# RESPONSES TO SURVEY OF PRIMARY DEALERS

Markets Group, Federal Reserve Bank of New York

## SEPTEMBER 2020

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The **Survey of Primary Dealers** 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, median responses across dealers, along with the 25th and 75th percentiles, are reported. For questions that ask respondents to give a probability distribution, the average response across dealers for each potential outcome is reported.[1] Brief summaries of the comments received in free response form are also provided.

Responses were received from 24 primary dealers. Except where noted, all 24 dealers responded to each question. In some cases, dealers may not have provided complete responses (e.g. may not have provided forecasts extending 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.

List of Primary Dealers:
www.newyorkfed.org/markets/primarydealers

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**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:

**Several dealers indicated that they did not expect material changes to the Committee's characterization of current economic conditions. Several dealers indicated that they expected the Committee to upgrade its characterization of the recovery in economic activity since the July FOMC meeting, and several indicated that they expected the Committee to repeat language from the prior statement that "economic activity and employment have picked up somewhat in recent months but remain well below their levels at the beginning of the year." Several dealers indicated that they expected the Committee to note that the recovery in economy activity has continued, while several others indicated that they expected the Committee to note that the pace of the recovery has recently eased. Finally, several dealers indicated that they expected the Committee to note a rebound in consumer spending.**

Economic outlook and communication on the expected path of the target federal funds rate:

**Some dealers indicated that they expected the Committee to update language in the statement to reflect recent changes to its Statement on Longer-Run Goals and Monetary Policy Strategy, with several indicating that they expected a reference to a flexible form of average inflation targeting. Several dealers indicated that they did not expect any changes in forward guidance for the federal funds rate. Several dealers indicated that they expected no material changes to both the economic outlook and communication on the expected path of the target federal funds rate.**

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

**Several dealers indicated that they expected the Committee to characterize asset purchases as fostering accommodative financial conditions, and several indicated that they expected the Committee will maintain the current pace of asset purchases. Several dealers indicated that they expected no material changes to this section of the statement.**

Other:
(6 responses)

**Dealers did not provide significant commentary in this section.**

**1b)** What are your expectations for the medians of FOMC participants' economic projections in the Summary of Economic Projections (SEP)?

**For participants' GDP growth projections, most dealers indicated that they expected the median projection for 2020 to increase relative to the previous SEP, several indicated that they expected the median for 2021 to decline, and several indicated that they expected the medians for 2021 and 2022 to remain unchanged. With respect to participants' unemployment rate projections, most dealers indicated that they expected the median projection for 2020 to decline relative to the previous SEP, with some also indicating that they expected the medians for 2021 and/or 2022 to decline. With respect to participants' inflation projections, some dealers indicated that they expected the median projection for 2020 to increase relative to the previous SEP, with several also indicating that they expected the median for 2021 to increase, and several indicated that they expected the medians for 2021 and 2022 to remain unchanged. In addition, several dealers noted that they expected the revisions to reflect better-than-expected economic data.**

**1c)** What are your expectations for the most likely levels of the medians of FOMC participants' target federal funds rate projections in the SEP? Please provide your responses out to three decimal places.

| | Year-End 2020 | Year-End 2021 | Year-End 2022 | Year-End 2023 | Longer Run |
|---|---|---|---|---|---|
| 25th Pctl | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **2.50%** |
| Median | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **2.50%** |
| 75th Pctl | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **2.50%** |

**1d)** Additionally, please describe your expectations for the distributions of FOMC participants' target rate projections.

**Many dealers indicated that they expected some level of dispersion in the distribution of participants' target rate projections for 2022 and/or 2023, while several indicated that they expected the distribution to be narrow in 2022 and/or 2023. Some dealers indicated that they expected the distributions for 2020 and 2021 to be little changed compared to the June projections.**

**1e)** What are your expectations for the Chair's press conference?

**Many dealers indicated that they expected the Chair to discuss the outcome of the Federal Reserve's monetary policy framework review, with several noting that they expected his remarks to be similar to those that he delivered at the Jackson Hole Symposium. Several dealers indicated that they expected the Chair to reiterate the importance of more fiscal support, and several indicated that they expected him to mention the economic impact of the COVID-19 pandemic. Several dealers indicated that they expected the Chair to reiterate that monetary policy would remain accommodative, and several indicated that they expected him to discuss forward guidance.**

