RESPONSES TO THE SURVEY OF MARKET EXPECTATIONS

Markets Group, Federal Reserve Bank of New York

SEPTEMBER 2025

Distributed: 09/03/2025 – Received by: 09/08/2025

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 participants 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

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

Current economic conditions:
(54 responses)

Most respondents indicated they expected an adjustment in language to reflect a softer labor market. Some respondents expected a reference to slowing job growth, some expected a reference to the labor market being softer or no longer solid, some expected a reference to the unemployment rate moving up but remaining low, and several just expected a reference to the unemployment rate moving up. Several respondents explicitly expected a continued reference to elevated inflation, several expected a continued reference to economic activity having moderated, and several expected a continued reference to the low unemployment rate. Several expected an adjustment in language to reflect slower economic activity, and several expected a new reference to downside risks to the labor market.

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

Many respondents indicated they expected an update to reflect a reduction in the policy rate, and several respondents expected a reference to labor market weakness in this context. Some respondents indicated they expected a continued reference to data dependence, and several expected little change in forward guidance. Several respondents indicated they expected an adjustment to language to suggest the potential for further easing. Several respondents expected a reference to downside risks to the labor market, and several respondents expected a reference to risks to both sides of the mandate.

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

Most respondents indicated they expected little or no change.

Other:
(43 responses)

Most respondents indicated they expected little or no change. Some respondents indicated they expected at least one dissent, depending on whether Stephen Miran is seated as a Governor at the time of the meeting.

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

Median Real GDP Growth Estimates in the SEP					
	Year-end 2025	Year-end 2026	Year-end 2027	Year-end 2028	Longer Run
25th Percentile	**1.3%**	**1.6%**	**1.8%**	**1.8%**	**1.8%**
Median	**1.4%**	**1.6%**	**1.8%**	**1.8%**	**1.8%**
75th Percentile	**1.5%**	**1.7%**	**1.8%**	**1.8%**	**1.8%**
# of Respondents	**53**	**53**	**52**	**51**	**52**

Median Unemployment Rate Estimates in the SEP					
	Year-end 2025	Year-end 2026	Year-end 2027	Year-end 2028	Longer Run
25th Percentile	**4.5%**	**4.5%**	**4.4%**	**4.2%**	**4.2%**
Median	**4.5%**	**4.5%**	**4.4%**	**4.2%**	**4.2%**
75th Percentile	**4.6%**	**4.5%**	**4.4%**	**4.3%**	**4.2%**
# of Respondents	**53**	**52**	**52**	**51**	**52**

Median Headline PCE Estimates in the SEP					
	Year-end 2025	Year-end 2026	Year-end 2027	Year-end 2028	Longer Run
25th Percentile	**3.0%**	**2.4%**	**2.1%**	**2.0%**	**2.0%**
Median	**3.0%**	**2.4%**	**2.1%**	**2.0%**	**2.0%**
75th Percentile	**3.1%**	**2.5%**	**2.1%**	**2.0%**	**2.0%**
# of Respondents	**53**	**53**	**52**	**52**	**52**

Median Core PCE Estimates in the SEP				
	Year-end 2025	Year-end 2026	Year-end 2027	Year-end 2028
25th Percentile	**3.1%**	**2.4%**	**2.1%**	**2.0%**
Median	**3.1%**	**2.4%**	**2.1%**	**2.0%**
75th Percentile	**3.1%**	**2.5%**	**2.1%**	**2.0%**
# of Respondents	**53**	**53**	**52**	**52**

Median Federal Funds Estimates in the SEP					
	Year-end 2025	Year-end 2026	Year-end 2027	Year-end 2028	Longer Run
25th Percentile	3.88%	3.38%	3.13%	3.00%	3.00%
Median	3.88%	3.38%	3.13%	3.13%	3.00%
75th Percentile	3.88%	3.38%	3.19%	3.13%	3.00%
# of Respondents	52	52	52	51	52

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

Some respondents indicated they expected the Chair to explain a rate cut as a response to the weakening labor market or risks to the labor market. 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, and some expected the Chair would not pre-commit to any policy path. Several respondents indicated they expected the Chair to reference adjusting rates to a more neutral stance, and several respondents expected the Chair to suggest the potential for further easing.

