

# Economy Review

02/20/2025

© Gilbert Ho, 2025. All Rights Reserved.

# Legal Disclaimer And Risk Disclosure

---

**These materials are for educational and entertainment purposes only and are neither a solicitation, nor an offer to buy or sell any financial instrument.**

All information provided here is the opinion of the authors. The authors, AAIL, AAIL Income and Cash Flow SIG leaders and members, make no claim that the information in any of these presentations is correct. Under no circumstances should any of the information in these presentations be taken as any kind of investing advice.

**The authors, AAIL, AAIL Income and Cash Flow SIG leaders and members, will not assume any responsibility whatsoever for the actions of the reader nor financial losses that may result from the use or misuse of the information presented.**

Economics and markets are not governed by physical laws of the universe.

Patterns in data only serve to weigh probability, they do NOT dictate the future.

# FOMC Meeting Jan 28th to 29th - Pause

[Federal Reserve Board - Federal Reserve issues FOMC statement](#)

[Transcript: Fed Chief Powell's Postmeeting Press Conference \(msn.com\)](#)

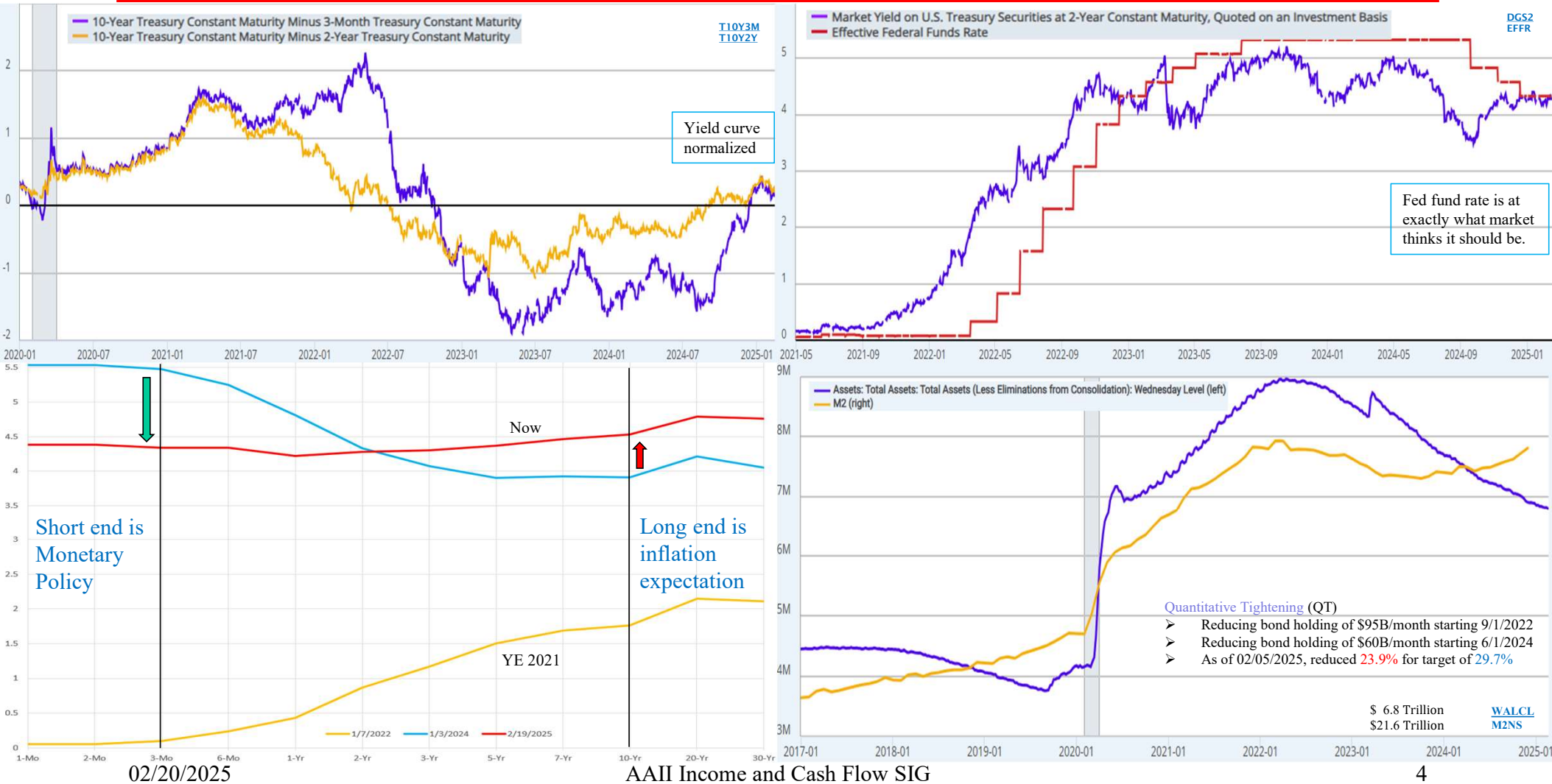
01/29/2025

- Maintained the target for the federal funds rate to a range of 4.25% to 4.50%
- Continue QT to reduce the size of the balance sheet.
- Key Points
  - The economy remains on strong footing
  - It's too soon to know if inflation has stalled
  - The Fed is in wait-and-see mode
    - “The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent,”
- Chairman Powell's press conference
  - “we continue to make good progress in bringing inflation down,”
  - “We've got nine months of 2.5% inflation, now we've had two months of kind of bumpy inflation, ... Now, there were some bumps and the question is, are they more than bumps? And we can't know that, that's why we are approaching this question carefully.”
  - “there is some confidence that the lower market rents we're seeing will show up over time, but there's a little bit of uncertainty about when that will happen.”

