RESPONSES TO SURVEY OF PRIMARY DEALERS

Markets Group, Federal Reserve Bank of New York

DECEMBER 2023

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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 <u>changes</u>, if any, to the language referencing each of the following topics in the December FOMC statement. <u>Please write N/A if you do not expect any changes</u>.

Current economic conditions:

Most dealers indicated they expected a downgrade to the language on economic activity. Some dealers indicated they expected or saw a possibility of a reference to inflation moderating. Some dealers indicated they expected continued reference to elevated inflation, several expected continued reference to job gains having moderated, and several expected continued reference to strong job gains. Several dealers indicated they expected or saw a possibility of a downgrade to language on strong job gains.

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

Many dealers indicated they expected little or no change. Several dealers indicated they expected or saw a possibility of an adjustment to language on the extent of additional policy firming to suggest less of a lean toward further increases in the target range for the federal funds rate. Several dealers explicitly expected or saw a possibility of this language remaining unchanged.

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

Most dealers indicated they expected little or no change.

Other:
(16 responses)

Dealers did not provide significant commentary in this section.

1b) 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 2023	Year-end 2024	Year-end 2025	Year-end 2026	Longer run
25th Percentile	**5.38%**	**4.81%**	**3.63%**	**2.81%**	**2.50%**
Median	**5.38%**	**4.88%**	**3.88%**	**2.88%**	**2.50%**
75th Percentile	**5.38%**	**4.88%**	**3.88%**	**2.88%**	**2.50%**
# of Respondents	**24**	**24**	**24**	**24**	**24**

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

Many dealers indicated they expected the Chair to note some potential for further tightening. Many dealers indicated they expected the Chair to note that it is premature to talk about rate cuts. Some dealers indicated they expected the Chair's press conference remarks to be similar to his prior speech at Spelman College. Several dealers indicated they expected the Chair to cite

progress on inflation, and several dealers expected the Chair to reiterate that inflation remains elevated or that further evidence of a slowing in inflation is needed to provide confidence that inflation is clearly on a path to return to 2 percent. Several dealers indicated they expected or saw a possibility that the Chair would note the potential for rate cuts if inflation or economic activity slows. Several dealers indicated they expected the Chair to reiterate that rates are likely to remain restrictive for some time. Several dealers indicated they expected the Chair to reiterate that adjustments in the target range for the federal funds rate would remain dependent on incoming economic data and its implications for the economic outlook.

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.

	Dec. 12-13	Jan. 30-31	Mar. 19-20	Apr. 30-May 1	Jun. 11-12	Jul. 30-31	Sep. 17-18
25th Percentile	5.38%	5.38%	5.38%	5.31%	4.88%	4.81%	4.38%
Median	5.38%	5.38%	5.38%	5.38%	5.13%	5.00%	4.75%
75th Percentile	5.38%	5.38%	5.38%	5.38%	5.38%	5.19%	5.13%
# of Respondents	24	24	24	24	24	24	24

	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026	2027
25th Percentile	3.81%	3.31%	3.13%	3.13%	2.88%	2.69%	2.88%
Median	4.25%	3.75%	3.50%	3.13%	3.13%	2.88%	2.88%
75th Percentile	4.69%	4.38%	4.13%	3.88%	3.63%	3.13%	3.13%
# of Respondents	24	24	24	23	23	19	18

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	2.89%	2.50%
Median	3.11%	2.75%
75th Percentile	3.26%	3.00%
# of Respondents	24	24

2c) 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 2023, immediately following the January FOMC meeting, and at the end of 2024. If you expect a target range, please use the midpoint of that range in providing your response.

Federal Funds Rate or Range at the End of 2023										
	<= 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	5.51 - 5.75%	5.76 - 6.00%	6.01 - 6.25%	>= 6.26%
Average	**0%**	**0%**	**0%**	**0%**	**1%**	**95%**	**4%**	**0%**	**0%**	**0%**

Federal Funds Rate or Range after the January 2024 FOMC Meeting										
	<= 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	5.51 - 5.75%	5.76 - 6.00%	6.01 - 6.25%	>= 6.26%
Average	**0%**	**0%**	**0%**	**1%**	**5%**	**86%**	**7%**	**0%**	**0%**	**0%**

Federal Funds Rate or Range at the End of 2024										
	<= 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 - 5.00%	5.01 - 5.50%	>= 5.51%
Average	**3%**	**2%**	**3%**	**7%**	**15%**	**17%**	**19%**	**17%**	**10%**	**8%**

2d) Please indicate the percent chance that you attach to the highest level of the target range for the federal funds rate before the target range is next decreased falling in each of the following ranges.

