JANUARY 2026

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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 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 60 respondents, and 60 responded. Except where noted, all 60 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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[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.
- Balyasny Asset Management L.P.
- 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
- Chanos & Co. (formerly Kynikos Associates)
- Citadel LLC
- Citigroup Global Markets Inc.
- Columbia Threadneedle Investments
- D. E. Shaw & Co., L.P.
- Daiwa Capital Markets America Inc.
- Deutsche Bank Securities Inc.
- Dreyfus
- 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
- Lazard
- MetLife Investment Management
- Microsoft Corporation
- Millennium Management, LLC
- Mizuho Securities USA LLC
- Morgan Stanley & Co. LLC
- NatWest Markets Securities Inc.
- Nomura Securities International, Inc.
- PGIM
- PIMCO
- RBC Capital Markets, LLC
- Santander US Capital Markets LLC
- Schonfeld Strategic Advisors LLC
- Schroders
- 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

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

Current economic conditions:
(48 responses)

> **Some respondents indicated they expected little or no change outside of time-related adjustments. Some respondents expected an adjustment in language to reflect stronger economic activity, for example by noting that activity expanded at a "solid" pace. Some respondents expected an adjustment in language to reflect an improved labor market, for example by referencing a stabilization in unemployment. Some respondents expected a continued reference to somewhat elevated inflation. Some respondents expected an adjustment in language to reflect a decline in inflation, for example by removing or adjusting language on inflation moving up. Some respondents expect a continued reference to slow job gains, and some respondents expect a continued reference to the unemployment rate edging up.**

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

> **Some respondents indicated they expected little or no change. Some respondents explicitly indicated they expected an update to reflect the policy rate being unchanged. Some respondents expected a removal of language on downside risks to employment, and several respondents expected an adjustment in language to reflect a wait-and-see approach or pause. Several respondents explicitly indicated they expected a continued reference to the extent and timing of further adjustments, several expected a continued reference to economic uncertainty, and several expected a continued reference to the Committee being attentive to both sides of the dual mandate.**

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

> **Most respondents indicated they expected little or no change. Some respondents indicated that they expected an update to reflect continued reserve management purchases. Several respondents expected a removal of the language announcing reserve management purchases.**

Other:
(17 responses)

> **Most respondents indicated they expected little or no change. Some respondents indicated they expected at least one dissent in favor of easing.**

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

> **Some respondents indicated they expected the Chair to reiterate that the Committee is data dependent. Some expected the Chair to note that the policy rate is well positioned or appropriate, and some expected the Chair to note that the policy rate is close to estimates of neutral. Several respondents indicated that they expected the Chair to note that prior and future decisions**

on policy easing are linked to weakening in the labor market, and several respondents expected the Chair to suggest an easing bias. In addition, some respondents expected the Chair to receive questions on the independence of the Federal Reserve.

Some respondents indicated they expected the Chair to reference labor market stabilization or improvement. Some respondents expected the Chair to note elevated inflation, several expected the Chair to reference the transitory nature of inflation, and several expected a reference to softer inflation. Several respondents expected the Chair to note weakness in the labor market, and several expected the Chair would continue to focus on risks to the labor market. Several respondents expected the Chair to reference risks to both sides of the dual mandate or balanced risks. Several respondents indicated they expected the Chair to note improved economic activity, and several expected the Chair to reference data issues related to the government shutdown.

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.

Federal Reserve Communications Score	
	Number of Respondents
1 - Ineffective	1
2	1
3	11
4	28
5 - Effective	18
# of Respondents	59

Please explain.
(54 responses)

Some respondents underscored a view that the Chair's response to the DOJ subpoenas was effective, appropriate, or reassuring to markets regarding the prospects of Fed independence. Several respondents viewed communications among policy makers over the intermeeting period as clear and effective with respect to their view of the balance of risks and their reaction function. Several viewed the Committee as effective at signaling the near-term path of policy.

Some participants viewed Fed communications over the period as unclear, with several pointing to apparent divisions among the policymakers as complicating messaging around the appropriate path of policy. Several respondents viewed the divergence of views as expressing a healthy diversity of viewpoints or transparent discussion against the backdrop of a particularly challenging policy environment.

Several respondents remarked that official communications since the December FOMC had been limited relative to prior intermeeting periods.

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.

