

# RESPONSES TO THE SURVEY OF MARKET EXPECTATIONS

Markets Group, Federal Reserve Bank of New York



## MARCH 2025

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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.<sup>1</sup> Brief summaries of the comments received in free response form are also provided.

The survey was sent to 56 respondents, and 53 responded. Except where noted, all 53 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.

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<sup>1</sup> 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

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

Current economic conditions:  
(52 responses)

**Some 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 a reference to increased or elevated uncertainty, and several expected an adjustment in language to reflect a weaker labor market.**

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

**Most respondents indicated they expected little or no change. Several respondents indicated they expected a reference to increased or elevated uncertainty. Several expected a reference to upside inflation risks and downside growth risks.**

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

**Most respondents indicated they expected little or no change. Some respondents held a base case or saw risk of a reference to a pause or slow in runoff.**

Other:  
(37 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 March SEP?

<b>Median Real GDP Estimates in the SEP</b>				
	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
25th Percentile	<b>1.8%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>1.8%</b>
Median	<b>1.9%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.8%</b>
75th Percentile	<b>2.0%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.8%</b>
# of Respondents	<b>52</b>	<b>52</b>	<b>52</b>	<b>51</b>

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

Median Headline PCE Estimates in the SEP				
	Year-end 2025	Year-end 2026	Year-end 2027	Longer Run
25th Percentile	2.5%	2.1%	2.0%	2.0%
Median	2.6%	2.1%	2.0%	2.0%
75th Percentile	2.6%	2.2%	2.0%	2.0%
# of Respondents	52	52	52	51

Median Core PCE Estimates in the SEP			
	Year-end 2025	Year-end 2026	Year-end 2027
25th Percentile	2.5%	2.2%	2.0%
Median	2.6%	2.2%	2.0%
75th Percentile	2.7%	2.3%	2.0%
# of Respondents	52	52	52

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	3.88%	3.38%	3.13%	3.00%
75th Percentile	3.88%	3.38%	3.13%	3.06%
# of Respondents	52	52	52	51

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

Many respondents indicated they expected the Chair to reference increased or elevated uncertainty. Some respondents expected the Chair to suggest a

patient or careful approach to policy, and some expected him to reiterate that policy is well positioned to address potential risks to the outlook. Some respondents indicated they expected the Chair to reference a solid economy, and some expected him to reference upside inflation risks or higher near-term inflation expectations. Some respondents indicated they expected the Chair’s communications to be similar to his recent remarks at the U.S. Monetary Policy Forum sponsored by the Chicago Booth School. Several 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. Several expected the Chair to indicate that the policy rate is currently restrictive, and several expected the Chair to suggest a likelihood of further easing this year. Several respondents indicated they expected the Chair to reference slower economic activity, several expected him to reference the solid labor market, several expected him to note that the path to the 2 percent inflation target would be bumpy, and several expected him to reiterate that risks are roughly in balance. Several respondents indicated they expected the Chair to discuss balance sheet runoff.

- 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.

	Mar. 18-19	May 6-7	Jun. 17-18	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10
25th Percentile	<b>4.38%</b>	<b>4.38%</b>	<b>4.13%</b>	<b>4.13%</b>	<b>3.88%</b>	<b>3.88%</b>	<b>3.63%</b>
Median	<b>4.38%</b>	<b>4.38%</b>	<b>4.13%</b>	<b>4.13%</b>	<b>4.13%</b>	<b>3.88%</b>	<b>3.88%</b>
75th Percentile	<b>4.38%</b>	<b>4.38%</b>	<b>4.38%</b>	<b>4.38%</b>	<b>4.13%</b>	<b>4.13%</b>	<b>4.13%</b>
# of Respondents	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>

	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028	2029
25th Percentile	<b>3.38%</b>	<b>3.31%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>2.94%</b>	<b>2.94%</b>	<b>2.88%</b>	<b>2.88%</b>
Median	<b>3.63%</b>	<b>3.50%</b>	<b>3.38%</b>	<b>3.38%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>3.13%</b>	<b>3.13%</b>
75th Percentile	<b>3.88%</b>	<b>3.88%</b>	<b>3.69%</b>	<b>3.63%</b>						
# of Respondents	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>48</b>	<b>48</b>

