RESPONSES TO THE SURVEY OF MARKET EXPECTATIONS

Markets Group, Federal Reserve Bank of New York

JUNE 2025

Distributed: 06/04/2025 – Received by: 06/09/2025

The **Survey of Market Expectations** 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 respondents are not involved in the survey's design.

For most questions, the 25th, median, and 75th percentiles across respondents are reported. For questions that ask respondents to give a probability distribution, the average across respondents for each potential outcome is reported.[1] Brief summaries of the comments received in free response form are also provided.

The survey was sent to 56 respondents, and 54 responded. Except where noted, all 54 responded to each question. In some cases, respondents may not have provided complete forecasts (e.g. forecasts may not extend to the same time horizon as requested in the survey). In these instances, the number of respondents who answered all parts of the question is indicated.

[1] Answers may not sum to 100 percent due to rounding.

The survey was distributed to the following respondents:

- AGNC Investment Corp.
- Annaly Capital Management, Inc.
- Apollo Management
- Appaloosa Management L.P.
- ASL Capital Markets Inc.
- Bank of Montreal, Chicago Branch
- Bank of Nova Scotia, New York Agency
- Barclays Capital Inc.
- Bessemer Investment Management
- BlackRock
- BNP Paribas Securities Corp.
- BofA Securities, Inc.
- Cantor Fitzgerald & Co.
- Caxton Associates LP
- Citadel LLC
- Citigroup Global Markets Inc.
- D. E. Shaw & Co., L.P.
- Daiwa Capital Markets America Inc.
- Deutsche Bank Securities Inc.
- Dreyfus
- Eaton Vance
- Federated Investment Management Company
- Fidelity Management and Research
- Goldman Sachs & Co. LLC
- Guggenheim Partners
- HSBC Securities (USA) Inc.
- Invesco Ltd. (formerly Oppenheimer Funds)
- J.P. Morgan Asset Management
- J.P. Morgan Securities LLC
- Jefferies LLC
- Kynikos Associates
- Microsoft Corporation
- Millennium Management, LLC
- Mizuho Securities USA LLC
- Moore Capital Management LLC
- Morgan Stanley & Co. LLC
- NatWest Markets Securities Inc.
- Nomura Securities International, Inc.
- PIMCO
- RBC Capital Markets, LLC
- Santander US Capital Markets LLC
- Schonfeld Strategic Advisors LLC
- SMBC Nikko Securities America, Inc.
- Societe Generale, New York Branch
- State Street Global Advisors Trust Company
- TD Securities (USA) LLC
- Teacher Retirement System of Texas
- The Carlyle Group
- The Travelers Companies, Inc.
- The University of Texas/Texas A&M Investment Management Company
- Tudor Investment Corporation
- UBS Asset Management (Americas) LLC
- UBS Securities LLC.
- Vanguard
- Wellington Management
- Wells Fargo Securities, LLC

Table of Contents

Q-1) FOMC Meeting Expectations

Q-2) Target Federal Funds Rate/Range

Q-3) Expectations for Balance Sheet Components

Q-4) Ten-Year Treasury Yield Probability Distributions

Q-5) U.S. Real GDP Growth Probability Distributions

Q-6) Quarterly PCE Projections

Q-7) Inflation Probability Distributions

Q-8) U.S. and Global Recession Probabilities

Q-9) Estimates of Economic Indicators

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

Current economic conditions:
(53 responses)

Most respondents indicated they expected little or no change. Some respondents indicated they expected an adjustment in language to reflect slower economic activity. Several respondents indicated they expected an adjustment to or removal of language on net exports.

Economic outlook and communication on the expected path of the target federal funds rate:
(53 responses)

Most respondents indicated they expected little or no change. Some respondents indicated they expected an adjustment in language to indicate that uncertainty remains elevated. Several respondents indicated they expected an adjustment in language to indicate that risks to inflation and employment remain elevated or a removal of language stating that those risks have risen.

Communication on tools other than the target federal funds rate:
(53 responses)

Most respondents indicated they expected little or no change.

