SURVEY OF MARKET EXPECTATIONS
JANUARY 2026

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 20th 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 27-28, 2026	Mar 17-18, 2026	Apr 28-29, 2026	Jun 16-17, 2026	Jul 28-29, 2026	Sep 15-16, 2026	Oct 27-28, 2026
Target rate / midpoint of target range (percent, out to three decimal places):							

Quarters

	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4
Target rate / midpoint of target range (percent, out to three decimal places):									

Years

	2029	2030
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 January and March FOMC meetings and at the end of 2026 and 2027. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 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%	Total
January 27-28:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
March 17-18:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

	≤ 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 %
Year-end 2027:**	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 question 2a in the December 2025 SME.*

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.

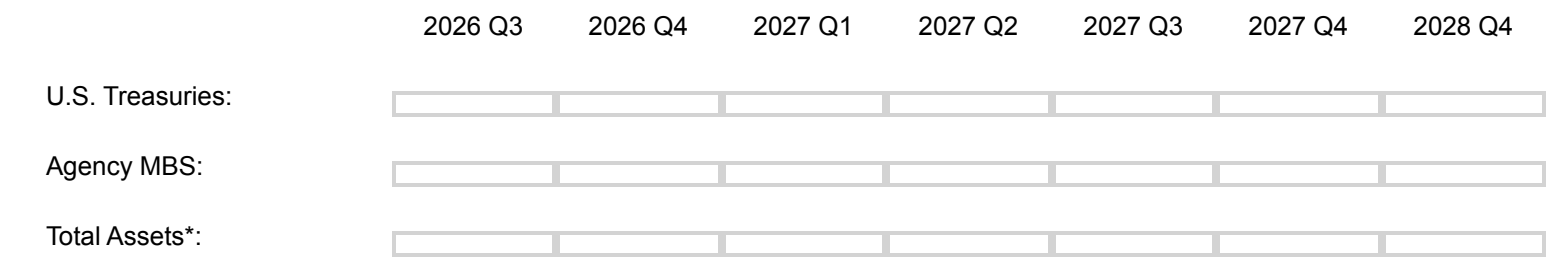
Average level over each period ($ billions)

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

	December 2025 (Actual**)	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026
U.S. Treasuries:	4204						
Agency MBS:	2051						
Total Assets*:	6612						

Average level over each period ($ billions)

Note: U.S. Treasuries and Agency MBS do not need to sum to 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 2026 Q1 through 2026 Q2, monthly averages from part 4a are averaged to reflect quarterly horizons.

Average level over each period ($ billions)

	2025 Q4 (Actual*)	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
Total Liabilities and Capital	6625									

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

	2025 Q4 (Actual*)	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
Reserves:	2920									
Currency in Circulation:	2424									
Overnight Reverse Repurchase Facility:	9									
Treasury General Account:	887									

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

4c) According to the implementation note issued December 10, 2025, the FOMC directed the Open Market Desk to "increase the System Open Market Account holdings of securities through purchases of Treasury bills and, if needed, other Treasury securities with remaining maturities of 3 years or less to maintain an ample level of reserves."

Please provide your expectation ($ billions) for the amount of reserve management purchases of Treasury securities (in excess of MBS reinvestments) during the monthly purchase periods* below. If you expect any of these amounts to be zero in a given period, please enter 0.

	Mid-Dec. 2025 to mid-Jan. 2026	Mid-Jan. to mid-Feb. 2026	Mid-Feb. to mid-Mar. 2026	Mid-Mar. to mid-Apr. 2026	Mid-Apr. to mid-May 2026	Mid-May to mid-Jun. 2026	Mid-Jun. to mid-Jul. 2026	Mid-Jul. to mid-Aug. 2026
U.S. Treasury Bills ($ billions):	40							
U.S. Treasury Notes & Bonds, Maturing in Under 3 Years ($ billions):	0							

**The Desk publishes a tentative monthly schedule of purchase operations expected to take place between the middle of the month and the middle of the following month. For more information on reserve management purchases, please see the FAQs on the New York Fed website.*

4d) Please discuss factors behind your baseline expectation for reserve management purchases. 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 13 the yield was roughly 4.18 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

	2026 Q1	2026 Q2	2026 Q3	2026 Q4
Percent:				

Half-Years

	H1 2027	H2 2027	H1 2028	H2 2028
Percent:				

	Longer run
Percent:	

6) Provide your estimate of the most likely outcome for the 30-year fixed primary mortgage rate at the end of each period below. In addition, provide your estimate of the longer-run level of the 30-year fixed primary mortgage rate. For reference, as of January 8 the rate was roughly 6.15 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

	2026 Q1	2026 Q2	2026 Q3	2026 Q4
Percent:				

Half-Years

	H1 2027	H2 2027	H1 2028	H2 2028
Percent:				

	Longer run
Percent:	

7a) Please provide the 1st and 99th percentiles of your distribution of expectations for U.S. real GDP growth in 2026 (Q4/Q4). Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Note: The 1st percentile, p1, is the value such that the probability of U.S. real GDP growth being less than p1 is 1%, and the 99th percentile, p99, is the value such that the probability of U.S. real GDP growth being more than p99 is 1%.