# Interest Rates, Yield Curve, and QT

Resource Center | U.S. Department of the Treasury

02/19/2025



AAL Income and Cash Flow SIG

# Jobs Openings and Labor Turnover Summary (JOLTS)

<https://www.bls.gov/news.release/jolts.nr0.htm>

02/04/2025

Next release  
03/11/2024



02/20/2025

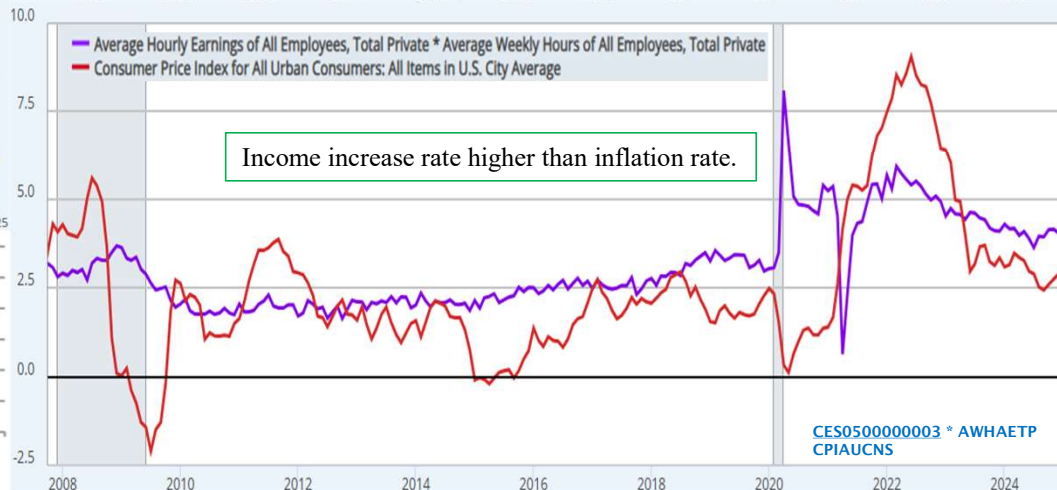
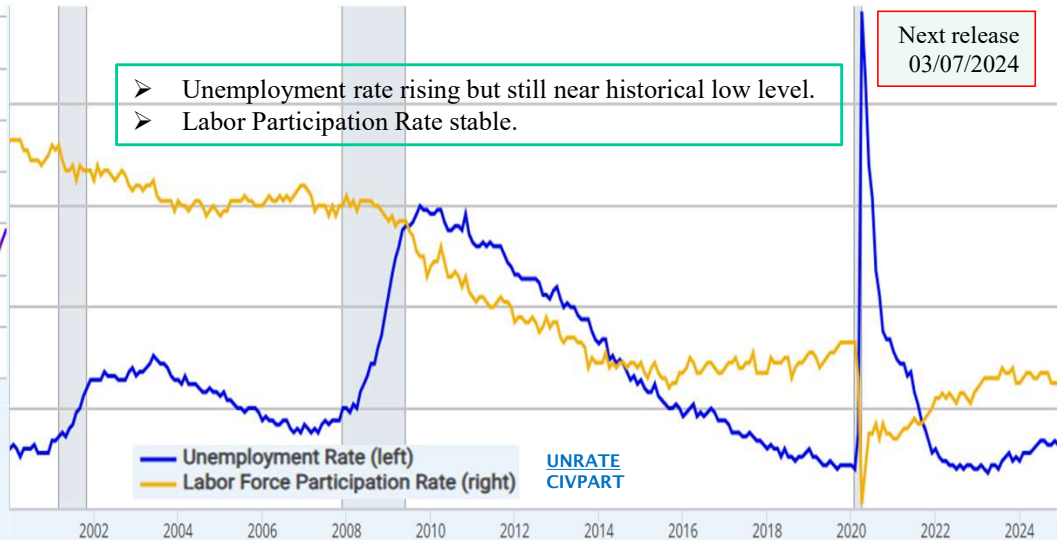
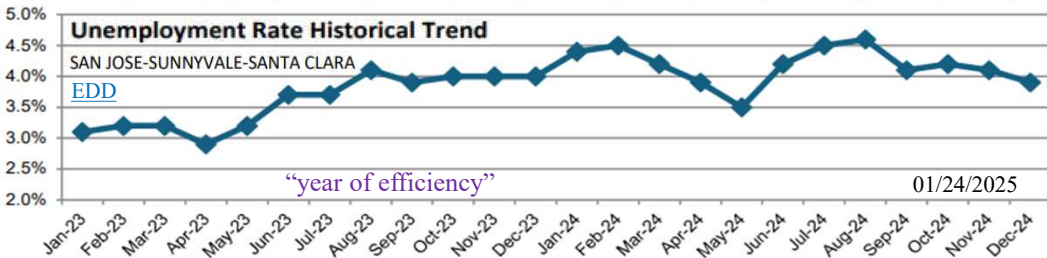
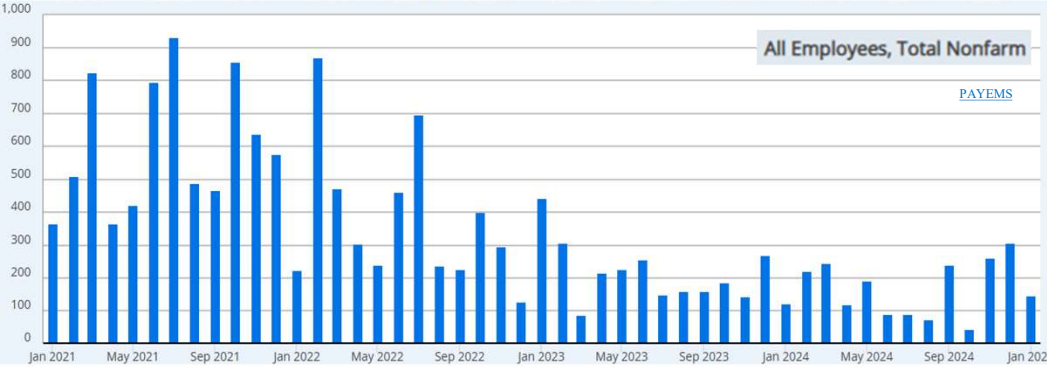
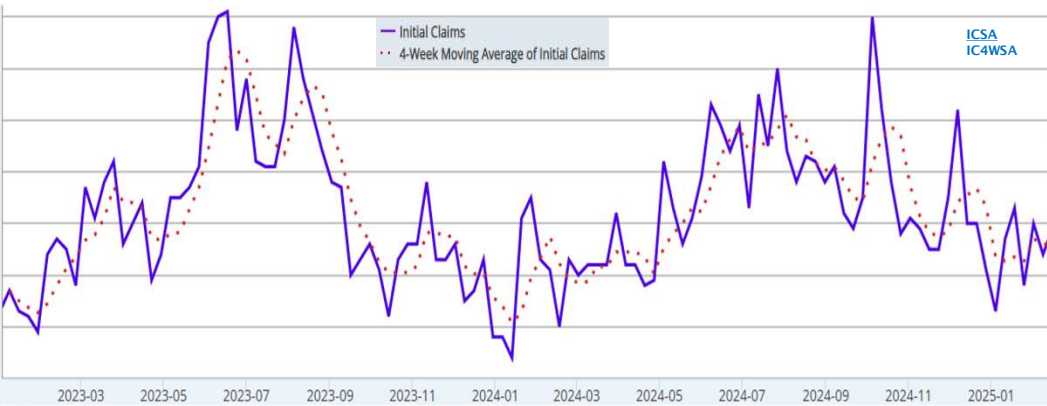
AAL Income and Cash Flow SIG

5

# Employment and Wage Growth

<https://www.atlantafed.org/chcs/wage-growth-tracker>

02/07/2025



02/20/2025

AAL Income and Cash Flow SIG

6

# US Dollar

De-dollarization: What Happens if the Dollar Loses Reserve Status? | Investing | U.S. News (usnews.com)

02/20/2025

O 100.50 H 101.34 L 98.70 C 99.05 Vol 0



- The first U.S. dollar was printed in 1914 after the Federal Reserve Bank was created.
- The Allies paid the U.S. for supplies using gold during World War I & II, propelling the U.S. to own most of the gold. 1944 Bretton Woods Agreement established fixed exchange rates and US would redeem dollar for gold on demand.
- **Deficit spending in the 60's** undermined value of dollar and caused countries to convert dollar reserves into gold. Nixon was forced to abandon the convertibility of dollars into gold in 1971.
- In 2022, 59% of all foreign bank reserves were denominated in U.S. dollars.
- **Trump tariff**: the [exchange rate moves](#) in a direction that tends to offset the impact of the tariff: a tariff on imports appreciates the home currency and a tariff on exports depreciates it.

