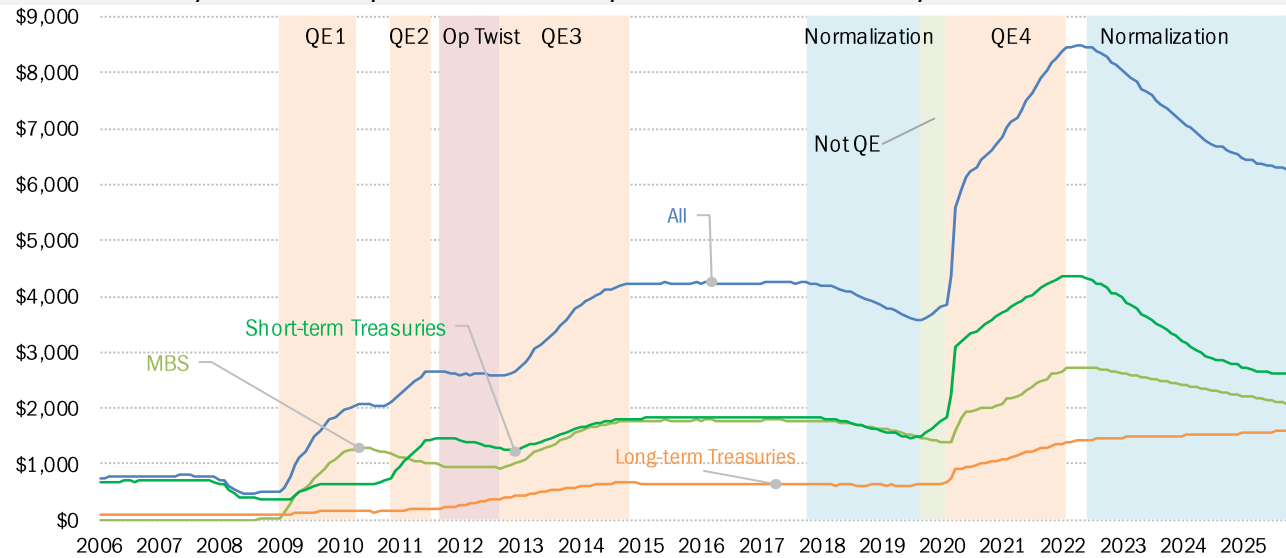
Source: Federal Reserve, Bloomberg, TrendMacro calculations

Fed Treasury and MBS portfolio: size, maturity and risk index



Source: Federal Reserve, Bloomberg, TrendMacro calculations

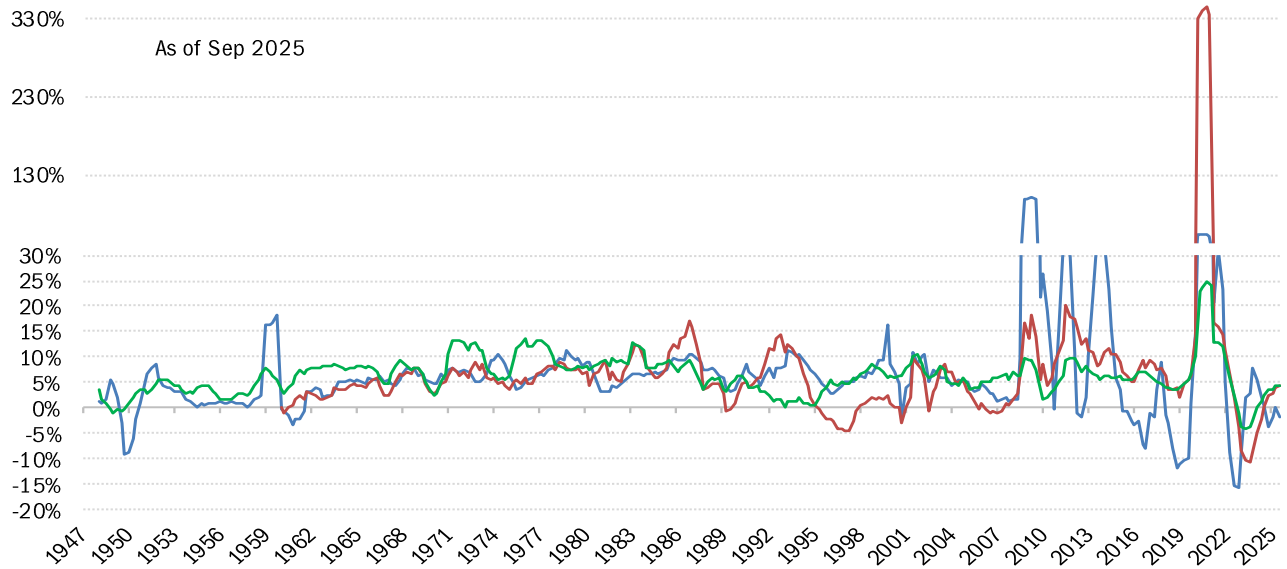
Fed Treasury and MBS portfolio: size by sector and maturity