Federal Funds Target Rate or Range Modal Forecasts							
	Jan. 27-28	Mar. 17-18	Apr. 28-29	Jun. 16-17	Jul. 28-29	Sep. 15-16	Oct. 27-28
25th Percentile	3.63%	3.38%	3.38%	3.25%	3.13%	3.13%	3.13%
Median	3.63%	3.63%	3.63%	3.38%	3.38%	3.13%	3.13%
75th Percentile	3.63%	3.63%	3.63%	3.63%	3.38%	3.38%	3.38%
# of Respondents	59	59	59	59	59	59	59

Federal Funds Target Rate or Range Modal Forecasts										
	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029	2030
25th Percentile	2.88%	2.88%	2.88%	2.88%	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%	3.13%	3.13%	3.13%
75th Percentile	3.31%	3.13%	3.13%	3.13%	3.13%	3.38%	3.38%	3.38%	3.38%	3.38%	3.38%
# of Respondents	58	57	57	57	57	51	51	51	51	52	52

3b) 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.

Federal Funds Target Rate or Range Modal Forecasts		
	10-yr Average	Longer Run
25th Percentile	2.93%	3.00%
Median	3.13%	3.10%
75th Percentile	3.40%	3.38%
# of Respondents	58	58

3c) Please indicate the percent chance that you attach to the target federal funds rate or range falling in each of the following ranges <u>immediately following the January and March FOMC meetings and at the end of 2026 and 2027</u>. If you expect a target range, please use the midpoint of that range in providing your response. (56 responses)

Federal Funds Rate or Range after the January 2026 FOMC Meeting									
	<= 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	0%	0%	0%	0%	7%	93%	0%	0%	0%	0%

Federal Funds Rate or Range after the March 2026 FOMC Meeting									
	<= 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	0%	0%	0%	3%	31%	65%	1%	0%	0%	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	1%	1%	2%	3%	9%	24%	36%	20%	3%	2%

Federal Funds Rate or Range at the End of 2027									
	<= 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%	13%	24%	28%	17%	5%	3%

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.
(58 responses)

Probability Distribution of the Lowest Federal Funds Rate or Range Before Next Increase									
	<= 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	4%	2%	3%	6%	14%	27%	28%	15%	0%	0%

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.

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)						
	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026
25th Percentile	4,257	4,311	4,365	4,411	4,444	4,474
Median	4,259	4,314	4,369	4,424	4,459	4,495
75th Percentile	4,261	4,318	4,375	4,432	4,476	4,518
# of Respondents	48	48	48	48	48	48

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)						
	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026
25th Percentile	2,034	2,016	1,999	1,981	1,963	1,946
Median	2,035	2,020	2,003	1,987	1,972	1,955
75th Percentile	2,036	2,021	2,006	1,991	1,976	1,961
# of Respondents	48	48	48	48	48	48

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)					
	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026
25th Percentile	6,650	6,686	6,720	6,749	6,772	6,786
Median	6,652	6,692	6,732	6,764	6,787	6,809
75th Percentile	6,654	6,695	6,736	6,773	6,799	6,827
# of Respondents	48	48	48	48	48	48

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)						
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	4,544	4,646	4,738	4,808	4,870	4,939	5,250
Median	4,579	4,686	4,795	4,899	5,008	5,116	5,539
75th Percentile	4,615	4,729	4,846	4,968	5,066	5,186	5,668
# of Respondents	47	47	47	47	46	46	40

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)						
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	1,898	1,846	1,796	1,745	1,692	1,642	1,438
Median	1,916	1,871	1,824	1,777	1,731	1,687	1,510
75th Percentile	1,931	1,886	1,841	1,796	1,751	1,706	1,543
# of Respondents	47	47	47	47	46	46	40

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)						
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	6,811	6,847	6,906	6,948	6,974	6,992	7,180
Median	6,852	6,912	6,972	7,032	7,089	7,149	7,384
75th Percentile	6,887	6,965	7,044	7,117	7,179	7,247	7,524
# of Respondents	47	47	47	47	46	46	40

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.

