

Other:

SURVEY OF MARKET EXPECTATIONS JANUARY 2025

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.

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Please respond by Tuesday , Jan eappreciated.	uary 21st 2:00pm Eastern Time to the questions below. Your time and input are greatly
	ons for <u>changes,</u> if any, to the language referencing each of the following topics in the January 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:	

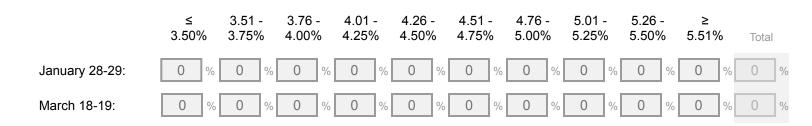
2) How would you grade the Fedesurvey? Please provide a rating b		-							t policy
Rating:									~
Please explain:									
3a) Provide your estimate of the rimmediately following the FOMC which you expect a target range, enter 1.125, not 0.0125).	meetings and	at the er	nd of eac dpoint of	h of the follo	wing quarters	and years	below. For	the time	periods at
	Jan 28-29, 2025	Mar 19, 2		May 6-7, 2025	Jun 17-18, 2025	Jul 29-3 2025		p 16- 2025	Oct 28-29, 2025
Target rate / midpoint of target range (percent, out to three decimal places):		1							
			Q	uarters					
Target rate / midpoint of	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4
target range (percent, out to three decimal places):									

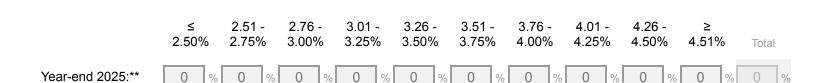
1b) What are your expectations for the Chair's press conference?

	Years	
	2028	2029
Target rate / midpoint of target range (percent):		I
target range (percent).		
•	mate of the longer run target federal funds rate and se provide your responses out to at least one deci	d your expectation for the average federal funds mal place (e.g. for one percent enter 1.0, not 0.01).
Longer run (percent):		
Expectation for average federal funds rate over next		

3c) Please indicate the percent chance* that you attach to the target federal funds rate or range falling in each of the following ranges immediately following the January and March FOMC meetings and at the end of 2025 and 2026. If you expect a target range, please use the midpoint of that range in providing your response.

10 years (percent):





	≤ 0.50%	0.51 - 1.00%				2.51 - 3.00%		3.51 - 4.00%	4.01 - 4.50%	≥ 4.51%	Total
Year-end 2026:***	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

3d) 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.

$$\stackrel{\leq}{=} 0.51 - 1.01 - 1.51 - 2.01 - 2.51 - 3.01 - 3.51 - 4.01 - \geq \\ 0.50\% 1.00\% 1.50\% 2.00\% 2.50\% 3.00\% 3.50\% 4.00\% 4.50\% 4.51\% Total$$

^{*}Responses across each row should add up to 100 percent.

^{**}Bins were chosen with consideration to responses to questions 2a and 2c in the December 2024 SPD and SMP.

^{***}Bins were chosen with consideration to responses to question 2a in the December 2024 SPD and SMP.

^{*}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*

	December 2024 (Actual**)	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
U.S. Treasuries:	4312						
Agency MBS:	2245						
Total Assets*:	6940						

Average level over each period (\$ billions)

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

	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 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 2025 Q1 through 2025 Q2, monthly averages from part 4a are averaged to reflect quarterly horizons.

Average level over each period (\$ billions)

	2024 Q4 (Actual*)	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Total Liabilities and Capital	7013									

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

	2024 Q4 (Actual*)	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Reserves:	3221									
Currency in Circulation:	2359									
Overnight Reverse Repurchase Facility:	227									
Treasury General Account:	791									

^{*}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 2025 Q1 through 2025 Q2, 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 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
U.S. Treasuries	4336									
Agency MBS	2262									
Other Assets	414									
Total Assets*	7013									_

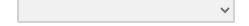
Average level over each period (\$ billions)

Liabilities:

						2222 24				222 24
	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Reserves	3221									
Currency in Circulation	2359									
Overnight Reverse Repurchase Facility	227									
Treasury General Account	791									
Other Liabilities and Capital	414									
Total Liabilities and Capital	7013									

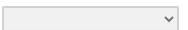
4c) Please indicate the period in which you expect the SOMA portfolio to <u>cease to decline</u>, and the size of the SOMA portfolio when it ceases to decline. Please also indicate the size of specified liabilities, reserves and take-up at the overnight reverse repurchase agreement facility, when the 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: \$6,527bn***



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

Size of reserves (\$ billions)****: Current value: \$3,332bn***		~
Take-up at the overnight reverse repurchase agreement facility (\$ billions)***	** <u>.</u>	~
Current value: \$185bn***		

*Dropdown selections: January 2025, February 2025, March 2025, April 2025, May 2025, June 2025, July 2025, August 2025, September 2025, October 2025, November 2025, December 2025, January 2026, February 2026, March 2026, April 2026, May 2026, June 2026, July 2026, August 2026, September 2026, October 2026, November 2026, December 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.