Source: Federal Reserve, Bloomberg, TrendMacro calculations

Money supply growth, YOY quarterly

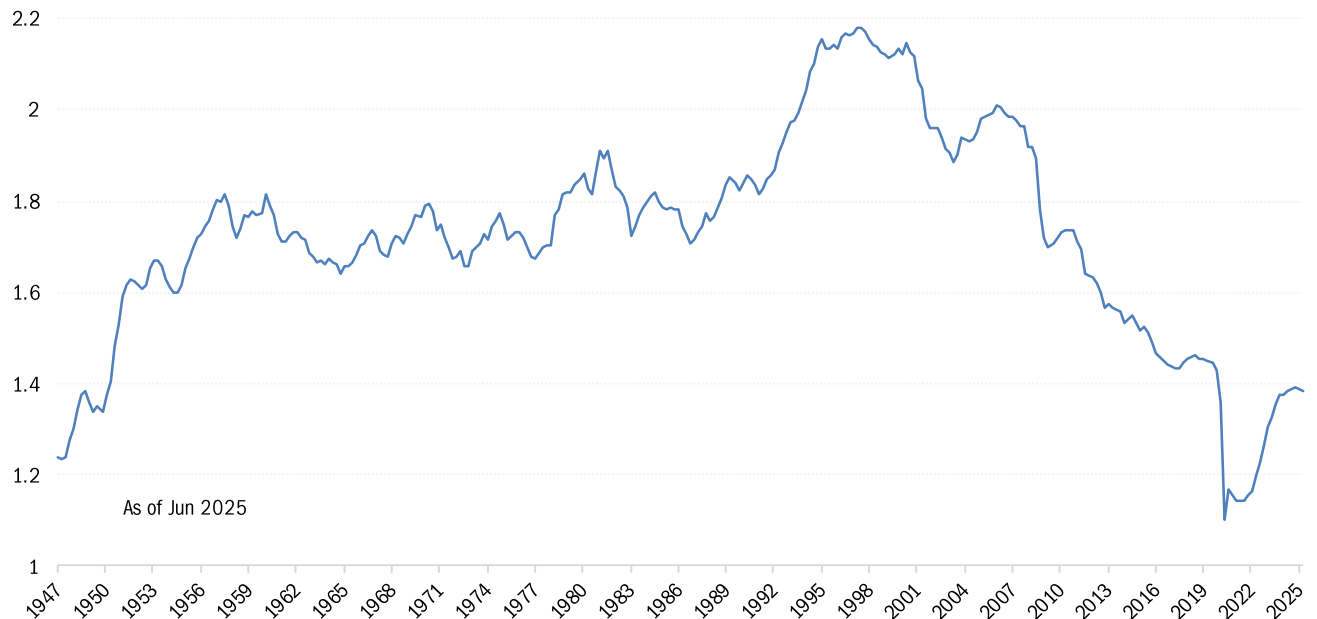
— M1 — M2 — Monetary base



Source: Federal Reserve H.6, NBER, TrendMacro calculations

