



SURVEY OF MARKET EXPECTATIONS JANUARY 2025

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 **Tuesday, January 21st 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 January 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

Jan 28-29, 2025	Mar 18- 19, 2025	May 6-7, 2025	Jun 17-18, 2025	Jul 29-30, 2025	Sep 16- 17, 2025	Oct 28-29, 2025
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Target rate / midpoint of target range (percent, out to three decimal places):

Quarters

2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4
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Target rate / midpoint of target range (percent, out to three decimal places):

	≤ 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
Year-end 2026:***	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 December 2024 SPD and SMP.

***Bins were chosen with consideration to responses to question 2a in the December 2024 SPD and SMP.

3d) Please indicate the percent chance* that you attach to the lowest level of the target range for the federal funds rate before the target range is next increased 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.

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.

Average level over each period (\$ billions)

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

	December 2024 (Actual**)	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
U.S. Treasuries:	4312						
Agency MBS:	2245						
Total Assets*:	6940						

Average level over each period (\$ billions)

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

	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 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 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.

The displayed level for total liabilities and capital is computed from total assets in part 4a. For 2025 Q1 through 2025 Q2, monthly averages from part 4a are averaged to reflect quarterly horizons.

Average level over each period (\$ billions)

	2024 Q4 (Actual*)	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Total Liabilities and Capital	7013									

Note: line items below do not need to sum to Total Liabilities and Capital

	2024 Q4 (Actual*)	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Reserves:	3221									
Currency in Circulation:	2359									
Overnight Reverse Repurchase Facility:	227									
Treasury General Account:	791									

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

Average level over each period (\$ billions)

Liabilities:

	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
Reserves	3221									
Currency in Circulation	2359									
Overnight Reverse Repurchase Facility	227									
Treasury General Account	791									
Other Liabilities and Capital	414									
Total Liabilities and Capital	7013									

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

4c) 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: \$6,527bn****

4e) 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) 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 January 14 the yield was roughly 4.80 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

2025 Q1

2025 Q2

2025 Q3

2025 Q4

Percent:

Half-Years

H1 2026

H2 2026

H1 2027

H2 2027

Percent:

Longer run

Percent:

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

**Bins were chosen with consideration to responses to question 12 in the December 2024 SPD.

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).

2025 (Q4/Q4, percent):

2026 (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).

Q4 2024 (saar) Q1 2025 (saar) Q2 2025 (saar) Q3 2025 (saar) Q4 2025 (saar)

Headline PCE inflation
(percent):

Q3 2024 (saar): 1.5% **

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Core PCE inflation
(percent):

Q3 2024 (saar): 2.2% **

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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*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 2025 and 2026 (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
2025 (Q4/Q4):	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %
2026 (Q4/Q4):**	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %

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

**Bins were chosen with consideration to responses to question 12 in the December 2024 SPD.

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).

2025 (Q4/Q4, percent):

2026 (Q4/Q4, percent):

9b) For the outcomes below, provide the percent chance* you attach to the annual average CPI inflation rate from January 1, 2025 - December 31, 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
<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="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 January 1, 2030 - December 31, 2034 falling in each of the following ranges.

$\leq 0.50\%$	0.51 - 1.00%	1.01 - 1.50%	1.51 - 2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	$\geq 3.51\%$	Total
<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="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?

H2 2024***	H1 2025	H2 2025	H1 2026	H2 2026	No recession by end H2 2026	Total
<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %	<input type="text" value="0"/> %

**Responses should add up to 100 percent.*

***NBER-defined recession.*

****Percent chance that the economy first entered an NBER-defined recession in H2 2024.*

11) Provide your estimate of the most likely outcome for output, inflation, and unemployment. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	Real GDP (Q4/Q4 Growth)*	Core PCE Inflation (Q4/Q4)	Headline PCE Inflation (Q4/Q4)**	Unemployment Rate (Q4 Average Level)
2025 (percent):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2026 (percent):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2027 (percent):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Longer run (percent):	<input type="text"/>	NA	<input type="text"/>	<input type="text"/>

*Responses for real GDP growth in 2025 and 2026 are pulled directly from point estimate values provided in question 7.

**Responses for headline PCE inflation in 2025 and 2026 are pulled directly from point estimate values provided in question 9a.