

RESPONSES TO THE SURVEY OF MARKET EXPECTATIONS

Markets Group, Federal Reserve Bank of New York



JULY 2025

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The **Survey of Market Expectations** 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, the 25th, median, and 75th percentiles across respondents are reported. For questions that ask respondents to give a probability distribution, the average across respondents for each potential outcome is reported.¹ Brief summaries of the comments received in free response form are also provided.

The survey was sent to 56 respondents, and 55 responded. Except where noted, all 55 responded to each question. In some cases, respondents may not have provided complete forecasts (e.g. forecasts may not extend 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.

The survey was distributed to the following respondents:

- AGNC Investment Corp.
- Annaly Capital Management, Inc.
- Apollo Management
- Appaloosa Management L.P.
- ASL Capital Markets Inc.
- Bank of Montreal, Chicago Branch
- Bank of Nova Scotia, New York Agency
- Barclays Capital Inc.
- Bessemer Investment Management
- BlackRock
- BNP Paribas Securities Corp.
- BofA Securities, Inc.
- Cantor Fitzgerald & Co.
- Caxton Associates LP
- Citadel LLC
- Citigroup Global Markets Inc.
- D. E. Shaw & Co., L.P.
- Daiwa Capital Markets America Inc.
- Deutsche Bank Securities Inc.
- Dreyfus
- Eaton Vance
- Federated Investment Management Company
- Fidelity Management and Research
- Goldman Sachs & Co. LLC
- Guggenheim Partners
- HSBC Securities (USA) Inc.
- Invesco Ltd. (formerly Oppenheimer Funds)
- J.P. Morgan Asset Management
- J.P. Morgan Securities LLC
- Jefferies LLC
- Kynikos Associates
- Microsoft Corporation
- Millennium Management, LLC
- Mizuho Securities USA LLC
- Moore Capital Management LLC
- Morgan Stanley & Co. LLC
- NatWest Markets Securities Inc.
- Nomura Securities International, Inc.
- PIMCO
- RBC Capital Markets, LLC
- Santander US Capital Markets LLC
- Schonfeld Strategic Advisors LLC
- SMBC Nikko Securities America, Inc.
- Societe Generale, New York Branch
- State Street Global Advisors Trust Company
- TD Securities (USA) LLC
- Teacher Retirement System of Texas
- The Carlyle Group
- The Travelers Companies, Inc.
- The University of Texas/Texas A&M Investment Management Company
- Tudor Investment Corporation
- UBS Asset Management (Americas) LLC
- UBS Securities LLC.
- Vanguard
- Wellington Management
- Wells Fargo Securities, LLC

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

Current economic conditions:

(55 responses)

Most respondents indicated they expected little or no change. Some respondents indicated they expected an adjustment or removal of language on net exports. Some respondents indicated they expected an adjustment in language to reflect some moderation in economic activity.

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

(55 responses)

Most respondents indicated they expected little or no change. Some respondents expected a removal of the word “diminished” from the description of uncertainty.

Communication on tools other than the target federal funds rate:

(53 responses)

Most respondents indicated they expected little or no change.

Other:

(42 responses)

Most respondents indicated they expected little or no change. Some respondents indicated they expected at least one dissent.

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

(54 responses)

Some respondents indicated they expected the Chair to reiterate a patient or wait-and-see approach to policy. In this context, some respondents expected the Chair to note that a patient approach is possible given the solid labor market, and some expected the Chair to link this patient approach to uncertainty about tariffs. Some respondents indicated they expected the Chair to reference uncertainty around the economic and policy outlook. Some respondents indicated they expected questions on Fed independence. Some respondents indicated they expected the Chair to reiterate that any future adjustments in the target range for the federal funds rate would remain dependent on incoming economic data, and some expected the Chair to reiterate that policy is well positioned. Some respondents expected the Chair to suggest the potential for easing at the September meeting or this year, depending on data, and several respondents expected the Chair to suggest that the September meeting is live or open.