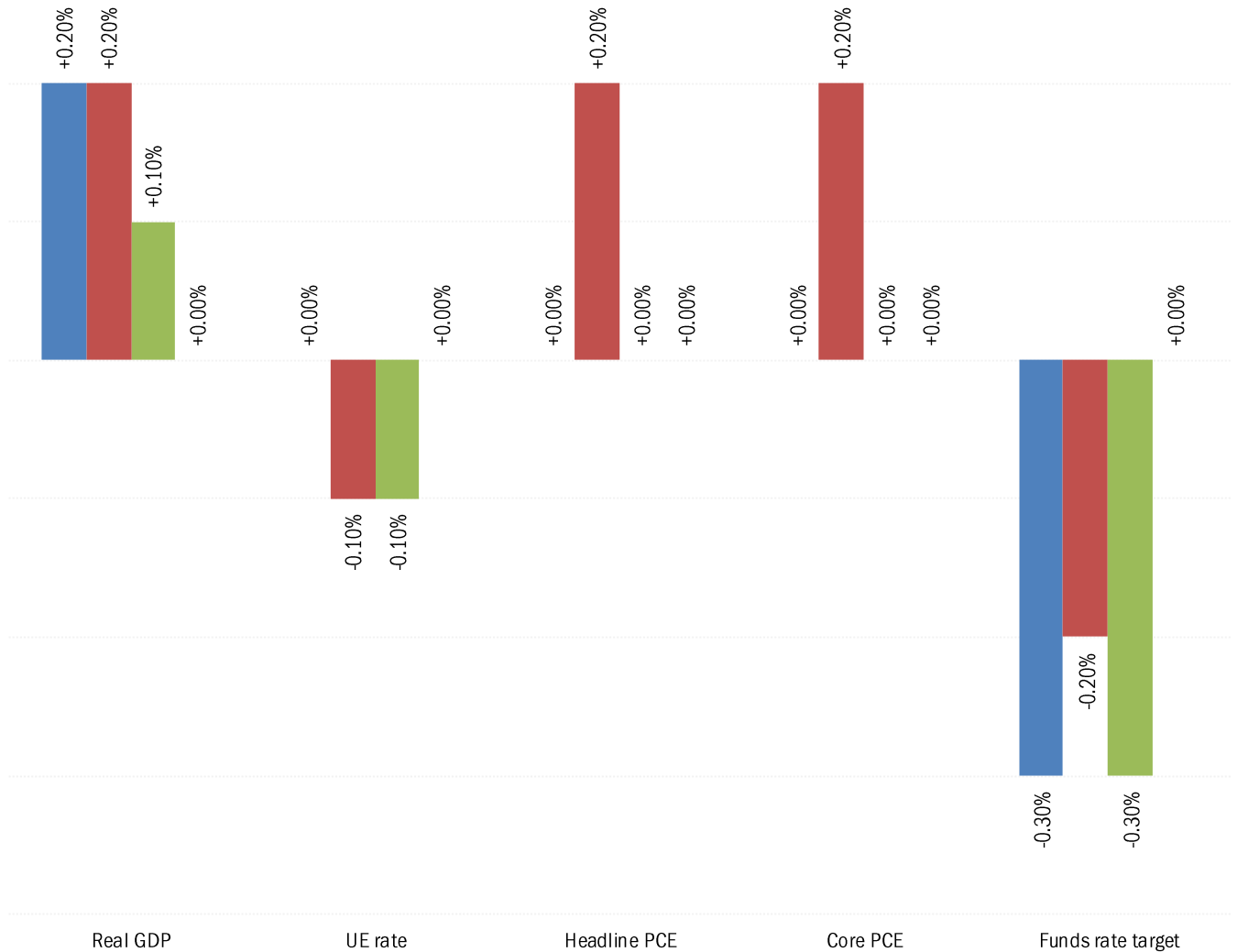
Monetary velocity, quarterly

Derived from the [Equation of Exchange](#): $M2 * V = P * NGDP$



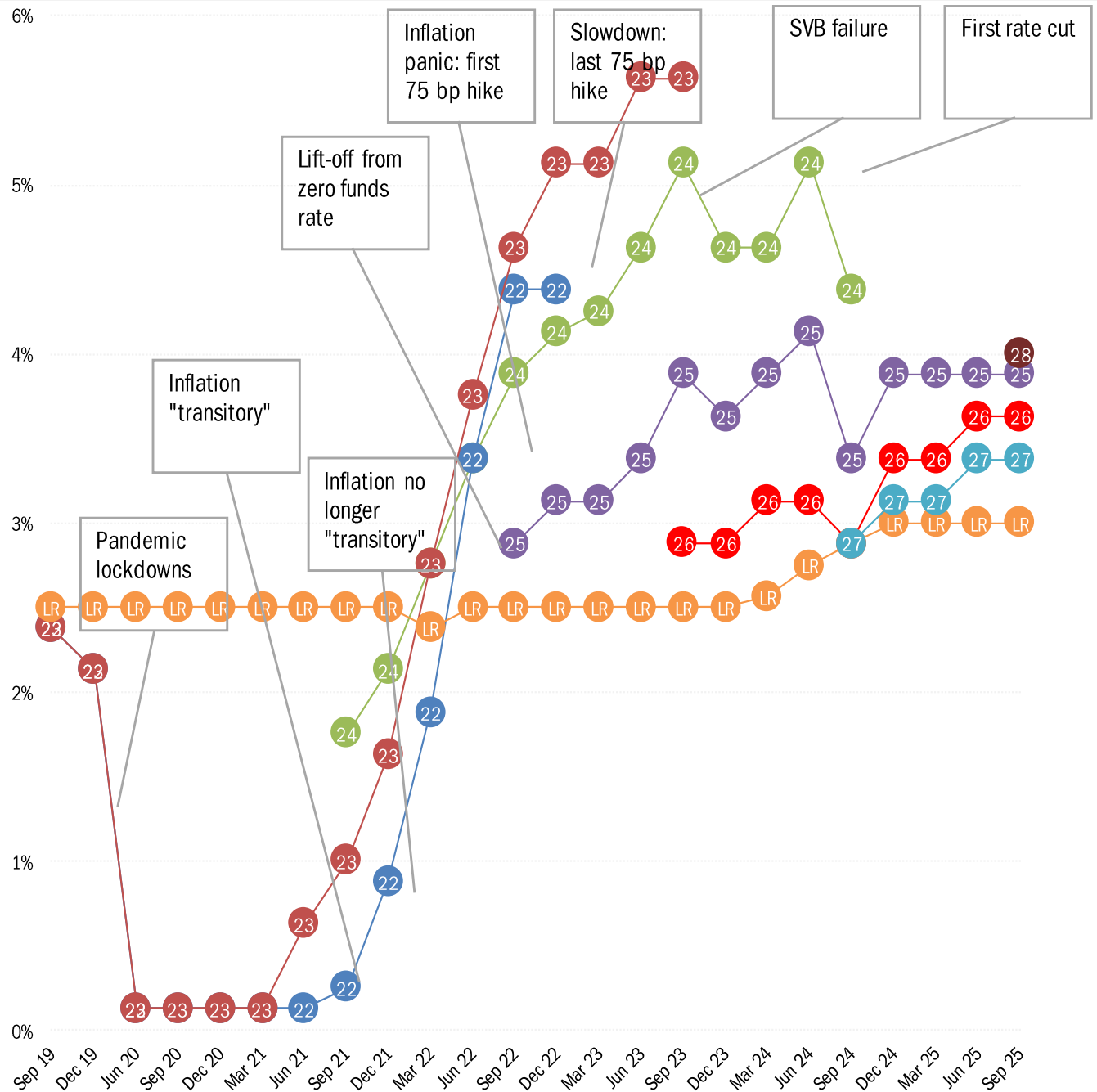
Summary of Economic Projections at-a-glance (median, level) As of Sept FOMC

Change from [prior SEP](#) with respect to: ■ 2025 ■ 2026 ■ 2027 ■ Longer run



Source: FOMC, TrendMacro calculations

"Dot plots" of "appropriate policy path" in the pandemic funds rate cycle As of September FOMC