Some respondents indicated they expected the Chair to reference downside risks to the labor market, and some expected a reference to labor market weakness. Several respondents expected the Chair to reference balance in the labor market, and several respondents expected the Chair to reference risks to both sides of the dual mandate. Several respondents indicated they expected the Chair to note that tariffs are expected to have a one-time impact on inflation. Several respondents expected the Chair to reference inflation being above target or the impact of tariffs on inflation. Several respondents indicated they expected the Chair to reference uncertainty around the economic outlook.

Several respondents expected the Chair's communications to be similar to his speech at Jackson Hole. Several respondents indicated they expected questions on Fed independence.

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.

	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28	Mar. 17-18	Apr. 28-29	Jun. 16-17
25th Percentile	4.13%	3.88%	3.63%	3.63%	3.38%	3.38%	3.13%
Median	4.13%	3.88%	3.63%	3.63%	3.38%	3.38%	3.38%
75th Percentile	4.13%	4.13%	3.88%	3.88%	3.63%	3.63%	3.63%
# of Respondents	54	54	54	54	54	54	54

	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028	2029
25th Percentile	**3.13%**	**2.88%**	**2.88%**	**2.88%**	**2.88%**	**2.88%**	**2.88%**	**2.88%**
Median	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**
75th Percentile	**3.38%**	**3.38%**	**3.38%**	**3.38%**	**3.38%**	**3.38%**	**3.38%**	**3.38%**
# of Respondents	**54**	**54**	**49**	**49**	**49**	**49**	**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	**2.91%**	**2.88%**
Median	**3.13%**	**3.13%**
75th Percentile	**3.40%**	**3.38%**
# 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 September and October 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 September 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%**	**15%**	**79%**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**

Federal Funds Rate or Range after the October 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	**1%**	**12%**	**46%**	**39%**	**3%**	**0%**	**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	**1%**	**1%**	**1%**	**3%**	**12%**	**35%**	**31%**	**13%**	**2%**	**0%**

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%**	**1%**	**2%**	**5%**	**10%**	**24%**	**27%**	**20%**	**5%**	**3%**

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.

	<= 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%	8%	12%	24%	23%	16%	5%	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.

	<= 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	>= 3.51%
Average	2%	5%	12%	31%	36%	14%

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)							
	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
25th Percentile	4,198	4,193	4,188	4,183	4,178	4,173	4,168
Median	4,198	4,193	4,188	4,183	4,183	4,189	4,208
75th Percentile	4,198	4,193	4,190	4,185	4,201	4,218	4,238
# of Respondents	46	46	46	46	46	46	46

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)							
	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
25th Percentile	2,098	2,079	2,060	2,041	2,024	2,008	1,983
Median	2,101	2,085	2,067	2,051	2,035	2,018	2,001
75th Percentile	2,103	2,088	2,073	2,058	2,043	2,028	2,013
# of Respondents	46	46	46	46	46	46	46

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)							
	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
25th Percentile	6,650	6,627	6,605	6,581	6,563	6,544	6,527
Median	6,656	6,636	6,618	6,597	6,581	6,573	6,562
75th Percentile	6,660	6,642	6,625	6,605	6,602	6,604	6,605
# of Respondents	46	46	46	46	46	46	46

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)				
	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	4,183	4,243	4,288	4,577
Median	4,250	4,303	4,352	4,670
75th Percentile	4,302	4,383	4,466	4,878
# of Respondents	45	45	45	42

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)				
	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	1,945	1,888	1,839	1,627
Median	1,962	1,911	1,860	1,668
75th Percentile	1,981	1,935	1,889	1,713
# of Respondents	45	45	45	42