	1st percentile	99th percentile
2026 (Q4/Q4):		

Please provide the percent chance* you attach to the following outcomes for U.S. real GDP growth in 2026 (Q4/Q4). Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

	≤ 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
2026 (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).

2026 (Q4/Q4):	

7b) Please provide the 1st and 99th percentiles of your distribution of expectations for U.S. real GDP growth in 2027 (Q4/Q4). Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	1st percentile	99th percentile
2027 (Q4/Q4):		

Please provide the percent chance* you attach to the following outcomes for U.S. real GDP growth in 2027 (Q4/Q4). Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

	≤ 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
2027 (Q4/Q4):**	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 question 10 in the December 2025 SME.*

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).

2027 (Q4/Q4):	

8a) Please provide the 1st and 99th percentiles of your distribution of expectations for the average unemployment rate in Q4 2026. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Note: The 1st percentile, p1, is the value such that the probability of the average unemployment rate being less than p1 is 1%, and the 99th percentile, p99, is the value such that the probability of the average unemployment rate being more than p99 is 1%.

	1st percentile	99th percentile
Q4 2026:		

Please provide the percent chance* you attach to the following outcomes for the average unemployment rate in Q4 2026. Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

	≤ 3.50%	3.51 - 4.00%	4.01 - 4.50%	4.51 - 5.00%	5.01 - 5.50%	5.51 - 6.00%	6.01 - 6.50%	≥ 6.51%	Total
Q4 2026:	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).

Q4 2026:	

8b) Please provide the 1st and 99th percentiles of your distribution of expectations for the average unemployment rate in Q4 2027. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	1st percentile	99th percentile
Q4 2027:		

Please provide the percent chance* you attach to the following outcomes for the average unemployment rate in Q4 2027. Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

	≤ 3.50%	3.51 - 4.00%	4.01 - 4.50%	4.51 - 5.00%	5.01 - 5.50%	5.51 - 6.00%	6.01 - 6.50%	≥ 6.51%	Total
Q4 2027:**	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 question 10 in the December 2025 SME.*

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).

Q4 2027:

9) 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 2025 (saar)	Q1 2026 (saar)	Q2 2026 (saar)	Q3 2026 (saar)	Q4 2026 (saar)
Headline PCE inflation (percent): *Q3 2025 (saar): 2.8% **					
Core PCE inflation (percent): *Q3 2025 (saar): 2.9% **					

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

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

10a) Please provide the 1st and 99th percentiles of your distribution of expectations for headline PCE inflation in 2026 (Q4/Q4). Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Note: The 1st percentile, p1, is the value such that the probability of headline PCE inflation being less than p1 is 1%, and the 99th percentile, p99, is the value such that the probability of headline PCE inflation being more than p99 is 1%.

	1st percentile	99th percentile
2026 (Q4/Q4):		

Please provide the percent chance* you attach to the following outcomes for headline PCE inflation in 2026 (Q4/Q4). Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

	≤ 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
2026 (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).

2026 (Q4/Q4):	

10b) Please provide the 1st and 99th percentiles of your distribution of expectations for headline PCE inflation in 2027 (Q4/Q4). Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

	1st percentile	99th percentile
2027 (Q4/Q4):		

Please provide the percent chance* you attach to the following outcomes for headline PCE inflation in 2027 (Q4/Q4). Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

	≤ 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
2027 (Q4/Q4):**	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 question 10 in the December 2025 SME.*

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).

2027 (Q4/Q4):

10c) Please provide the 1st and 99th percentiles of your distribution of expectations for the annual average CPI inflation rate from January 1, 2026 – December 31, 2030. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Note: The 1st percentile, p1, is the value such that the probability of the five year average CPI inflation rate being less than p1 is 1%, and the 99th percentile, p99, is the value such that the probability of five year average CPI inflation rate being more than p99 is 1%.

1st percentile	99th percentile

Please provide the percent chance* you attach to the annual average CPI inflation rate from January 1, 2026 – December 31, 2030 falling in each of the following ranges. Please ensure the probabilities are consistent with the 1st and 99th percentiles you provided above.

≤ 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 %

**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:

10d) Please provide the 1st and 99th percentiles of your distribution of expectations for the annual average CPI inflation rate from January 1, 2031 – December 31, 2035. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

1st percentile	99th percentile

Please provide the percent chance* you attach to the annual average CPI inflation rate from January 1, 2031 – December 31, 2035 falling in each of the following ranges.

≤ 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 %

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:

11) 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.

12) 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)***
2026 (percent):				
2027 (percent):				
2028 (percent):				
Longer run (percent):		NA		

**Responses for real GDP growth in 2026 and 2027 are pulled directly from point estimate values provided in question 7.*

***Responses for headline PCE inflation in 2026 and 2027 are pulled directly from point estimate values provided in question 10.*

****Responses for the average unemployment rates in Q4 2026 and Q4 2027 are pulled directly from point estimate values provided in question 8.*