# US Market

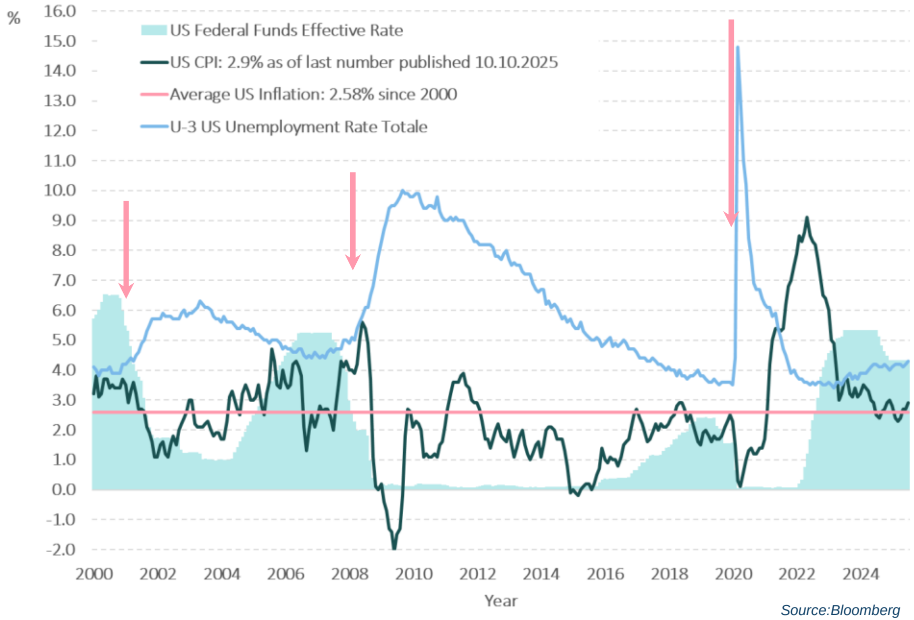
## New Regime ?

October 2025

# U.S. Markets: New Regime?

## Equity Market Correction Ahead ?

- Jerome Powell has roughly seven months before handing over the reins to his successor.
- During this period, he must preserve the institution's credibility and independence without yielding to political pressure, while not forgetting his primary role of cooling inflation, supporting employment and growth.
- Market participants anticipate two interest rate cuts by the Fed, totaling 50 basis points, by the end of the year.
- The next Fed meetings are scheduled for October 29 and December 10. Unemployment figures will be released on November 7 for October and December 5 for November.




Source:Bloomberg

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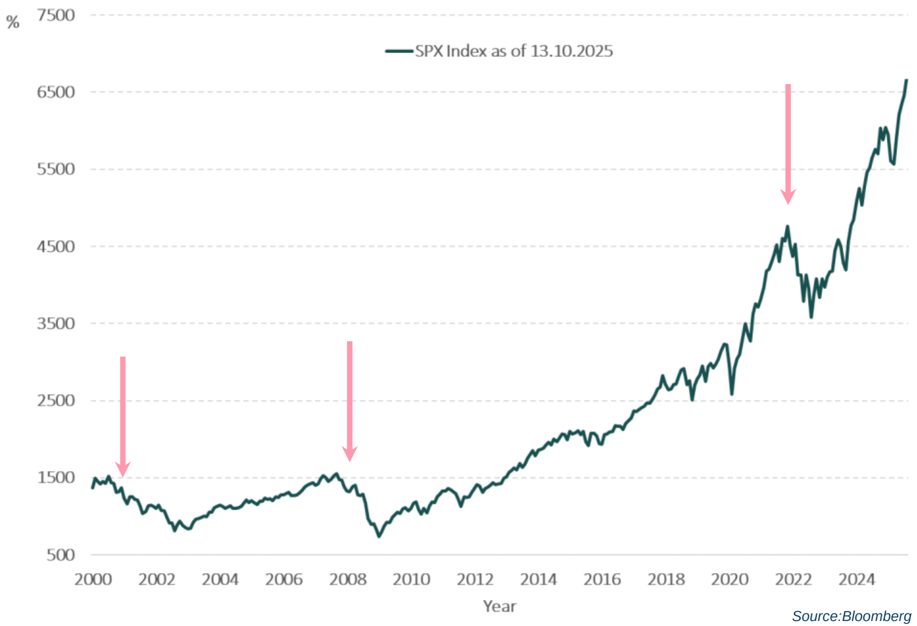


*Source:Bloomberg*

- The historical chart of inflation, Fed rates, and unemployment shows co-movement of these parameters during the crises of 2000, 2008, and 2022, despite each crisis having different underlying causes.
- During those periods, Fed rates were significantly above inflation, providing positive real rates.
- Currently, Fed rates 4.22%, inflation 2.9%, and unemployment 4.3% show a similar setup.
- The ingredients seem assembled for a possible equity market correction.
- Will this situation be clearer at the next Fed meeting ?

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