SURVEY OF PRIMARY DEALERS
JULY 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, July 22nd 2:00pm Eastern Time** to the questions below. Your time and input are greatly appreciated.

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

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 Chair's press conference?

[_____]

2) How would you grade the Federal Reserve System's communication with the markets and with the public since the last policy survey? Please provide a rating between 1 and 5, with 1 indicating ineffectiveness and 5 indicating effectiveness.

Rating: [_____▼]

Please explain:

[_____]

3a) 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

	Jul 30-31, 2024	Sep 17-18, 2024	Nov 6-7, 2024	Dec 17-18, 2024	Jan 28-29, 2025
Target rate / midpoint of target range (percent, out to three decimal places):					

Quarters

	2025 Q1	2025 Q2	2025 Q3	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):		

3b) 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):

3c) Please indicate the percent chance* that you attach to the target federal funds rate or range falling in each of the following ranges <u>immediately following the July and September FOMC meetings and at the end of 2024 and 2025</u>. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	5.51 - 5.75%	5.76 - 6.00%	6.01 - 6.25%	≥ 6.26%	Total
July 30-31:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
September 17-18:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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 %

	≤ 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 %

Responses across each row should add up to 100 percent.

3d) Please indicate the percent chance* that you attach to the <u>highest level of the target range for the federal funds rate before the target range is next decreased</u> falling in each of the following ranges.

≤ 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	5.51 - 5.75%	5.76 - 6.00%	6.01 - 6.25%	≥ 6.26%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses should add up to 100 percent.

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*

	June (Actual**)	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
U.S. Treasuries:	4460						
Agency MBS:	2353						
Total Assets*:	7305						

Average level over each period ($ billions)

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

	2025 Q1	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 Q3 through 2024 Q4, monthly averages from part 4a are averaged to reflect quarterly horizons.

<u>**Average level**</u> over each period ($ billions)

	2024 Q2 (Actual*)	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
Total Liabilities and Capital	7391							

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

	2024 Q2 (Actual*)	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
Reserves:	3400							
Currency in Circulation:	2349							
Overnight Reverse Repurchase Facility:	441							
Treasury General Account:	775							

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

A summary of assets and liabilities responses are 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 Q2 through 2024 Q3, 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 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
U.S. Treasuries	4512							
Agency MBS	2370							
Other Assets	509							
Total Assets*	7391							

Average level over each period ($ billions)

Liabilities:

	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q4
Reserves	3400							
Currency in Circulation	2349							
Overnight Reverse Repurchase Facility	441							
Treasury General Account	775							
Other Liabilities and Capital	427							
Total Liabilities and Capital	7391							

*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: $6,776bn***

[dropdown ▼]

Size of reserves ($ billions)****:

Current value: $3,341bn***

[dropdown ▼]

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

Current value: $422bn***

[dropdown ▼]

*Dropdown selections: July 2024, August 2024, September 2024, October 2024, November 2024, December 2024, January 2025, February 2025, March 2025, April 2025, May 2025, June 2025, July 2025, August 2025, September 2025, October 2025, November 2025, December 2025, Q1 2026, Q2 2026, Q3 2026, Q4 2026, Q1 2027, Q2 2027, Q3 2027, Q4 2027, Q1 2028, Q2 2028, Q3 2028, Q4 2028, Q1 2029 or later.

**Dropdown selections: $0-250bn, $251-500bn, $501-750bn, $751-1000bn, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501-2750bn, $2751-3000bn, $3001-3250bn, $3251-3500bn, $3501-3750bn, $3751-4000bn, $4001-4250bn, $4251-4500bn, $4501-4750bn, $4751-5000bn, $5001-5250bn, $5251-5500bn, $5501-5750bn, $5751-6000bn, $6001-6250bn, $6251-6500bn, $6501-6750bn, $6751-7000bn.

***Most recent H.4.1, as of July 10, 2024.

****Dropdown selections: $1000bn or smaller, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501-2750bn, $2751-3000bn, $3001-3250bn, $3251-3500bn, $3501-3750bn, $3751-4000bn, $4001bn or larger.

*****Dropdown selections: $0-250bn, $251-500bn, $501-750bn, $751-1000bn, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501bn or larger.

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 July 10, 2024 was $6,776 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) 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):

6) 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).

	Q2 2024 (saar)	Q3 2024 (saar)	Q4 2024 (saar)	Q1 2025 (saar)	Q2 2025 (saar)
Headline PCE inflation (percent): *Q1 2024 (saar): 3.4% ***					
Core PCE inflation (percent): *Q1 2024 (saar): 3.7% ***					

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

**Third estimate by the Bureau of Economic Analysis.*

7a) 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 %

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): _____

7b) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from July 1, 2024 - June 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: _____

7c) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from July 1, 2029 - June 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:

8a) 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* <u>in 6 months</u> (percent)?

the global economy being in a recession** <u>in 6 months</u> (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.*

8b) 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.

9) 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):				
Longer run (percent):		NA		

*Responses for real GDP growth in 2024 and 2025 are pulled directly from point estimate values provided in question 5.

**Responses for headline PCE inflation in 2024 and 2025 are pulled directly from point estimate values provided in question 7a.