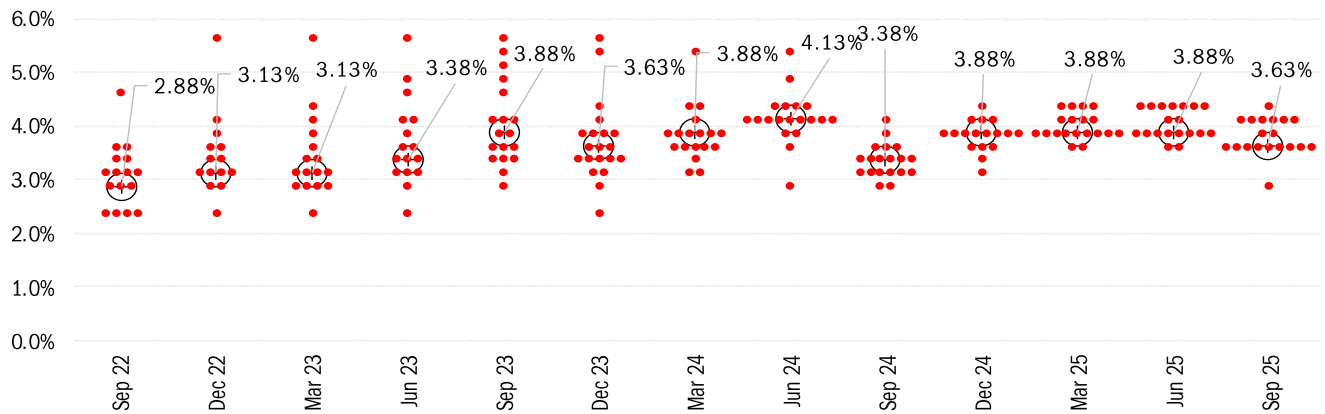


Source: Federal Reserve [SEP](#), TrendMacro calculations

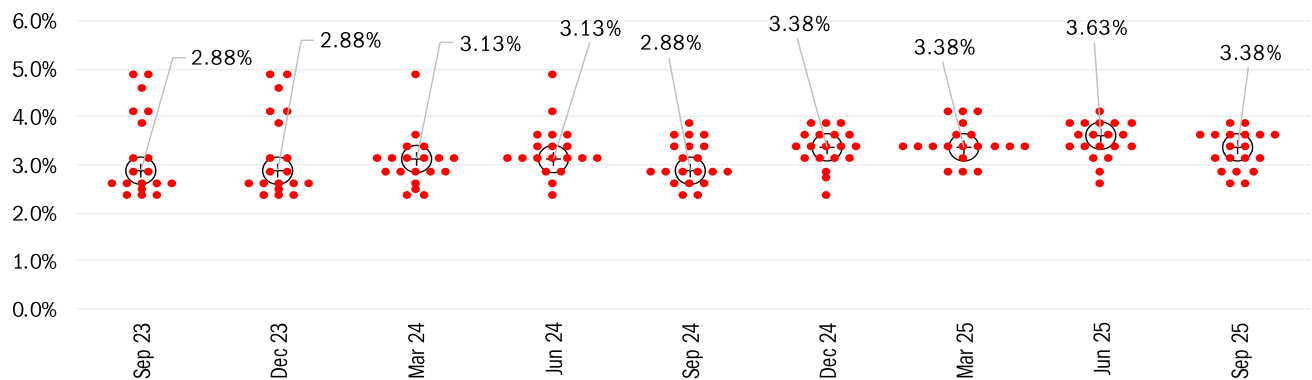
Tracking the "dotplots" in high-res As of September FOMC

FOMC participants' estimate of "appropriate" target fed funds rate ● Vote by participant ○ Median