	<= 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	5.51 - 5.75%	5.76 - 6.00%	6.01 - 6.25%	>= 6.26%
Average	**0%**	**0%**	**0%**	**0%**	**0%**	**81%**	**13%**	**4%**	**1%**	**1%**

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)					
	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024	Mar. 2024
25th Percentile	**4,850**	**4,790**	**4,730**	**4,670**	**4,610**
Median	**4,866**	**4,806**	**4,746**	**4,686**	**4,626**
75th Percentile	**4,866**	**4,806**	**4,746**	**4,686**	**4,626**
# of Respondents	**24**	**24**	**24**	**24**	**24**

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)					
	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024	Mar. 2024
25th Percentile	**2,455**	**2,438**	**2,418**	**2,398**	**2,378**
Median	**2,460**	**2,440**	**2,425**	**2,409**	**2,390**
75th Percentile	**2,461**	**2,444**	**2,430**	**2,416**	**2,403**
# of Respondents	**24**	**24**	**24**	**24**	**24**

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)					
	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024	Mar. 2024
25th Percentile	**7,880**	**7,787**	**7,678**	**7,588**	**7,498**
Median	**7,899**	**7,803**	**7,709**	**7,616**	**7,539**
75th Percentile	**7,916**	**7,826**	**7,740**	**7,662**	**7,582**
# of Respondents	**24**	**24**	**24**	**24**	**24**

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)				
	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**4,453**	**4,323**	**4,167**	**4,258**
Median	**4,503**	**4,334**	**4,285**	**4,380**
75th Percentile	**4,517**	**4,419**	**4,468**	**4,638**
# of Respondents	**24**	**24**	**24**	**22**

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)				
	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**2,316**	**2,260**	**2,223**	**2,048**
Median	**2,349**	**2,289**	**2,247**	**2,139**
75th Percentile	**2,366**	**2,322**	**2,276**	**2,236**
# of Respondents	**24**	**24**	**24**	**22**

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)				
	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**7,252**	**7,043**	**6,878**	**6,725**
Median	**7,330**	**7,119**	**6,965**	**6,859**
75th Percentile	**7,403**	**7,205**	**7,150**	**7,152**
# of Respondents	**24**	**24**	**24**	**22**

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)						
	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**3,300**	**3,274**	**3,189**	**3,064**	**2,979**	**2,801**
Median	**3,313**	**3,357**	**3,308**	**3,261**	**3,120**	**2,992**
75th Percentile	**3,373**	**3,402**	**3,405**	**3,347**	**3,285**	**3,150**
# of Respondents	**24**	**24**	**24**	**24**	**24**	**22**

Expectations for the Average Level of Currency in Circulation ($ billions)						
	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**2,330**	**2,348**	**2,365**	**2,384**	**2,403**	**2,453**
Median	**2,335**	**2,360**	**2,381**	**2,403**	**2,423**	**2,521**
75th Percentile	**2,348**	**2,382**	**2,421**	**2,459**	**2,492**	**2,638**
# of Respondents	**23**	**23**	**23**	**23**	**23**	**22**

Expectations for the Average Level of Overnight Reverse Repo Take-up ($ billions)						
	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**960**	**648**	**380**	**270**	**175**	**55**
Median	**1,096**	**775**	**544**	**385**	**355**	**287**
75th Percentile	**1,208**	**912**	**755**	**601**	**547**	**493**
# of Respondents	**24**	**24**	**24**	**24**	**24**	**22**

Expectations for the Average Level of the Treasury General Account Balance ($ billions)						
	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q4
25th Percentile	**750**	**700**	**694**	**688**	**675**	**700**
Median	**750**	**750**	**750**	**750**	**750**	**750**
75th Percentile	**754**	**750**	**750**	**750**	**750**	**750**
# of Respondents	**24**	**24**	**24**	**24**	**24**	**22**

3c) Please indicate the period in which you expect the SOMA portfolio will cease to decline as well as 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 facility, when the SOMA portfolio ceases to decline.

