mni

All Signal, No Noise

MARKET ANALYSIS

FOMC Minutes Preview – Dec 2025

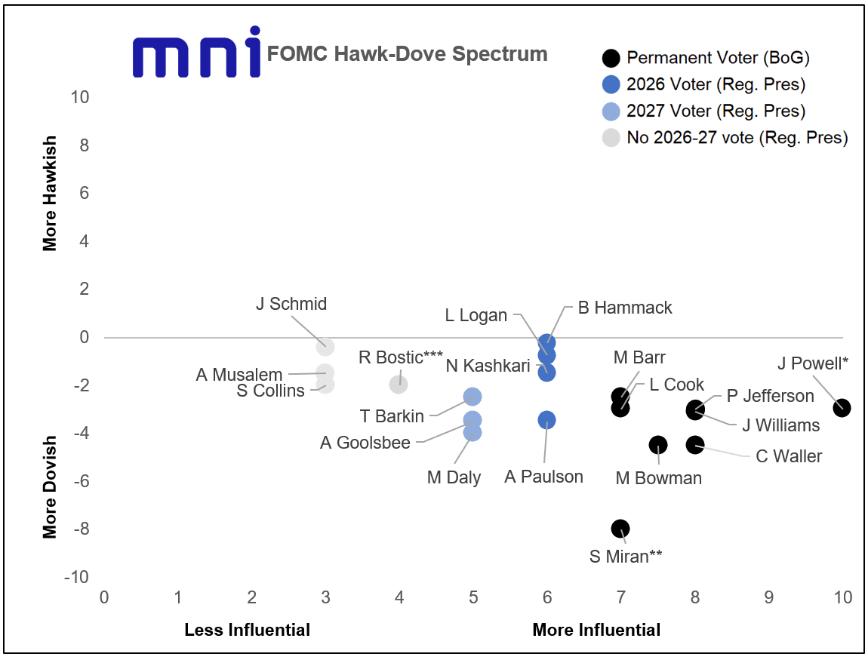
By Tim Cooper
December 30, 2025

The December FOMC meeting minutes (out 2pm ET on December 30) will be watched for confirmation that there is a high bar in the upcoming releases to a follow-up cut in January (only 4bp easing is priced). Our review of the December FOMC meeting is **here**: recall that the FOMC delivered what was widely anticipated to be a "hawkish cut", lowering the Funds rate range by 25bp to 3.50%-3.75% while portraying a cautious stance on further adjustments in the Statement and Dot Plot.

- The main theme in the Minutes is likely to be disagreement over the path forward, amid a broader general consensus over slowing the pace of future cuts. At the press conference Chair Powell summed up a more patient stance going into the next decision: "We're going to get a great deal of data between now and the January meeting, and I'm sure we'll talk more about that, and that will the data that we get are going to factor into our thinking.... We're well positioned to wait and see how the economy evolves from here….We will have to see. We will get quite a bit of data."
- There were of course already several members who preferred not to ease at the December meeting, including dissenters Schmid and Goolsbee; the 2025 end-year Dot Plot saw 6 members pencil in no cut at the meeting. For 2026, while the median member saw a 3.4% end-year rate implying 1 more 25bp cut, 7 of 19 participants saw rates concluding the year at either 3.6% or 3.9% - in other words, no lower than the current level.
- The latest major data releases don't seem to have swayed opinions one way or another, with the limited commentary we have received so far (see below) suggesting that FOMC participants are discounting the seemingly-soft CPI and unemployment readings as distorted by technical factors. That puts more importance on the upcoming December nonfarm payrolls (Jan 9) and CPI (Jan 13) releases, but even so the bar appears to be set high for a cut at the January meeting. A side note: it will be interesting to see in the Minutes if the Committee discussed their estimates of how much nonfarm payrolls are "overstated" (Powell said in the presser that monthly job gains were overstated by around 60k).
- With the biggest surprise at the meeting being the Fed's decision to launch reserve management purchases immediately, we will be watching for the discussion that led to this move, as well whether they considered shifting administered rates (eg IORB) or implementing temporary open market operations in order to keep a lid on effective policy rates.