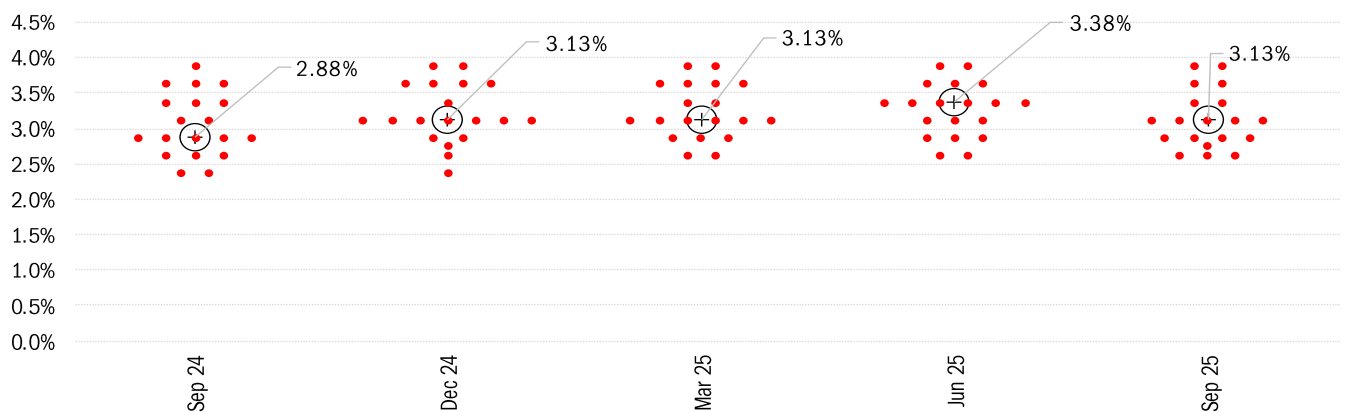
For year-end 2025



For year-end 2026



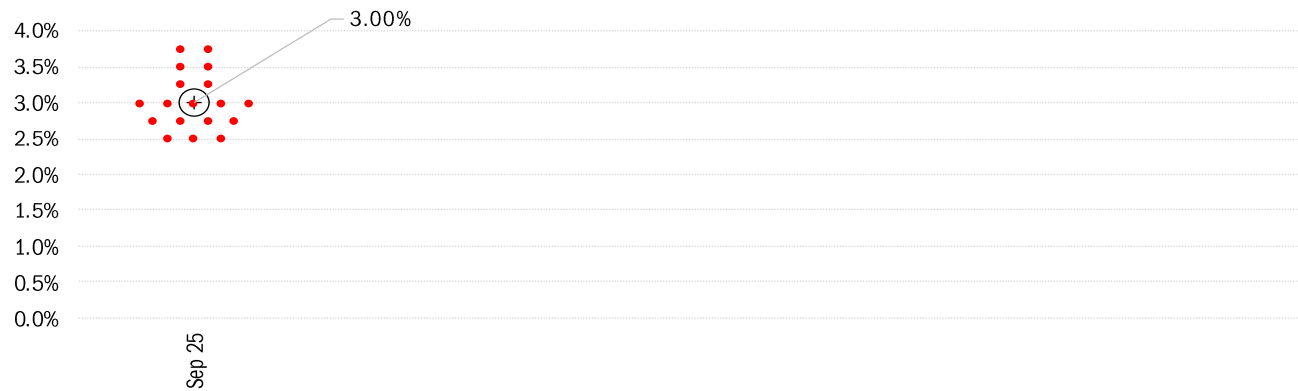
For year-end 2027



Tracking the "dotplots" in high-res As of September FOMC

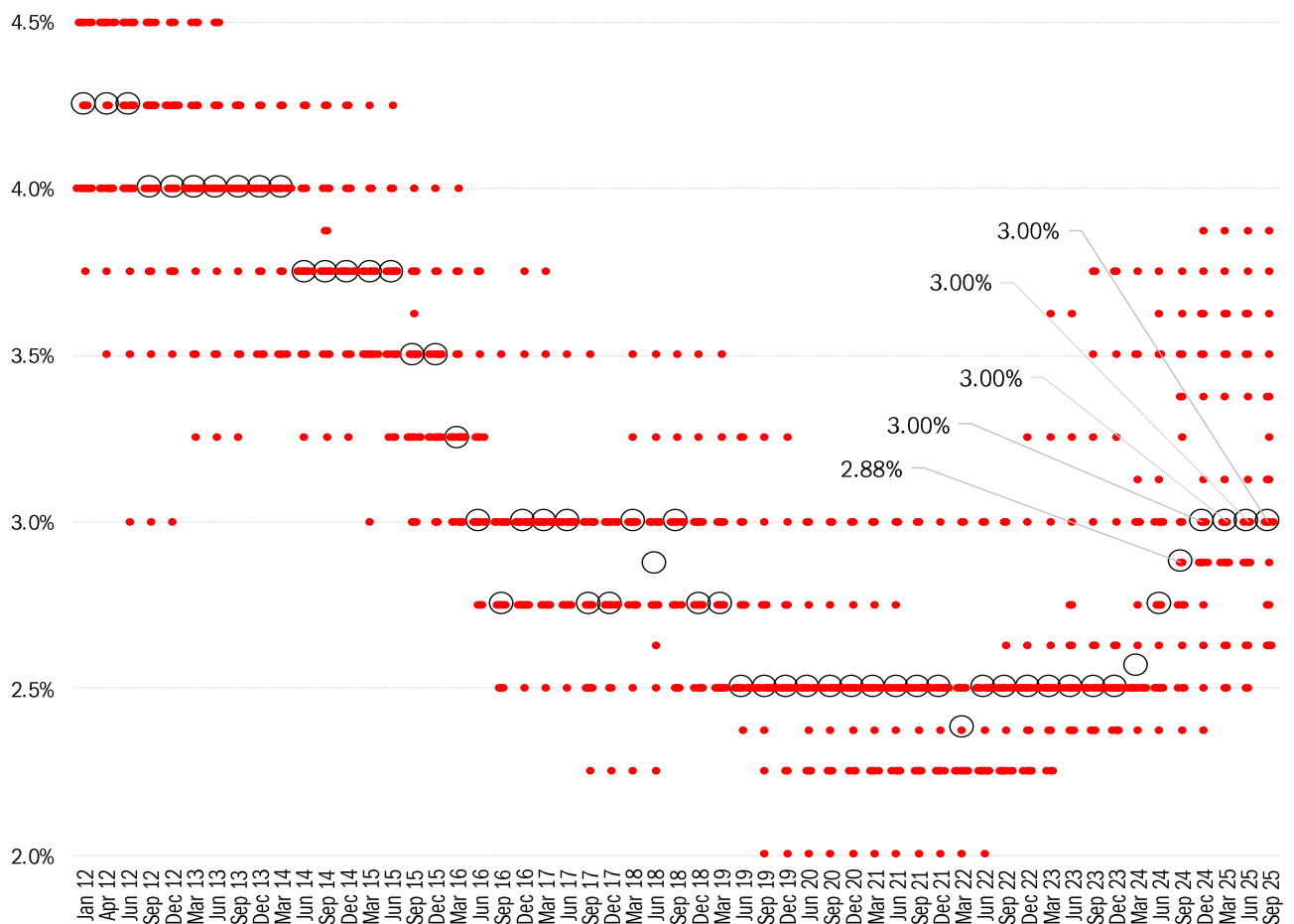
FOMC participants' estimate of "appropriate" target fed funds rate ● Vote by participant ○ Median