- 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	<b>3.00%</b>	<b>2.88%</b>
Median	<b>3.20%</b>	<b>3.13%</b>
75th Percentile	<b>3.50%</b>	<b>3.40%</b>
# of Respondents	<b>53</b>	<b>53</b>

**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 March and May 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 March 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 May 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%	3%	25%	70%	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	5%	2%	3%	5%	10%	17%	26%	16%	12%	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	3%	2%	2%	4%	9%	18%	21%	21%	13%	6%

**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.  
(52 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%	2%	3%	6%	12%	19%	22%	20%	12%	0%

**2e)** Please indicate the percent chance that you attach to the longer run target federal funds rate — the level the target federal funds rate would be expected to converge to under appropriate monetary policy and in the absence of further shocks to the economy — 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%
Average	0%	0%	1%	3%	13%	27%	30%	15%	7%	2%

**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)							
	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
25th Percentile	4,237	4,212	4,187	4,162	4,167	4,169	4,162
Median	4,237	4,212	4,187	4,187	4,187	4,197	4,209
75th Percentile	4,237	4,231	4,226	4,228	4,232	4,237	4,237
# of Respondents	47	47	47	47	47	47	47

Expectations for the Average Level of MBS in the SOMA Portfolio (\$ billions)							
	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
25th Percentile	2,196	2,176	2,156	2,136	2,117	2,098	2,080
Median	2,198	2,182	2,165	2,148	2,131	2,113	2,097
75th Percentile	2,201	2,185	2,170	2,155	2,140	2,125	2,110
# of Respondents	47	47	47	47	47	47	47

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet (\$ billions)							
	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
25th Percentile	6,792	6,747	6,710	6,671	6,644	6,631	6,607
Median	6,806	6,767	6,728	6,692	6,687	6,675	6,667
75th Percentile	6,811	6,784	6,750	6,734	6,728	6,721	6,717
# of Respondents	47	47	47	47	47	47	47

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	4,166	4,201	4,241	4,301	4,344	4,553
Median	4,237	4,299	4,354	4,417	4,491	4,747
75th Percentile	4,266	4,334	4,407	4,486	4,572	4,942
# of Respondents	46	46	46	46	46	42

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	2,036	1,976	1,921	1,867	1,810	1,603
Median	2,058	2,009	1,960	1,906	1,855	1,702
75th Percentile	2,078	2,035	1,991	1,946	1,901	1,769
# of Respondents	46	46	46	46	46	42

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	6,582	6,584	6,589	6,596	6,596	6,644
Median	6,652	6,652	6,672	6,690	6,692	6,754
75th Percentile	6,701	6,713	6,714	6,722	6,770	6,949
# of Respondents	46	46	46	46	46	42

**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 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	3,282	3,207	3,050	2,978	2,976	2,955	2,938	2,899	2,902
Median	3,331	3,327	3,125	3,055	3,025	3,015	3,016	3,011	3,053
75th Percentile	3,417	3,450	3,286	3,109	3,109	3,123	3,133	3,141	3,174
# of Respondents	37	37	37	37	37	37	37	37	34

Expectations for the Average Level of Currency in Circulation (\$ billions)									
	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	2,356	2,366	2,375	2,383	2,395	2,410	2,419	2,419	2,472
Median	2,363	2,376	2,389	2,405	2,419	2,430	2,445	2,460	2,514
75th Percentile	2,371	2,389	2,410	2,430	2,450	2,467	2,486	2,504	2,603
# of Respondents	37	37	37	37	37	37	37	37	34

Expectations for the Average Level of Overnight Reverse Repo Take-up (\$ billions)									
	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	125	100	50	5	0	0	0	0	0
Median	160	200	85	50	50	40	35	40	28
75th Percentile	200	297	200	100	100	100	100	100	94
# of Respondents	37	37	37	37	37	37	37	37	34

Expectations for the Average Level of the Treasury General Account Balance (\$ billions)									
	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	500	300	467	733	744	750	750	750	750
Median	574	367	700	750	800	800	800	800	800
75th Percentile	624	531	750	800	850	813	850	845	850
# of Respondents	37	37	37	37	37	37	37	37	34

**3c)** Please indicate the period in which you expect the SOMA portfolio to cease to decline, 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 ceases to decline.