Expectations for the Average Level of Reserves ($ billions)								
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	2,987	3,023	3,061	3,085	3,102	3,141	3,156	3,187	3,300
Median	3,015	3,067	3,118	3,140	3,202	3,220	3,247	3,267	3,442
75th Percentile	3,049	3,088	3,142	3,191	3,248	3,276	3,322	3,355	3,521
# of Respondents	42	42	42	42	42	42	42	42	36

Expectations for the Average Level of Currency in Circulation ($ billions)									
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	2,441	2,457	2,471	2,489	2,503	2,520	2,535	2,548	2,607
Median	2,447	2,465	2,484	2,505	2,525	2,549	2,568	2,585	2,652
75th Percentile	2,454	2,475	2,498	2,523	2,548	2,585	2,608	2,639	2,735
# of Respondents	42	42	42	42	42	42	42	42	36

Expectations for the Average Level of Overnight Reverse Repo Take-up ($ billions)									
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	0	0	0	0	0	0	0	0	0
Median	5	5	5	5	5	5	5	5	5
75th Percentile	10	10	10	10	10	10	10	11	11
# of Respondents	41	41	41	41	41	41	41	41	36

Expectations for the Average Level of the Treasury General Account Balance ($ billions)									
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	850	850	850	850	850	850	850	850	850
Median	850	850	850	855	850	850	855	875	868
75th Percentile	853	875	879	900	900	900	900	923	918
# of Respondents	42	42	42	42	42	42	42	42	36

4c) According to the implementation note issued December 10, 2025, the FOMC directed the Open Market Desk to "increase the System Open Market Account holdings of securities through purchases of Treasury bills and, if needed, other Treasury securities with remaining maturities of 3 years or less to maintain an ample level of reserves."

Please provide your expectation ($ billions) for the amount of <u>reserve management purchases of Treasury securities (in excess of MBS reinvestments)</u> during the monthly purchase periods below.

Expectations for Reserve Management Purchases in U.S. Treasury Bills ($ billions)							
	Mid-Jan. to mid-Feb. 2026	Mid-Feb. to mid-Mar. 2026	Mid-Mar. to mid-Apr. 2026	Mid-Apr. to mid-May 2026	Mid-May to mid-Jun. 2026	Mid-Jun. to mid-Jul. 2026	Mid-Jul. to mid-Aug. 2026
25th Percentile	40	40	40	20	14	15	15
Median	40	40	40	25	20	20	20
75th Percentile	40	40	40	33	25	25	25
# of Respondents	48	48	48	48	47	47	47

Expectations for Reserve Management Purchases in U.S. Treasury Notes & Bonds, Maturing in Under 3 Years ($ billions)							
	Mid-Jan. to mid-Feb. 2026	Mid-Feb. to mid-Mar. 2026	Mid-Mar. to mid-Apr. 2026	Mid-Apr. to mid-May 2026	Mid-May to mid-Jun. 2026	Mid-Jun. to mid-Jul. 2026	Mid-Jul. to mid-Aug. 2026
25th Percentile	0	0	0	0	0	0	0
Median	0	0	0	0	0	0	0
75th Percentile	0	0	0	0	0	0	0
# of Respondents	46	46	46	46	46	46	46

4d) Please discuss factors behind your baseline expectation for reserve management purchases. Please also discuss the distribution of outcomes around your baseline.
(48 responses)

> **Some respondents emphasized their expectations for the pace of reserve management purchases (RMPs) to slow after the April tax date. Some respondents expected the pace of RMPs to be flexible or evolve with seasonality in market conditions. Some respondents cited certain thresholds of reserves as a share of nominal GDP or bank assets in considering the expected pace of RMPs. Some cited FOMC communications in forming their baseline expectation for future changes in the pace of RMPs. Several respondents described the current pace of RMPs as required to backfill reserves following balance sheet runoff. In explaining the factors underlying respondents' expectations for the pace beyond April, several highlighted estimates of growth in Federal Reserve liabilities, while several focused on expected funding market conditions.**

> **Some respondents indicated that risks were skewed towards a faster pace of purchases relative to their baseline. Several indicated that risks were skewed toward a slower pace of purchases relative to their baseline.**

> **Some respondents expected the composition of RMPs to consist entirely of U.S. Treasury bills. Several respondents discussed the possibility that RMPs may also be composed of short-dated Treasury coupon securities at some point.**

5) Provide your estimate of the most likely outcome for the 10-year Treasury yield at the end of each period below. In addition, provide your estimate of the longer-run level of the 10-year Treasury yield. For reference, as of January 13 the yield was roughly 4.18 percent.