	Period in which SOMA portfolio ceases to decline*	Size of SOMA portfolio when it ceases to decline**	Size of reserves***	Take-up at the overnight reverse repurchase facility****
25th Percentile	**2024 Q3**	**6,250**	**2,875**	**250**
Median	**2024 Q4**	**6,750**	**3,125**	**375**
75th Percentile	**2025 Q1/Q2**	**6,750**	**3,125**	**625**
# of Respondents	**23**	**23**	**23**	**23**

**Dropdown selections: Q4 2023, Q1 2024, Q2 2024, Q3 2024, Q4 2024, Q1 2025, Q2 2025, Q3 2025, Q4 2025, Q1 2026, Q2 2026, Q3 2026, Q4 2026, Q1 2027, Q2 2027, Q3 2027, Q4 2027, Q1 2028, Q2 2028, Q3 2028, Q4 2028, Q1 2029 or later.*
***Dropdown selections: $0-500bn, $501-1000bn, $1001-1500bn, $1501-2000bn, $2001-2500bn, $2501-3000bn, $3001-3500bn, $3501-4000bn, $4001-4500bn, $4501-5000bn, $5001-5500bn, $5501-6000bn, $6001-6500bn, $6501-7000bn, $7001-7500bn*
****Dropdown selections: $1000bn or smaller, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501-2750bn, $2751-3000bn, $3001-3250bn, $3251-3500bn, $3501-3750bn, $3751-4000bn, $4001bn or larger.*
*****Dropdown selections: $0-250bn, $251-500bn, $501-750bn, $751-1000bn, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501bn or larger.*

3d) Please indicate the percent chance that you attach to the size of the SOMA portfolio falling in each of the following ranges when it ceases to decline. For reference, Securities Held Outright in the SOMA portfolio on November 22, 2023 was $7,305 billion according to the most recent H.4.1 release.
(23 responses)

	$4000bn or smaller	$4001-4500bn	$4501-5000bn	$5001-5500bn	$5501-6000bn	$6001-6500bn	$6501-7000bn	$7001-7500bn	$7501bn or larger
Average	**1%**	**1%**	**3%**	**8%**	**17%**	**25%**	**30%**	**14%**	**0%**

3e) Please provide any additional information or factors behind your baseline expectations for assets on the Federal Reserve balance sheet and when the decline in the balance sheet will be slowed and then stopped.
(20 responses)

Some dealers indicated they expected the end of balance sheet reduction to be determined by reserve scarcity, assessments of reserves as a percentage of nominal GDP, or upward pressures on money market rates relative to administered rates. Several dealers indicated they expected balance sheet reduction to end at the time of a recession or when the Federal Reserve starts reducing the level of the target range for the federal funds rate. Several dealers indicated they expected that maturing MBS would be reinvested in Treasury securities once the reduction in the size of the balance sheet had been completed or for MBS runoff to continue longer than the runoff of Treasury securities. Several dealers indicated they expected the end of Treasury securities runoff to be determined by the start of rate cuts or assessments of reserves as a percentage of nominal GDP. Several dealers indicated they expected a slowdown in balance sheet reduction in 2024.