02/20/2025

AAII Income and Cash Flow SIG

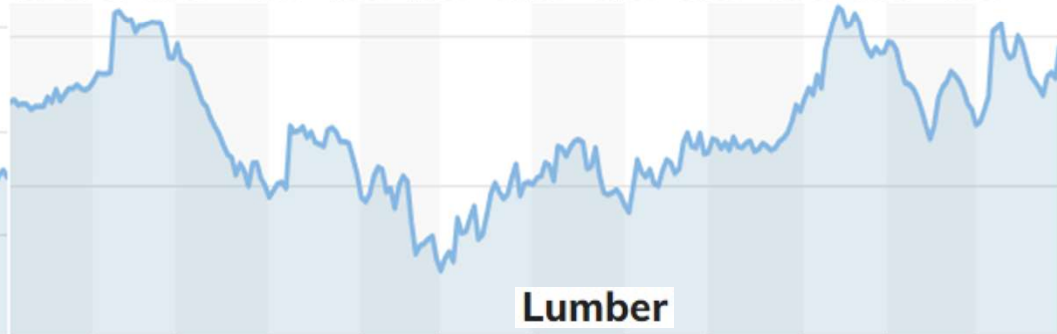
7



# Commodity Futures

<https://www.marketwatch.com/investing/futures>

01/31/2025



