SURVEY OF MARKET EXPECTATIONS
June 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 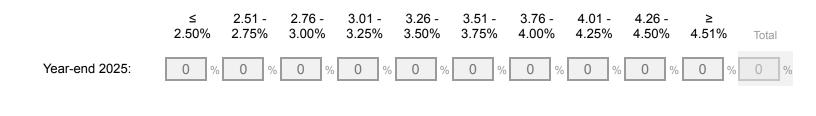markets. The questions involve only topics that are widely discussed in the public domain and never presume any particular policy action. FOMC participants are not involved in the survey's design.

Please respond by **Monday, June 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 June 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' projections in the June SEP? For GDP, unemployment and PCE please provide your responses out to one decimal place (e.g. for one percent enter 1.0, not 0.01). For the target federal funds rate please provide your responses out to three decimal places (e.g. for one percent enter 1.000, not 0.01).

	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
Change in real GDP (percent):				
Unemployment rate (percent):				
PCE inflation (percent):				
Core PCE inflation (percent):				NA
Federal funds rate (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

	Jun 17-18, 2025	Jul 29-30, 2025	Sep 16-17, 2025	Oct 28-29, 2025	Dec 9-10, 2025	Jan 27-28, 2026	Mar 17-18, 2026
Target rate / midpoint of target range (percent, out to three decimal places):							

Quarters

	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4
Target rate / midpoint of target range (percent, out to three decimal places):							

Years

	2028	2029
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 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.

	≤ 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
June 17-18:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
July 29-30:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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%	Total
Year-end 2025:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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
Year-end 2026:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

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.

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.

Average level over each period ($ billions)

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

	May 2025 (Actual**)	June 2025	July 2025	August 2025	September 2025
U.S. Treasuries:	4215				
Agency MBS:	2171				
Total Assets*:	6751				

Average level over each period ($ billions)

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

	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.*

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.

The displayed level for total liabilities and capital is computed from total assets in part 3a. For 2025 Q2 through 2025 Q3, monthly averages from part 3a are averaged to reflect quarterly horizons.

Average level over each period ($ billions)

	2025 Q1 (Actual*)	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Total Liabilities and Capital	6845								

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

	2025 Q1 (Actual*)	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Reserves:	3320								
Currency in Circulation:	2360								
Overnight Reverse Repurchase Facility:	148								
Treasury General Account:	618								

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 Q2 through 2025 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:

	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
U.S. Treasuries	4259								
Agency MBS	2214								
Other Assets	372								
Total Assets*	6845								

Average level over each period ($ billions)

Liabilities:

	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Reserves	3320								
Currency in Circulation	2360								
Overnight Reverse Repurchase Facility	148								
Treasury General Account	618								
Other Liabilities and Capital	400								
Total Liabilities and Capital	6845								

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

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)**:
Current value: $6,372bn***

Size of reserves when SOMA ceases to decline ($ billions)****:
Current value: $3,294bn***

Take-up at the overnight reverse repurchase agreement facility when SOMA ceases to decline ($ billions)*****:
Current value: $174bn***

<u>Conditional on SOMA next increasing in order to maintain ample reserves over time</u>, in what period do you expect the first reserve management purchases?*:

Conditional on SOMA next increasing in order to maintain ample reserves over time, what level of reserves do you expect when reserve management purchases begin? ($ billions)****:

Current value: $3,294bn***

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.

$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.

3e) 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.

[   ]

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.

	≤ 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%	Total
Year-end 2025:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Year-end 2026:	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 two decimal places (e.g. for one percent enter 1.00, not 0.01).

Year-end 2025 (percent): [   ]

Year-end 2026 (percent): [   ]

Please discuss the factors behind your <u>baseline forecast</u> for the 10-year Treasury yield over the next two years.

[   ]

Please discuss the factors influencing <u>uncertainty and tail outcomes</u> in your forecast distribution for the 10-year Treasury yield over the next two years.

[   ]

Responses should add up to 100 percent.

5) Please provide the percent chance* you attach to the following outcomes for U.S. real GDP growth in 2025 and 2026 (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
2025 (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
2026 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

**Bins were chosen with consideration to average responses to question 9 in the May Survey of Market Expectations.

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):

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 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)
Headline PCE inflation (percent): *Q1 2025 (saar): 3.6% **					
Core PCE inflation (percent): *Q1 2025 (saar): 3.4% **					

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.*

7a) Please provide the percent chance* you attach to the following outcomes for <u>headline PCE inflation</u> in 2025 and 2026 (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%	Total
2025 (Q4/Q4)**:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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
2026 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

**Bins were chosen with consideration to average responses to question 11a in the May Survey of Market Expectations.*

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): [ ]

7b) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from June 1, 2025 - May 31, 2030 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 June 1, 2030 - May 31, 2035 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 %

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?

	H2 2024***	H1 2025	H2 2025	H1 2026	H2 2026	No recession by end H2 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 H2 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)
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 5.

**Responses for headline PCE inflation in 2025 and 2026 are pulled directly from point estimate values provided in question 7a.*