A few analyst expectations:

- **Deutsche:** "we will be looking for any information that helps to define the contours of the policy disagreements amongst the Committee"
- **JPMorgan:** "expected to reveal that participants continue to hold strongly differing views on the near-term policy outlook"
- **TD:** "will likely shed more light on the division within the Committee while signaling a majority of participants believed it would be reasonable to slow down the pace of easing"



Hawkish/Dovish: Scores indicate MNI`s subjective assessment of each member`s stance on monetary policy. **-10** implies member believes aggressive easing warranted; **+10** is most hawkish, implies member believes aggressive tightening warranted. Scores around -2 to +2 considered relatively neutral.
Influence: The x-axis runs from **0** ('least influential') to **10** ('most influential'). Voters in the current year receive a minimum score of 6; the Chair receives a 10 and Board of Governors members receive at least 7. Those who are not voters in the current year are limited to a score of 5; among them, those due to vote next year receive higher influence scores (rising towards end of current year), and vice-versa. **Updated Dec 29, 2025**

** Powell's term as Chair expires on May 15 2026 but his term on the Board expires in Jan 2028*
*** Miran's term on the Board expires on Jan 31 2026*
**** Bostic is retiring at the end of his term on Feb 28 2026 - his successor will vote in 2027*

MNI's FOMC Hawk-Dove Spectrum has been adjusted to reflect the change in the voting composition between 2025 and 2026. As is usually the case following the December meeting going into the minutes, there has been only limited FOMC participant commentary due to the holiday period, but what we have heard has largely reinforced where we thought participants were on the Hawk-Dove Spectrum going into the meeting.

- We'd characterize the 2026 Fed presidential voting slate as slightly more hawkish than the outgoing 2025 rotation, contrasting with a relatively dovish Board. First looking at the regional members:
- **Philadelphia's Paulson** is the most dovish of the 2026 regional Fed voters, saying on Dec 12 that "I am still a little more concerned about labor market weakness than about upside risks to inflation...I continue to see monetary policy as somewhat restrictive". Paulson didn't reveal what action she supported at the December meeting but heavily implied she would have backed the cut and that she currently envisages more easing in 2026.
- Arguably the biggest dove among 2025 Fed presidents was **Chicago's Goolsbee** whose stance depends on the time horizon: he is wary of further near-term easing and was one of two hawkish dissenters in favor of a hold in December, but his base case is that rates come down substantially over the coming year. (For comparison, we characterize **San Francisco Fed's Daly**, a 2027 voter, as more dovish than him largely because she has had more appetite for immediate cuts.) Goolsbee on Dec 12: "if you look at the dot plot, I'm one of the most optimistic folks about how rates can go down in the coming year, I'm just uncomfortable with front loading the rate cuts assuming all of the inflation that we've seen be transitory."
- Also becoming voters in 2026 are **Cleveland's Hammack** and **Dallas's Logan** who are among the biggest 3 hawks on the Committee; they are comparable to **KC's Schmid** who dissented against the last two rate cuts. Hammack said on Dec 12 that "we've got policy that's in that range of neutral...I would prefer to be on a slightly more restrictive stance".
- The 4th regional voter is **Minneapolis's Kashkari** who hasn't made monetary policy commentary since the December meeting but we assume he has maintained his relatively cautious stance after saying in November that he wouldn't have supported the October rate cut. He's probably a little more hawkish than **St Louis's Musalem** and **Boston's Collins,** who in spite of some reservations especially in October and December voted in favor of the last 3 cuts.
- **Atlanta's Barkin** said on Dec 16 that he would have preferred to hold rates in December and didn't pencil in any cuts in 2026, but he is retiring at the end of February meaning that his last FOMC meeting is in January.
- We haven't heard from **Richmond's Barkin**, **Logan, Kashkari, Daly**, or **Musalem** on monetary policy since the December meeting.

As for the 8 permanent members of the FOMC, we haven't heard from many of them since the December meeting (just 3) but we continue to believe they are the driving force behind signaling further cuts.