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)				
	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	6,512	6,515	6,521	6,607
Median	6,556	6,572	6,581	6,695
75th Percentile	6,626	6,650	6,686	6,873
# of Respondents	45	45	45	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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	3,075	2,900	2,847	2,819	2,809	2,797	2,797
Median	3,177	2,948	2,892	2,859	2,857	2,850	2,905
75th Percentile	3,224	3,006	2,947	2,923	2,925	2,930	3,000
# of Respondents	40	40	40	40	40	40	37

Expectations for the Average Level of Currency in Circulation ($ billions)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	2,400	2,410	2,424	2,435	2,449	2,463	2,500
Median	2,404	2,420	2,435	2,450	2,464	2,484	2,543
75th Percentile	2,408	2,427	2,447	2,467	2,485	2,507	2,585
# of Respondents	40	40	40	40	40	40	37

Expectations for the Average Level of Overnight Reverse Repo Take-up ($ billions)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	50	0	0	11	11	11	0
Median	74	30	25	25	25	26	25
75th Percentile	101	50	50	50	50	50	50
# of Respondents	40	40	40	40	40	40	37

Expectations for the Average Level of the Treasury General Account Balance ($ billions)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	554	800	804	813	820	825	850
Median	605	850	850	850	850	850	850
75th Percentile	763	850	850	850	850	850	850
# of Respondents	40	40	40	40	40	40	37

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. 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)**	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	Jan. '26	6,188	2,813	63
Median	Jan. '26	6,188	2,938	63
75th Percentile	Apr. '26	6,188	2,938	63
# of Respondents	46	47	47	47

	Period in which you expect reserve management purchases to begin*†	Level of reserves when reserve management purchases begin ($ billions)***†
25th Percentile	Apr. '26	2,813
Median	Nov. '26	2,813
75th Percentile	Mar. '27	2,938
# of Respondents	44	45

**Dropdown selections: 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: $0-125bn, $126-250bn, $251-375bn, $376-500bn, $501-625bn, $626-750bn, $751-875bn, $876-1000bn, $1001-1125bn, $1126-1250bn, $1251-1375bn, $1376-1500bn, $1501-1625bn, $1626-1750bn, $1751-1875bn, $1876-2000bn, $2001-2125bn, $2126-2250bn, $2251-2375bn, $2376-2500bn, $2501-2625bn, $2626-2750bn, $2751-2875bn, $2876-3000bn, $3001-3125bn, $3126-3250bn, $3251-3375bn, $3376-3500bn, $3501-3625bn, $3626-3750bn, $3751-3875bn, $3876-4000bn, $4001-4125bn, $4126-4250bn, $4251-4375bn, $4376-4500bn, $4501-4625bn, $4626-4750bn, $4751-4875bn, $4876-5000bn, $5001-5125bn, $5126-5250bn, $5251-5375bn, $5376-5500bn, $5501-5625bn, $5626-5750bn, $5751-5875bn, $5876-6000bn, $6001-6125bn, $6126-6250bn, $6251-6375bn.*

****Dropdown selections: $1000bn or smaller, $1001-1125bn, $1126-1250bn, $1251-1375bn, $1376-1500bn, $1501-1625bn, $1626-1750bn, $1751-1875bn, $1876-2000bn, $2001-2125bn, $2126-2250bn, $2251-2375bn, $2376-2500bn, $2501-2625bn, $2626-2750bn, $2751-2875bn, $2876-3000bn, $3001-3125bn, $3126-3250bn, $3251-3375bn, $3376-3500bn, $3501-3625bn, $3626-3750bn, $3751-3875bn, $3876-4000bn, $4001bn or larger.*

*****Dropdown selections: $0-125bn, $126-250bn, $251-375bn, $376-500bn, $501-625bn, $626-750bn, $751-875bn, $876-1000bn, $1001-1125bn, $1126-1250bn, $1251-1375bn, $1376-1500bn, $1501-1625bn, $1626-1750bn, $1751-1875bn, $1876-2000bn, $2001-2125bn, $2126-2250bn, $2251-2375bn, $2376-2500bn, $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 August 27, 2025 was $6,308 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%**	**2%**	**4%**	**17%**	**48%**	**27%**	**0%**	**0%**

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.
(41 responses)

Many respondents indicated they expected the end of balance sheet runoff to be determined by liability management considerations; some respondents cited the level of reserves as the primary factor influencing their estimate for the end of runoff, some respondents emphasized funding market indicators and several emphasized assessments of certain thresholds of reserves as a share of nominal GDP or bank assets.

