Policy Expectations Survey
Please respond by Monday, July 20 at 5:00 pm to the questions below. Your time and input are greatly appreciated.

This survey is formulated by the Trading Desk of 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 have no bearing on any particular policy action. FOMC members are not involved in the survey’s design.

Monetary Policy Expectations

1) Provide your expectations for changes, if any, to the language referencing each of the following topics in the July FOMC statement. Limit your responses to changes you consider most likely.

Communication on the Committee’s policy of reinvesting principal payments on Treasury and agency securities:
Communication on the expected path of policy rates and forward guidance on the target federal funds rate:
Other:

2) Provide the percent chance you attach to the target federal funds rate or range of rates at the end of each quarter or half-year period below. If you expect a range, please provide both the top and bottom of the range in the specified fields below. If you expect a target rate, provide your response in the “Target rate” field only.

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If you expect future levels of the equilibrium real federal funds rate to be different from its current level, please provide the major factors underlying your expectation.

Level of equilibrium real federal funds rate:

Current Level
Year-end 2015:
Year-end 2016:
Year-end 2017:

If you expect future levels of the equilibrium real federal funds rate to be different than its current level, please provide the major factors underlying your expectation.

3) 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 quarter or half-year period below. If you expect a range, please provide both the top and bottom of the range in the specified fields below. If you expect a target rate, provide your response in the “Target rate” field only.

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If you expect future levels of the equilibrium real federal funds rate to be different from its current level, please provide the major factors underlying your expectation.

a) 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 quarter or half-year period below. If you expect a range, please provide both the top and bottom of the range in the specified fields below. If you expect a target rate, provide your response in the “Target rate” field only.

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If you expect future levels of the equilibrium real federal funds rate to be different from its current level, please provide the major factors underlying your expectation.

4) 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 quarter or half-year period below. If you expect a range, please provide both the top and bottom of the range in the specified fields below. If you expect a target rate, provide your response in the “Target rate” field only.

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If you expect future levels of the equilibrium real federal funds rate to be different from its current level, please provide the major factors underlying your expectation.

5) In a March speech, Chair Yellen indicated that the “equilibrium real federal funds rate, the real rate consistent with the economy achieving maximum employment and price stability in the medium term, is currently quite low by historical standards.” Conditioned on your expectations for the economy and the future stance of policy, what is your forecast for the level of the equilibrium real federal funds rate at each of the time periods below? Please also provide your estimate of the current level of the equilibrium real federal funds rate.

Year-end 2015:
Year-end 2016:
Year-end 2017:

If you expect future levels of the equilibrium real federal funds rate to be different than its current level, please provide the major factors underlying your expectation.

6) In the policy survey on June 8, please explain the factors that motivated you to make the change(s):
Please explain your assumptions for what factors would likely drive the pace at which reinvestments are phased out.

Please explain the factors behind any change in your expectations in either parts a and/or b since the policy survey on June 8.

Provide your estimate of the most likely outcome for output, inflation, and unemployment.

Please note how you expect the Committee's approach to policy normalization to evolve over time. Additionally, comment on any changes you expect over time in the relative levels of money market rates and the expected amount of ON RRP usage.

Please explain which factor or factors were most relevant in formulating your expectations and any assumptions made.

Please note how you expect the Committee's approach to policy normalization to evolve over time. Additionally, comment on any changes you expect over time in the relative levels of money market rates and the expected amount of ON RRP usage.

Please explain which factor or factors were most relevant in formulating your expectations and any assumptions made.

Please provide your forecast for the expected levels of the following indicators at the time periods provided below. If you expect a target range, please enter the range. If you do not believe a particular tool will be used during one or more of the time periods below, please enter "N/A".

Please provide a percent chance* you attach to the unemployment rate falling within the following range: at the time of the first increase in the target federal funds rate or range. Percentages across row should add up to 100 percent.

Please explain what factors would likely drive the pace at which reinvestments are phased out.

Please explain the factors behind any change in your expectations in either parts a and/or b since the policy survey on June 8.

Please explain which factors were most relevant in formulating your expectations and any assumptions made.

Provide your forecast for the expected levels of the following indicators at the time periods provided below. If you do not expect the Committee to cease reinvestments for either or both asset classes during the process of policy normalization, please select "N/A".

Please provide the percent chance* you attach to inflation between 1 and 2 years ahead falling within the following range at the time of the first increase in the target federal funds rate or range. Percentages across row should add up to 100 percent.

Please explain what factors would likely drive the pace at which reinvestments are phased out.

Please explain the factors behind any change in your expectations in either parts a and/or b since the policy survey on June 8.

Please explain which factors were most relevant in formulating your expectations and any assumptions made.

Please provide your forecast for the expected levels of the following indicators at the time periods provided below. If you do not expect the Committee to cease reinvestments for either or both asset classes during the process of policy normalization, please select "N/A".

Please provide the percent chance* you attach to inflation between 1 and 2 years ahead falling within the following range at the time of the first increase in the target federal funds rate or range. Percentages across row should add up to 100 percent.

Please explain what factors would likely drive the pace at which reinvestments are phased out.

Please explain the factors behind any change in your expectations in either parts a and/or b since the policy survey on June 8.

Please explain which factors were most relevant in formulating your expectations and any assumptions made.

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Please provide the percent chance* you attach to inflation between 1 and 2 years ahead falling within the following range at the time of the first increase in the target federal funds rate or range. Percentages across row should add up to 100 percent.

Please explain what factors would likely drive the pace at which reinvestments are phased out.

Please explain the factors behind any change in your expectations in either parts a and/or b since the policy survey on June 8.

Please explain which factors were most relevant in formulating your expectations and any assumptions made.
1) How do you expect the July FOMC statement to influence market perceptions of the stance of monetary policy, if at all? (1 = less accommodative, 3 = neutral, 5 = more accommodative)

Perceived stance of monetary policy:
1 – Less Accommodative
2
3 – Neutral
4
5 – More Accommodative

2) How would you rate the Federal Reserve System’s communication with the markets and with the public since the policy survey on June 8? Please provide a rating between 1 and 5, with 1 indicating ineffectiveness and 5 indicating effectiveness.

Communication grade:
5 – Very Effective
4
3
2
1 – Very Ineffective

3) Of the possible outcomes below, provide the percent chance you attach to the timing of the first increase in the federal funds target rate or range. Also, provide your estimate for the most likely meeting for the first increase.

Estimate for most likely meeting for first increase in target rate or range:
- July 2015
- September 2015
- October 2015
- December 2015
- January 2016
- March 2016
- April 2016
- June 2016
- July 2016
- September 2016
- November 2016
- December 2016

6) Provide your estimate of the most likely quarter and year during which the FOMC will first cease reinvesting some or all payments of principal on Treasuries and/or agency debt and MBS. In addition, please provide your expectation for the timing, in months, relative to the first increase in the target rate or range. If you do not expect the FOMC to cease reinvestments for either or both asset classes during the process of policy normalization, please select "N/A". Please ensure your units are correct.

Quarter & Year:
Q3 2015
Q4 2015
Q1 2016
Q2 2016
Q3 2016
Q4 2016
Q1 2017
Q2 2017
Q3 2017
Q4 2017
N/A

7) How would you characterize the overall balance of U.S. economic data over the intermeeting period? (5 = significantly stronger than expected, 1 = significantly weaker than expected). Please explain which data were most relevant in formulating your characterization.

Characterization of overall balance of economic data:
1 – Significantly weaker than expected
2
3 – Neutral/risked
4 – Moderately stronger than expected
5 – Significantly stronger than expected