Some respondents indicated they expected the Chair to reference the impact of tariffs on inflation data. Some expected the Chair to reference the solid labor market, and some expected a reference to the solid economy. Several respondents expected the Chair to characterize the impact of tariffs on inflation data as limited. Several expected the Chair to reference inflation being above target or to reference inflation risks, and several expected the

Chair to reference the potential for persistent inflation. Several respondents indicated they expected the Chair to reference a slowing in the labor market. Several respondents expected the Chair to reference risks to both sides of the dual mandate. Several respondents expected the Chair to emphasize the importance of price stability or anchored inflation. Several respondents expected the Chair's communications to be similar to his June 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.

Number of Respondents	
1 - Ineffective	1
2	2
3	15
4	27
5 - Effective	10
# of Respondents	55

Please explain.
(52 responses)

With regard to communications viewed as being clear or effective, some respondents referenced communications on the Committee's patient or data dependent approach to policy, and some respondents referenced the range of views among members of the Committee. With regard to communications viewed as being unclear or ineffective, some respondents referenced the divergence in views among members of the Committee as well as the potential for a dissent at the July meeting, and some respondents referenced the lack of detail on the path of policy and drivers of policy as well as the reaction function.

- 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.

	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10	Jan. 27-28	Mar. 17-18	Apr. 28-29
25th Percentile	4.38%	4.13%	4.13%	3.88%	3.88%	3.63%	3.50%
Median	4.38%	4.13%	4.13%	3.88%	3.88%	3.63%	3.63%
75th Percentile	4.38%	4.38%	4.38%	4.13%	4.13%	3.88%	3.88%
# of Respondents	55	55	55	55	55	55	55

	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028	2029
25th Percentile	3.38%	3.13%	3.13%	2.88%	3.06%	2.88%	2.88%	2.88%	2.88%
Median	3.63%	3.38%	3.38%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
75th Percentile	3.88%	3.63%	3.63%	3.38%	3.38%	3.38%	3.38%	3.50%	3.63%
# of Respondents	55	55	55	48	48	48	48	49	49

- 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.

	10-yr Average FF Rate	Longer Run
25th Percentile	3.00%	2.88%
Median	3.13%	3.13%
75th Percentile	3.50%	3.38%
# of Respondents	55	55

- 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 July and September FOMC meetings and at the end of 2025 and 2026. If you expect a target range, please use the midpoint of that range in providing your response.

Federal Funds Rate or Range after the July 2025 FOMC Meeting										
	<= 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 %
Average	0%	0%	0%	5%	94%	0%	0%	0%	0%	0%

Federal Funds Rate or Range after the September 2025 FOMC Meeting										
	<= 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 %
Average	0%	0%	4%	45%	50%	0%	0%	0%	0%	0%

Federal Funds Rate or Range at the End of 2025										
	<= 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 - 4.25 %	4.26 - 4.50 %	>= 4.51 %
Average	2%	1%	1%	3%	7%	14%	26%	24%	19%	2%

Federal Funds Rate or Range at the End of 2026										
	<= 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 %
Average	2%	2%	3%	5%	9%	18%	23%	23%	12%	4%

- 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%
Average	5%	2%	4%	6%	14%	22%	21%	17%	10%	0%

- 4)** The following matrix lays out hypothetical scenarios in which the realized levels of the 2025 unemployment rate (Q4 average level) and 2025 core PCE inflation (Q4/Q4 growth) are either 50 basis points above, below, or equal to the medians of FOMC participants' projections for these indicators in the current (June 2025) Summary of Economic Projections (SEP). For example, the upper left box represents a scenario in which the unemployment rate and core PCE inflation are both 50 basis points below the current SEP medians.

For each of the following scenarios, please indicate the level of the target federal funds rate or range that you expect would prevail at the end of Q4 2025. If you expect a target range, please indicate the midpoint of that range in providing your response. Please provide your responses out to three decimal places.

