SURVEY OF MARKET PARTICIPANTS

This survey 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.



Please respond by **Monday, April 23rd at 2:00 pm** to the questions below. Your time and input are greatly appreciated.

Type of Respondent:	Market Participant	Respondent Name:	

1) Provide below your expectations for changes, if any, to the language referencing each of the following topics in the May FOMC statement.

Current economic conditions:	
Economic outlook:	
Communication on the expected path of the target federal funds rate:	
Other:	

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.

Rating:	Please Explain:	

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 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.

								2019
	-			2018 FOM Jul 31 -	C meetings			meetings
		May 1-2	Jun 12-13	Aug 1	Sep 25-26	Nov 7-8	Dec 18-19	Jan 29-30
Target rate	/ midpoint of			7 taig 1				
	target range:							
	<u>-</u>							
				Qua	rters			Half Years
	-	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 H2
Target rate	/ midpoint of							
	target range:							
	-							
b) In addition,	provide your e	stimate of th	ne longer run	target feder	al funds rate	and your exp	pectation for	the average
federal fund	s rate over the	e next 10 ye	ars.	0		, ,		0
	Г				Evpod	otion for ove	rage federal	
	Longer run:						erage federal ext 10 years:	
	L				Turius		ext to years.	
	Next Cha Increase in T or Ra	Target Rate	Decrease	hange is e in Target r Range	No Change Rate or Ran the End	ge Through		
							l	
	*Responses sl	hould add up	to 100 percent	t.				
	1	,	,					
				hotwoon now	v and the end	of 2019 hoj	a an incroas	
target federa outcomes fo	on the Comm al funds rate o or the timing o obability to the	or range, ple f such a cha	ase indicate nge. Only fill	the percent of out this con	chance* that y ditional proba	/ou attach to bility distribu	the following	g possible ssigned a
target federa outcomes fo	al funds rate o or the timing o	or range, ple f such a cha	ase indicate nge. Only fill	the percent of out this con	chance* that y ditional proba	/ou attach to bility distribu	the following	g possible ssigned a
target federa outcomes fo	al funds rate o or the timing o	or range, ple f such a cha	ase indicate nge. Only fill	the percent of out this con	chance* that y ditional proba een now and	you attach to bility distribu the end of 2	the following	g possible ssigned a
target federa outcomes fo	al funds rate c or the timing o obability to the	or range, ple f such a cha e Committee	ase indicate nge. Only fill 's next policy	the percent of out this con- action betw	chance* that y ditional proba een now and Increase	you attach to bility distribu the end of 2 Occurs at	the following	g possible ssigned a
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target federa outcomes fo	al funds rate c or the timing o obability to the	or range, ple f such a cha e Committee curs at May	ase indicate nge. Only fill 's next policy Increase	the percent of out this con- action betw	chance* that y ditional proba een now and Increase	you attach to bility distribu the end of 2 Occurs at Ist FOMC	the following	g possible ssigned a

*Responses should add up to 100 percent.

3e) Please indicate the percent chance* that you attach to the target federal funds rate or range falling in each of the following ranges <u>at the end of 2018</u>, conditional on the following possible scenarios for the direction and timing of the Committee's next policy action <u>between now and the end of 2018</u>. Only fill out the conditional probability distributions for which you assigned a non-zero probability to the conditioning event occurring. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 1.00%	1.01 - 1.25%	1.26 - 1.50%	1.51 - 1.75%	1.76 - 2.00%	2.01 - 2.25%	2.26 - 2.50%	≥ 2.51%
Next change is an increase, occurs at Jun. FOMC meeting or earlier:								
Next change is an increase, occurs at Jul./Aug. FOMC meeting or later:								
	< 0.0%	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%
Next change is a decrease:								

*Responses across each row should add up to 100 percent.

3f-i) Please indicate the percent chance* that you attach to the target federal funds rate or range falling in each of the following ranges <u>at the end of 2019 and 2020</u>, <u>conditional on **not** moving to the zero lower bound (ZLB) at any point between now and the end of 2020</u>. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	≥ 3.51%
Year-end 2019:							
Year-end 2020:							

*Responses across each row should add up to 100 percent.

3f-ii) Please indicate the percent chance that you attach to moving to the ZLB at some point between <u>now and the end</u> <u>of 2020</u>.

Probability of moving to the ZLB at some point between now and the end of 2020:

3f-iii) 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 2019 and 2020, conditional on moving to the ZLB at some point between now and the end of 2020. Only fill out these conditional probability distributions if you assigned a non-zero probability to moving to the ZLB at some point between now and the end of 2020. If you expect a target range, please use the midpoint of that range in providing your response.

