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# Weekly Commentary

## Fed minutes relate same story

The minutes of the Federal Open Market Committee (FOMC) meetings are recordings of the discussions between officials during the two-day gathering at the Federal Reserve headquarters in Washington, D.C. Those of the June meeting sounded like a broken record, or at least one with a skip that repeated their “wait-and-see” stance of late.

The discussion was again about the impact the Trump administration’s tariffs might have on inflation. The minutes, released last week, affirmed the position of caution that policymakers and Federal Reserve Chair Jerome Powell have taken for most of this year in response to the whipsawing tariff announcements, impositions and retractions. Some FOMC members ventured the opinion that the “eventual effect of tariffs on inflation could be more limited if trade deals are reached soon, if firms are able to quickly adjust their supply chains, or if firms can use other margins of adjustment to reduce their exposure to the effects of tariffs.” But those officials might well recant that statement based on the mayhem of the trade talks that took place last week.

In any case, the minutes acknowledged a healthy discussion about the resiliency of the US economy, especially the labor market. If either weakens, and inflation stays steady or declines, they are prepared to lower the fed funds target range from its current 4.25%-4.5%.

Views are as of the date above and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.

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