(50 responses)

25th Percentile Responses		2025 Unemployment Rate (Q4 average level)		
		-50 bps	4.5%	+50 bps
2025 Core PCE Inflation (Q4/Q4 growth)	-50 bps	3.88%	3.63%	3.13%
	3.1%	4.13%	3.88%	3.38%
	+50 bps	4.38%	4.13%	3.63%

Median Responses		2025 Unemployment Rate (Q4 average level)		
		-50 bps	4.5%	+50 bps
2025 Core PCE Inflation (Q4/Q4 growth)	-50 bps	3.88%	3.63%	3.38%
	3.1%	4.38%	3.88%	3.63%
	+50 bps	4.38%	4.38%	3.88%

75th Percentile Responses		2025 Unemployment Rate (Q4 average level)		
		-50 bps	4.5%	+50 bps
2025 Core PCE Inflation (Q4/Q4 growth)	-50 bps	4.13%	3.88%	3.63%
	3.1%	4.38%	4.13%	3.63%
	+50 bps	4.38%	4.38%	4.13%

5a) 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)						
	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025
25th Percentile	4,207	4,202	4,197	4,192	4,187	4,182
Median	4,207	4,202	4,197	4,192	4,187	4,182
75th Percentile	4,207	4,202	4,198	4,195	4,199	4,209
# of Respondents	48	48	48	48	48	48

Expectations for the Average Level of MBS in the SOMA Portfolio (\$ billions)						
	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025
25th Percentile	2,130	2,110	2,092	2,075	2,057	2,041
Median	2,133	2,117	2,101	2,086	2,069	2,053
75th Percentile	2,135	2,120	2,105	2,090	2,075	2,060
# of Respondents	48	48	48	48	48	48

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet (\$ billions)						
	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025
25th Percentile	6,694	6,670	6,650	6,627	6,606	6,585
Median	6,703	6,681	6,659	6,640	6,621	6,604
75th Percentile	6,705	6,685	6,665	6,647	6,628	6,620
# of Respondents	48	48	48	48	48	48

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio (\$ billions)					
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	4,173	4,197	4,242	4,296	4,565
Median	4,205	4,251	4,308	4,389	4,695
75th Percentile	4,264	4,317	4,374	4,467	4,882
# of Respondents	47	47	47	47	43

Expectations for the Average Level of MBS in the SOMA Portfolio (\$ billions)					
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	1,996	1,944	1,890	1,836	1,631
Median	2,015	1,966	1,916	1,868	1,688
75th Percentile	2,030	1,985	1,942	1,898	1,720
# of Respondents	47	47	47	47	43

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet (\$ billions)					
	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	6,548	6,517	6,515	6,536	6,621
Median	6,591	6,599	6,608	6,616	6,724
75th Percentile	6,638	6,656	6,669	6,690	6,896
# of Respondents	47	46	46	46	42

5b) 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)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	3,045	2,865	2,836	2,809	2,794	2,796	2,809
Median	3,121	2,916	2,893	2,871	2,862	2,866	2,897
75th Percentile	3,202	3,006	2,950	2,951	2,939	2,948	3,026
# of Respondents	40	40	40	40	40	40	36

Expectations for the Average Level of Currency in Circulation (\$ billions)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	2,397	2,410	2,419	2,435	2,446	2,458	2,499
Median	2,404	2,419	2,434	2,447	2,462	2,482	2,539
75th Percentile	2,407	2,429	2,449	2,468	2,489	2,524	2,591
# of Respondents	40	40	40	40	40	40	36

Expectations for the Average Level of Overnight Reverse Repo Take-up (\$ billions)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	52	40	19	20	18	20	10
Median	100	59	50	50	50	50	40
75th Percentile	150	100	100	100	100	100	100
# of Respondents	40	40	40	40	40	40	36

Expectations for the Average Level of the Treasury General Account Balance (\$ billions)							
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q4
25th Percentile	572	746	769	769	769	788	800
Median	667	832	850	850	850	850	850
75th Percentile	800	850	850	850	850	850	850
# of Respondents	40	40	40	40	40	40	36

- 5c)** 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. Conditional on SOMA next increasing in order to maintain ample reserves over time, as outlined in the May 2022 Plans for Reducing the Size of the Federal Reserve's Balance Sheet, please also indicate the period and the level of reserves when you expect SOMA to increase through reserve management purchases.