Other:
(47 responses)

Respondents did not provide significant commentary in this section.

1b) What are your expectations for the most likely levels of the medians of FOMC participants' projections in the June SEP?

Median Federal Funds Estimates in the SEP				
	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
25th Percentile	**3.88%**	**3.38%**	**3.13%**	**3.00%**
Median	**4.00%**	**3.38%**	**3.13%**	**3.00%**
75th Percentile	**4.13%**	**3.41%**	**3.13%**	**3.00%**
# of Respondents	**52**	**52**	**52**	**52**

Median Unemployment Rate Estimates in the SEP				
	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
25th Percentile	**4.4%**	**4.3%**	**4.3%**	**4.2%**
Median	**4.4%**	**4.3%**	**4.3%**	**4.2%**
75th Percentile	**4.5%**	**4.4%**	**4.3%**	**4.2%**
# of Respondents	**52**	**52**	**51**	**50**

Median Headline PCE Estimates in the SEP				
	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
25th Percentile	**2.8%**	**2.2%**	**2.0%**	**2.0%**
Median	**2.9%**	**2.3%**	**2.0%**	**2.0%**
75th Percentile	**3.0%**	**2.4%**	**2.0%**	**2.0%**
# of Respondents	**52**	**52**	**51**	**51**

Median Core PCE Estimates in the SEP			
	Year-end 2025	Year-end 2026	Year-end 2027
25th Percentile	**2.9%**	**2.2%**	**2.0%**
Median	**3.0%**	**2.3%**	**2.0%**
75th Percentile	**3.2%**	**2.4%**	**2.0%**
# of Respondents	**52**	**52**	**51**

Median Real GDP Growth Estimates in the SEP				
	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
25th Percentile	**1.2%**	**1.7%**	**1.8%**	**1.8%**
Median	**1.4%**	**1.8%**	**1.8%**	**1.8%**
75th Percentile	**1.5%**	**1.8%**	**1.8%**	**1.8%**
# of Respondents	**52**	**52**	**51**	**50**

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

Many respondents indicated they expected the Chair to reference uncertainty around the economic and policy outlook. Many respondents indicated they expected the Chair to reiterate a patient or wait-and-see approach to policy. In this context, some respondents expected the Chair to link this patient

approach to uncertainty about the economic outlook, and several respondents expected the Chair to note that a patient approach is possible given the solid labor market. Some respondents expected the Chair to reference risks to both sides of the dual mandate. Some respondents indicated they expected the Chair to reiterate that any future adjustments in the target range for the federal funds rate would remain dependent on incoming economic data. Some respondents indicated they expected the Chair to reiterate that policy is well positioned. Some respondents indicated they expected the Chair to reference the solid labor market. Some respondents expected the Chair's communications to be similar to his May press conference. Some respondents expected the Chair to emphasize the importance of price stability or anchored inflation. Several respondents expected the Chair to reiterate that the Committee will assess how far the economy is from each side of the dual mandate, and several expected the Chair to note that the Committee would act if the labor market deteriorates. Several respondents indicated they expected the Chair to downplay the Summary of Economic Projections, and several expected the Chair to note that policy is somewhat restrictive. Several respondents indicated they expected the Chair to reference inflation being above target.

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.

	Jun. 17-18	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28	Mar. 17-18
25th Percentile	4.38%	4.38%	4.13%	4.13%	3.88%	3.63%	3.63%
Median	4.38%	4.38%	4.13%	4.13%	3.88%	3.88%	3.63%
75th Percentile	4.38%	4.38%	4.38%	4.38%	4.13%	4.13%	3.88%
# of Respondents	54	54	54	54	54	54	54

	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028	2029
25th Percentile	3.38%	3.13%	2.88%	2.88%	2.88%	2.88%	3.00%	3.00%	3.00%
Median	3.63%	3.38%	3.38%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
75th Percentile	3.63%	3.63%	3.56%	3.38%	3.38%	3.63%	3.50%	3.63%	3.63%
# of Respondents	54	54	54	47	47	47	47	49	49

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.

