



PHD RESEARCH BUREAU
PHD CHAMBER OF COMMERCE AND INDUSTRY

The Federal Reserve has decided to maintain the target range for the federal funds rate at 4.25% - 4.50%

The Federal Open Market Committee (FOMC) has decided to maintain the target range for the federal funds rate to 4.25% - 4.50%. According to the FOMC, the most recent signs indicate that economic activity is increasing at a steady rate. The unemployment rate has stabilized at a low level in recent months and Inflation continues to be relatively high. In the long term, the Committee seeks to achieve maximum employment levels alongside a 2% inflation rate. Furthermore, the Committee will continue decreasing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.

In addition, the Board of Governors of the Federal Reserve System unanimously decided to maintain the interest rate paid on reserve balances at 4.4%, effective January 30, 2025; will conduct standing overnight repurchase agreement operations with a minimum bid rate of 4.5% and with an aggregate operation limit of \$500 billion; will conduct standing overnight reverse repurchase agreement operations at an offering rate of 4.25% and with a per-counterparty limit of \$160 billion per day and approve the establishment of the primary credit at the existing of 4.5 percent, effective January 30, 2025.

Please find the link to access the detailed document on the same

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20250129a1.htm>

For any query related to please contact Ms. Manpreet Kaur, Research Officer at manpreet.kaur@phdcci.in, with a cc to Dr S P Sharma, Chief Economist| DSG at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: spsharma@phdcci.in
Website: www.phdcci.in



"Voice of Industry & Trade"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2685 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:  [@phdchamber](https://twitter.com/phdchamber)  Like us on [Facebook](https://www.facebook.com/phdcci1905)  Follow us on [Instagram](https://www.instagram.com/phdcci)  [YouTube](https://www.youtube.com/phdcci)  [LinkedIn](https://www.linkedin.com/company/phdcci)