- **Gov Waller,** currently one of the most dovish FOMC members, said on Dec 17 that his 2026 rate dot submission was below the FOMC median (of 3.4%) at "about three", saying "maybe we're 50 to 100 basis points off of neutral. We still got some room" to ease. But "We're not seeing a dramatic decline of labor market going off a cliff...I don't think we have to do anything dramatic. If you have to do something dramatic, it's too late."
- After dissenting in favor of 50bp cuts at each of the last 3 meetings, **Gov Miran** said on Dec 22 he hasn't decided on whether to push for a 25bp or 50bp cut at the January meeting - he "could see voting for" 25 given that with rates having come down 75bp at the last 3 meetings "the need for me to dissent for 50 becomes less", but "I do think it's important we continue steadily reducing the policy rate". Of course, that could be Miran's last meeting if he is replaced after his term ends at the end of January.
- **NY Fed Pres Williams** - who recall reignited December rate cut pricing in a speech he gave in November signalling unusually clearly that he saw room for a further cut in the "near term" - said on Dec 19 that "I don't personally have a sense of urgency to need to act further on monetary policy right now because I think the cuts we've made have positioned us really well."
- The latest major data reports have been downplayed as factors driving monetary policy thinking, with Williams noting that the latest soft CPI print as well as the tickup in the unemployment rate in November were distorted by technical factors.
- We haven't heard since the December meeting from Chair Powell, Gov Barr, Gov Bowman, or Gov Cook. Three of those four (Barr being the exception) are more dovish leaning than the Committee as a whole.

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
J Powell	BOG, Chair	**X**	**X**	- **No commentary on current monetary policy since last FOMC meeting**
J Williams	NY Fed, VChair	**X**	**X**	NY Fed President Williams [told CNBC in an interview] on Dec 19 that latest soft CPI print as well as the tickup in the unemployment rate were distorted by technical factors. As such he says that the latest data don't change his view of the outlook: "I don't personally have a sense of urgency to need to act further on monetary policy right now because I think the cuts we've made have positioned us really well." - We would interpret the lack of "sense of urgency" to "act further...right now" as Williams pushing back against prospects of an end-January FOMC rate cut, at least unless there is some significantly dovish development in the data between now and then. - He says that "technical factors" associated with the BLS's post-shutdown estimates may have pushed down CPI by around 0.1pp (unclear whether he's referring to the 2.74% Y/Y November headline CPI reading or the 0.2% 2-month rise), with the unemployment rate unduly boosted by 0.1pp (came in at 4.56% in

