

Weekly Market Commentary

Three Charts about the Dollar

By Michael Crook, Chief Investment Officer



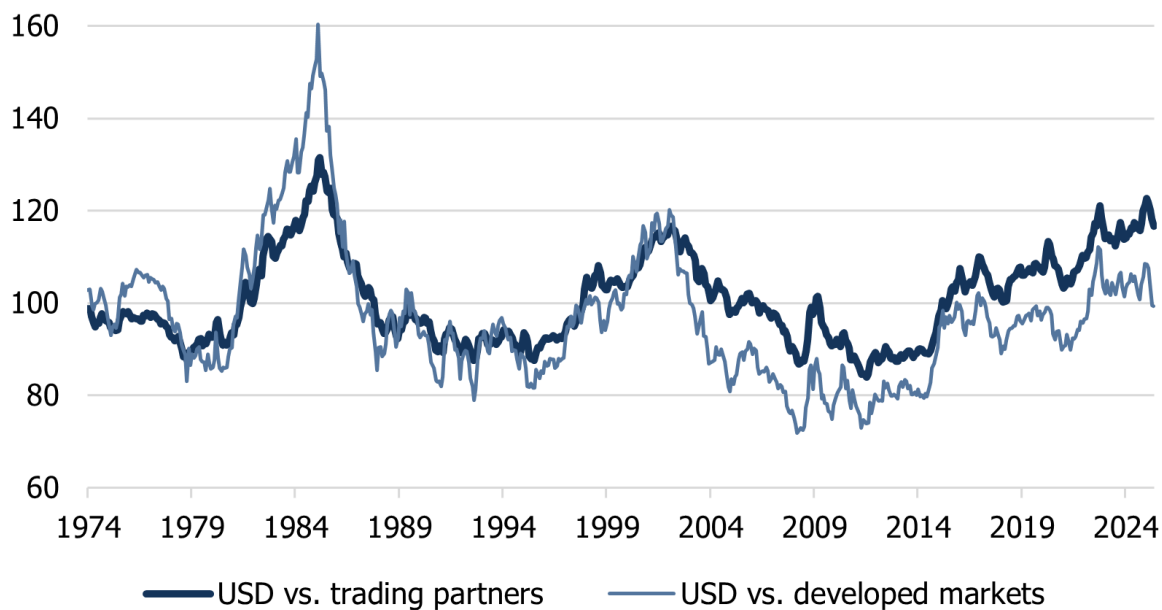
Market Recap

- The Federal Reserve held rates steady at last week's Federal Open Market Committee (FOMC) meeting, as was largely expected. Notably, FOMC members in aggregate decreased their projections for economic growth and increased their projections for inflation for this year, both by 0.3%, due to the uncertainty of the current trade conflict. The Fed's "dot plot", which summarizes each FOMC member's expectations for future monetary policy action, remained consistent with the central bank forecasting two quarter-point interest rate cuts during the back half of 2025.
- US retail sales figures for May declined more than expected, dropping -0.9% relative to estimates of -0.6%. This figure followed a small decline in April (-0.1%) and conveys continued uneasiness from consumers around the direction of the economy.