	10-yr Average FF Rate	Longer Run
25th Percentile	3.00%	2.91%
Median	3.24%	3.13%
75th Percentile	3.50%	3.39%
# of Respondents	54	54

2c) 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 June and July 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.

Federal Funds Rate or Range after the June 2025 FOMC Meeting										
	<= 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%
Average	**0%**	**0%**	**0%**	**4%**	**95%**	**0%**	**0%**	**0%**	**0%**	**0%**

Federal Funds Rate or Range after the July 2025 FOMC Meeting										
	<= 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%
Average	**0%**	**0%**	**2%**	**18%**	**80%**	**1%**	**0%**	**0%**	**0%**	**0%**

Federal Funds Rate or Range at the End of 2025										
	<= 2.50%	2.51 - 2.75%	2.76 - 3.00%	3.01 - 3.25%	3.26 - 3.50%	3.51 - 3.75%	3.76 - 4.00%	4.01 - 4.25%	4.26 - 4.50%	>= 4.51%
Average	**3%**	**2%**	**2%**	**3%**	**8%**	**15%**	**25%**	**22%**	**17%**	**3%**

Federal Funds Rate or Range at the End of 2026										
	<= 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%
Average	**2%**	**2%**	**3%**	**5%**	**10%**	**20%**	**24%**	**19%**	**11%**	**4%**

2d) Please indicate the percent chance that you attach to the lowest level of the target range for the federal funds rate before the target range is next increased falling in each of the following ranges.
(53 responses)

	<= 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%
Average	**5%**	**3%**	**4%**	**7%**	**14%**	**22%**	**20%**	**15%**	**10%**	**0%**

3a) 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.

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)				
	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
25th Percentile	**4,210**	**4,205**	**4,200**	**4,195**
Median	**4,210**	**4,205**	**4,200**	**4,195**
75th Percentile	**4,210**	**4,205**	**4,200**	**4,195**
# of Respondents	**46**	**46**	**46**	**46**

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)				
	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
25th Percentile	**2,151**	**2,133**	**2,116**	**2,099**
Median	**2,154**	**2,137**	**2,120**	**2,103**
75th Percentile	**2,156**	**2,141**	**2,126**	**2,111**
# of Respondents	**46**	**46**	**46**	**46**

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)				
	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
25th Percentile	**6,721**	**6,695**	**6,672**	**6,649**
Median	**6,728**	**6,705**	**6,682**	**6,662**
75th Percentile	**6,731**	**6,710**	**6,688**	**6,671**
# of Respondents	**46**	**46**	**46**	**46**

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)						
	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**4,185**	**4,180**	**4,199**	**4,244**	**4,314**	**4,517**
Median	**4,185**	**4,208**	**4,255**	**4,325**	**4,394**	**4,710**
75th Percentile	**4,203**	**4,260**	**4,313**	**4,390**	**4,470**	**4,884**
# of Respondents	**46**	**45**	**45**	**45**	**45**	**43**

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)						
	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**2,055**	**1,996**	**1,937**	**1,883**	**1,829**	**1,616**
Median	**2,066**	**2,019**	**1,968**	**1,919**	**1,873**	**1,694**
75th Percentile	**2,081**	**2,036**	**1,991**	**1,946**	**1,901**	**1,732**
# of Respondents	**46**	**45**	**45**	**45**	**45**	**43**

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)						
	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**6,607**	**6,552**	**6,529**	**6,531**	**6,536**	**6,635**
Median	**6,621**	**6,598**	**6,598**	**6,604**	**6,625**	**6,689**
75th Percentile	**6,645**	**6,656**	**6,666**	**6,671**	**6,700**	**6,890**
# of Respondents	**46**	**45**	**45**	**45**	**45**	**43**

3b) 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.