Member	Role	Voter '26	Voter '27	Monetary Policy Commentary Since December FOMC
				November, so implying it would have been largely unchanged from the 4.44% printed in September). - So as Chair Powell warned at the December meeting, Williams (and likely the rest of the FOMC) will require more data to get a more accurate read on the current state of the dual mandate variables before making a decision to ease further. - On the well-known technical issues with the messy November CPI report, Williams told CNBC "There were some special factors of practical factors that really are related to the fact that they weren't able to collect date in October and not in the first half of November. And because of that, I think the data were distorted in some of the categories, and that pushed down the CPI reading, probably by a tenth or so...it's hard to know, we'll get some when we'll get to December date, I think we'll get a better reading of how much that distortion, how big the effect was, but I do think that that was pushed down a bit by these technical factors." In a Dec 15 speech called "Resilience", NY Fed President Williams - a dovish-leaning, permanent FOMC voter - says that after the Fed's latest cuts, "monetary policy is well positioned as we head into 2026." **LINK** - Williams of course reignited December rate cut pricing in a speech he gave in November signalling unusually clearly that he saw room for a further cut in the "near term". Here he reverts to his usual communications approach, not revealing much about his rate preferences and in any case not signaling support for a follow-up cut in January. - His economic forecasts are basically in line with the FOMC medians, particularly for inflation and unemployment, suggesting that he's probably in line or if anything slightly below the overall December FOMC median projections for rates (which were 3.4% end-2026, 3.1% end-2027, so one cut in each year). That, combined with his "well-positioned" comment and the title of his speech, suggests that he sees a slower pace of cuts ahead after 3 consecutive reductions. - While the economy has "shown considerable resilience and looks poised to pick up steam next year", "the labor market has continued to cool, with labor demand softening more than supply" albeit "I should emphasize that this has been an ongoing, gradual process, without signs of a sharp rise in layoffs or other indications of rapid deterioration." - He forecasts GDP growth of 2.25% in 2026 (1.5% for 2025; FOMC December medians were 2.3% and 1.7% respectively), with the unemployment rate rising to "around" 4.5% for end-2025 (in line with the FOMC median) which he says partly reflects government shutdown effects. And then alongside above-potential growth, Williams expects unemployment "to gradually come down over the next few years", again in line with the FOMC medians. - On inflation, "the effects of trade policies have boosted inflation this year, but these effects have been more muted and drawn out than I originally anticipated...I do not see any signs of tariffs contributing to second-round or other spillover effects on inflation...inflation expectations remain well anchored." - He pencils in "just under" 2.5% PCE inflation in 2026, reaching the 2% target in 2027 (basically exactly in line with the latest FOMC medians: 2.4%, 2.1% 2027).
P Jefferson	BOG, VChair	**X**	**X**	- **No commentary on current monetary policy since last FOMC meeting**
M Bowman	BOG, VChair	**X**	**X**	- **No commentary on current monetary policy since last FOMC meeting**
L Cook	BOG	**X**	**X**	- **No commentary on current monetary policy since last FOMC meeting**
C Waller	BOG	**X**	**X**	Gov Waller unsurprisingly remains concerned about the labor market following the latest nonfarms release in a **Q&A at the Yale CEO Summit in New York on Dec 17,** referring also to Chair Powell's estimate that NFPs are overstated by about 60k/month in making the case for further cuts: - "The jobs numbers are around 50 to 60,000 the last couple months on average - we know that that's too high, and those are most more likely to get revised down when we get the Unemployment Insurance administrative data later. It'll take a while before we get that, but Board staff is estimating, take off another 50 or 60,000 jobs. So we're close to zero job growth now that's that's not a healthy labor market." - "My focus as a governor has just been to focus on the labor market. Inflation I'm not particularly worried about - I know it's above target, but I believe it'll start coming down the next few, three to four months...There's no forces that are suggesting that inflation is going to take off again in 2026." - Waller says he's below the FOMC 2026 rate dot median (of 3.4%) at "about three", saying "maybe we're 50 to 100 basis points off of neutral. We still got some room." But "We're not seeing a dramatic decline of labor market going off a cliff...I don't think we have to do anything dramatic. If you have to do something dramatic, it's too late." There were 8 (of 19 total) dots below the median in the December projections, with 4 at 3.1% and 2 at 2.9%. - Waller indicates that he's forecasting GDP growth of 1.6% this year and 2.5% in 2026 (vs FOMC medians 1.7% / 2.3%), and that supply-side improvements mean that stronger growth will not translate into stronger inflation (an argument advanced by the Trump administration as well as some of Waller's FOMC colleagues such as Gov Miran). As such, rates can come down further in his core view, though he emphasizes that there is "no rush" to ease: - "I think inflation is still going to start coming down the first half and year towards our target, and we can continue to cut rates. Just on that alone. There's no reason we have to cut keep rates high just because there's positive growth in the economy. That doesn't cause inflation, per se. But because inflation is still up, we can take our time. There's no rush to get down. And so that's my view, is we just can steadily, kind of bring the policy rate down towards neutral. Keep an eye on inflation, and I'm not too worried about, you know, if growth is two and a half percent [next] year, which is above our kind of long run estimate, I don't view that as being overly stimulative to inflation."
S Miran	BOG	**X**	**X**	**Gov Miran said on Dec 22 he hasn't decided on whether to push for a 25bp or 50bp cut at the January**

