

Market Analysis of Upcoming FOMC Meeting

The analysis confirms that the market continues to expect further easing, including a rate cut at the upcoming FOMC meeting scheduled for October 28-29, 2025. [3, 5, 6, 10] However, the specific probabilities and certainty levels in the original summary card appear outdated.

Key Points:

- The target federal funds rate is now in the 4.00% – 4.25% range following the September 2025 25 basis point cut, aligning with the "No Change" scenario. [13]
- The previous high certainty (98.3%) of a rate cut to 3.75% – 4.00% may overstate the current market confidence, though recent data still shows a very high probability (between 93% and 100%) for such a cut. [1, 2, 4, 9]
- Recent reports project another 50 basis point reduction by the end of 2025, with an additional cut in 2026, indicating a more gradual easing policy than the near-certainty suggested. [7]
- The 0.0% probability for a rate hike remains consistent with the market view that the tightening cycle has concluded.

In essence, while a rate cut at the upcoming meeting remains highly likely, the probability is probably less absolute than the original summary indicated. [8, 12]

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