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

\*Dropdown selections: 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.

\*\*\*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.

**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 February 26, 2025 was \$6,457 billion according to the most recent H.4.1 release.

(47 responses)

	\$500bn or smaller	\$5001-5250bn	\$5251-5500bn	\$5501-5750bn	\$5751-6000bn	\$6001-6250bn	\$6251-6500bn	\$6501-6750bn	\$6751bn or larger
Average	1%	1%	2%	3%	13%	36%	43%	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.

(43 responses)

**Some respondents indicated they expected the next change to balance sheet reduction will be the conclusion of runoff. Some expected a slowdown in the pace of runoff. Some respondents indicated they expected the next change to balance sheet reduction to be determined by assessments of reserve levels, ON RRP take-up, or upward pressure on money market rates relative to administered rates. Some viewed the reinstatement of the debt limit as the determining factor for the next change in balance sheet policy, and several viewed the reinstatement of the debt limit as a factor that poses a risk to their base case expectation. 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. 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.**

**3f)** The January 2022 Principles for Reducing the Size of the Federal Reserve's Balance Sheet state that "In the longer run, the Committee intends to hold primarily Treasury securities in the SOMA, thereby minimizing the effect of the Federal Reserve holdings on the allocation of credit across sectors of the economy." Please indicate your expectations for the composition of the SOMA portfolio\* over the longer run.

(46 responses)

	U.S. Treasury Bills	U.S. Treasury Notes & Bonds, Maturing in Under 3 Years	U.S. Treasury Notes & Bonds, Maturing in 3 to 10 Years	U.S. Treasury Notes & Bonds, Maturing in Over 10 Years	U.S. Treasury TIPS	Agency MBS
Average	20%	26%	22%	18%	7%	7%

*\*SOMA portfolio also includes FRNs, Federal Agency Securities, and Agency CMBS which are excluded from the question as holdings round to zero percent.*

Please discuss your distribution of outcomes around these estimates as well as your views on the Committee's likely **timing** and **approach** to reaching the longer run composition you expect. (42 responses)

**Many respondents indicated they expected the longer run composition of SOMA to be a Treasury-only portfolio which matches the maturity composition of Treasuries outstanding. Several indicated they expected the longer run weighted average maturity of SOMA to be shorter relative to current holdings. Some indicated they expected the longer run composition to be accomplished via reinvestments of maturing securities into Treasury bills or short duration coupon securities. Some respondents noted they do not view active sales of MBS as likely.**

- 4) Please provide the percent chance you attach to the following outcomes for U.S. real GDP growth in 2025 and 2026 (Q4/Q4). (27 responses)

Probability Distribution of U.S. Real GDP Growth in 2025 (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	4%	5%	10%	21%	27%	20%	9%	3%	1%	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	4%	4%	13%	16%	22%	22%	12%	4%	2%	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	1.50%	1.70%
Median	1.75%	1.90%
75th Percentile	1.90%	2.00%
# of Respondents	52	50

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

Headline PCE Inflation Quarterly Modal Point Estimates					
	Q1 2025 (saar)	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)
25th Percentile	2.6%	2.2%	2.2%	2.2%	2.2%
Median	2.9%	2.5%	2.5%	2.4%	2.4%
75th Percentile	3.1%	2.7%	2.7%	2.6%	2.6%
# of Respondents	49	49	49	49	47

Core PCE Inflation Quarterly Modal Point Estimates					
	Q1 2025 (saar)	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)
25th Percentile	2.6%	2.5%	2.4%	2.4%	2.3%
Median	2.7%	2.6%	2.6%	2.5%	2.5%
75th Percentile	2.8%	2.9%	2.8%	2.7%	2.7%
# of Respondents	49	49	49	49	47