	Period in which SOMA portfolio ceases to decline*	Size of SOMA portfolio when it ceases to decline (\$ billions)**	Size of reserves when SOMA ceases to decline (\$ billions)***	Take-up at the overnight reverse repurchase agreement facility when SOMA ceases to decline (\$ billions)****
25th Percentile	Nov. '25	6,125	2,875	125
Median	Jan. '26	6,125	2,875	125
75th Percentile	Mar. '26	6,375	2,875	125
# of Respondents	49	49	49	49

	Period in which you expect reserve management purchases to begin*†	Level of reserves when reserve management purchases begin (\$ billions)***†
25th Percentile	Apr. '26	2,875
Median	Oct. '26	2,875
75th Percentile	Feb. '27	2,875
# of Respondents	45	46

*Dropdown selections: July 2025, August 2025, September 2025, October 2025, November 2025, December 2025, January 2026, February 2026, March 2026, April 2026, May 2026, June 2026, July 2026, August 2026, September 2026, October 2026, November 2026, December 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.

***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.

† Conditional on SOMA next increasing in order to maintain ample reserves over time.

- 5d)** 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 July 9, 2025 was \$6,349 billion according to the most recent H.4.1 release.
(46 responses)

	\$5000bn or smaller	\$5001- 5250bn	\$5251- 5500bn	\$5501- 5750bn	\$5751- 6000bn	\$6001- 6250bn	\$6251- 6500bn	\$6501- 6750bn	\$6751bn or larger
Average	1%	1%	1%	4%	14%	46%	33%	0%	0%

- 5e) 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.
(42 responses)

Many respondents indicated they expected the end of balance sheet runoff to be determined by liability management considerations; some respondents emphasized assessments of certain thresholds of reserves as a share of nominal GDP or bank assets, while some respondents cited nominal reserve levels. Some respondents viewed the distribution of outcomes as skewed toward an earlier end to runoff or a larger SOMA portfolio versus their baseline expectations. Some respondents viewed the distribution of outcomes as skewed toward a later end of runoff or a smaller SOMA portfolio versus their baseline expectations. Some expected maturing MBS would be reinvested in Treasury securities once the reduction in the size of the balance sheet has been completed. Several respondents viewed the rebuild of the Treasury General Account and changes in the associated composition of balance sheet liabilities as the determining factor for the next change in balance sheet policy. Several cited upward pressure on money market rates relative to administered rates as the determining factor for the next change in balance sheet policy. Several respondents expected the runoff of MBS holdings to continue indefinitely.

- 6) Please provide your expectation for each of the selected money market rate spreads* for the day after each of the FOMC meetings.

Top of target range** minus IORB (in bps)				
	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10
25th Percentile	10.0	10.0	10.0	10.0
Median	10.0	10.0	10.0	10.0
75th Percentile	10.0	10.0	10.0	10.0
# of Respondents	41	41	41	41

EFFR minus IORB (in bps)				
	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10
25th Percentile	-7.0	-7.0	-7.0	-7.0
Median	-7.0	-7.0	-7.0	-7.0
75th Percentile	-7.0	-7.0	-7.0	-6.0
# of Respondents	41	41	41	41

SOFR minus IORB (in bps)				
	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10
25th Percentile	-8.0	-7.0	-7.0	-6.0
Median	-6.5	-5.0	-5.0	-4.5
75th Percentile	-5.0	-4.0	-3.0	-2.0
# of Respondents	40	40	40	40

Bottom of target range** minus ON RRP rate (in bps)				
	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10
25th Percentile	0.0	0.0	0.0	0.0
Median	0.0	0.0	0.0	0.0
75th Percentile	0.0	0.0	0.0	0.0
# of Respondents	41	41	41	41

3m U.S. Treasury bill yield minus 3m OIS (in bps)				
	Jul. 29-30	Sep. 16-17	Oct. 28-29	Dec. 9-10
25th Percentile	5.0	5.0	5.0	5.0
Median	5.0	6.0	6.0	5.5
75th Percentile	6.0	7.0	7.0	7.3
# of Respondents	40	40	40	40

*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.