Please provide any additional information or factors behind the distribution of outcomes around your baseline for assets on the Federal Reserve balance sheet and when the decline in the balance sheet will be slowed and then stopped.
(19 responses)

Several dealers viewed the distribution of outcomes as skewed toward a later end to runoff and a smaller SOMA portfolio versus their baseline expectations. Several dealers viewed the distribution of outcomes as skewed toward an earlier end of runoff and a larger SOMA portfolio versus their baseline expectations. Among dealers who expected the end of balance sheet reduction at the time of a recession or when the Federal Reserve starts reducing the level of the target range for the federal funds rate, several also noted the possibility that the end of balance sheet reduction could be determined by reserve scarcity or upward pressure on money market rates relative to administered rates, and several also noted the possibility that balance sheet reduction could continue in the case of stronger economic activity. Among dealers who expected the end of balance sheet reduction to be determined by reserve scarcity, assessments of reserves as a percentage of nominal GDP, or upward pressures on money market rates relative to administered rates, several also noted the possibility that the end of balance sheet reduction could be determined the time of a recession, or when the Federal Reserve starts reducing the level of the target range for the federal funds rate. Among all dealers, several noted the possibility that the end of

balance sheet reduction could be determined by market functioning issues. Several dealers cited a possibility that balance sheet reduction could continue even after the Federal Reserve starts reducing the level of the target range for the federal funds rate.

3f) Please provide any additional information or factors behind your baseline expectations for liabilities on the Federal Reserve balance sheet and when the decline in the balance sheet will be slowed and then stopped.
(21 responses)

Some dealers indicated they expected ON RRP take-up to decline, and several dealers indicated they expected ON RRP take-up to decline more than reserves. Several dealers indicated that ON RRP take-up would depend on money market funds' comparisons of ON RRP against alternative investments. Several dealers noted that Treasury bill supply would be a determining factor in ON RRP take-up. Several dealers indicated that they viewed the Treasury General Account as having reached a stable level.

Please provide any additional information or factors behind the distribution of outcomes around your baseline for liabilities on the Federal Reserve balance sheet and when the decline in the balance sheet will be slowed and then stopped.
(16 responses)

Several dealers cited uncertainty around reserve demand. Several dealers viewed the distribution of outcomes as skewed toward smaller liabilities versus their baseline expectations. Several dealers cited uncertainty or risks around the expected level of the Treasury General Account or the upcoming debt limit.

4) 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 November 28 the yield was roughly 4.30 percent.

	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	H1 2025	H2 2025	H1 2026	H2 2026	Longer Run
25th Percentile	**4.39%**	**4.19%**	**4.00%**	**3.73%**	**3.61%**	**3.50%**	**3.50%**	**3.50%**	**3.50%**	**3.50%**
Median	**4.50%**	**4.35%**	**4.20%**	**4.05%**	**3.95%**	**3.90%**	**3.75%**	**3.75%**	**3.88%**	**4.00%**
75th Percentile	**4.50%**	**4.53%**	**4.33%**	**4.21%**	**4.14%**	**4.00%**	**4.00%**	**4.25%**	**4.00%**	**4.25%**
# of Respondents	**24**	**24**	**24**	**24**	**24**	**21**	**21**	**17**	**17**	**21**

5) 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 November 28 the rate was roughly 7.30 percent.

	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	H1 2025	H2 2025	H1 2026	H2 2026	Longer Run
25th Percentile	7.18%	6.98%	6.68%	6.35%	5.94%	5.70%	5.50%	5.38%	5.40%	5.50%
Median	7.30%	7.10%	6.90%	6.57%	6.33%	5.85%	5.75%	5.70%	5.70%	6.00%
75th Percentile	7.43%	7.30%	7.10%	6.80%	6.56%	6.30%	6.30%	6.30%	6.25%	6.50%
# of Respondents	20	20	20	20	20	17	17	15	15	18

6) Please provide the percent chance you attach to the following outcomes for U.S. real GDP growth in 2023 and 2024 (Q4/Q4).

Probability Distribution of U.S. Real GDP Growth in 2023 (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	0%	0%	0%	0%	1%	2%	7%	27%	53%	10%

Probability Distribution of U.S. Real GDP Growth in 2024 (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	4%	6%	15%	19%	17%	12%	11%	8%	4%	4%

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

U.S. Real GDP Modal Point Estimates (Q4/Q4)		
	2023	2024
25th Percentile	2.59%	0.10%
Median	2.60%	0.45%
75th Percentile	2.70%	1.20%
# of Respondents	24	24

