SURVEY OF MARKET PARTICIPANTS
NOVEMBER 2024

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, October 28th 2:00pm Eastern Time** to the questions below. Your time and input are greatly appreciated.

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

Current economic conditions:

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

Communication on tools other than the target federal funds rate:

Other:

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

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 years below. For the time periods at which you expect a target range, please indicate the midpoint of that range in providing your response (e.g. for 1.00-1.25 percent enter 1.125, not 0.0125).

FOMC Meetings

	Nov 6-7, 2024	Dec 17-18, 2024	Jan 28-29, 2025	Mar 18-19, 2025	May 6-7, 2025	Jun 17-18, 2025	Jul 29-30, 2025
Target rate / midpoint of target range (percent, out to three decimal places):							

Quarters

	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4
Target rate / midpoint of target range (percent, out to three decimal places):						

Years

	2027	2028
Target rate / midpoint of target range (percent):		

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. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Longer run (percent):	
Expectation for average federal funds rate over next 10 years (percent):	

3c) Please indicate the percent chance* that you attach to the target federal funds rate or range falling in each of the following ranges immediately following the November FOMC meeting and at the end of 2024 and 2025. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 3.50%	3.51 - 3.75%	3.76 - 4.00%	4.01 - 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	≥ 5.51%	Total
November 6-7**:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Year-end 2024:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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%	Total
Year-end 2025:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses across each row should add up to 100 percent.

***Bins were chosen with consideration to responses to questions 2a and 2c in the September 2024 SPD and SMP.*

3d) Please indicate the percent chance* that you attach to the <u>lowest</u> level of the target range for the federal funds rate before the target range is next <u>increased</u> falling in each of the following ranges.

≤ 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%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses should add up to 100 percent. Bins were chosen with consideration to responses to question 2a in the September 2024 SPD and SMP.

3e) Please indicate the percent chance* that you attach to the longer run target federal funds rate — the level the target federal funds rate would be expected to converge to under appropriate monetary policy and in the absence of further shocks to the economy — falling in each of the following ranges.

≤ 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	≥ 3.51%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses should add up to 100 percent.

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.

<u>Average level</u> over each period ($ billions)

Note: U.S. Treasuries and Agency MBS do not need to sum to Total Assets*

	September 2024 (Actual**)	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025
U.S. Treasuries:	4386						
Agency MBS:	2295						
Total Assets*:	7153						

Average level over each period ($ billions)

Note: U.S. Treasuries and Agency MBS do not need to sum to Total Assets*

	2025 Q2	2025 Q3	2025 Q4	2026 Q4
U.S. Treasuries:				
Agency MBS:				
Total Assets*:				

**Refers to total factors supplying reserve funds in H.4.1.*

***Average of H.4.1 weekly averages of daily figures.*

4b) Please indicate the period in which you expect the SOMA portfolio to cease to decline, and 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 agreement 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 ($ billions)**:
*Current value: $6,642bn****

Size of reserves ($ billions)****:
*Current value: $3,229bn****

Take-up at the overnight reverse repurchase agreement facility ($ billions)*****:
*Current value: $272bn****

**Dropdown selections: October 2024, November 2024, December 2024, January 2025, February 2025, March 2025, April 2025, May 2025, June 2025, July 2025, August 2025, September 2025, October 2025, November 2025, December 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: $0-250bn, $251-500bn, $501-750bn, $751-1000bn, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501-2750bn, $2751-3000bn, $3001-3250bn, $3251-3500bn, $3501-3750bn, $3751-4000bn, $4001-4250bn, $4251-4500bn, $4501-4750bn, $4751-5000bn, $5001-5250bn, $5251-5500bn, $5501-5750bn, $5751-6000bn, $6001-6250bn, $6251-6500bn, $6501-6750bn.*

****Most recent H.4.1, as of October 16, 2024.*

*****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.*

4c) 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 October 16, 2024 was $6,642 billion according to the most recent H.4.1 release.

$5000bn or smaller	$5001-5250bn	$5251-5500bn	$5501-5750bn	$5751-6000bn	$6001-6250bn	$6251-6500bn	$6501-6750bn	$6751bn or larger	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

**Responses should add up to 100 percent.*

4d) Please discuss factors behind your baseline expectation for when the SOMA portfolio will cease to decline. Please also discuss the distribution of outcomes around your baseline.

5) The table below lists the average spreads of selected money market rates* over the past week. Please provide your expectation for each of these rate spreads for the day after each of the FOMC meetings. Please ensure your signs are correct and please do not include decimal places.

FOMC Meetings

	Average over past week	Nov 6-7	Dec 17-18	Jan 28-29	Mar 18-19
Top of target range** minus IORB (in bps):	10				
EFFR minus IORB (in bps):	-7				
SOFR minus IORB (in bps):	-5				
Bottom of target range** minus ON RRP (in bps):	-5				
3m U.S. Treasury bill yield minus 3m fed funds OIS (in bps):	3				

**Listed rates include the interest on reserve balances (IORB) rate, effective federal funds rate (EFFR), Secured Overnight Financing Rate (SOFR), overnight reverse repurchase agreement (ON RRP) rate, and 3-month fed funds overnight index swap rate (3m OIS).*
***Target range for the federal funds rate.*

6) Please provide your estimate of the most likely level of the spread between the level of the effective federal funds rate (EFFR) and interest on reserve balances (IORB) conditional on each of the following hypothetical levels of combined reserve balances and take-up at the overnight reverse repurchase agreement facility.

Reserves Plus Overnight Reverse Repurchases ($ billions):

	4000	3750	Current* 3501	3250	3000	2750	2500	2250	2000	1750
EFFR minus IORB (in bps):			-7							

**Most recent H.4.1, as of October 16, 2024.*

Please discuss factors behind your expectations.

7) Please provide the percent chance* you attach to the following outcomes for U.S. real GDP growth in 2024 and 2025 (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%	Total
2024 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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%	Total
2025 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

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

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

2024 (Q4/Q4, percent):

2025 (Q4/Q4, percent):

8) Please indicate your modal projections for headline and core PCE inflation for each of the following quarters.* Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	Q3 2024 (saar)	Q4 2024 (saar)	Q1 2025 (saar)	Q2 2025 (saar)	Q3 2025 (saar)
Headline PCE inflation (percent): *Q2 2024 (saar): 2.5% ***					
Core PCE inflation (percent): *Q2 2024 (saar): 2.8% ***					

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

***Third estimate by the Bureau of Economic Analysis.*

9a) Please provide the percent chance* you attach to the following outcomes for headline PCE inflation in 2024 and 2025 (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%	Total
2024 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
2025 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

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

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

2024 (Q4/Q4, percent):

2025 (Q4/Q4, percent):

9b) For the outcomes below, provide the percent chance* you attach to the annual average CPI inflation rate from October 1, 2024 - September 30, 2029 falling in each of the following ranges.

≤ 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%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

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

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Percent:

9c) For the outcomes below, provide the percent chance* you attach to the annual average CPI inflation rate from October 1, 2029 - September 30, 2034 falling in each of the following ranges.

≤ 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%	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

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

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Percent:

10a) What percent chance do you attach to:

the U.S. economy currently being in a recession* (percent)?

the U.S. economy being in a recession* in 6 months (percent)?

the global economy being in a recession** in 6 months (percent)?

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

H1 2024***	H2 2024	H1 2025	H2 2025	H1 2026	No recession by end H1 2026	Total
0 %	0 %	0 %	0 %	0 %	0 %	0 %

**Responses should add up to 100 percent.*

***NBER-defined recession.*

****Percent chance that the economy first entered an NBER-defined recession in H1 2024.*