SURVEY OF PRIMARY DEALERS
DECEMBER 2024

This survey is formulated by the Trading Desk at the Federal Reserve Bank of New York to enhance policymakers' understanding of market expectations on a variety of topics related to the economy, monetary policy and financial markets. The questions involve only topics that are widely discussed in the public domain and never presume any particular policy action. FOMC participants are not involved in the survey's design.

Please respond by **Monday, December 9th 2:00pm Eastern Time** to the questions below. Your time and input are greatly appreciated.

1a) Provide below your expectations for <u>changes</u>, if any, to the language referencing each of the following topics in the December FOMC statement. <u>Please write N/A if you do not expect any changes.</u>

Current economic conditions:

Economic outlook and communication on the expected path of the target federal funds rate:

Communication on tools other than the target federal funds rate:

Other:

1b) What are your expectations for the most likely levels of the medians of FOMC participants' target federal funds rate projections in the SEP? Please provide your responses out to three decimal places (e.g. for one percent enter 1.000, not 0.01).

	Year-end 2024 *Sep-24: 4.375%*	Year-end 2025 *Sep-24: 3.375%*	Year-end 2026 *Sep-24: 2.875%*	Year-end 2027 *Sep-24: 2.875%*	Longer Run *Sep-24: 2.875%*
December SEP median (percent):					

1c) What are your expectations for the Chair's press conference?

2a) Provide your estimate of the most likely outcome (i.e., the mode) for the target federal funds rate or range, as applicable, immediately following the FOMC meetings and at the end of each of the following quarters and years below. For the time periods at which you expect a target range, please indicate the midpoint of that range in providing your response (e.g. for 1.00-1.25 percent enter 1.125, not 0.0125).
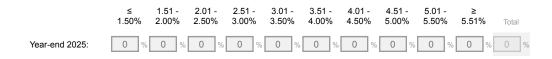
FOMC Meetings

	Dec 17-18, 2024	Jan 28-29, 2025	Mar 18-19, 2025	May 6-7, 2025	Jun 17-18, 2025	Jul 29-30, 2025	Sep 16-17, 2025
Target rate / midpoint of target range (percent, out to three decimal places):							

Quarters

	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4
Target rate / midpoint of target range (percent, out to three decimal places):					

Years

	2027	2028
Target rate / midpoint of target range (percent):		

2b) In addition, provide your estimate of the longer run target federal funds rate and your expectation for the average federal funds rate over the next 10 years. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Longer run (percent):

Expectation for average federal funds rate over next 10 years (percent):

2c) Please indicate the percent chance* that you attach to the target federal funds rate or range falling in each of the following ranges <u>at the end of 2024, immediately following the January FOMC meeting and at the end of 2025</u>. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 3.50%	3.51 - 3.75%	3.76 - 4.00%	4.01 - 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	≥ 5.51%	Total
Year-end 2024:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
January 28-29:**	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	3.51 - 4.00%	4.01 - 4.50%	4.51 - 5.00%	5.01 - 5.50%	≥ 5.51%	Total
Year-end 2025:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

2d) Please indicate the percent chance* that you attach to the <u>lowest</u> level of the target range for the federal funds rate before the target range is next <u>increased</u> falling in each of the following ranges.

≤ 0.50%	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	3.51 - 4.00%	4.01 - 4.50%	≥ 4.51%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses should add up to 100 percent.

3) Please provide your estimate of the most likely change in your expectation of the longer run target federal funds rate (as provided in part 2b) in the case of an <u>unexpected and persistent change</u> in each of the following factors. Consider each factor <u>separately,</u> holding all other factors constant. Please ensure your signs are correct and please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Change in your expectation of the longer run fed funds rate (percentage points):

Increase in trend productivity growth in the U.S.* by 0.5 percentage points relative to your baseline expectation:
10y average productivity growth as of Q3 2024: 1.6%

[ ]

Increase in the long run path of marketable U.S. Treasury debt held by private investors as a percent of GDP** by 10 percentage points relative to your baseline expectation:
Q2 2024: 77%

[ ]

Increase in the population growth rate in the U.S.*** by 0.2 percentage points relative to your baseline expectation:
10y average annual population growth as of 2023: 0.6%

[ ]

Please provide any additional information on your estimates above, including the <u>distribution of outcomes</u> around your estimates and the <u>methods</u> used to develop your estimates. Please also discuss <u>any additional factors</u> that you expect could affect the longer run target federal funds rate.

[ ]

Nonfarm business sector labor productivity, percent change from quarter one year ago, seasonally adjusted, by the Bureau of Labor Statistics.

**Total marketable public debt held by private investors, by the U.S. Department of the Treasury Fiscal Service Table OFS-1. Gross domestic product, seasonally adjusted annual level, by the U.S. Bureau of Economic Analysis.*

***U.S. population growth, annual, by the Congressional Budget Office.*

4a) Please provide your modal expectation for the average level of specified assets over each of the periods below. Average level amounts referenced below are in $ billions.

