



PHDCCI Analysis of US Federal Rate Announcement

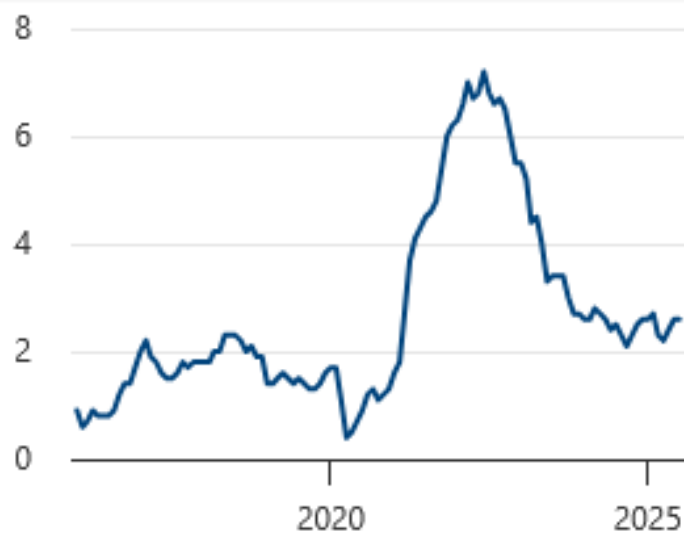
PHD Research Bureau

US Economy Trends



Inflation (PCE)

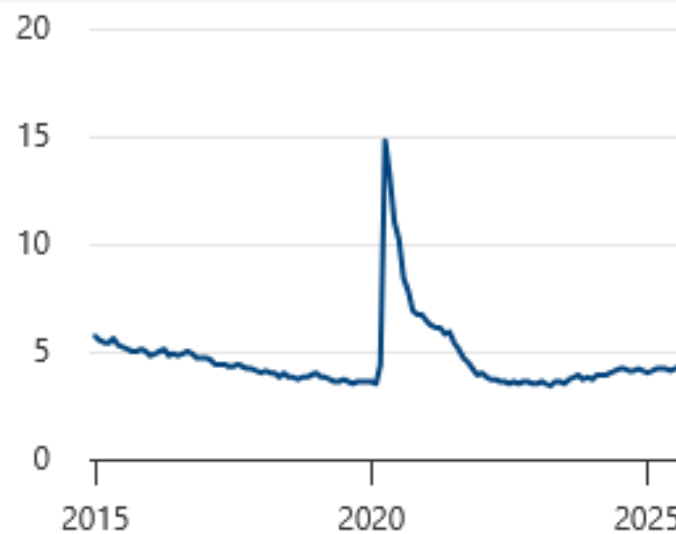
2.6% July 2025



Source: Bureau of Economic Analysis

Unemployment Rate

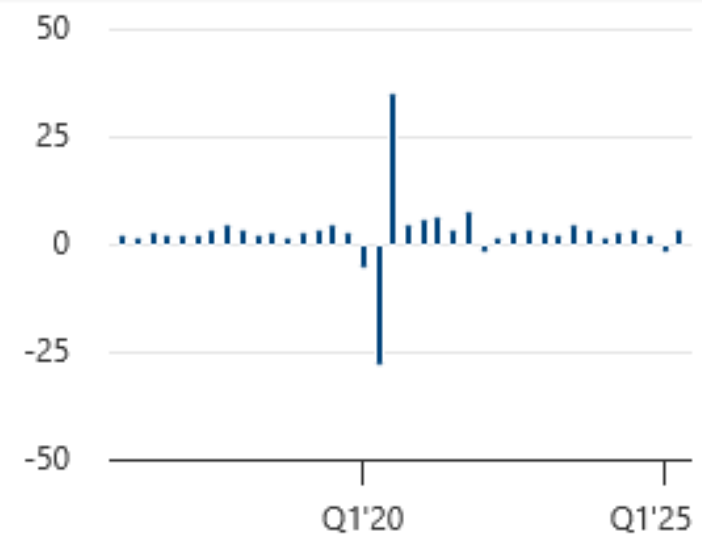
4.3% August 2025



Source: U.S. Bureau of Labor Statistics

Gross Domestic Product (GDP)

+3.3% Q2 2025



Source: Bureau of Economic Analysis

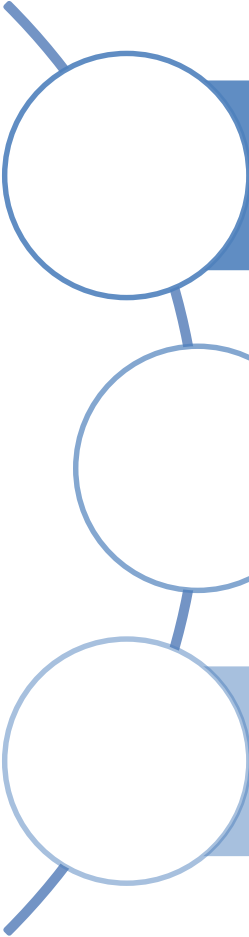
<https://www.bea.gov/data/economic-accounts/national>

Source: Federal Reserve Press Release (<https://www.federalreserve.gov/monetarypolicy/files/monetary20250917a1.pdf>)