	2026 Q1	2026 Q2	2026 Q3	2026 Q4	H1 2027	H2 2027	H1 2028	H2 2028	Longer Run
25th Percentile	4.10%	4.10%	4.00%	4.00%	4.00%	4.03%	3.80%	3.88%	3.95%
Median	4.20%	4.20%	4.20%	4.20%	4.25%	4.30%	4.25%	4.25%	4.25%
75th Percentile	4.25%	4.29%	4.40%	4.35%	4.45%	4.50%	4.46%	4.50%	4.46%
# of Respondents	53	54	53	55	49	50	44	44	48

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 January 8 the rate was roughly 6.15 percent.

	2026 Q1	2026 Q2	2026 Q3	2026 Q4	H1 2027	H2 2027	H1 2028	H2 2028	Longer Run
25th Percentile	6.00%	5.95%	5.81%	5.79%	5.73%	5.75%	5.70%	5.70%	5.66%
Median	6.10%	6.08%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
75th Percentile	6.20%	6.15%	6.19%	6.20%	6.25%	6.25%	6.25%	6.25%	6.25%
# of Respondents	46	46	46	48	44	45	41	41	42

7a, b) Please provide the 1st and 99th percentiles of your distribution of expectations for <u>U.S. real GDP growth in 2026 (Q4/Q4) and 2027 (Q4/Q4)</u>.

U.S. Real GDP 1st and 99th Percentile Estimates (Q4/Q4)				
	2026		2027	
	1st percentile	99th percentile	1st percentile	99th percentile
25th Percentile	-2.13%	3.60%	-2.50%	3.50%
Median	-1.00%	4.11%	-1.00%	4.20%
75th Percentile	0.25%	5.08%	0.00%	5.00%
# of Respondents	52	52	49	49

Please provide the percent chance you attach to the following outcomes for <u>U.S. real GDP growth in 2026 (Q4/Q4) and 2027 (Q4/Q4)</u>.

(53 responses)

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 3%	3%	6%	12%	19%	26%	17%	7%	3%	2%

Probability Distribution of U.S. Real GDP Growth in 2027 (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%	7%	14%	22%	23%	14%	6%	3%	2%

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

U.S. Real GDP Modal Point Estimates (Q4/Q4)		
	2026	2027
25th Percentile	2.00%	1.80%
Median	2.20%	2.00%
75th Percentile	2.40%	2.20%
# of Respondents	56	53

8a, b) Please provide the 1st and 99th percentiles of your distribution of expectations for <u>the average unemployment rate in Q4 2026 and Q4 2027</u>.

Average Unemployment 1st and 99th Percentile Estimates				
	Q4 2026		Q4 2027	
	1st percentile	99th percentile	1st percentile	99th percentile
25th Percentile	3.00%	6.00%	3.00%	6.00%
Median	3.40%	6.50%	3.40%	6.51%
75th Percentile	3.50%	7.00%	3.50%	8.00%
# of Respondents	49	49	47	47

Please provide the percent chance you attach to the following outcomes for the <u>average unemployment rate in Q4 2026 and Q4 2027</u>.
(51 responses)

Probability Distribution of Average Unemployment in Q4 2026							
<= 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%	14%	37%	27%	10%	5%	2%	2%

Probability Distribution of Average Unemployment in Q4 2027							
<= 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%	15%	33%	26%	12%	6%	3%	2%

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

Average Unemployment Modal Point Estimates		
	Q4 2026	Q4 2027
25th Percentile	4.30%	4.20%
Median	4.40%	4.30%
75th Percentile	4.60%	4.50%
# of Respondents	55	52

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

Headline PCE Inflation Quarterly Modal Point Estimates					
	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)	Q3 2026 (saar)	Q4 2026 (saar)
25th Percentile	2.7%	2.6%	2.4%	2.1%	2.1%
Median	2.8%	2.9%	2.6%	2.3%	2.2%
75th Percentile	2.9%	3.1%	2.8%	2.5%	2.6%
# of Respondents	50	50	50	50	50

Core PCE Inflation Quarterly Modal Point Estimates					
	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)	Q3 2026 (saar)	Q4 2026 (saar)
25th Percentile	2.5%	2.8%	2.5%	2.2%	2.1%
Median	2.8%	3.1%	2.6%	2.4%	2.3%
75th Percentile	2.9%	3.4%	2.9%	2.5%	2.5%
# of Respondents	51	51	51	51	51

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

10a, b) Please provide the 1st and 99th percentiles of your distribution of expectations for <u>headline PCE inflation in 2026 (Q4/Q4) and 2027 (Q4/Q4)</u>.