Average level over each period ($ billions)

Note: U.S. Treasuries and Agency MBS do not need to sum to Total Assets*

	November 2024 (Actual**)	December 2024	January 2025	February 2025	March 2025
U.S. Treasuries:	4332				
Agency MBS:	2263				
Total Assets*:	7005				

Average level over each period ($ billions)

Note: U.S. Treasuries and Agency MBS do not need to sum to Total Assets*

	2025 Q2	2025 Q3	2025 Q4	2026 Q4
U.S. Treasuries:				
Agency MBS:				
Total Assets*:				

*Refers to total factors supplying reserve funds in H.4.1.

**Average of H.4.1 weekly averages of daily figures.

4b) Please provide your modal expectation for the average level of specified liabilities over each of the periods below. Average level amounts referenced below are in $ billions.

The displayed level for total liabilities and capital is computed from total assets in part 4a. For 2024 Q4 through 2025 Q1, monthly averages from part 4a are averaged to reflect quarterly horizons.

Average level over each period ($ billions)

	2024 Q3 (Actual*)	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
Total Liabilities and Capital	7209						

Note: line items below do not need to sum to Total Liabilities and Capital

	2024 Q3 (Actual*)	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
Reserves:	3283						
Currency in Circulation:	2351						
Overnight Reverse Repurchase Facility:	371						
Treasury General Account:	766						

*Average of H.4.1 weekly averages of daily figures.

A summary of assets and liabilities responses is below. Please review and return to the question to make any edits before proceeding.

Other Assets is calculated as the difference between Total Assets* and the sum of U.S. Treasuries and Agency MBS. For assets in 2024 Q4 through 2025 Q1, monthly averages are averaged to reflect quarterly horizons. Other Liabilities and Capital is calculated as the difference between Total Liabilities and Capital and the sum of Reserves, Currency in Circulation, Overnight Reverse Repurchase Facility, and Treasury General Account.

Average level over each period ($ billions)

Assets:

	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
U.S. Treasuries	4409						
Agency MBS	2314						
Other Assets	486						
Total Assets*	7209						

Average level over each period ($ billions)

Liabilities:

	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
Reserves	3283						
Currency in Circulation	2351						
Overnight Reverse Repurchase Facility	371						
Treasury General Account	766						
Other Liabilities and Capital	438						
Total Liabilities and Capital	7209						

*Refers to total factors supplying reserve funds in H.4.1.

4c) Please indicate the period in which you expect the SOMA portfolio to <u>cease to decline,</u> and the size of the SOMA portfolio when it ceases to decline. Please also indicate the size of specified liabilities, reserves and take-up at the overnight reverse repurchase agreement facility, when the SOMA portfolio <u>ceases to decline</u>.

Period in which SOMA portfolio ceases to decline*:

Size of SOMA portfolio when it ceases to decline ($ billions)**:
Current value: $6,574bn***

Size of reserves ($ billions)****:
Current value: $3,234bn***

Take-up at the overnight reverse repurchase agreement facility ($ billions)*****:
*Current value: $170bn****

4d) Please indicate the percent chance* that you attach to the size of the SOMA portfolio falling in each of the following ranges when it ceases to decline. For reference, Securities Held Outright in the SOMA portfolio on November 27, 2024 was $6,574 billion according to the most recent H.4.1 release.

$5000bn or smaller	$5001-5250bn	$5251-5500bn	$5501-5750bn	$5751-6000bn	$6001-6250bn	$6251-6500bn	$6501-6750bn	$6751bn or larger	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses should add up to 100 percent.

4e) Please discuss factors behind your <u>baseline expectation</u> for when the SOMA portfolio will cease to decline. Please also discuss the <u>distribution of outcomes</u> around your baseline.

5) Provide your estimate of the most likely outcome for the 10-year Treasury yield at the end of each period below. In addition, provide your estimate of the longer-run level of the 10-year Treasury yield. For reference, as of December 3 the yield was roughly 4.20 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Percent:					

Half-Years

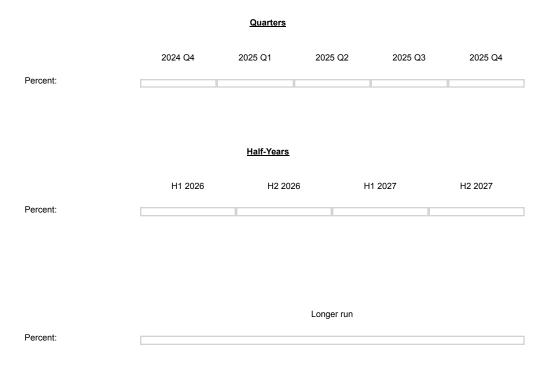|	H1 2026	H2 2026	H1 2027	H2 2027
Percent:				

Longer run

Percent: [_____]

6) Provide your estimate of the most likely outcome for the 30-year fixed primary mortgage rate at the end of each period below. In addition, provide your estimate of the longer-run level of the 30-year fixed primary mortgage rate. For reference, as of December 3 the rate was roughly 6.80 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Percent:	[____]	[____]	[____]	[____]	[____]

Half-Years

	H1 2026	H2 2026	H1 2027	H2 2027
Percent:	[____]	[____]	[____]	[____]

Longer run

Percent: [_____]

7) The table below lists the average spreads of selected money market rates* over the past week. Please provide your expectation for each of these rate spreads for the day after each of the FOMC meetings. Please ensure your signs are correct and please do not include decimal places.