Some respondents viewed the distribution of outcomes as skewed toward a later end to runoff or a smaller SOMA portfolio versus their baseline expectations. In explaining these risks of a later end to runoff, several cited funding market or reserves dynamics while several cited the Standing Repo Facility as potentially enabling balance sheet runoff to continue longer. Several respondents viewed the distribution of outcomes for the end of runoff as skewed toward an earlier end of runoff or a larger SOMA portfolio versus their baseline expectations.

Some respondents expected maturing MBS would be reinvested in Treasury securities once the reduction in the size of the balance sheet has been completed. Some respondents discussed expectations for reserve management purchases; several expected those purchases to be primarily composed of U.S. Treasury Bills. Several respondents expected the runoff of MBS holdings to continue indefinitely.

4a) Please provide your expectation for each of the selected money market rate spreads* for the day after each of the FOMC meetings.

Top of target range** minus IORB (in bps)				
	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28
25th Percentile	10.0	10.0	10.0	10.0
Median	10.0	10.0	10.0	10.0
75th Percentile	10.0	10.0	10.0	10.0
# of Respondents	42	42	42	42

EFFR minus IORB (in bps)				
	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28
25th Percentile	-7.0	-7.0	-7.0	-7.0
Median	-7.0	-7.0	-7.0	-7.0
75th Percentile	-7.0	-7.0	-6.0	-6.0
# of Respondents	42	42	42	42

SOFR minus IORB (in bps)				
	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28
25th Percentile	-5.0	-5.0	-5.0	-5.0
Median	-3.0	-3.0	-2.0	-3.0
75th Percentile	0.0	-2.0	-1.0	-1.0
# of Respondents	41	41	41	41

Bottom of target range** minus ON RRP rate (in bps)				
	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28
25th Percentile	0.0	0.0	0.0	0.0
Median	0.0	0.0	0.0	0.0
75th Percentile	0.0	0.0	0.0	0.0
# of Respondents	42	42	42	42

3m U.S. Treasury bill yield minus 3m OIS (in bps)				
	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28
25th Percentile	4.0	4.0	3.0	3.0
Median	4.0	4.0	4.0	4.0
75th Percentile	5.0	5.0	6.0	5.0
# of Respondents	41	41	41	41

**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.*

4b) Please provide the percent chance you attach to the following outcomes for the spread between the Secured Overnight Financing Rate (SOFR) and the Interest on Reserve Balances (IORB) rate as of September 15th, 2025 and September 30th, 2025.
(40 responses)

SOFR minus IORB (in bps) as of September 15th, 2025							
	< -12 bps	-12 to -8 bps	-7 to -3 bps	-2 to 2 bps	3 to 7 bps	8 to 12 bps	> 12 bps
Average	1%	3%	25%	34%	24%	11%	2%

SOFR minus IORB (in bps) as of September 30th, 2025							
	< -12 bps	-12 to -8 bps	-7 to -3 bps	-2 to 2 bps	3 to 7 bps	8 to 12 bps	> 12 bps
Average	0%	3%	19%	21%	22%	22%	12%

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%	1%	3%	7%	15%	34%	29%	8%	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	4%	5%	10%	17%	26%	21%	10%	4%	2%	2%

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

U.S. Real GDP Modal Point Estimates (Q4/Q4)		
	2025	2026
25th Percentile	1.20%	1.68%
Median	1.40%	1.80%
75th Percentile	1.50%	2.10%
# of Respondents	52	52