**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 half-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. 15-16 | Nov. 4-5 | Dec. 15-16 | Jan. 26-27 | Mar. 16-17 | Apr. 27-28 | Jun. 15-16 | |
|---|---|---|---|---|---|---|---|---|
| 25th Pctl | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | |
| Median | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | |
| 75th Pctl | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | |
| # of Responses | **24** | **24** | **24** | **24** | **24** | **24** | **24** | |
| | 2021 Q3 | 2021 Q4 | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2023 H1 | 2023 H2 |
| 25th Pctl | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** |
| Median | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** |
| 75th Pctl | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.13%** | **0.38%** | **0.75%** |
| # of Responses | **24** | **24** | **22** | **22** | **22** | **22** | **20** | **20** |

If your responses above do not reflect an increase from the current target range at any point, please provide the earliest half-year period in which your modal expectation for the level of the target range is higher than the current level.

| | Earliest half-year period* |
|---|---|
| 25th Pctl | **H1 2024** |
| Median | **H2 2024** |
| 75th Pctl | **H1 2025** |
| # of Responses | **13** |

** Dropdown selections: H1 2024, H2 2024, H1 2025, H2 2025, H1 2026, H2 2026, H1 2027 or later.*

**2b)** Provide your estimate for the most likely value for the following indicators at the time of the next increase in the target range for the federal funds rate.
(23 responses)

| Most Likely Value of Economic Indicator at Time of First Increase in Target Range | | | | |
|---|---|---|---|---|
| | Unemployment rate (%) | Labor force participation rate (%) | Total change in the level of real GDP since 2019 Q4 (%) | Headline 12-month PCE inflation (%) |
| 25th Pctl | **3.9%** | **62.6%** | **4.0%** | **2.1%** |
| Median | **4.0%** | **63.0%** | **5.0%** | **2.3%** |
| 75th Pctl | **4.8%** | **63.0%** | **8.5%** | **2.4%** |

**2c)** 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.

| | Longer Run | 10-yr Average FF Rate |
|---|---|---|
| 25th Pctl | **2.00%** | **0.95%** |
| Median | **2.25%** | **1.24%** |
| 75th Pctl | **2.50%** | **1.78%** |

**2d)** Please indicate the percent chance that you attach to the target federal funds rate or range falling in each of the following ranges at the end of 2020, 2021, 2022, and 2023. If you expect a target range, please use the midpoint of that range in providing your response.
(22 responses)

| Federal Funds Rate or Range at the End of 2020 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | < 0.00% | 0.00 - 0.25% | 0.26 - 0.50% | 0.51 - 0.75% | 0.76 - 1.00% | 1.01 - 1.25% | 1.26 - 1.50% | 1.51 - 1.75% | 1.76 - 2.00% | ≥ 2.01% |
| Average | **1%** | **94%** | **4%** | **1%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** |

| Federal Funds Rate or Range at the End of 2021 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | < 0.00% | 0.00 - 0.25% | 0.26 - 0.50% | 0.51 - 0.75% | 0.76 - 1.00% | 1.01 - 1.25% | 1.26 - 1.50% | 1.51 - 1.75% | 1.76 - 2.00% | ≥ 2.01% |
| Average | **2%** | **84%** | **10%** | **4%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** |

| Federal Funds Rate or Range at the End of 2022 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | < 0.00% | 0.00 - 0.25% | 0.26 - 0.50% | 0.51 - 0.75% | 0.76 - 1.00% | 1.01 - 1.25% | 1.26 - 1.50% | 1.51 - 1.75% | 1.76 - 2.00% | ≥ 2.01% |
| Average | **3%** | **68%** | **15%** | **6%** | **3%** | **2%** | **2%** | **1%** | **0%** | **0%** |

| Federal Funds Rate or Range at the End of 2023 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | < 0.00% | 0.00 - 0.25% | 0.26 - 0.50% | 0.51 - 0.75% | 0.76 - 1.00% | 1.01 - 1.25% | 1.26 - 1.50% | 1.51 - 1.75% | 1.76 - 2.00% | ≥ 2.01% |
| Average | **2%** | **49%** | **18%** | **13%** | **6%** | **4%** | **3%** | **2%** | **2%** | **1%** |

**2e)** What is your estimate of the target federal funds rate or range at the effective lower bound?

| | Level of Target Federal Funds Rate or Range at ELB |
|---|---|
| 25th Pctl | **0.00%** |
| Median | **0.06%** |
| 75th Pctl | **0.13%** |

**2f)** For parts a-e, please explain the factors behind any change to your expectations, where applicable, since the last policy survey.