For year-end 2028



"R-star" – the ultimate dot-plot

FOMC participants' estimate of "longer run" target funds rate ● Individual participant ○ Median



Source: Federal Reserve, TrendMacro calculations

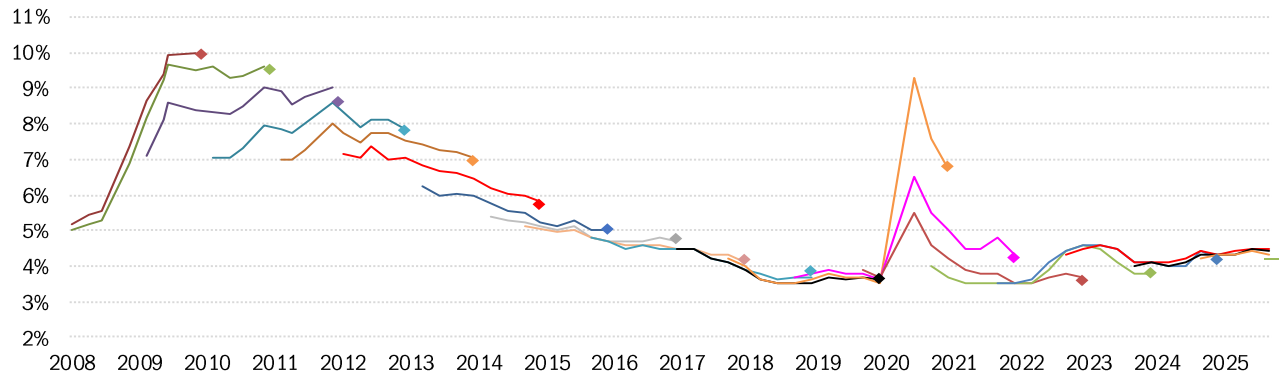
Forecast v actual: [economic projections](#) FRB and presidents