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					
	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)	Q3 2026 (saar)
25th Percentile	**2.9%**	**2.9%**	**2.5%**	**2.1%**	**2.1%**
Median	**3.1%**	**3.1%**	**2.8%**	**2.4%**	**2.3%**
75th Percentile	**3.2%**	**3.5%**	**3.1%**	**2.6%**	**2.5%**
# of Respondents	**51**	**51**	**51**	**51**	**50**

Core PCE Inflation Quarterly Modal Point Estimates					
	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)	Q3 2026 (saar)
25th Percentile	**3.1%**	**3.0%**	**2.7%**	**2.2%**	**2.2%**
Median	**3.3%**	**3.2%**	**2.9%**	**2.5%**	**2.4%**
75th Percentile	**3.5%**	**3.6%**	**3.1%**	**2.8%**	**2.5%**
# of Respondents	**51**	**51**	**51**	**51**	**50**

**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).
(51 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 - 3.75%	3.76 - 4.00%	>= 4.01%
Average	**1%**	**2%**	**5%**	**12%**	**25%**	**29%**	**16%**	**7%**	**2%**	**1%**

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	**2%**	**3%**	**10%**	**18%**	**22%**	**19%**	**12%**	**8%**	**4%**	**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	**3.09%**	**2.50%**
75th Percentile	**3.16%**	**2.60%**
# of Respondents	**52**	**52**

7b) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from September 1, 2025 – August 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	**1%**	**2%**	**5%**	**15%**	**27%**	**33%**	**13%**	**4%**

	Most Likely Outcome
25th Percentile	**2.40%**
Median	**2.50%**
75th Percentile	**2.63%**
# of Respondents	**51**

7c) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from September 1, 2030 – August 31, 2035 falling in each of the following ranges.
(51 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%**	**2%**	**7%**	**19%**	**37%**	**23%**	**7%**	**4%**

	Most Likely Outcome
25th Percentile	**2.23%**
Median	**2.30%**
75th Percentile	**2.40%**
# of Respondents	**51**

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%**	**20%**	**21%**
Median	**10%**	**28%**	**30%**
75th Percentile	**15%**	**35%**	**35%**
# of Respondents	**53**	**53**	**51**

**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)

	H1 2025***	H2 2025	H1 2026	H2 2026	H1 2027	No recession by end H1 2027
Average	**3%**	**20%**	**17%**	**11%**	**9%**	**41%**

**NBER-defined recession*
***Percent chance that the economy first entered an NBER-defined recession in H1 2025.*

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

		2025	2026	2027	2028	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	**1.20%**	**1.68%**	**1.80%**	**1.80%**	**1.80%**
	Median	**1.40%**	**1.80%**	**1.90%**	**2.00%**	**1.90%**
	75th Percentile	**1.50%**	**2.10%**	**2.10%**	**2.03%**	**2.00%**
Core PCE Inflation (Q4/Q4)	25th Percentile	**3.05%**	**2.30%**	**2.01%**	**2.00%**	**-**
	Median	**3.14%**	**2.50%**	**2.20%**	**2.10%**	**-**
	75th Percentile	**3.30%**	**2.75%**	**2.40%**	**2.35%**	**-**
Headline PCE Inflation (Q4/Q4)	25th Percentile	**2.90%**	**2.20%**	**2.00%**	**2.00%**	**2.00%**
	Median	**3.09%**	**2.50%**	**2.20%**	**2.05%**	**2.00%**
	75th Percentile	**3.16%**	**2.60%**	**2.30%**	**2.23%**	**2.10%**
Unemployment Rate (Q4 Average Level)	25th Percentile	**4.40%**	**4.30%**	**4.10%**	**4.00%**	**4.00%**
	Median	**4.50%**	**4.40%**	**4.30%**	**4.20%**	**4.20%**
	75th Percentile	**4.50%**	**4.50%**	**4.30%**	**4.30%**	**4.20%**