**Some dealers indicated that changes to their policy expectations were influenced by the announcement of the outcome of the**

**Federal Reserve's monetary policy framework review. In addition, several dealers indicated that there were no material changes to their expectations.**

3) If you expect a change to forward guidance for the federal funds rate in the FOMC statement at any point in the future, please provide your estimate for the most likely timing of the next change. If you do not expect a change at any point in the future, select N/A.

| | Most likely timing for change* |
|---|---|
| 25th Pctl | **Sep 2020 FOMC** |
| Median | **Nov 2020 FOMC** |
| 75th Pctl | **Dec 2020 FOMC** |

** Dropdown selections: Sep 2020 FOMC, Nov 2020 FOMC, Dec 2020 FOMC, Jan 2021 FOMC, Mar 2021 FOMC, Apr 2021 FOMC, Jun 2021 FOMC, Jul 2021 FOMC, Sep 2021 FOMC, Nov 2021 FOMC, Dec 2021 FOMC, Jan 2022 FOMC or later, N/A. The statistics do not include the selection of N/A.*

If applicable, please describe your expectations for the most likely change to forward guidance for the federal funds rate at the time you indicated above.

**Most dealers indicated that they eventually expected changes to forward guidance for the federal funds rate and that they expected it to take the form of outcome-based forward guidance. More specifically, many dealers indicated that they expected such guidance to be tied to inflation, and several indicated that they expected it to be tied to both employment and inflation. Several dealers indicated that they expected outcome-based forward guidance to reinforce aspects of the recently revised Statement on Longer-Run Goals and Monetary Policy Strategy, including a flexible form of average inflation targeting. Several dealers also suggested that the Committee does not see an urgent need to adjust forward guidance, as recent communications have already signaled that the target range for the federal funds rate will remain at low levels for an extended period.**

4) The 5-year Treasury Inflation-Protected Securities (TIPS)-implied breakeven inflation rate declined sharply from mid-February to mid-March before rebounding in the months since. Please decompose changes in the 5-year breakeven inflation rate over each of the following periods into the following components. Please ensure that your sums match the approximate observed change over each time period. **Please ensure that your signs are correct.**
(23 responses)

| Average Decomposition of the 5-Year TIPS-Implied Breakeven Rate Decline over February 18 to March 18 | | | |
|---|---|---|---|
| | Change in market expectations for average CPI inflation (bps) | Change in inflation risk premium (bps) | Change in liquidity/other risk premia (bps) |
| Average (bps) | -64 | -24 | -62 |

| Average Decomposition of the 5-Year TIPS-Implied Breakeven Rate Decline over March 18 to September 1 | | | |
|---|---|---|---|
| | Change in market expectations for average CPI inflation (bps) | Change in inflation risk premium (bps) | Change in liquidity/other risk premia (bps) |
| Average (bps) | 60 | 31 | 59 |

Please provide your views on the drivers of changes in the 5-year breakeven inflation rate over each period.

Feb. 18 to Mar. 18:
(22 responses)

**Most dealers cited a deterioration in market liquidity as a driver of the decline in breakeven inflation over this period, and some cited a decline in inflation expectations as a driver. In addition, several dealers cited the impact of the COVID-19 pandemic.**

Mar. 18 to Sep. 1:
(22 responses)

**Some dealers cited improved market liquidity as a driver of the rebound in breakeven inflation over this period, and some cited a recovery in inflation expectations as a driver. In addition, several dealers cited the impact of the Federal Reserve's asset purchases, several cited the outcome of its monetary policy framework review, and several cited the impact of fiscal stimulus. Finally, several dealers cited a recovery in the inflation risk premium as a driver.**

**5a)** Please provide your modal expectation for the amount of purchases, net of reinvestments, of U.S. Treasury securities, agency mortgage-backed securities (MBS), and agency commercial mortgage-backed securities (CMBS) the Desk will conduct for each month listed below through the end of the year and the total over each of the half-years below. If you expect any of these amounts to be zero in a given period, please enter 0.
(20 responses)

| Net purchases of U.S. Treasury securities ($ billions) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sep. 2020 | Oct. 2020 | Nov. 2020 | Dec. 2020 | 2021 H1 | 2021 H2 | 2022 H1 | 2022 H2 | 2023 H1 | 2023 H2 |
| 25th Pctl | 80 | 80 | 80 | 80 | 310 | 200 | 0 | 0 | 0 | 0 |
| Median | 80 | 80 | 80 | 80 | 480 | 368 | 240 | 120 | 50 | 0 |
| 75th Pctl | 80 | 80 | 80 | 80 | 480 | 480 | 470 | 250 | 123 | 120 |