Expectations for the Average Level of Reserves ($ billions)								
	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**3,258**	**3,074**	**2,913**	**2,860**	**2,829**	**2,828**	**2,853**	**2,811**
Median	**3,300**	**3,233**	**2,994**	**2,957**	**2,929**	**2,907**	**2,908**	**2,948**
75th Percentile	**3,343**	**3,344**	**3,062**	**3,000**	**2,986**	**2,995**	**2,998**	**3,053**
# of Respondents	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**36**

Expectations for the Average Level of Currency in Circulation ($ billions)								
	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**2,373**	**2,384**	**2,401**	**2,410**	**2,418**	**2,431**	**2,444**	**2,498**
Median	**2,384**	**2,396**	**2,410**	**2,423**	**2,435**	**2,450**	**2,464**	**2,520**
75th Percentile	**2,385**	**2,400**	**2,418**	**2,439**	**2,459**	**2,480**	**2,499**	**2,583**
# of Respondents	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**36**

Expectations for the Average Level of Overnight Reverse Repo Take-up ($ billions)								
	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**150**	**80**	**7**	**0**	**0**	**0**	**0**	**0**
Median	**189**	**102**	**50**	**50**	**50**	**43**	**40**	**28**
75th Percentile	**235**	**148**	**100**	**100**	**100**	**100**	**100**	**100**
# of Respondents	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**36**

Expectations for the Average Level of the Treasury General Account Balance ($ billions)								
	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	**400**	**354**	**650**	**700**	**700**	**700**	**700**	**700**
Median	**450**	**470**	**750**	**800**	**800**	**800**	**800**	**800**
75th Percentile	**473**	**697**	**800**	**840**	**824**	**845**	**837**	**850**
# of Respondents	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**36**

3c) 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>. Conditional on SOMA next increasing in order to maintain ample reserves over time, as outlined in the May 2022 Plans for Reducing the Size of the Federal Reserve's Balance Sheet, please also indicate the period and the level of reserves <u>when you expect SOMA to increase through reserve management purchases.</u>

	Period in which SOMA portfolio ceases to decline*	Size of SOMA portfolio when it ceases to decline ($ billions)**	Size of reserves when SOMA ceases to decline ($ billions)***	Take-up at the overnight reverse repurchase agreement facility when SOMA ceases to decline ($ billions)****
25th Percentile	**Oct. '25**	**6,125**	**2,875**	**125**
Median	**Jan. '26**	**6,125**	**2,875**	**125**
75th Percentile	**Mar. '26/Apr. '26**	**6,375**	**3,125**	**125**
# of Respondents	**47**	**47**	**47**	**47**

	Period in which you expect reserve management purchases to begin*†	Level of reserves when reserve management purchases begin ($ billions)***†
25th Percentile	**Feb. '26/Mar. '26**	**2,875**
Median	**Jul. '26**	**2,875**
75th Percentile	**Feb. '27**	**2,875**
# of Respondents	**43**	**45**

**Dropdown selections: 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.*
****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.*
† Conditional on SOMA next increasing in order to maintain ample reserves over time.

3d) 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 May 28, 2025 was $6,372 billion according to the most recent H.4.1 release.
(46 responses)

	$5000bn or smaller	$5001-5250bn	$5251-5500bn	$5501-5750bn	$5751-6000bn	$6001-6250bn	$6251-6500bn	$6501-6750bn	$6751bn or larger
Average	**1%**	**1%**	**1%**	**4%**	**14%**	**44%**	**34%**	**0%**	**0%**

3e) Please discuss factors behind your baseline expectation for when the SOMA portfolio will cease to decline. Please also discuss the distribution of outcomes around your baseline.
(41 responses)

Many respondents indicated they expected the end of balance sheet runoff to be determined by liability management considerations. In determining the expected timing of the end of runoff, several respondents emphasized assessments of reserve levels, ON RRP take-up, or upward pressure on money market rates relative to administered rates. Several viewed the reinstatement of the debt limit as the determining factor for the next change in balance sheet policy. Some respondents indicated they expected that MBS runoff would continue longer than the runoff of Treasury securities. Some expected maturing MBS would be reinvested in Treasury securities once the reduction in the size of the balance sheet has been completed. Several respondents expected the runoff of MBS holdings to continue indefinitely. Some respondents viewed the distribution of outcomes as skewed toward an earlier end to runoff or a larger SOMA portfolio versus their baseline expectations. Some respondents viewed the distribution of outcomes as skewed toward a later end of runoff or a smaller SOMA portfolio versus their

baseline expectations. Several indicated that demand for reserves or the lowest comfortable level of reserves in the banking system may be lower than previously estimated.

