



SURVEY OF MARKET EXPECTATIONS MAY 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, April 28th 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 May 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

May 6-7,
2025

Jun 17-18,
2025

Jul 29-30,
2025

Sep 16-
17, 2025

Oct 28-29,
2025

Dec 9-10,
2025

Jan 27-28,
2026

Target rate / midpoint of target range (percent, out to three decimal places):

Quarters

2026 Q1

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):

2029

0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 %

0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 % 0 %

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:	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %

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

3d) 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.

	≤ 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
	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="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*

	March 2025 (Actual**)	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025
U.S. Treasuries:	4238						
Agency MBS:	2199						
Total Assets*:	6803						

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.*

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 Q3, monthly averages from part 4a 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 Q1 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.*

4c) 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. 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 when you expect SOMA to increase through reserve management purchases.

Period in which SOMA portfolio ceases to decline*:

Size of SOMA portfolio when it ceases to decline (\$ billions)**:
*Current value: \$6,408bn****

Size of reserves when SOMA ceases to decline (\$ billions)****:
*Current value: \$3,281bn****

Take-up at the overnight reverse repurchase agreement facility when SOMA ceases to decline (\$ billions)*****:
*Current value: \$55bn****

Conditional on SOMA next increasing in order to maintain ample reserves over time, 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: \$3,281bn***

*Dropdown selections: 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.

***Most recent H.4.1, as of April 16, 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.

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 April 16, 2025 was \$6,408 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
<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %

*Responses should add up to 100 percent.

Quarters

2025 Q4

H2 2027

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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 April 22 the rate was roughly 6.85 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

2025 Q2

2025 Q3

2025 Q4

Percent:

Half-Years

H1 2026

H2 2026

H1 2027

H2 2027

Percent:

Longer run

Percent:

7) The table below lists the average spreads of selected money market rates* over the past week. Please provide your expectation for each of these rate spreads for the day after each of the FOMC meetings. Please ensure your signs are correct and please do not include decimal places.

	FOMC Meetings				
	Average over past week	May 6-7	Jun 17-18	Jul 29-30	Sep 16-17
Top of target range** minus IORB (in bps):	10				
EFFR minus IORB (in bps):	-7				
SOFR minus IORB (in bps):	-7				
Bottom of target range** minus ON RRP (in bps):	0				
3m U.S. Treasury bill yield minus 3m fed funds OIS (in bps):	4				

*Listed rates include the interest on reserve balances (IORB) rate, effective federal funds rate (EFFR), Secured Overnight Financing Rate (SOFR), overnight reverse repurchase agreement (ON RRP) rate, and 3-month fed funds overnight index swap rate (3m OIS).

**Target range for the federal funds rate.

8) Please provide your estimates of the most likely level of the spread between the level of the effective federal funds rate (EFFR) and interest on reserve balances (IORB), as well as the level of the spread between the secured overnight financing rate (SOFR) and IORB, conditional on each of the following hypothetical levels of combined reserve balances and take-up at the overnight reverse repurchase agreement facility.

	Reserves Plus Overnight Reverse Repurchases (\$ billions):										
	4000	3750	3500	Current* 3336	3250	3000	2750	2500	2250	2000	1750
EFFR minus IORB (in bps):				-7							
SOFR minus IORB (in bps):				-9							

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

*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).

2025 (Q4/Q4, percent):

2026 (Q4/Q4, percent):

10) 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).

	Q1 2025 (saar)	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)
Headline PCE inflation (percent): <small>Q4 2024 (saar): 2.4% **</small>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
Core PCE inflation (percent): <small>Q4 2024 (saar): 2.6% **</small>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

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

[illegible]

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):

[illegible]

**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:

11c) For the outcomes below, provide the percent chance* you attach to the annual average CPI inflation rate from April 1, 2030 - March 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
<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="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:

12a) 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* in 6
months (percent)?

the global economy being in
a recession** in 6
months (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.*

12b) 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
<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %	<div>0</div> %

**Responses should add up to 100 percent.*

***NBER-defined recession.*

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

13) 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):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2026 (percent):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2027 (percent):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Longer run (percent):	<input type="text"/>	<input type="text" value="NA"/>	<input type="text"/>	<input type="text"/>

**Responses for real GDP growth in 2025 and 2026 are pulled directly from point estimate values provided in question 9.*

***Responses for headline PCE inflation in 2025 and 2026 are pulled directly from point estimate values provided in question 11a.*