

GDP Report Analysis – United States, 21 March 2025

Executive Summary

According to the most recent U.S. GDP report, the economy expanded by 2.6% in Q4 2024, which was slightly higher than the 2.4% forecast. This better-than-expected outcome has increased demand for the US dollar (USD) and increased confidence in the US economy. It would appear wise to take a bullish position on the USD in the near future given this strong trend.

GDP Data & Economic Context

Indicator	Q4 2024	Q3 2024	Market Expectation (Q4 2024)
GDP Growth Rate	2.6%	2.1%	2.4%

- The U.S. GDP grew at 2.6% in Q4 2024, beating forecasts of 2.4%.
- Growth was fueled by strong consumer spending and a rebound in business investments, particularly in technology and energy sectors.
- Historically, this continues the recovery trend from early 2023, when growth dipped below 1%.

Market Reaction & Forex Trading Impact

Market Response	Impact
Stronger GDP Growth	Boosted confidence in USD
Federal Reserve Policy Expectations	Higher rates likely to remain in place
Forex Market Reaction	USD appreciated against EUR, GBP

- The release led to a strengthening of the USD against major currencies.
- Traders adjusted positions, anticipating that the Federal Reserve will maintain higher interest rates longer.
- Investor sentiment shifted towards USD-denominated assets, increasing demand for the currency.

Trading Strategy & Conclusion

Recommendation	Details
Position	Buy USD against weaker currencies (EUR, GBP)
Risk Management	Stop-loss near recent support levels
Monitoring Focus	Watch inflation and employment data

- The positive GDP data supports a bullish outlook on the USD.
- Implementing stop-loss orders will help manage downside risk.
- Stay alert to upcoming economic data, as surprises could shift the Federal Reserve's stance and influence USD movements.