7) 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 2023 (saar)	Q1 2024 (saar)	Q2 2024 (saar)	Q3 2024 (saar)	Q4 2024 (saar)
25th Percentile	2.1%	2.1%	1.9%	1.9%	2.0%
Median	2.5%	2.3%	2.2%	2.2%	2.2%
75th Percentile	2.7%	2.9%	2.4%	2.4%	2.5%
# of Respondents	24	24	24	24	24

Core PCE Inflation Quarterly Modal Point Estimates					
	Q4 2023 (saar)	Q1 2024 (saar)	Q2 2024 (saar)	Q3 2024 (saar)	Q4 2024 (saar)
25th Percentile	**2.6%**	**2.7%**	**2.3%**	**2.1%**	**2.2%**
Median	**2.7%**	**2.9%**	**2.4%**	**2.4%**	**2.4%**
75th Percentile	**2.9%**	**3.1%**	**2.8%**	**2.6%**	**2.6%**
# of Respondents	**24**	**24**	**24**	**24**	**24**

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

8a) Please provide the percent chance you attach to the following outcomes for headline PCE inflation in 2023 and 2024 (Q4/Q4).

Probability Distribution of Headline PCE Inflation in 2023 (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	**0%**	**0%**	**2%**	**9%**	**45%**	**32%**	**9%**	**2%**	**1%**	**0%**

Probability Distribution of Headline PCE Inflation in 2024 (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	**6%**	**8%**	**17%**	**19%**	**17%**	**13%**	**10%**	**5%**	**2%**	**3%**

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

Headline PCE Inflation Modal Point Estimates (Q4/Q4)		
	2023	2024
25th Percentile	**2.90%**	**2.00%**
Median	**3.00%**	**2.20%**
75th Percentile	**3.00%**	**2.43%**
# of Respondents	**24**	**24**

8b) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from December 1, 2023 – November 30, 2028 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.
(23 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%**	**14%**	**30%**	**28%**	**14%**	**6%**

	Most Likely Outcome
25th Percentile	**2.40%**
Median	**2.50%**
75th Percentile	**2.60%**
# of Respondents	**23**

8c) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from December 1, 2028 – November 30, 2033 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.
(23 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%**	**9%**	**3%**

	Most Likely Outcome
25th Percentile	**2.28%**
Median	**2.35%**
75th Percentile	**2.50%**
# of Respondents	**23**

9a) 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	**1%**	**20%**	**25%**
Median	**5%**	**33%**	**35%**
75th Percentile	**10%**	**44%**	**43%**
# of Respondents	**24**	**24**	**23**

**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.*

9b) What percent chance do you attach to the U.S. economy first entering a recession* in each of the following periods?

	H1 2023**	H2 2023	H1 2024	H2 2024	H1 2025	No recession by end H1 2025
Average	**0%**	**7%**	**29%**	**20%**	**13%**	**32%**

**NBER-defined recession*
***Percent chance that the economy first entered an NBER-defined recession in H1 2023.*

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

		2023	2024	2025	2026	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	**2.59%**	**0.10%**	**1.70%**	**1.80%**	**1.80%**
	Median	**2.60%**	**0.45%**	**1.90%**	**1.90%**	**1.90%**
	75th Percentile	**2.70%**	**1.20%**	**2.18%**	**2.10%**	**2.00%**
Core PCE Inflation (Q4/Q4)	25th Percentile	**3.40%**	**2.30%**	**2.05%**	**2.00%**	**-**
	Median	**3.40%**	**2.40%**	**2.20%**	**2.05%**	**-**
	75th Percentile	**3.50%**	**2.80%**	**2.20%**	**2.20%**	**-**
Headline PCE Inflation (Q4/Q4)	25th Percentile	**2.90%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**
	Median	**3.00%**	**2.20%**	**2.10%**	**2.08%**	**2.00%**
	75th Percentile	**3.00%**	**2.43%**	**2.20%**	**2.20%**	**2.00%**
Unemployment Rate (Q4 Average Level)	25th Percentile	**3.80%**	**4.30%**	**4.20%**	**4.00%**	**4.00%**
	Median	**3.90%**	**4.40%**	**4.40%**	**4.20%**	**4.00%**
	75th Percentile	**3.90%**	**4.63%**	**4.55%**	**4.40%**	**4.20%**