

## News: Bloomberg

### Federal Reserve Governor Christopher Waller Says Fresh Rate Cuts Possible in First Half of 2025

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Federal Reserve Governor Christopher Waller said the US central bank could lower interest rates again in the first half of 2025 if inflation data continues to be favorable.

“The inflation data we got yesterday was very good,” Waller said Thursday in an appearance on CNBC. If future inflation figures fall in-line with December’s positive report, Waller said the Fed may cut more this year and sooner than investors are currently expecting.

“If we continue getting numbers like this, it’s reasonable to think rate cuts could happen in the first half of the year,” he said, adding that he wouldn’t entirely rule out a cut in March.

Waller said officials’ median estimate of the so-called neutral rate, one that neither encourages nor inhibits economic growth, implies that three or four cuts this year are possible. “It just hinges on the data,” he said. “If the data doesn’t cooperate, then you’re going to be back to two, maybe even one if we just get a lot of sticky inflation.”

A chorus of Federal Reserve officials welcomed fresh inflation data this week that showed a cooldown in underlying price pressures in December. Still, many policymakers have signaled they expect a slower pace of rate cuts in 2025 compared with the closing months of 2024.

Meanwhile, recent employment figures have helped allay concerns of a material slowdown in the labor market. Employers added jobs at a brisk pace at the end of the 2024, while the unemployment rate fell.

Source: <https://www.bloomberg.com/news/articles/2025-01-16/fed-s-waller-says-fresh-interest-rate-cuts-possible-by-june>

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## News: Bloomberg

### US Homebuilders' Sales Expectations Slip as Financing Costs Rise

***“US homebuilders grew less upbeat this month about sales prospects as surging mortgage rates pose a potential deterrent to buyers.”***

US homebuilders grew less upbeat this month about sales prospects as surging mortgage rates risk spooking buyers.

A gauge of the outlook for home purchases over the next six months dropped 6 points to 60, the first decline since June, according to data from National Association of Home Builders and Wells Fargo.

Despite the decrease, the group's index of overall builder sentiment rose 1 point in January to a nine-month high of 47 on more optimism about current sales and prospective buyer traffic. Prospects for a favorable regulatory environment under the incoming Trump administration also boosted builder sentiment.

The mixed signals illustrate an uneasy period for builders. The industry has been able to lure buyers with generous sales incentives, including mortgage rate buydowns, in which builders make up-front payments on behalf of customers to lower interest costs.

However, those rates surpassed 7% last week for the first time since June, based on Mortgage Bankers Association data, complicating the outlook for the industry ahead of the critical spring-buying season.

“While ongoing, but slower easing from the Federal Reserve should help financing for private builders currently squeezed out of some local markets, builders report cancellations are climbing as a direct result of mortgage rates rising back up near 7%,” NAHB Chief Economist Robert Dietz said in a statement.

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Aside from the surging mortgage rates, residential land is rising in price, and many private builders are seeing high financing costs for their projects, NAHB Chairman Carl Harris, a custom homebuilder from Wichita, Kansas, said in the release. However, the industry is hopeful that policies from President-elect Donald Trump will stoke the economy and cut the regulatory burden.

Source: <https://www.bloomberg.com/news/articles/2025-01-16/us-homebuilders-sales-expectations-slip-as-financing-costs-rise>

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## News: Bloomberg

### China's 2024 Growth Meets Official 5% Target on Stimulus Bump

***“China’s economy hit the government’s growth goal last year, after an 11th hour stimulus blitz combined with an export push before looming US tariffs turbocharged activity in the final quarter.”***

China’s economy hit the government’s growth goal last year, after an 11th hour stimulus blitz combined with an export push before looming US tariffs turbocharged activity in the final quarter.

GDP rose 5% in the world’s second-largest economy, data released by the National Bureau of Statistics on Friday showed, slightly exceeding the median estimate of 4.9% in a Bloomberg survey. President Xi Jinping said on New Year’s Eve the country was expected to meet the goal of around 5%.

The economy grew 5.4% in October-December from the same period a year earlier, the fastest pace in six quarters and better than economists’ median forecast of 5%. The pickup was more pronounced on a quarterly basis, with the growth of 1.6% the highest since March 2023.

The numbers suggest Beijing’s policy pivot since late September helped counter headwinds from a years-long property slump and entrenched deflation.

Industrial production was unexpectedly strong with a 6.2% rise in December compared to the previous year, the fastest pace since April. The factory upswing last month contrasted sharply with stagnating demand at home. Retail sales gained at a faster rate but still expanded below 4%, while unemployment climbed for the first time since August. Property sales extended a contraction that started more than a year ago.

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The economy was “overall stable and progress with stability” in 2024, the NBS said in a statement. “But we also need to see that the negative impact from changing external environment is deepening, domestic demand is insufficient, some companies are facing difficulties with production and operation, and the economy still faces plenty of difficulties and challenges,” it added.

Fiscal policy is taking center stage of China’s stimulus push this year as the scope of monetary loosening is constrained by mounting pressure on the yuan to depreciate and capital outflow concerns. The People’s Bank of China has so far refrained from taking steps such as a cut to banks’ reserve requirement ratio, which affects how much money they can lend.

Source: <https://www.bloomberg.com/news/articles/2025-01-17/china-s-2024-growth-meets-official-5-target-on-stimulus-bump>

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