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GLOBAL RESEARCH

The Carlyle Compass



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Welcome back to The Carlyle Compass, your weekly newsletter that brings together the latest research and market insights from our global team. In our first edition of 2025, Jason Thomas examines five macroeconomic questions at the forefront of the global economy, offering key insights for investors as we kickstart the New Year. [Download the full paper here.](#) Received this email as a forward? [Subscribe here.](#)

#1 Are U.S. Policy Rates “Restrictive”?

In the press conference following the “hawkish” December FOMC meeting, Chair Powell insisted that monetary policy remains “meaningfully restrictive.”

Though policymakers keep using that word, it may not mean what they think it means.

#2 What is the Purpose of Tariffs?

Trade policy designed to serve the “consumer” lost touch with the interests of the “worker.” The old regime is dead; the next 12 months will help inform us of the ambitions of those seeking to birth something new in its place.

#3 Will the U.S. Election Result Spur Reform in Europe?

Commissioned by European Commission President Von der Leyen 14 months before the U.S. election, former ECB President Draghi’s report on “the future of European Competitiveness” has grown more resonant in its aftermath. Will reform materialize on the scale Draghi envisions?

#4 Will Big Tech’s Data Center Investments Pay Off?

Data center investment has risen 8x since the onset of the pandemic. For the arithmetic to work for investors and the economy, these “AI factories” had better prove to be highly productive.

#5 ...And What Could That Mean for the Future of Software?

Could AI replace conventional enterprise software, including Software-as-a-Service (SaaS) as AI agents interact directly with databases, performing the complex business logic that currently depends on coding and related maintenance?

[Read the full 5 Questions for 2025 white paper>>](#)

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