Member	Role	Voter '26	Voter '27	Monetary Policy Commentary Since December FOMC
				meeting - he "could see voting for" 25 given that with rates having come down 75bp at the last 3 meetings "the need for me to dissent for 50 becomes less", but "I do think it's important we continue steadily reducing the policy rate". Of course, that could be Miran's last meeting if he is replaced after his term ends at the end of January. He followed up his third consecutive dissent in favor of a 50bp cut (vs the 25bp decided) at the December meeting with a speech detailing his views on inflation **(link)**. There are no surprises from the current-biggest dove on the FOMC on his rate outlook: he advocates "a quicker pace of easing policy". He argues that underlying inflation pressures are moderating, and a preferred measure of core inflation that cuts out various components that he considers distorted - market-based core ex-shelter PCE - is running close to the 2% target already. No word in the speech on whether he was the participant who submitted the lowest Fed funds rate dot for end-2026 (2.1%, 150bp of cuts from current levels) in the December projections but it is likely. - The main thrust of his argument is that shelter inflation is both a badly-lagging indicator of price pressures from the pandemic period, and measures of it are due to come down substantially in the coming quarters. And since wages "are the primary driver of service inflation" recent labor market looseness have "tilt[ed] nominal wage growth risks toward the downside". - He acknowledges "The lack of a clear downward forecast for core goods prices might suggest keeping interest rates elevated." But "the shelter outlook appears relatively clear—because market rents lead measured inflation—and powerful enough to overwhelm even the possibility of sustained higher goods inflation. Underlying inflation is near, and further approaching, our target...Shelter inflation is indicative of a supply–demand imbalance that occurred as much as two to four years ago, not today. Given monetary policy lags, we need to make policy for 2027, not 2022...Keeping policy unnecessarily tight because of an imbalance from 2022, or because of artifacts of the statistical measurement process, will lead to job losses". - But he says "a better measure of underlying inflation would account for distortions from shelter and imputed prices. Removing imputed phantom inflation like portfolio management, market-based core inflation is running below 2.6 percent. If we further remove housing and look at market-based core ex shelter, underlying inflation is running below 2.3 percent, within noise of our target. Once shelter inflation has normalized from the anomalous post-pandemic experience, ordinary market-based core may be more appropriate." - The above provides impetus to cut, in addition to potential labor market risks (and, he notes warily, "Recessions are an inevitable part of the business cycle, and at some point, we will suffer one. We should strive to ensure that point is as far in the future and as shallow as possible by appropriately calibrating monetary policy.") Miran said on Dec 22 on Bloomberg TV that the incoming data have "come out in accordance with my view of the world", referring in particular to last week's CPI and Employment Situation reports. His view of course includes further rate cuts in 2026. - Inflation "has steadily come in cooler than expectations", with the unemployment rate having "poked up potentially above where people thought it was going to go", so overall "we have had data that should push people into a dovish direction." - He acknowledges that the softer-than-expected CPI print included "a couple of anomalies" that suppressed the figures to the downside but "the consequences are not huge", with an impact of "in the neighborhood of 2/10 of a point" for PCE split between shelter data quirks and 2nd half-November collection date effects.
M Barr	BOG	**X**	**X**	- **No commentary on current monetary policy since last FOMC meeting**
B Hammack	Clev. Fed	**X**		Cleveland Fed President Hammack **in a Q&A on Dec 12 sounded typically hawkish on inflation** - our presumption is that she penciled in no cut in December and no further changes through 2026 in her latest Dot Plot. Indeed, she implies that she could potentially even be supportive of a hike in 2026 if inflation fails to abate. - Asked if she supported the December rate cut, Hammack implies that she did not, as the new level of rates is not restrictive enough for her liking: "This was a complicated decision. We'd reduced interest rates by 50 basis points already. We're in this challenging time where we've got pressure on both sides of our mandate... we've got policy that's in that range of neutral...being close to neutral is probably the right place to be. I would prefer to be on a slightly more restrictive stance... my perspective is that right now, after the 75 basis points of reductions that the Committee has taken over the last quarter of this year, we're right around a neutral policy, and I want to be watching carefully as we get this data over the next several months to see: are we seeing inflation start coming down towards our objective? Are we seeing the employment levels stabilize? Those will be key signals to me that we're moving into a place where this can be a policy rate that we can maintain..." - "If [inflation is] sticking around and if it's at these higher levels for a bit longer, then that's going to say to me, maybe we need to look at where we are from a policy perspective. Maybe we're not restrictive enough assuming the labor market holds up. If the labor market weakens further, then it just gets to be back in this, this challenging time." - "Inflation has been too high and it's been pretty stable. It ticked up a little bit, but it's been really kind of stuck closer to three than two. It is our job and our responsibility to get it down towards 2%. And I'm committed to doing that. It is challenging right now for monetary policy because we're being challenged on both sides of the mandate. Inflation has been too high and it's been holding there at those levels for some time. But we are seeing some softening on the labor side of the economy...we are looking closely at the labor market to understand how much of this is secular.. and how much of this is cyclical." - She says in response to a question about the next Fed chair and a higher inflation target that "I have every confidence that a new [Fed] Chair coming in will also be focused on a 2% inflation objective."