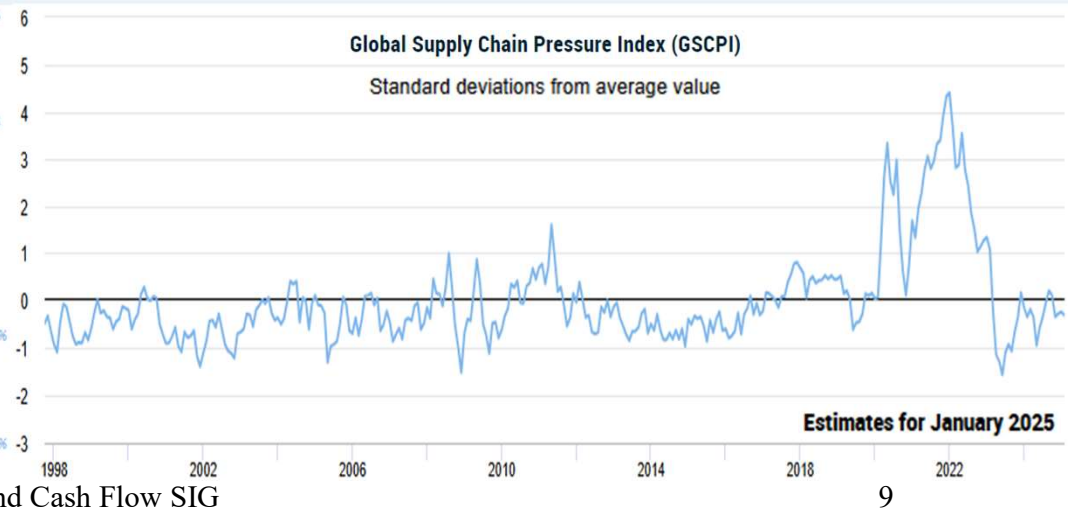
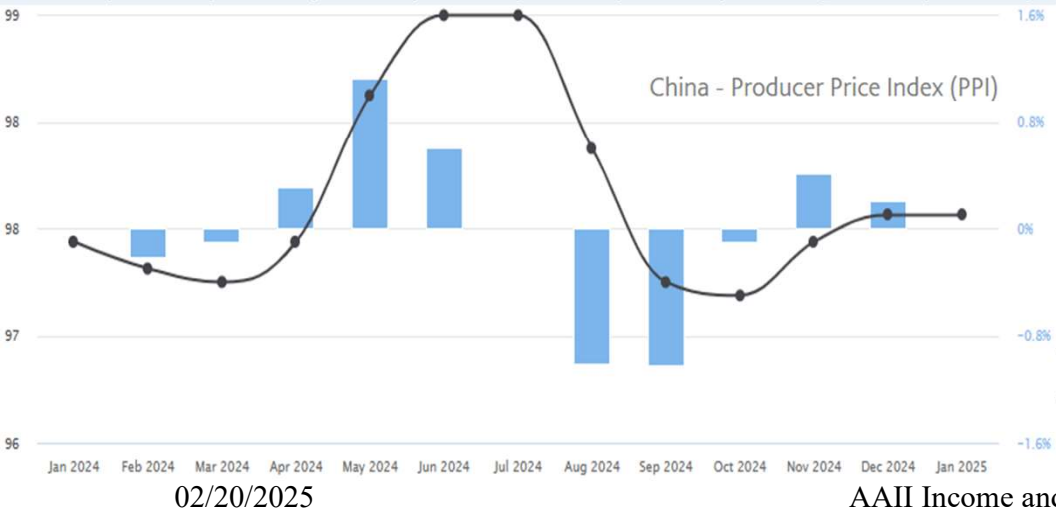
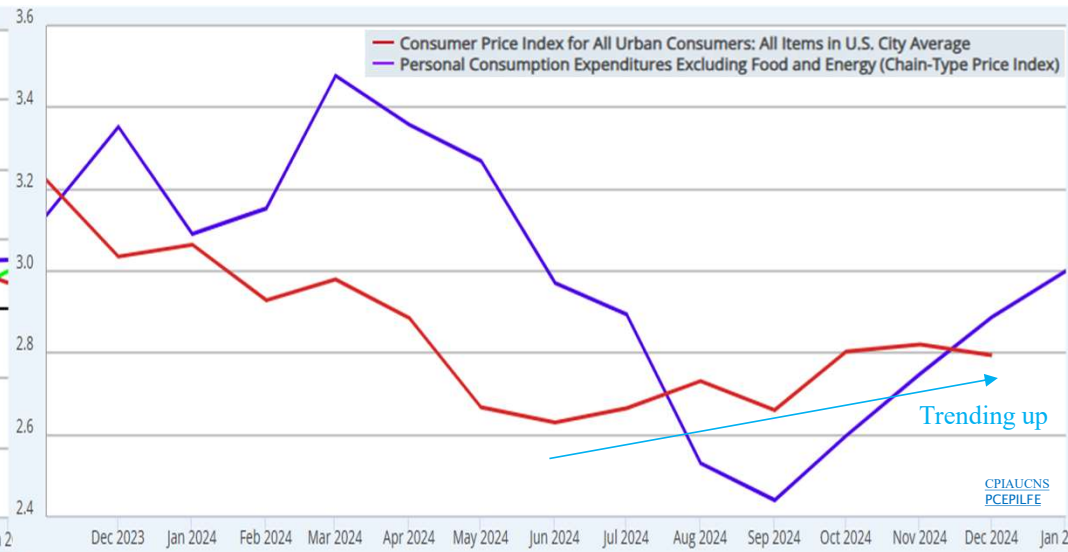
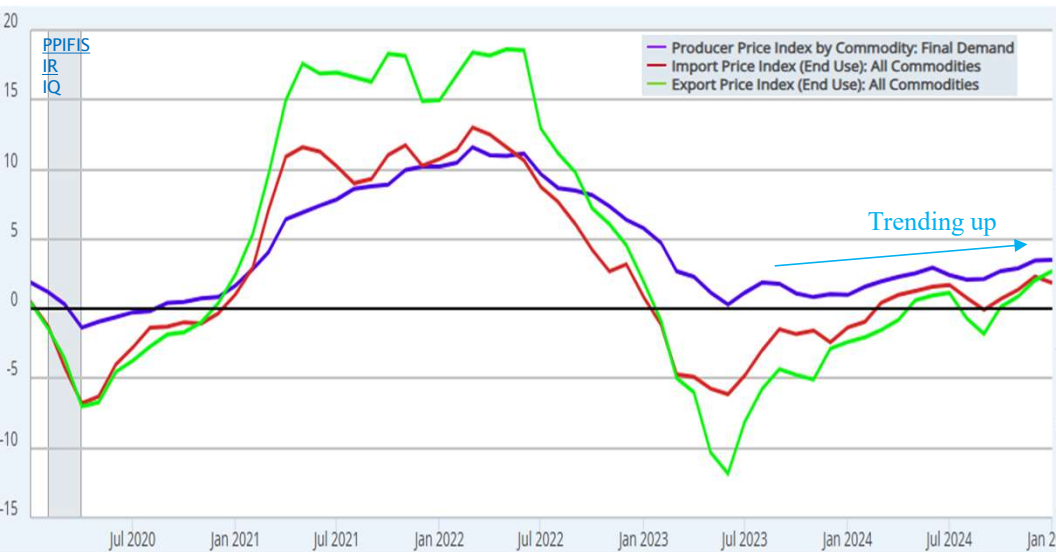
02/20/2025