Headline PCE Inflation 1st and 99th Percentile Estimates (Q4/Q4)				
	2026		2027	
	1st percentile	99th percentile	1st percentile	99th percentile
25th Percentile	0.38%	3.50%	-0.50%	3.50%
Median	1.28%	3.95%	1.00%	3.75%
75th Percentile	1.80%	5.00%	1.50%	5.50%
# of Respondents	48	48	46	46

Please provide the percent chance you attach to the following outcomes for <u>headline PCE inflation in 2026 and 2027 (Q4/Q4)</u>.
(49 responses)

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%	7%	14%	21%	21%	15%	9%	5%	3%

Probability Distribution of Headline PCE Inflation in 2027 (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%	5%	12%	22%	21%	14%	9%	6%	4%	3%

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

Headline PCE Inflation Modal Point Estimates (Q4/Q4)		
	2026	2027
25th Percentile	2.30%	2.10%
Median	2.50%	2.20%
75th Percentile	2.60%	2.40%
# of Respondents	51	50

10c) Please provide the 1st and 99th percentiles of your distribution of expectations for the <u>annual average CPI inflation rate from January 1, 2026 – December 31, 2030</u>.

5Y CPI Inflation 1st and 99th Percentile Estimates		
	1st percentile	99th percentile
25th Percentile	0.50%	3.50%
Median	1.00%	4.00%
75th Percentile	1.30%	5.00%
# of Respondents	48	48

Please provide the percent chance you attach to the <u>annual average CPI inflation rate from January 1, 2026 – December 31, 2030</u> falling in each of the following ranges.
(51 responses)

Probability Distribution of 5Y CPI Inflation							
	<= 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	2%	4%	16%	34%	27%	13%	5%

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

5Y CPI Inflation Modal Point Estimates	
	Most Likely Outcome
25th Percentile	2.35%
Median	2.50%
75th Percentile	2.60%
# of Respondents	51

10d) Please provide the 1st and 99th percentiles of your distribution of expectations for the <u>annual average CPI inflation rate from January 1, 2031 – December 31, 2035</u>.

5Y5Y CPI Inflation 1st and 99th Percentile Estimates		
	1st percentile	99th percentile
25th Percentile	0.50%	3.45%
Median	1.00%	3.60%
75th Percentile	1.15%	5.00%
# of Respondents	47	47

Please provide the percent chance you attach to the annual average CPI inflation rate from January 1, 2031 – December 31, 2035 falling in each of the following ranges.
(50 responses)

Probability Distribution of 5Y5Y CPI Inflation						
<= 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 2%	7%	21%	35%	22%	9%	4%

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

5Y5Y CPI Inflation Modal Point Estimates	
	Most Likely Outcome
25th Percentile	2.20%
Median	2.30%
75th Percentile	2.40%
# of Respondents	50

11) 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?

Probabilities of Global and U.S. Recessions		
Currently in U.S. Recession	U.S. Recession in 6 Months	Global Recession in 6 Months
25th Percentile 3%	15%	15%
Median 5%	20%	20%
75th Percentile 10%	25%	26%
# of Respondents 57	57	56

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.*

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

Economic Forecasts		2026	2027	2028	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	2.00%	1.80%	1.80%	1.80%
	Median	2.20%	2.00%	2.00%	2.00%
	75th Percentile	2.40%	2.20%	2.10%	2.10%
Core PCE Inflation (Q4/Q4)	25th Percentile	2.45%	2.10%	2.00%	-
	Median	2.60%	2.30%	2.05%	-
	75th Percentile	2.80%	2.50%	2.26%	-
Headline PCE Inflation (Q4/Q4)	25th Percentile	2.30%	2.10%	2.00%	2.00%
	Median	2.50%	2.20%	2.05%	2.00%
	75th Percentile	2.65%	2.40%	2.28%	2.03%
Unemployment Rate (Q4 Average Level)	25th Percentile	4.30%	4.20%	4.10%	4.00%
	Median	4.40%	4.30%	4.20%	4.20%
	75th Percentile	4.60%	4.50%	4.30%	4.45%