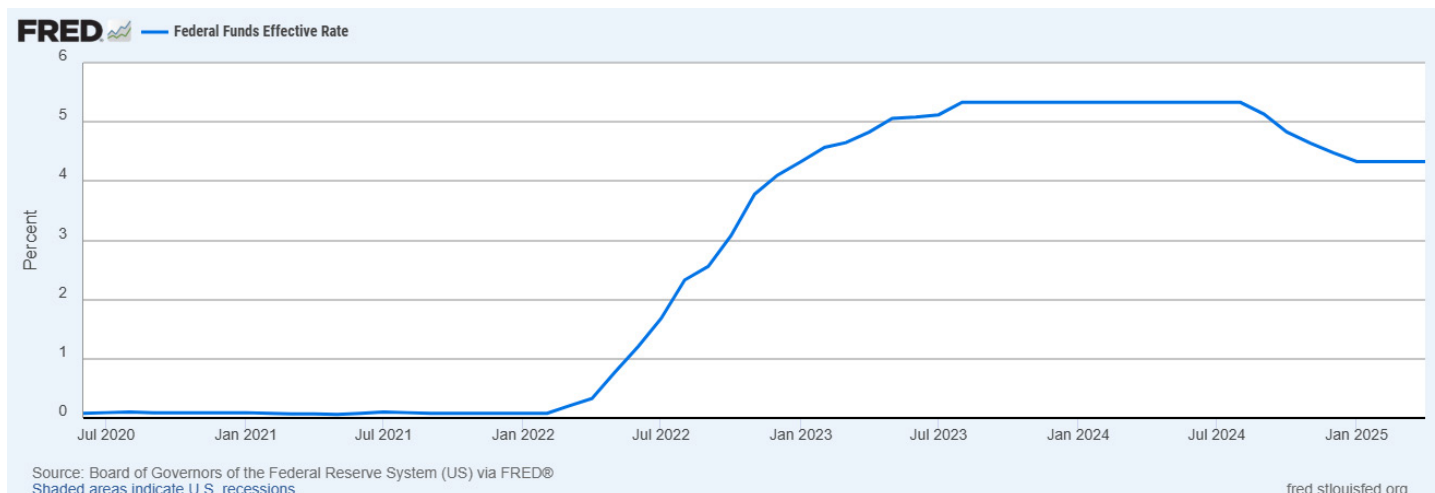


FEDERAL FUNDS RATE HOLDS STEADY

MAY 7, 2025

Earlier today, the Federal Reserve Open Market Committee (FOMC) concluded its May meeting, announcing its decision to maintain the federal funds rate within the 4.25%–4.50% target range—a move widely anticipated.

In its accompanying statement, the Committee maintained a steady tone, underscoring the continued strength of the U.S. economy and the resilience of the labor market. However, the language also reflected a subtle but important shift in focus. The FOMC acknowledged rising uncertainty surrounding the economic outlook and pointed to emerging risks that may challenge progress toward its dual mandate of maximum employment and price stability. In particular, the Committee flagged persistent inflationary pressures and the potential for rising unemployment as factors that could complicate the policy path ahead.



Source: [Federal Reserve Economic Data](#) | [FRED](#) | [St. Louis Fed](#)

The FOMC reaffirmed its commitment to achieving long-term price stability and full employment, with a stated inflation target of 2%. Committee members emphasized that they will continue to monitor a broad array of economic data and stand ready to adjust monetary policy as needed should risks to their objectives emerge. Fed funds futures markets currently reflect expectations for three rate cuts before year-end, with adjustments anticipated in the latter half of the year. However, the outlook remains highly data-dependent, and future policy decisions will be guided by evolving economic conditions.

The FOMC's next policy meeting is scheduled for June 17–18, 2025.

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