AII Income and Cash Flow SIG



# Inflation – PPI, CPI, PCE

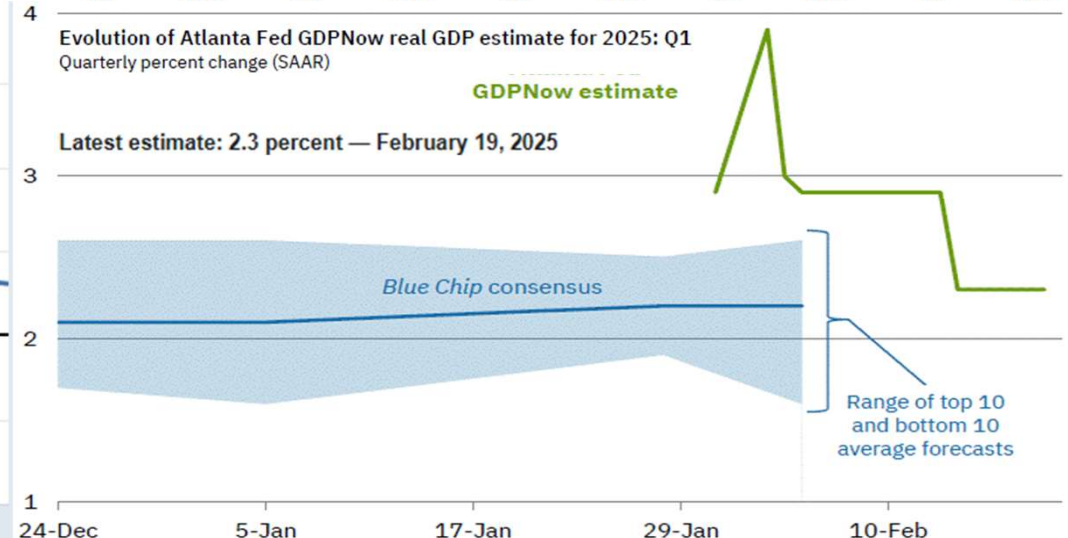
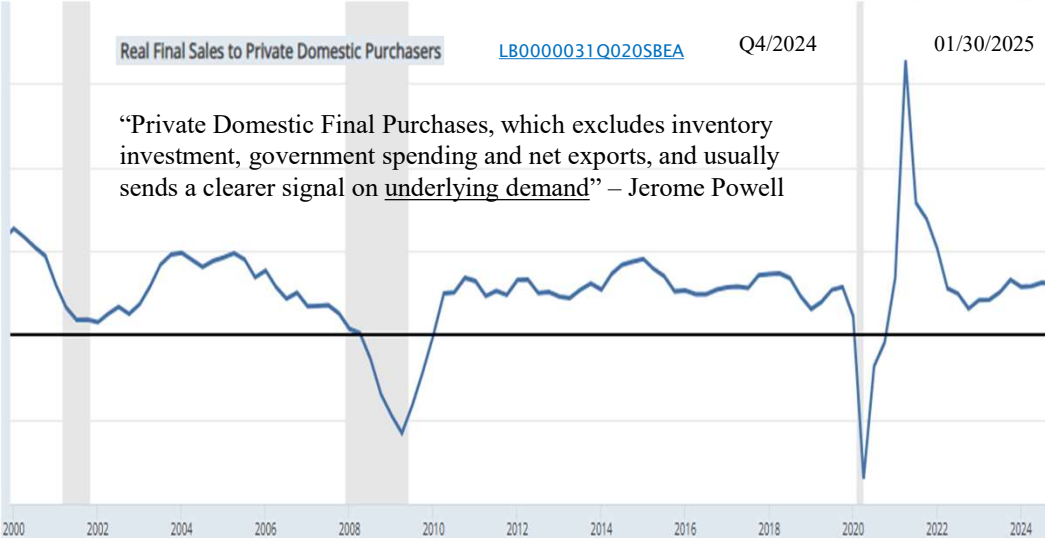
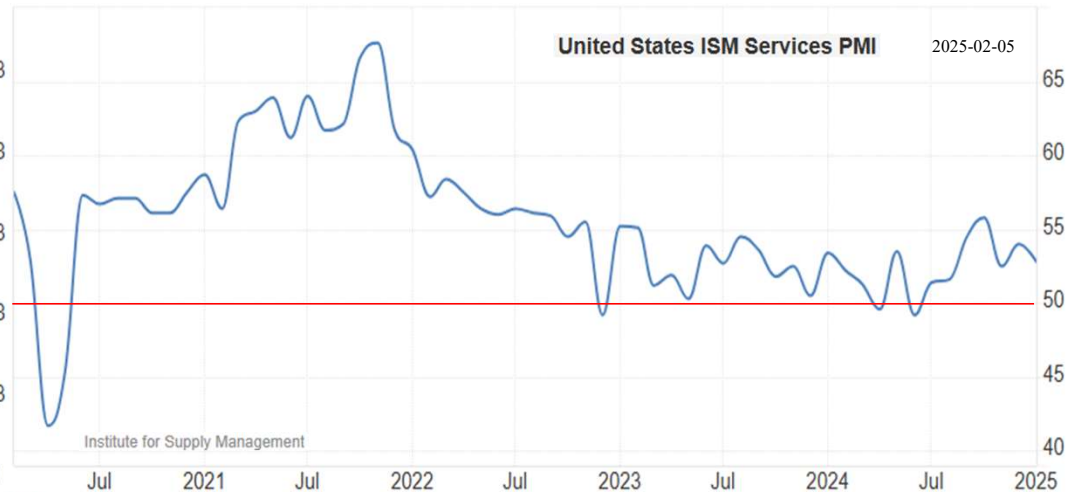
02/14/2025



