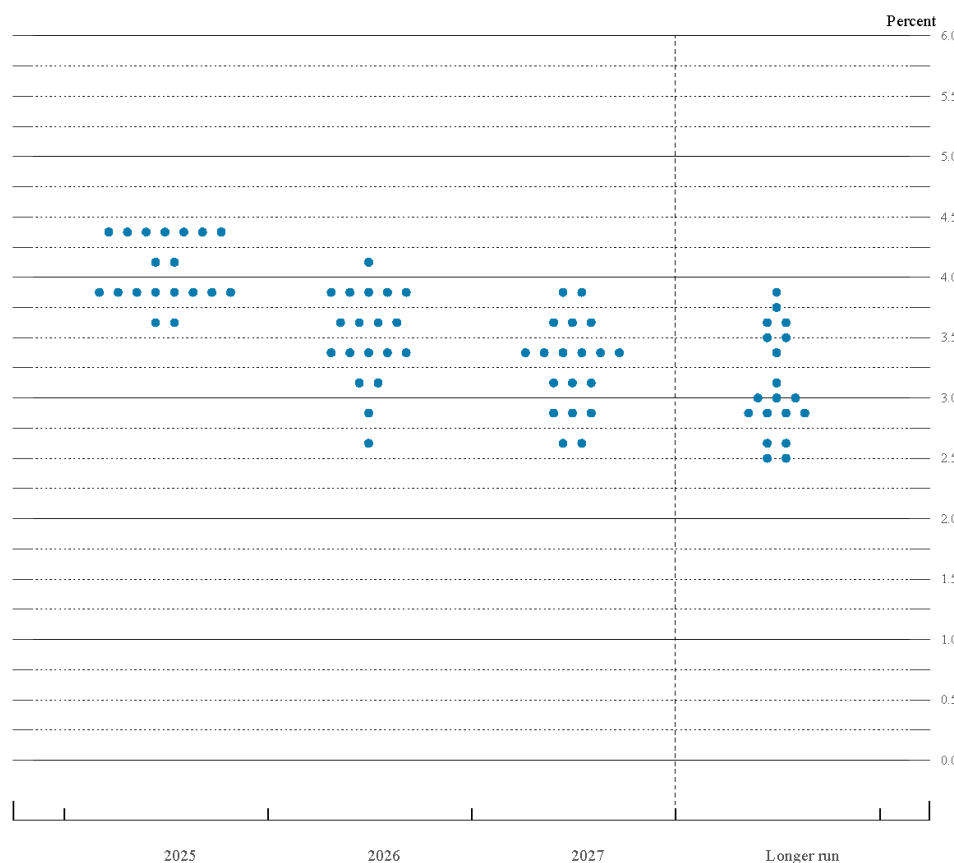


FEDERAL FUNDS RATE HOLDS STEADY

JUNE 18, 2025

The Federal Reserve Open Market Committee released its decision on the federal funds rate earlier today at its June meeting and, as expected, held the fed funds rate unchanged in a range of 4.25% and 4.50%. The committee released their Summary of Economic Projections (SEP), which remained the same in terms of expectations for two cuts in 2025, with 2026 projections mixed between 0-2 cuts. The Fed revised down GDP projections for 2025 & 2026, but left 2027 unchanged. PCE Inflation is projected to rise in 2025 and fall in 2026 & 2027.

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



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

The FOMC is firmly committed to achieving full employment and price stability, with a target inflation rate of 2% over the long-term. Committee members continue to observe a wide range of economic factors and are prepared to adjust monetary policy if the attainment of the goals is jeopardized.

Current Fed funds futures are pricing in two cuts by the end of the year. The cuts are expected to occur in the back half of the year. The outlook remains fluid as a lot can happen between now and then. The focus will be on the incoming data in order to gauge the appropriate path forward.

The FOMC's next decision is scheduled for July 29th-30th, 2025.

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