Three Charts about the Dollar

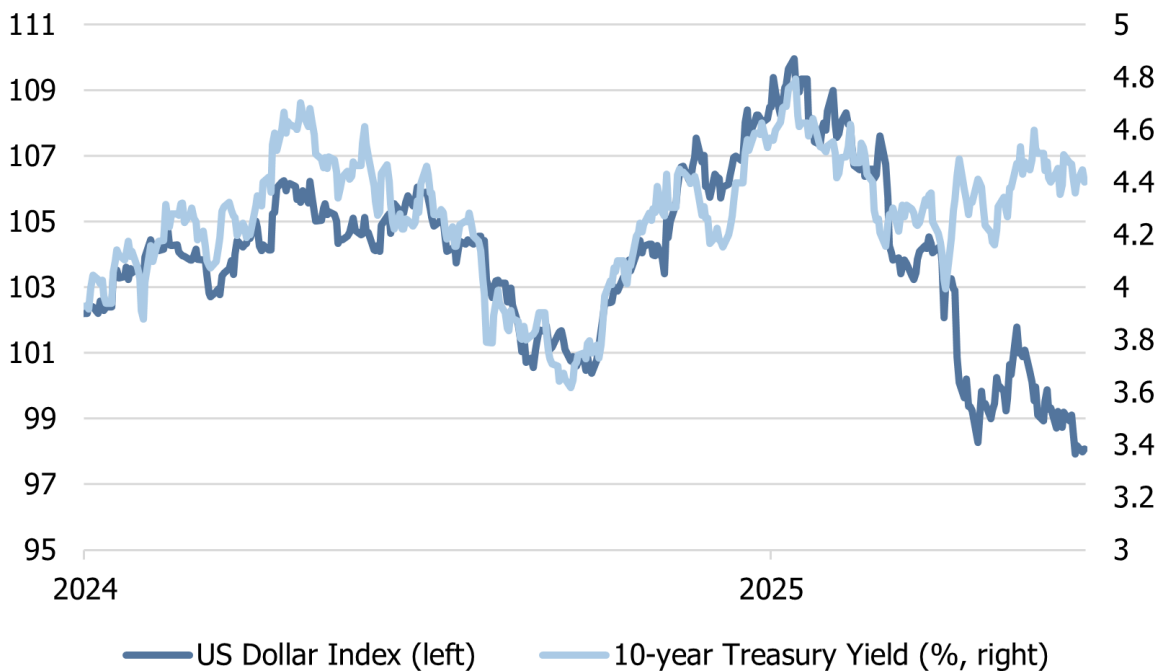
1. Despite the recent pullback, the dollar remains very strong against our trading partners and other developed currencies (Fig. 1).
2. The dollar and Treasury yields have recently diverged (Fig. 2).
3. The US dollar continues to offer among the highest yields of developed market currencies (Fig. 3).

Fig. 1: US dollar indexes



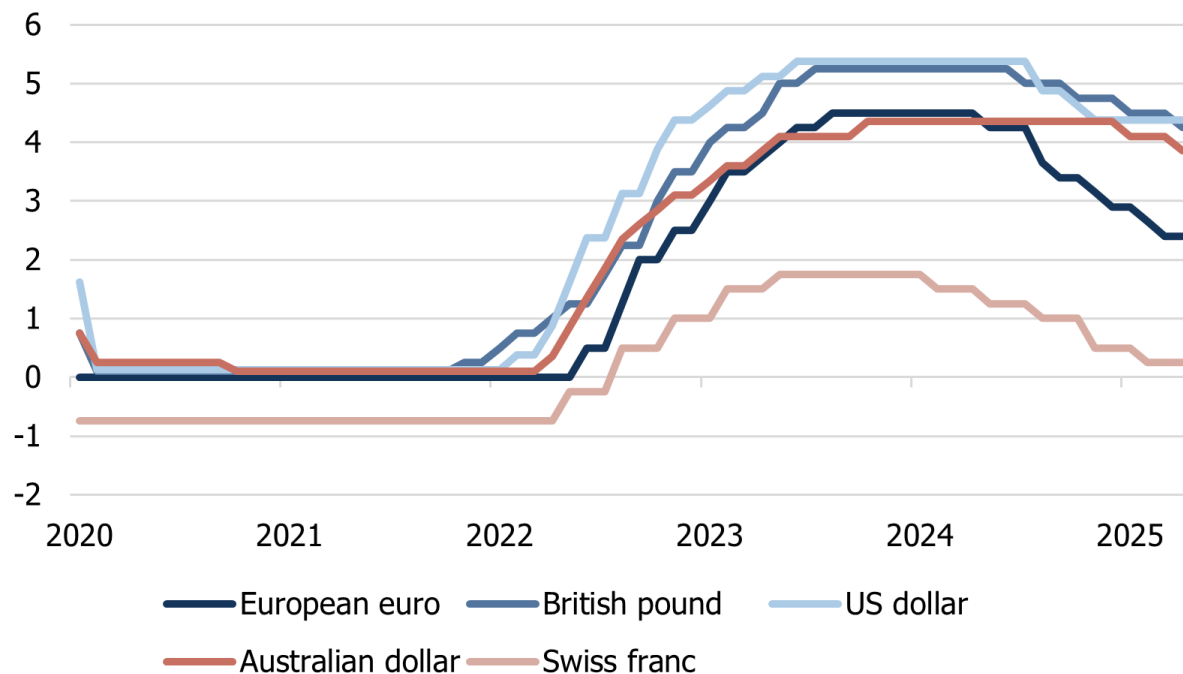
Source: Bloomberg, Mill Creek. Data as of 6/17/2025.

Fig. 2: US Dollar Index (DXY) and US 10-year Treasury Yield (%)



Source: Bloomberg, Mill Creek. As of 6/17/2025.

Fig. 3: Central bank policy rates



Source: Bloomberg, Mill Creek. As of 6/17/2025.

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