Member	Role	Voter '26	Voter '27	Monetary Policy Commentary Since December FOMC
N Kashkari	Minn. Fed	**X**		- **No commentary on current monetary policy since last FOMC meeting**
L Logan	Dall. Fed	**X**		- **No commentary on current monetary policy since last FOMC meeting**
A Paulson	Phil Fed	**X**		Philadelphia Fed President Paulson didn't reveal what action she supported at the December meeting in a speech on Dec 12 (**link**) but **heavily implied she would have backed the cut and that she currently envisages more easing in 2026.** In turn that would mean that she goes into next year as the most dovish of the 4 regional voters (the others in 2026 are Cleveland's Hammack, Dallas's Logan, and Minneapolis's Kashkari). - She says that the consecutive 25bp cuts in the last 3 meetings have "taken out some insurance against further labor market deterioration." And she says "On net, I am still a little more concerned about labor market weakness than about upside risks to inflation. That's partly because I see a decent chance that inflation will come down as we go through next year" as tariff impacts abate and housing inflation comes down. - It's not entirely clear that she is minded to support many further cuts next year: "with the funds rate currently at 3.5 to 3.75 percent, I continue to see monetary policy as somewhat restrictive. This level of rates, together with the cumulative effect of past restrictiveness, should help bring inflation back to 2 percent." - On the next meeting in January, she appears to keep her options open and is watching firm price-setting to assess whether her benign inflation outlook is playing out: "By the time the FOMC meets at the end of January, we will have a lot more information, which I hope will add clarity to the outlook for inflation and employment, as well as the accompanying risks. For example, we will have the equivalent of three employment reports when the FOMC next meets at the end of January. In addition, if I am wrong and there are still a lot of firms that are planning to increase prices due to tariffs, I would expect to find out early in the year, as firms often set new prices in January." - She says "The labor market is okay, but downside risks are elevated... On net... demand for workers has fallen a little faster than supply, leaving the unemployment rate a little higher." On GDP: "while headline growth is shaping up to be pretty decent this year, the base of support looks different — with a lot of concentration at the top" (in terms of higher-income household spending)
T Barkin	Rich. Fed		**X**	- **No commentary on current monetary policy since last FOMC meeting**
R Bostic	Atl. Fed		**X**	Atlanta Fed President Bostic won't vote again on the FOMC, and is retiring in February, but told reporters including MNI on Dec 16 that he "would have preferred to hold rates" in December, implying he was one of the six FOMC members who pencilled in no change in end-2025 rates in the Dot Plot. Additionally he said that for 2026 "I didn't pencil in any cuts, because I think the economy is going to be a bit stronger." Note that just 3 (of 19) participants saw rates unchanged vs pre-December cut at 3.9% at the end of next year. - Additionally, the latest employment data "haven't changed my perspective on things that much". - He writes in an essay (**link**) that "after wrestling with all the considerations, today I continue to view price stability as the clearer and more pressing risk despite shifts in the labor market...as I write in mid-December, signals from the labor market remain too ambiguous to warrant an aggressive monetary policy response when weighed against the more definitive risks of ongoing inflationary pressures." - Notably he's concerned about whether the Fed will maintain its credibility on inflation: "credibility is a cornerstone of effective monetary policy. I am mindful of just how precious and hard-won our credibility is, and how difficult it would be to regain that credibility should it slip away."
M Daly	S.F. Fed		**X**	- **No commentary on current monetary policy since last FOMC meeting**
A Goolsbee	Chic. Fed		**X**	Chicago Fed President Goolsbee said of his somewhat surprising dissent in favor of a rate hold at the December meeting (**link**): "While I voted to lower rates at the September and October meetings, I believe we should have waited to get more data, especially about inflation, before lowering rates further... Given that inflation has been above our target for four and a half years, further progress on it has been stalled for several months, and almost all the businesspeople and consumers we have spoken to in the district lately identify prices as a main concern, I felt the more prudent course would have been to wait for more information." - However we wouldn't categorize his views as hawkish given that he still appears to see multiple rate cuts in 2026, a view he's had throughout the tariff episode: "I remain optimistic that interest rates can come down a significant amount over the next year. My unease is about too heavily front-loading rate cuts and just assuming that inflation will be transitory. Given the last several years, getting more evidence first feels like the wiser choice." - With only moderate cooling the labor market and "little to suggest a deterioration of the labor market so rapid that we could not have waited for the data to come in the early months of next year before deciding to act", the key criterion for him in resuming cuts is inflation: "elevated inflation may have come mainly from tariffs and may quickly prove transitory. The danger, of course, is either the tariff inflation proves more long-lasting than we currently forecast or that inflation in more persistent categories like non-housing services remains too high or gets worse." **Goolsbee told CNBC on Dec 12:** "I am not hawkish on rates for next year. I think that we make progress [on