- 7) Please provide the percent chance you attach to the following outcomes for U.S. real GDP growth in 2025 and 2026 (Q4/Q4).
(27 responses)

Probability Distribution of U.S. Real GDP Growth in 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%
Average	2%	2%	5%	10%	24%	29%	18%	7%	1%	1%

Probability Distribution of U.S. Real GDP Growth in 2026 (Q4/Q4)										
	<= 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%
Average	4%	5%	11%	21%	21%	17%	10%	6%	3%	2%

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

U.S. Real GDP Modal Point Estimates (Q4/Q4)		
	2025	2026
25th Percentile	0.90%	1.60%
Median	1.10%	1.80%
75th Percentile	1.40%	2.00%
# of Respondents	53	53

- 8) Please indicate your modal projections for headline and core PCE inflation for each of the following quarters.*

Headline PCE Inflation Quarterly Modal Point Estimates					
	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)
25th Percentile	1.9%	3.0%	2.9%	2.4%	2.1%
Median	1.9%	3.3%	3.1%	2.7%	2.3%
75th Percentile	2.1%	3.6%	3.5%	3.0%	2.6%
# of Respondents	51	51	51	51	51

Core PCE Inflation Quarterly Modal Point Estimates					
	Q2 2025 (saar)	Q3 2025 (saar)	Q4 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)
25th Percentile	2.3%	3.1%	3.0%	2.5%	2.3%
Median	2.3%	3.5%	3.2%	2.8%	2.5%
75th Percentile	2.5%	3.7%	3.5%	3.0%	2.7%
# of Respondents	52	52	52	52	52

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

- 9a) Please provide the percent chance you attach to the following outcomes for headline PCE inflation in 2025 and 2026 (Q4/Q4).
(52 responses)

Probability Distribution of Headline PCE Inflation in 2025 (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	2%	2%	7%	15%	25%	25%	14%	7%	2%	1%

Probability Distribution of Headline PCE Inflation in 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%
Average	2%	3%	10%	20%	23%	18%	11%	7%	3%	3%

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

Headline PCE Inflation Modal Point Estimates (Q4/Q4)		
	2025	2026
25th Percentile	2.90%	2.20%
Median	3.00%	2.38%
75th Percentile	3.10%	2.60%
# of Respondents	52	52

- 9b)** For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from July 1, 2025 – June 30, 2030 falling in each of the following ranges.
(27 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%	31%	13%	5%

	Most Likely Outcome
25th Percentile	2.50%
Median	2.50%
75th Percentile	2.60%
# of Respondents	51

- 9c)** For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from July 1, 2030 – June 30, 2035 falling in each of the following ranges.
(51 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%	6%	18%	41%	22%	7%	4%

	Most Likely Outcome
25th Percentile	2.25%
Median	2.30%
75th Percentile	2.46%
# of Respondents	52

- 10a)** 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	5%	20%	20%
Median	8%	25%	26%
75th Percentile	10%	35%	35%
# of Respondents	54	54	52

**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?
(54 responses)

	H1 2025**	H2 2025	H1 2026	H2 2026	H1 2027	No recession by end H1 2027
Average	4%	21%	15%	11%	8%	41%

**NBER-defined recession*

***Percent chance that the economy first entered an NBER-defined recession in H1 2025.*

- 11)** Provide your estimate of the most likely outcome for output, inflation, and unemployment.
(42 responses)

		2025	2026	2027	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	0.90%	1.60%	1.80%	1.80%
	Median	1.10%	1.80%	2.00%	1.90%
	75th Percentile	1.43%	2.01%	2.10%	2.00%
Core PCE Inflation (Q4/Q4)	25th Percentile	3.00%	2.23%	2.00%	-
	Median	3.13%	2.40%	2.10%	-
	75th Percentile	3.30%	2.68%	2.40%	-
Headline PCE Inflation (Q4/Q4)	25th Percentile	2.90%	2.20%	2.00%	2.00%
	Median	3.00%	2.36%	2.19%	2.00%
	75th Percentile	3.10%	2.60%	2.30%	2.03%
Unemployment Rate (Q4 Average Level)	25th Percentile	4.40%	4.20%	4.20%	4.00%
	Median	4.40%	4.40%	4.20%	4.20%
	75th Percentile	4.50%	4.60%	4.38%	4.30%