Federal Reserve has decided to cut federal funds rate by 25BPS



Federal Reserve has decided to reduce the rate to 4% from 4.25%

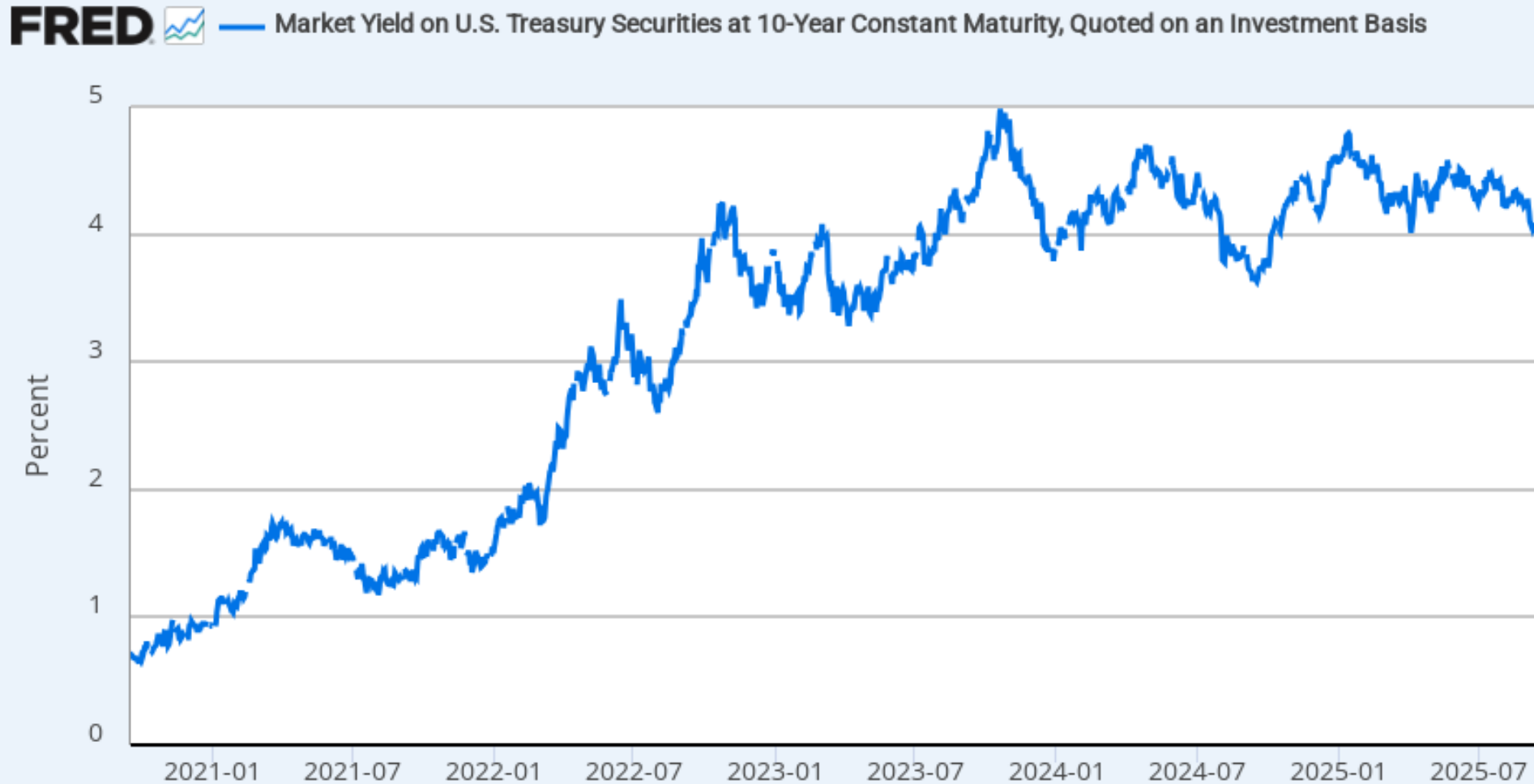


US Federal Open Market Committee has decided to lower the target range 4-4.25% for the federal funds rate by 0.25 percentage

US economy faced moderate growth in economic activity in H1-2025, slowing job gains, and elevated inflation

This move will stimulate economic activity, by encouraging consumer spending and private sector investment in US

US 10-year Bond yield starts to dip after Fed decision



Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions.

myf.red/g/1MoSu

The Federal Reserve has decided to cut federal funds rate by 25BPS



Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.

Committee is strongly committed to supporting maximum employment and returning inflation to its 2% objective.

This decision along with lowered interest rate paid on reserve balances to 4.15%, is expected to enhance liquidity, stabilize financial markets and ease pressures from ongoing international developments

Federal Reserve Rate cut



Federal Reserve's rate cut is expected to positively impact India; RBI may align with this policy, lowering repo rate to bolster investment and demand further, to stimulate economic growth

This decision of the US FED may lead to depreciation of the US dollar that may result in Indian imports of mineral fuels, natural or cultured pearls and electrical machinery & equipment among others, from the US to become cheaper

As an impact of this decision US demand expected to rise which may lead to rise in Indian exports of Pharmaceuticals and IT sector services, among others.

Going forward, we expect the FED to remain strongly committed to support a steady growth trajectory. This move is a change in stance from restrictive to accomodative



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