# FEDERAL FUNDS RATE HOLDS STEADY

JULY 30, 2025

The Federal Reserve's Federal Open Market Committee (FOMC) announced its July policy decision earlier today, voting to maintain the federal funds rate in the target range of 4.25% to 4.50%, in line with broad market expectations.

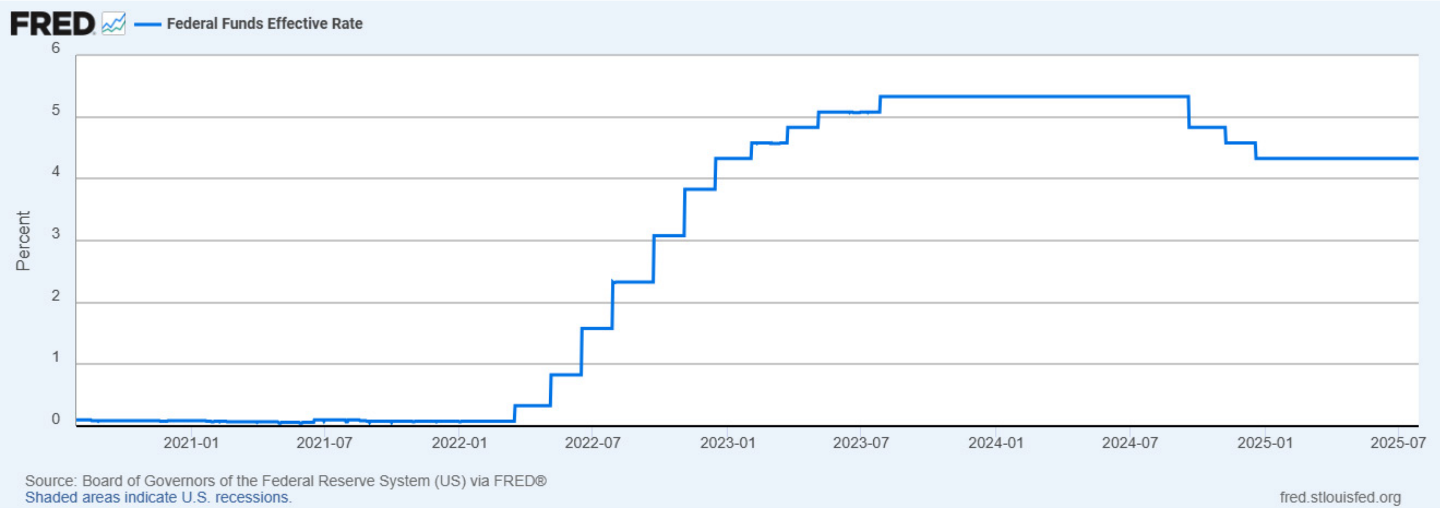
## Policy Statement Highlights

In its accompanying statement, the FOMC maintained a consistent tone, noting that economic activity has moderated over the first half of 2025. While fluctuations in net exports have introduced some volatility in recent data, the Committee emphasized continued strength in the labor market, supported by ongoing improvement in unemployment figures.

The statement reiterated that significant uncertainty persists around the economic outlook. The Committee cited emerging risks that could potentially hinder progress toward its dual mandate of maximum employment and stable prices.

## Notable Dissent

For the first time since 1993, the decision included multiple dissents, with Governor Michelle W. Bowman and Governor Christopher J. Waller voting against the majority. Their dissents highlight increasing divergence within the Committee regarding the path of monetary policy.




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

## Forward Guidance and Market Outlook

The FOMC reaffirmed its long-term commitment to achieving 2% inflation and full employment. The Committee remains prepared to adjust the stance of monetary policy should risks to these goals emerge.

Market expectations, as reflected in Fed funds futures, currently anticipate two rate cuts by year-end. However, the outlook remains fluid and highly data-dependent, with forthcoming economic indicators likely to influence the trajectory of policy decisions.

The FOMC's next decision is scheduled for September 16th-17th, 2025.

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