| Net purchases of agency MBS ($ billions) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sep. 2020 | Oct. 2020 | Nov. 2020 | Dec. 2020 | 2021 H1 | 2021 H2 | 2022 H1 | 2022 H2 | 2023 H1 | 2023 H2 |
| 25th Pctl | 40 | 40 | 40 | 40 | 150 | 90 | 0 | 0 | 0 | 0 |
| Median | 40 | 40 | 40 | 40 | 215 | 138 | 98 | 33 | 0 | 0 |
| 75th Pctl | 40 | 40 | 40 | 40 | 240 | 240 | 210 | 103 | 60 | 40 |

| Net purchases of agency CMBS ($ millions) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sep. 2020 | Oct. 2020 | Nov. 2020 | Dec. 2020 | 2021 H1 | 2021 H2 | 2022 H1 | 2022 H2 | 2023 H1 | 2023 H2 |
| 25th Pctl | 58 | 28 | 9 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Median | 100 | 100 | 100 | 100 | 370 | 175 | 0 | 0 | 0 | 0 |
| 75th Pctl | 1250 | 375 | 375 | 375 | 950 | 600 | 500 | 175 | 100 | 38 |

If applicable, please describe your expectations for any changes to the communications regarding and/or key elements of asset purchases going forward.
(19 responses)

**Going forward, several dealers indicated that they expected asset purchases to be characterized as fostering accommodative financial conditions, while several indicated that they expected the Committee to extend the average maturity of Treasury purchases. In addition, several dealers indicated that they did not expect the pace of asset purchases to decline before 2021.**

**5b)** If you have formed expectations for the most likely level ($ billions) of Federal Reserve assets associated with any of the following, please provide your expectations for their levels on December 30, 2020 below. If you expect any of these amounts to be zero on this date, please enter 0.

| Level on December 30, 2020 ($ billions) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Discount Window | PDCF | MMLF | CPFF | MSNLF | MSELF | MSPLF | MLF |
| 25th Pctl | 0 | 0 | 0 | 0 | 10 | 1 | 5 | 20 |
| Median | 0 | 0 | 5 | 6 | 23 | 18 | 15 | 25 |
| 75th Pctl | 3 | 0 | 10 | 8 | 39 | 25 | 25 | 30 |
| # of Responses | 18 | 18 | 18 | 18 | 16 | 14 | 14 | 17 |

| | TALF | PMCCF | SMCCF | PPPLF | Central bank liquidity swaps | FIMA repo | Repo agreements with primary dealers | Any additional programs |
|---|---|---|---|---|---|---|---|---|
| 25th Pctl | 12 | 0 | 34 | 50 | 50 | 0 | 0 | 0 |
| Median | 15 | 10 | 45 | 68 | 75 | 0 | 0 | 0 |
| 75th Pctl | 20 | 20 | 55 | 75 | 100 | 0 | 5 | 0 |
| # of Responses | 17 | 17 | 17 | 17 | 18 | 17 | 18 | 9 |

**6)** Beyond your responses provided in the questions above, please describe your expectations for any additional actions or monetary policy measures, or modifications to those previously announced, by the Federal Reserve through year-end 2020.
(22 responses)

**Several dealers indicated that they did not expect substantial further actions or measures to be implemented this year.**

**7)** Please describe your expectations for any additional U.S. federal fiscal policy measures through year-end 2020 to support the economy, if applicable.

**Most dealers indicated that they expected at least some additional U.S. federal fiscal policy measures through year-end to support the economy; however, some indicated increasing uncertainty or low conviction around their modal forecast. Some dealers indicated estimates for the size of additional fiscal policy measures that fell between $1 trillion and $2 trillion. Several dealers indicated that they expected a new spending package to include an extension of unemployment benefits, and several indicated that they expected additional support for small businesses and/or state and local governments.**

**8a)** Please indicate your modal projections for U.S. real GDP growth for each quarter (seasonally adjusted annual rate).

| Modal Projection for U.S. Real GDP Growth (percent) | | |
|---|---|---|
| | Q3 2020 (saar) | Q4 2020 (saar) |
| 25th Pctl | **20.1%** | **4.3%** |
| Median | **25.2%** | **5.0%** |
| 75th Pctl | **27.9%** | **7.3%** |

**8b)** Please provide the percent chance you attach to the following outcomes for U.S. real GDP growth in 2020 and 2021 (Q4/Q4).