4) Please indicate the percent chance that you attach to the 10-year Treasury yield falling in each of the following ranges at the end of 2025 and 2026. For reference, as of June 3 the yield was roughly 4.45 percent.
(49 responses)

Probability Distribution of 10-year Treasury Yield at the End of 2025										
	<= 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 - 6.00%	6.01 - 6.50%	>= 6.51%
Average	**2%**	**2%**	**7%**	**20%**	**34%**	**24%**	**8%**	**2%**	**1%**	**1%**

Probability Distribution of 10-year Treasury Yield at the End of 2026										
	<= 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 - 6.00%	6.01 - 6.50%	>= 6.51%
Average	**3%**	**5%**	**12%**	**20%**	**28%**	**19%**	**9%**	**3%**	**1%**	**1%**

Please also provide your point estimate for the most likely outcome.

10-year Treasury Yield Modal Point Estimates		
	2025	2026
25th Percentile	**4.13%**	**3.90%**
Median	**4.28%**	**4.20%**
75th Percentile	**4.50%**	**4.40%**
# of Respondents	**50**	**49**

Please discuss the factors behind your baseline forecast for the 10-year Treasury yield over the next two years.
(46 responses)

In describing the factors behind their baseline forecasts, some respondents referenced the fiscal outlook, some referenced the Fed policy outlook, and some referenced the economic or growth outlook. Some respondents referenced term premium, and some referenced the inflation outlook. Several respondents referenced the Treasury demand outlook, several referenced the tariff outlook, and several referenced the long run or neutral rate of interest.

Please discuss the factors influencing uncertainty and tail outcomes in your forecast distribution for the 10-year Treasury yield over the next two years.
(45 responses)

In describing factors influencing uncertainty and tail outcomes in their forecast distribution, many respondents referenced the economic or growth outlook, some referenced the fiscal outlook, and some referenced the tariff outlook. Some respondents referenced the inflation outlook, some referenced

the Treasury demand outlook, some referenced the Fed policy outlook, and some referenced term premium.

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

Probability Distribution of U.S. Real GDP Growth in 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%
Average	**1%**	**3%**	**6%**	**14%**	**23%**	**26%**	**17%**	**6%**	**2%**	**1%**

Probability Distribution of U.S. Real GDP Growth in 2026 (Q4/Q4)										
	<= 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%
Average	**5%**	**6%**	**13%**	**21%**	**21%**	**16%**	**9%**	**6%**	**1%**	**1%**

Please also provide your point estimate for the most likely outcome.

U.S. Real GDP Modal Point Estimates (Q4/Q4)		
	2025	2026
25th Percentile	**0.90%**	**1.50%**
Median	**1.10%**	**1.70%**
75th Percentile	**1.30%**	**2.00%**
# of Respondents	**53**	**53**

6) Please indicate your modal projections for headline and core PCE inflation for each of the following quarters.*

Headline PCE Inflation Quarterly Modal Point Estimates					
	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)
25th Percentile	**1.8%**	**2.9%**	**2.7%**	**2.4%**	**2.1%**
Median	**2.1%**	**3.4%**	**3.1%**	**2.7%**	**2.4%**
75th Percentile	**2.7%**	**3.7%**	**3.4%**	**3.0%**	**2.7%**
# of Respondents	**50**	**50**	**50**	**49**	**49**