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 January 8, 2025 was \$6,527 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 %

^{***}Most recent H.4.1, as of January 8, 2025.

^{****}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.

4e) Please discuss factors behind the <u>distribution of outcomes</u> arour		n for when the SOMA po	rtfolio will cease to decline	e. Please also discuss
5) Provide your estimate of the myour estimate of the longer-run legercent. Please provide your response.	vel of the 10-year Treasur	y yield. For reference, as	of January 14 the yield w	vas roughly 4.80
		<u>Quarters</u>		
Percent:	2025 Q1	2025 Q2	2025 Q3	2025 Q4
		<u>Half-Years</u>		
Percent:	H1 2026	H2 2026	H1 2027	H2 2027
		Long	er run	
Percent:				

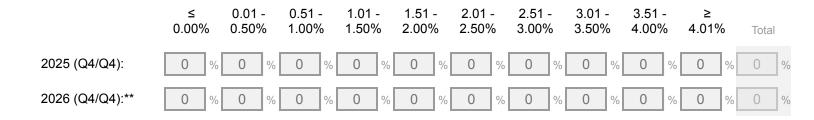
*Responses should add up to 100 percent.

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 January 14 the rate was roughly 6.95 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters	

Dorgant	2025 Q1 2025 Q2		2025 Q3	2025 Q4
Percent:				
		<u>Half-Years</u>		
	H1 2026	H2 2026	H1 2027	H2 2027
Percent:				
Percent:		Long	er run	
, crosnic				

7) Please provide the percent chance* you attach to the following outcomes for U.S. real GDP growth in 2025 and 2026 (Q4/Q4).



Please also provide your point not 0.01).	estimate for the most li	ikely outcome out to	at least one decimal	l place (e.g. for one p	percent enter 1.0,
2025 (Q4/Q4, percent):					
2026 (Q4/Q4, percent):					
B) Please indicate your modal responses out to at least one of the desired Headline PCE inflation				ollowing quarters.* P Q3 2025 (saar)	lease provide your Q4 2025 (saar)
(percent):					
Q3 2024 (saar): 1.5% ** Core PCE inflation					
(percent): Q3 2024 (saar): 2.2% **					
*Percent change from the previous o	quarter at an annualized rat	e, based on the average	e of monthly levels (seas	sonally adjusted) in each	quarter.

*Responses across each row should add up to 100 percent.

**Bins were chosen with consideration to responses to question 12 in the December 2024 SPD.

9a) Please provide the p	percent cha ≤ 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%	2026 (Q4 ≥ 3.51%	Total
2025 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
2026 (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).

2025 (Q4/Q4, percent):	
2026 (Q4/Q4, percent):	

9b) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from January 1, 2025 - December 31, 2029 falling in each of the following ranges.

^{*}Responses across each row should add up to 100 percent.

^{**}Bins were chosen with consideration to responses to question 12 in the December 2024 SPD.

^{*}Responses across each row should add up to 100 percent.

not 0.01).									
Percent:									
9c) For the outcomes below,	provide the	percent cha	ance* vou at	tach to the a	ınnual averad	ne CPI inflat	ion rate fror	n Januarv 1.	2030 -
December 31, 2034 falling in						, - <u></u>		,	
		0.51 -	1.01 -	1.51 -	2.01 -	2.51 -	3.01 -		
	≤ 0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	≥ 3.51%	Total
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
*Responses across each row sho	ould add up to 1	00 percent.							
Please also provide your poinot 0.01).	nt estimate fo	or the most	likely outcor	me out to at	least one de	cimal place	(e.g. for one	e percent ent	er 1.0,
1100 0.01).									
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,

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 sugges	etad that a "alahal	roccesion" con bo	o observatorized as	a pariod during wh	ich thoro is a docl	ino in annual nor ag	nita raa
global GDP, backed up by a decline of							
oil consumption and unemployment.							
10b) What percent chance* do	you attach to th	ells econom	ov first entering :	a recession** in	each of the foll	owing periods?	
Tob) what percent chance do	you attach to th	C 0.0. CCC11011	iy ili st critering t	a 1000331011 111	cach of the foll	owing periods:	
						No recession by end H2	
	H2 2024***	H1 2025	H2 2025	H1 2026	H2 2026	2026	Tota
	0 %	0 %	0 %	0 %	0 %	0 %	0
*Responses should add up to 100 pe	rcent.						

10a) What percent chance do you attach to:

**NBER-defined recession.

***Percent chance that the economy first entered an NBER-defined recession in H2 2024.

11) 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)
2025 (percent):				
2026 (percent):				
2027 (percent):				
Longer run (percent):		NA		

^{*}Responses for real GDP growth in 2025 and 2026 are pulled directly from point estimate values provided in question 7.

^{**}Responses for headline PCE inflation in 2025 and 2026 are pulled directly from point estimate values provided in question 9a.