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

6a) Please provide the percent chance you attach to the following outcomes for headline PCE inflation in 2025 and 2026 (Q4/Q4).  
(49 responses)

Probability Distribution of Headline PCE Inflation in 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%
Average	2%	3%	7%	15%	25%	20%	15%	8%	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%	4%	13%	26%	24%	14%	8%	4%	2%	2%

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

Headline PCE Inflation Modal Point Estimates (Q4/Q4)		
	2025	2026
25th Percentile	<b>2.40%</b>	<b>2.10%</b>
Median	<b>2.50%</b>	<b>2.30%</b>
75th Percentile	<b>2.69%</b>	<b>2.40%</b>
# of Respondents	<b>50</b>	<b>49</b>

**6b)** For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from March 1, 2025 – February 28, 2030 falling in each of the following ranges.  
(27 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	<b>0%</b>	<b>1%</b>	<b>4%</b>	<b>15%</b>	<b>37%</b>	<b>27%</b>	<b>12%</b>	<b>4%</b>

	Most Likely Outcome
25th Percentile	<b>2.40%</b>
Median	<b>2.50%</b>
75th Percentile	<b>2.50%</b>
# of Respondents	<b>49</b>

**6c)** For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from March 1, 2030 – February 28, 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	<b>1%</b>	<b>2%</b>	<b>6%</b>	<b>22%</b>	<b>39%</b>	<b>22%</b>	<b>6%</b>	<b>3%</b>

	Most Likely Outcome
25th Percentile	<b>2.20%</b>
Median	<b>2.30%</b>
75th Percentile	<b>2.40%</b>
# of Respondents	<b>49</b>

**7a)** 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	<b>3%</b>	<b>15%</b>	<b>19%</b>
Median	<b>5%</b>	<b>20%</b>	<b>25%</b>
75th Percentile	<b>10%</b>	<b>30%</b>	<b>35%</b>
# of Respondents	<b>52</b>	<b>52</b>	<b>51</b>

*\*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.*

- 7b)** 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	<b>1%</b>	<b>13%</b>	<b>18%</b>	<b>14%</b>	<b>11%</b>	<b>43%</b>

*\*NBER-defined recession*

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

- 8)** Provide your estimate of the most likely outcome for output, inflation, and unemployment.  
(41 responses)

		2025	2026	2027	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	<b>1.50%</b>	<b>1.70%</b>	<b>1.90%</b>	<b>1.80%</b>
	Median	<b>1.75%</b>	<b>1.90%</b>	<b>2.00%</b>	<b>2.00%</b>
	75th Percentile	<b>1.90%</b>	<b>2.00%</b>	<b>2.10%</b>	<b>2.10%</b>
Core PCE Inflation (Q4/Q4)	25th Percentile	<b>2.50%</b>	<b>2.20%</b>	<b>2.00%</b>	-
	Median	<b>2.60%</b>	<b>2.30%</b>	<b>2.10%</b>	-
	75th Percentile	<b>2.80%</b>	<b>2.50%</b>	<b>2.28%</b>	-
Headline PCE Inflation (Q4/Q4)	25th Percentile	<b>2.40%</b>	<b>2.10%</b>	<b>2.00%</b>	<b>2.00%</b>
	Median	<b>2.50%</b>	<b>2.30%</b>	<b>2.00%</b>	<b>2.00%</b>
	75th Percentile	<b>2.77%</b>	<b>2.40%</b>	<b>2.20%</b>	<b>2.00%</b>
Unemployment Rate (Q4 Average Level)	25th Percentile	<b>4.20%</b>	<b>4.18%</b>	<b>4.00%</b>	<b>4.00%</b>
	Median	<b>4.30%</b>	<b>4.30%</b>	<b>4.20%</b>	<b>4.20%</b>
	75th Percentile	<b>4.50%</b>	<b>4.40%</b>	<b>4.30%</b>	<b>4.30%</b>