# ISM, PDP, and GDPNow

<https://www.atlantafed.org/cqer/research/gdpnow>

02/05/2025



02/20/2025

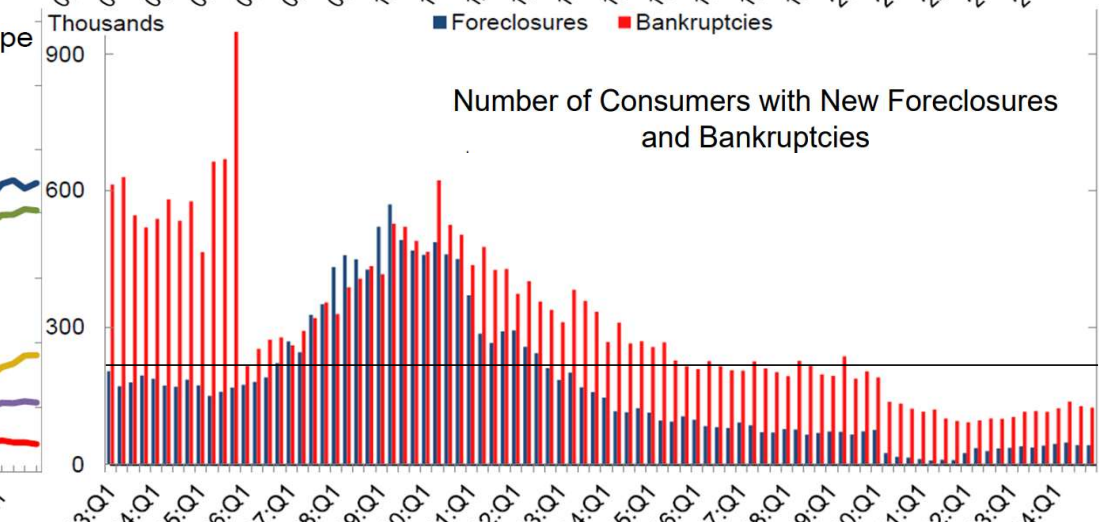
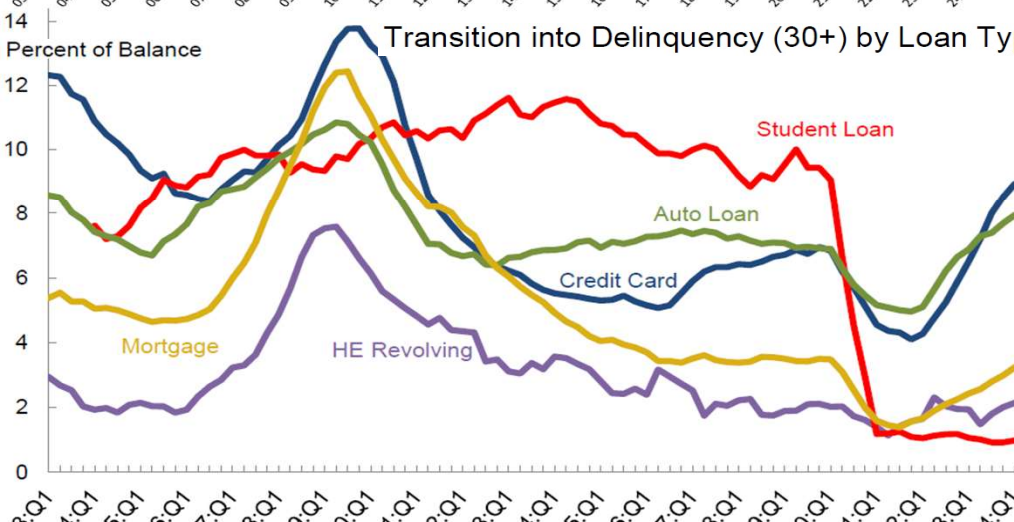
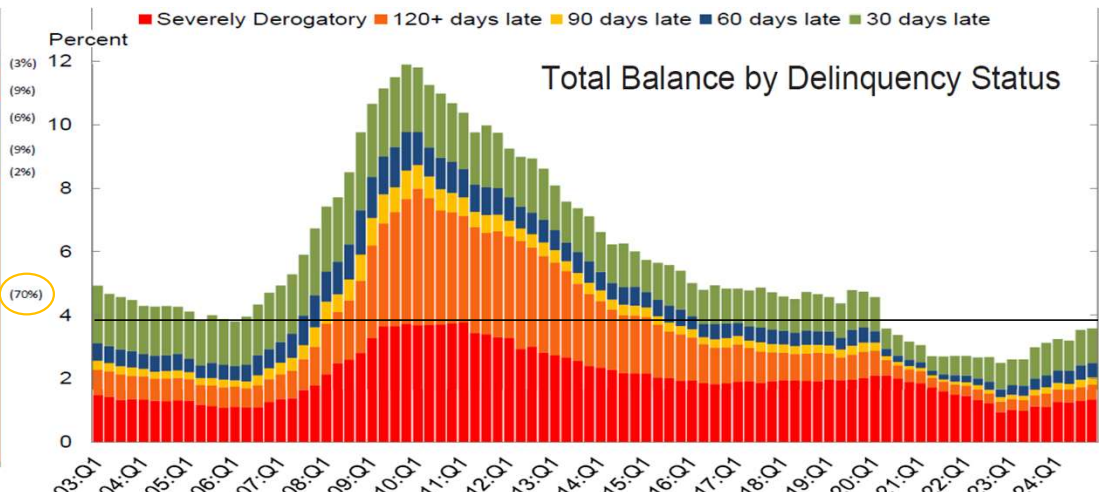
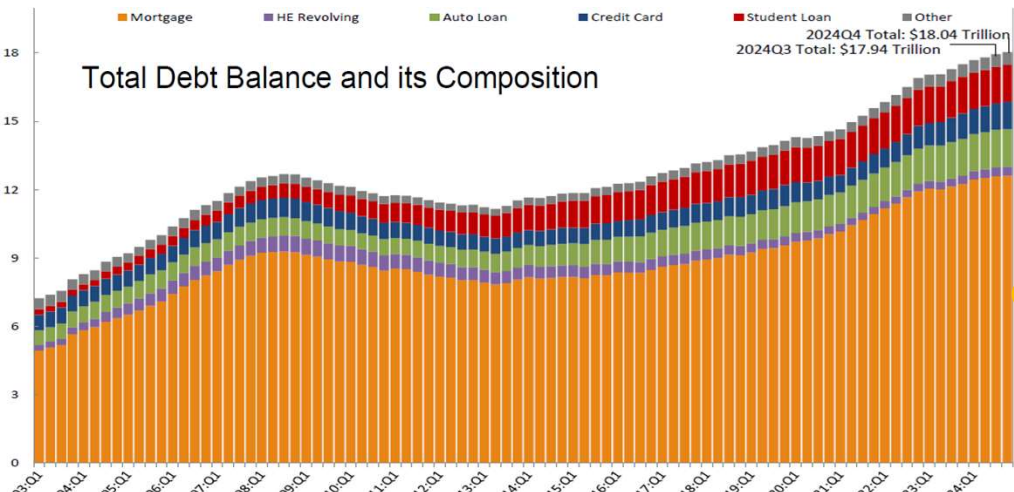
AII Income and Cash Flow SIG

10

# Quarterly Household Debt (2024, Q4)

Household Debt and Credit Report - FEDERAL RESERVE BANK of NEW YORK (newyorkfed.org)

02/14/2025



02/20/2025

AAL Income and Cash Flow SIG

# Leading Economic Indicator – Recession Signal Whipsaw

[US Leading Indicators \(conference-board.org\)](https://www.conference-board.org/US-Leading-Indicators)

02/20/2025

The LEI's annual growth rate has been improving, signaling milder downside risks to growth



# Q & A

---

“Markets price the future; economic reports tell the past” – [\*Ken Fisher\*](#)



“Things that have never happened before happen all the time” – [\*Scott Sagan\*](#)

**Reminder:** Information presented are backward-looking for entertainment only.

**Convention:**

Relevant URLs are inserted below page title and may be embedded in the page. FRED series IDs are displayed on page. Date of last update is on right side of title bar.  
Some charts may have their own last update date.