

**MAY 5, 2025**

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## **Conflicting data**

President Trump's tariffs and criticism are not the only factors making the Federal Reserve's job harder these days. Economic data continues to be wildly different. The Conference Board's April Consumer Confidence Index fell in similar fashion to the University of Michigan's Consumer Sentiment Index, hitting its lowest reading since May 2020. Most concerning to policymakers is that, again like the Michigan survey, respondents believe inflation will be substantially higher in the near future. But on Friday, the April nonfarm payrolls report showed the labor market remains solid, with 177,000 jobs added last month and the unemployment rate remaining at 4.2%.

The tiebreaker could have been the disappointing first-quarter GDP report, which showed the economy contracted by 0.3%. But this number was skewed by businesses and consumers importing/ordering goods ahead of those tariffs. It would seem policymakers will wisely punt on figuring out all the conflicting data and leave rates in the 4.25-4.5% range when the FOMC meets this week.

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G40461-19 (5/25)