	< 0.00%	0.00 - 0.25%	0.26 - 0.50%	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	≥ 2.51%
Year-end 2019:								
Year-end 2020:								

*Responses across each row should add up to 100 percent.

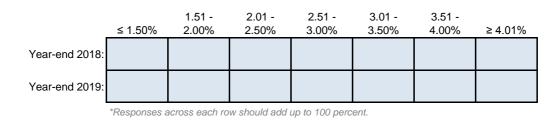
3f-iv) What is your estimate of the target federal funds rate or range at the effective lower bound?

Level of the target federal funds rate or range at the effective lower bound (in percent):

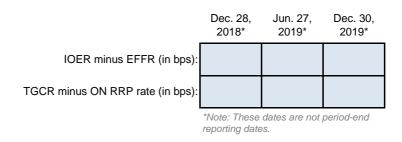
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ent):	

3g) For parts a-f, please explain the factors behind any change to your expectations, where applicable, since the last policy survey.

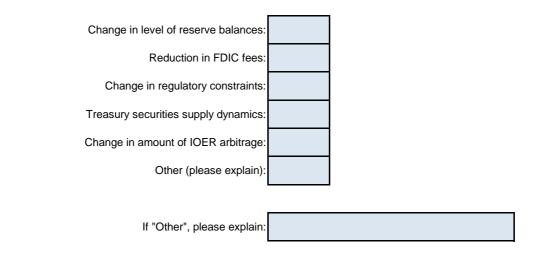
4) Please indicate the percent chance* that you attach to the 10-year Treasury yield falling in each of the following ranges at the end of 2018 and 2019.



5a) Since the beginning of April, the spread between interest on excess reserves (IOER) and the effective federal funds rate (EFFR) has averaged +6 basis points, and the spread between the Tri-party General Collateral Rate (TGCR) and the overnight reverse repurchase (ON RRP) rate has averaged +21 basis points. Please provide your estimate for the IOER-EFFR and TGCR-ON RRP rate spreads on each of the following dates.



5b) Please rate the importance of the following factors in influencing the change, if any, in the spread between IOER and EFFR between now and December 30, 2019. (5=very important, 1=not important)



5c) Please provide your estimate of the most likely level of the spread between the level of interest on excess reserves (IOER) and the effective federal funds rate (EFFR) conditional on each of the following levels of reserve balances. Current Reserves (\$ billions): 2129 2000 1750 1500 1250 1000 750 500 **IOER** minus EFFR +6 (in bps)

	-	pacts from	-							
							n 2-year and 1 to expected T			
								2-year	10-year	
	Chang	e in yields si	ince Septem	ber 2017 FO		attributable t nce expectati				
Exped	cted cha	ange in yield	ls <u>by year-er</u>	nd 2018 attrib		pected Treas				
Ex	pected	change in y	ields <u>over ca</u>	lendar year 2	2019 attributa	able to expec	ted Treasury			
						issua	ince (in bps):			
7a) Provid	de your 2018 2	estimate of 2019 and 20	the most like	ely outcome f	for the U.S. f	ederal fiscal o	deficit (as a p	ercent of GD	P) for fiscal	
jeare	2010,2									
	Estima	ate for U.S. f	iederal fiscal	FY 2018	FY 2019	FY 2020	1			
	_ 50110		deficit:]			
7b) Pleas	e expla	in changes	to your estim	ates in part a	a since the la	ast policy surv	/ey, where ap	plicable.		
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7b) Pleas	e expla	in changes	to your estim	ates in part a	a since the la	ast policy surv	vey, where ap	plicable.		
									ate from	
Sa) For th April 1	e outcc I, 2018	omes below, - March 31,	provide the	percent char	nce* you atta	ch to the ann	vey, where ap ual average <u>(</u> e also provide	CPI inflation	rate from estimate for	
Sa) For th April 1	e outcc I, 2018	omes below,	provide the	percent char	nce* you atta	ch to the ann	ual average (CPI inflation	rate from estimate for	
8a) For th April 1 the m	e outcc I, 2018 ost likel	omes below, - March 31, ly outcome. 1.01 -	provide the 2023 falling 1.51 -	percent char in each of th 2.01 -	nce* you atta le following r 2.51 -	ch to the ann anges. Pleas	ual average (CPI inflation	rate from estimate for	
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