| Probability Distribution of U.S. Real GDP Growth in 2020 (Q4/Q4) | | | | | | |
|---|---|---|---|---|---|---|
| | ≤ -8.01% | -8.00 - -6.01% | -6.00 - -4.01% | -4.00 - -2.01% | -2.00 - -0.01% | ≥ 0 % |
| Average | **4%** | **11%** | **29%** | **40%** | **16%** | **1%** |

| Probability Distribution of U.S. Real GDP Growth in 2021 (Q4/Q4) | | | | | | |
|---|---|---|---|---|---|---|
| | < 0% | 0.00 - 2.00% | 2.01 - 4.00% | 4.01 - 6.00% | 6.01 - 8.00% | ≥ 8.01% |
| Average | **4%** | **15%** | **36%** | **33%** | **10%** | **2%** |

**9a)** For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from September 1, 2020 - August 31, 2025 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.

| | ≤ 1.00% | 1.01 - 1.50% | 1.51 - 2.00% | 2.01 - 2.50% | 2.51 - 3.00% | ≥ 3.01% |
|---|---|---|---|---|---|---|
| Average | **7%** | **16%** | **37%** | **26%** | **11%** | **3%** |

| | Most Likely Outcome |
|---|---|
| 25th Pctl | **1.80%** |
| Median | **2.00%** |
| 75th Pctl | **2.10%** |

**9b)** 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. Please also provide your point estimate for the most likely outcome.

| | ≤ 1.00% | 1.01 - 1.50% | 1.51 - 2.00% | 2.01 - 2.50% | 2.51 - 3.00% | ≥ 3.01% |
|---|---|---|---|---|---|---|
| Average | **5%** | **12%** | **31%** | **33%** | **15%** | **4%** |

| | Most Likely Outcome |
|---|---|
| 25th Pctl | **2.00%** |
| Median | **2.20%** |
| 75th Pctl | **2.35%** |

**10a)** 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**?

(23 responses)

| | Currently in U.S. Recession | | U.S. Recession in 6 Months | | Global Recession in 6 Months |
|---|---|---|---|---|---|
| 25th Pctl | **5%** | 25th Pctl | **20%** | 25th Pctl | **25%** |
| Median | **13%** | Median | **25%** | Median | **30%** |
| 75th Pctl | **23%** | 75th Pctl | **35%** | 75th Pctl | **35%** |

**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.*

**10b)** Please explain the factors behind any change to your expectations in part a since the last policy survey. (22 responses)

**Some dealers pointed to an improvement in economic data and several highlighted the ongoing economic recovery.**

**11a)** Provide your estimate of the most likely outcome for output, inflation, and unemployment. (15 responses)

| | | 2020 | 2021 | 2022 | 2023 | Longer Run |
|---|---|---|---|---|---|---|
| Real GDP (Q4/Q4 Growth) | 25th Pctl | **-5.05%** | **3.35%** | **2.50%** | **2.00%** | **1.80%** |
| | Median | **-3.75%** | **4.45%** | **2.80%** | **2.20%** | **1.90%** |
| | 75th Pctl | **-2.90%** | **4.95%** | **3.10%** | **3.00%** | **2.00%** |
| Core PCE Inflation (Q4/Q4) | 25th Pctl | **1.25%** | **1.40%** | **1.70%** | **1.80%** | **-** |
| | Median | **1.30%** | **1.60%** | **1.70%** | **2.00%** | **-** |
| | 75th Pctl | **1.40%** | **1.90%** | **2.00%** | **2.00%** | **-** |
| Headline PCE Inflation (Q4/Q4) | 25th Pctl | **1.00%** | **1.45%** | **1.60%** | **1.80%** | **2.00%** |
| | Median | **1.10%** | **1.60%** | **1.80%** | **2.00%** | **2.00%** |
| | 75th Pctl | **1.20%** | **2.00%** | **2.00%** | **2.00%** | **2.00%** |
| Unemployment Rate (Q4 Average Level) | 25th Pctl | **7.75%** | **5.60%** | **4.50%** | **4.00%** | **3.90%** |
| | Median | **8.00%** | **6.10%** | **5.00%** | **4.50%** | **4.00%** |
| | 75th Pctl | **8.40%** | **6.95%** | **5.50%** | **5.00%** | **4.50%** |

**11b)** Please explain changes, if any, to your estimates in part a since the last policy survey. (22 responses)

**Most dealers noted that revisions to their near-term economic projections were largely due to recent better-than-expected economic data releases. For real GDP growth in particular, several dealers noted a less severe second-quarter contraction than previously anticipated.**