— Forecast ♦ Actual

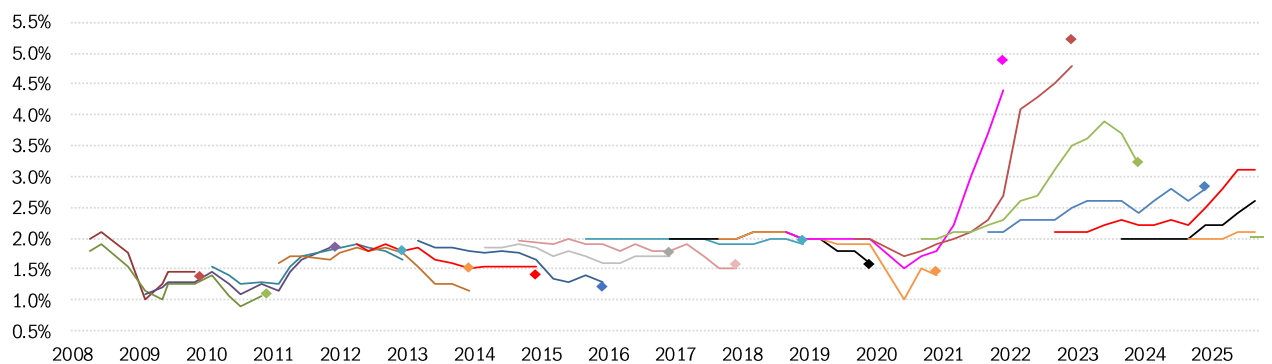
As of September FOMC

■ 2009 ■ 10 ■ 11 ■ 12 ■ 13 ■ 14 ■ 15 ■ 16 ■ 17 ■ 18 ■ 19 ■ 20 ■ 21 ■ 22 ■ 23 ■ 24 ■ 25 ■ 26 ■ 27 ■ 2028

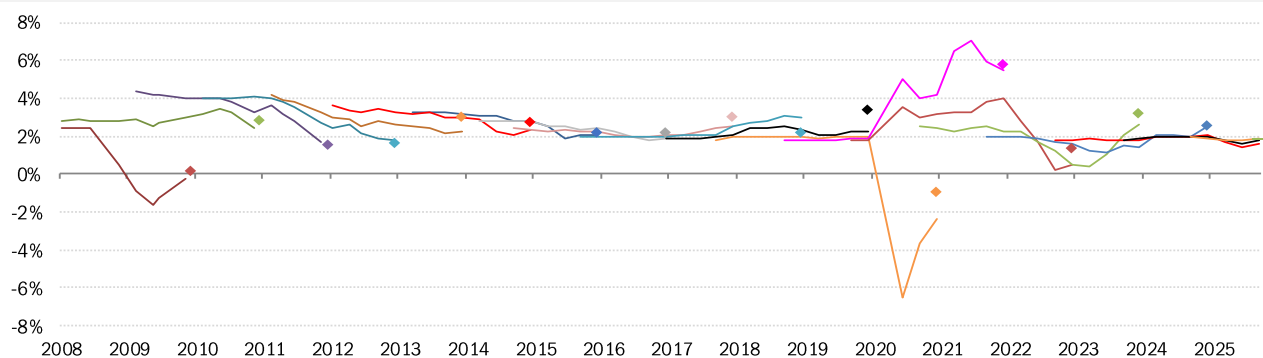
Unemployment



Core PCE inflation



Real GDP



Source: Federal Reserve, BEA, BLS, TrendMacro calculations

Diffusion indices from FOMC participants' risk self-assessments in [Summary of Economic Projections](#)