Core PCE Inflation Quarterly Modal Point Estimates					
	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)
25th Percentile	**2.4%**	**3.0%**	**2.7%**	**2.5%**	**2.2%**
Median	**2.6%**	**3.6%**	**3.1%**	**2.8%**	**2.5%**
75th Percentile	**2.9%**	**4.0%**	**3.5%**	**3.0%**	**2.7%**
# of Respondents	**52**	**52**	**52**	**51**	**51**

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

7a) Please provide the percent chance you attach to the following outcomes for headline PCE inflation in 2025 and 2026 (Q4/Q4).
(50 responses)

Probability Distribution of Headline PCE Inflation in 2025 (Q4/Q4)										
	<= 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 - 3.76%	3.76 - 4.00%	>= 4.00%
Average	**3%**	**3%**	**7%**	**13%**	**21%**	**23%**	**15%**	**9%**	**4%**	**3%**

Probability Distribution of Headline PCE Inflation in 2026 (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%
Average	**3%**	**3%**	**9%**	**20%**	**20%**	**20%**	**12%**	**7%**	**3%**	**3%**

Please also provide your point estimate for the most likely outcome.

Headline PCE Inflation Modal Point Estimates (Q4/Q4)		
	2025	2026
25th Percentile	**2.90%**	**2.20%**
Median	**3.00%**	**2.40%**
75th Percentile	**3.24%**	**2.60%**
# of Respondents	**50**	**50**

7b) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from June 1, 2025 – May 31, 2030 falling in each of the following ranges.
(26 responses)

	<= 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%
Average	**0%**	**1%**	**4%**	**13%**	**30%**	**32%**	**14%**	**5%**

	Most Likely Outcome
25th Percentile	**2.44%**
Median	**2.50%**
75th Percentile	**2.70%**
# of Respondents	**48**

7c) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from June 1, 2030 – May 31, 2035 falling in each of the following ranges.
(49 responses)

	<= 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%
Average	**1%**	**1%**	**5%**	**18%**	**40%**	**22%**	**8%**	**4%**

	Most Likely Outcome
25th Percentile	**2.25%**
Median	**2.30%**
75th Percentile	**2.45%**
# of Respondents	**49**

8a) What percent chance do you attach to:
the U.S. economy currently being in a recession*?
the U.S. economy being in a recession* in 6 months?
the global economy being in a recession** in 6 months?

	Currently in U.S. Recession	U.S. Recession in 6 Months	Global Recession in 6 Months
25th Percentile	**5%**	**24%**	**25%**
Median	**10%**	**30%**	**30%**
75th Percentile	**15%**	**35%**	**40%**
# of Respondents	**52**	**52**	**50**

**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?
(52 responses)

	H2 2024**	H1 2025	H2 2025	H1 2026	H2 2026	No recession by end H2 2026
Average	**1%**	**10%**	**26%**	**14%**	**8%**	**40%**

**NBER-defined recession*

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

9) Provide your estimate of the most likely outcome for output, inflation, and unemployment.
(39 responses)

		2025	2026	2027	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	**0.90%**	**1.50%**	**1.80%**	**1.80%**
	Median	**1.10%**	**1.70%**	**2.00%**	**2.00%**
	75th Percentile	**1.33%**	**2.00%**	**2.13%**	**2.10%**
Core PCE Inflation (Q4/Q4)	25th Percentile	**3.00%**	**2.20%**	**2.00%**	**-**
	Median	**3.20%**	**2.40%**	**2.10%**	**-**
	75th Percentile	**3.50%**	**2.70%**	**2.40%**	**-**
Headline PCE Inflation (Q4/Q4)	25th Percentile	**2.90%**	**2.20%**	**2.00%**	**2.00%**
	Median	**3.00%**	**2.40%**	**2.10%**	**2.00%**
	75th Percentile	**3.20%**	**2.60%**	**2.30%**	**2.05%**
Unemployment Rate (Q4 Average Level)	25th Percentile	**4.40%**	**4.30%**	**4.20%**	**4.00%**
	Median	**4.50%**	**4.40%**	**4.30%**	**4.20%**
	75th Percentile	**4.60%**	**4.55%**	**4.40%**	**4.25%**