

Your Weekly Economic Update

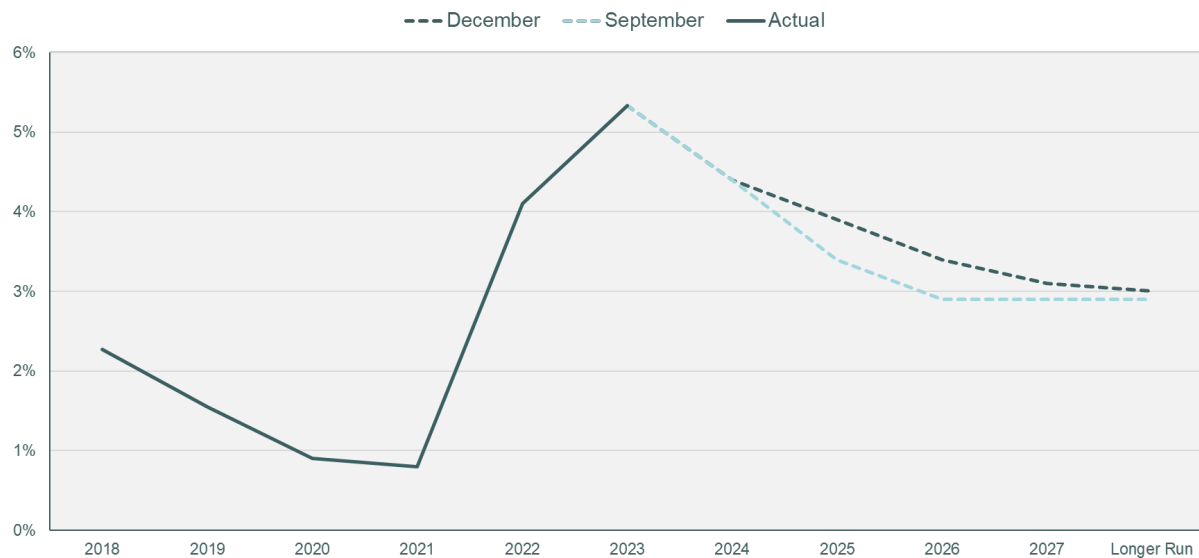
with Jeff Bridges, Chief Economist at Enact

Get the latest update from our own Jeff Bridges, Chief Economist at Enact. Check out some key economic observations from the **week of Dec. 30, 2024 – Jan. 3, 2025**.

Key Points:

- Members of the Federal Open Market Committee – the committee within the Fed that sets policy rates – **revised their interest rate expectations upward** in December projections.
 - The median member now expects a 3.9% federal funds rate in December 2025, up from 3.4% in September projections.
 - Over the longer-run, the median member expects a rate of 3.0%.
 - This is a notable increase from 2.5% in December 2023.

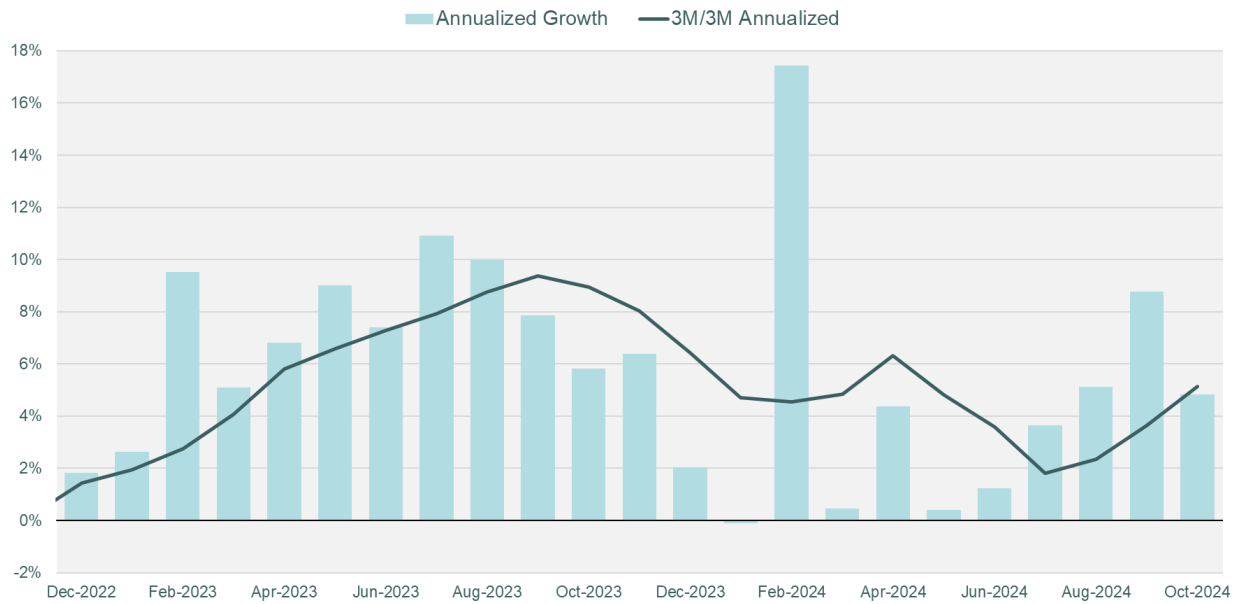
FOMC Federal Funds Rate Projections, Median Member



Source: U.S. Federal Open Market Committee (Federal Reserve)

- The monthly **FHFA purchase-only house price index** grew at a 4.8% annualized rate in October (4.5% year-over-year).
 - *Home price appreciation continues to be a significant driver of inflation given the weight of owner's equivalent rent (OER) in price indices.*
 - *OER – the amount a homeowner would pay to rent their home – **accounts for around 1/4th of the consumer price index** by weight.*

FHFA Purchase Index (Dec. 2022 - Present)



Sources: Bureau of Labor Statistics, FHFA