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		‘26	**‘27**	
				inflation] and that by the end of next year, if you look at the dot plot, I'm one of the most optimistic folks about how rates can go down in the coming year, I'm just uncomfortable with front loading the rate cuts assuming all of the inflation that we've seen be transitory....the dots are anonymous for reason, but I'm more than the median for the end of 26". That being the case, he's one of the 8 most dovish dots (of 19) which are below the median of 3.375% for end-next year.
S Collins	Bos. Fed			Boston Fed's Collins wrote on LinkedIn on Dec 15 that she **needs more evidence that inflation is cooling before supporting another interest rate cut.** - "Given a policy stance that is at the lower end of a range I view as mildly restrictive, I would want greater clarity about the inflation picture before adjusting policy further, to ensure a timely return of inflation to the Committee’s 2% objective". - Last week's 25 bp cut was a "close call," Collins said, adding she was swayed by evidence "the balance of risks had shifted a bit." The risk of inflation rising further "seem somewhat less likely" while some recent data and anecdotal evidence suggest "pockets of fragility" in the labor market, especially among smaller businesses. - "Still, with nearly five years of elevated inflation, I remain concerned about potential inflation persistence," she said.
A Musalem	St. Louis Fed			- **No commentary on current monetary policy since last FOMC meeting**
J Schmid	K.C. Fed			KC Fed President Schmid's explanation for his dissent in favor of a hold at the December FOMC emphasizes his concern about elevated inflation amid continued economic momentum and a labor market that is largely in balance. His dissent was no surprise, it being the 2nd consecutive meeting in which he's voted for a hold as opposed to the cut decided by the Committee, and **while he's not a voter next year we would expect that he does not favor any rate reductions in 2026.** - He writes: "In my view not much has changed since the previous meeting of the Federal Open Market Committee just six weeks ago... I have not fundamentally changed my views on the economy relative to October. Inflation remains too high, the economy shows continued momentum, and the labor market—though cooling—remains largely in balance. I view the current stance of monetary policy as being only modestly, if at all, restrictive. With this assessment, my preference was to leave the target range for the policy rate unchanged at this week’s meeting." - He notes that while the definition of neutral typically revolves around an academic assessment of r-star, he is judging the stance of policy by evidence of its impact on the economy: "I will judge the restrictiveness of monetary policy by how the economy evolves, both in the data and based on what I’m hearing from contacts. Right now, I see an economy that is showing momentum and inflation that is too hot, suggesting that policy is not overly restrictive."