FOMC Meetings

	Average over past week	Dec 17-18	Jan 28-29	Mar 18-19	May 6-7
Top of target range** minus IORB (in bps):	10	[____]	[____]	[____]	[____]
EFFR minus IORB (in bps):	-7	[____]	[____]	[____]	[____]
SOFR minus IORB (in bps):	-6	[____]	[____]	[____]	[____]
Bottom of target range** minus ON RRP (in bps):	-5	[____]	[____]	[____]	[____]
3m U.S. Treasury bill yield minus 3m fed funds OIS (in bps):	3	[____]	[____]	[____]	[____]

*Listed rates include the interest on reserve balances (IORB) rate, effective federal funds rate (EFFR), Secured Overnight Financing Rate (SOFR), overnight reverse repurchase agreement (ON RRP) rate, and 3-month fed funds overnight index swap rate (3m OIS).

**Target range for the federal funds rate.

8) Please provide the percent chance* you attach to the following outcomes for U.S. real GDP growth in 2024 and 2025 (Q4/Q4).

	≤ -1.01%	-1.00 - -0.51%	-0.50 - 0.00%	0.01 - 0.50%	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	≥ 3.01%	Total
2024 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 0.00%	0.01 - 0.50%	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	3.51 - 4.00%	≥ 4.01%	Total
2025 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

2024 (Q4/Q4, percent):

2025 (Q4/Q4, percent):

9) Please indicate your modal projections for headline and core PCE inflation for each of the following quarters.* Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	Q4 2024 (saar)	Q1 2025 (saar)	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)
Headline PCE inflation (percent): *Q3 2024 (saar): 1.5% ***					
Core PCE inflation (percent): *Q3 2024 (saar): 2.1% ***					

Percent change from the previous quarter at an annualized rate, based on the average of monthly levels (seasonally adjusted) in each quarter.

**Second estimate by the Bureau of Economic Analysis.

10a) Please provide the percent chance* you attach to the following outcomes for <u>headline PCE inflation</u> in 2024 and 2025 (Q4/Q4).

	≤ 1.50%	1.51 - 1.75%	1.76 - 2.00%	2.01 - 2.25%	2.26 - 2.50%	2.51 - 2.75%	2.76 - 3.00%	3.01 - 3.25%	3.26 - 3.50%	≥ 3.51%	Total
2024 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
2025 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

2024 (Q4/Q4, percent): [   ]

2025 (Q4/Q4, percent): [   ]

10b) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from December 1, 2024 - November 30, 2029 falling in each of the following ranges.

≤ 0.50%	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	≥ 3.51%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Percent: [   ]

10c) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from December 1, 2029 - November 30, 2034 falling in each of the following ranges.

≤ 0.50%	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	≥ 3.51%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Percent: [   ]

11a) What percent chance do you attach to:

the U.S. economy currently being in a recession* (percent)?
[   ]

the U.S. economy being in a recession* in 6 months (percent)?
[   ]

the global economy being in a recession** in 6 months (percent)?
[   ]

*NBER-defined recession.

**Previous IMF staff work has suggested that a "global recession" can be characterized as a period during which there is a decline in annual per-capita real global GDP, backed up by a decline or worsening in one or more of the following global macroeconomic indicators: industrial production, trade, capital flows, oil consumption and unemployment.

11b) What percent chance* do you attach to the U.S. economy first entering a recession** in each of the following periods?

H1 2024***	H2 2024	H1 2025	H2 2025	H1 2026	No recession by end H1 2026	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %

*Responses should add up to 100 percent.

**NBER-defined recession.

***Percent chance that the economy first entered an NBER-defined recession in H1 2024.

12) Provide your estimate of the most likely outcome for output, inflation, and unemployment. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	Real GDP (Q4/Q4 Growth)*	Core PCE Inflation (Q4/Q4)	Headline PCE Inflation (Q4/Q4)**	Unemployment Rate (Q4 Average Level)
2024 (percent):				
2025 (percent):				
2026 (percent):				
2027 (percent):				
Longer run (percent):		NA		

*Responses for real GDP growth in 2024 and 2025 are pulled directly from point estimate values provided in question 8.

**Responses for headline PCE inflation in 2024 and 2025 are pulled directly from point estimate values provided in question 10a.