RESPONSES TO THE SURVEY OF MARKET EXPECTATIONS

Markets Group, Federal Reserve Bank of New York

JULY 2026

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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 65 respondents, and 63 responded. Except where noted, all 63 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.
- AustralianSuper
- Balyasny Asset Management L.P.
- 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
- Chanos & Co.
- Citadel LLC
- Citigroup Global Markets Inc.
- Columbia Threadneedle Investments
- Credit Agricole CIB
- D. E. Shaw & Co., L.P.
- Daiwa Capital Markets America Inc.
- Deutsche Bank Securities Inc.
- Dreyfus
- Federated Investment Management Company
- Fidelity Management and Research
- Goldman Sachs & Co. LLC
- Guggenheim Partners
- HSBC Securities (USA) Inc.
- III Capital Management
- Invesco Ltd.
- J.P. Morgan Asset Management
- J.P. Morgan Securities LLC
- Jefferies LLC
- Lazard
- MetLife Investment Management
- Microsoft Corporation
- Millennium Management, LLC
- Mizuho Securities USA LLC
- Moore Capital Management LLC
- Morgan Stanley & Co. LLC
- MUFG Securities Americas Inc.
- NatWest Markets Securities Inc.
- Nomura Securities International, Inc.
- PGIM
- PIMCO
- RBC Capital Markets, LLC
- Santander US Capital Markets LLC
- Schonfeld Strategic Advisors LLC
- Schroders
- 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 in the July FOMC statement. Please write N/A if you do not expect any changes.

(36 responses)

Some respondents indicated they expected little or no change. Some respondents indicated they expected two dissents to the FOMC rate decision and some respondents were uncertain if potential dissenting FOMC participants would be identified in the statement. Several respondents expected one dissent. Several respondents expected the language around maintaining an ample level of reserves to be removed.

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

(62 responses)

Many respondents expected the Chairman to discuss the five task forces announced at the June FOMC press conference. Some respondents indicated the Chairman would not provide forward guidance. Some respondents expected the Chairman to reiterate the Committee's commitment to price stability. Some respondents expressed uncertainty about whether a press conference would be held or that it could be considerably shorter due to the Chairman's prior suggestion that they may not always need to occur. Some respondents expected the Chairman to discuss the dispersion of views on the Committee.

Some respondents expected the Chairman's characterization of the economy to be similar to his remarks at the June FOMC press conference or at his recent Congressional testimony. Some respondents expected the Chairman to downplay the recent inflation data by emphasizing that single data points are not enough to convince the Committee that inflation is on the right track. Several respondents expected the Chairman to discuss the impacts of AI and geopolitics on dual mandate objectives.

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.

Federal Reserve Communications Score	
	Number of Respondents
1 - Ineffective	**1**
2	**13**
3	**25**
4	**19**
5 - Effective	**5**
# of Respondents	**63**

Please explain your rating. In addition, please discuss your expectations for any future changes to the FOMC's suite of communications as well as the timing of any changes you expect.

(61 responses)

Some respondents viewed communications from policymakers over the intermeeting period as clear and consistent. Some respondents viewed speeches from FOMC officials on their outlooks as effective and several respondents noted the Committee's emphasis on price stability. Several cited the more concise June FOMC statement as effective.

Some participants viewed communications over the period as unclear, with some respondents suggesting insufficient articulation of the FOMC's reaction function. Several respondents noted that inconsistency across FOMC officials' remarks created uncertainty and volatility in financial markets.

Some respondents discussed expectations for reforms to the Summary of Economic Projections (SEP). Some cited expectations for the SEP to incorporate scenario analysis as a potential complement or replacement for the current forecasts. Several respondents noted the possibility that the median forecast may no longer be published, and several suggested the possibility that the SEP may no longer be produced. Several emphasized the potential for greater reliance on distributions of economic or policy outcomes. Several expected the forecast horizons of the SEP to be shortened or shifted to rolling time horizons rather than calendar-based forecasts.

Some respondents discussed potential reforms to the Chairman's press conference, with several suggesting that FOMC press conferences could be reduced in frequency.

Some respondents provided expectations for the results and timing of the task force on communications. Some expected the changes to be implemented in early 2027, with several specifically noting that any communications changes are likely to be implemented after the conclusion of the task force's work.

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.

Federal Funds Target Rate or Range Modal Forecasts							
	Jul. 28-29	Sep. 15-16	Oct. 27-28	Dec. 8-9	Jan. 26-27	Mar. 16-17	Apr. 27-28
25th Percentile	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.38%**
Median	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**
75th Percentile	**3.63%**	**3.63%**	**3.63%**	**3.88%**	**3.88%**	**3.88%**	**3.88%**
# of Respondents	**63**	**63**	**63**	**63**	**63**	**63**	**63**

Federal Funds Target Rate or Range Modal Forecasts									
	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029	2030
25th Percentile	**3.38%**	**3.38%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**	**3.13%**
Median	**3.63%**	**3.63%**	**3.63%**	**3.38%**	**3.38%**	**3.38%**	**3.38%**	**3.13%**	**3.13%**
75th Percentile	**3.88%**	**3.88%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.63%**	**3.38%**	**3.53%**
# of Respondents	**63**	**63**	**63**	**56**	**56**	**56**	**56**	**56**	**56**

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.

Federal Funds Target Rate or Range Modal Forecasts		
	10-yr Average	Longer Run
25th Percentile	**3.11%**	**3.00%**
Median	**3.22%**	**3.14%**
75th Percentile	**3.58%**	**3.50%**
# of Respondents	**62**	**62**

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 2026 and 2027. 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 2026 FOMC Meeting										
	<= 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	**0%**	**0%**	**0%**	**0%**	**1%**	**87%**	**12%**	**1%**	**0%**	**0%**
# of Respondents	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**

Federal Funds Rate or Range after the September 2026 FOMC Meeting										
	<= 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	**0%**	**0%**	**0%**	**0%**	**4%**	**61%**	**29%**	**5%**	**0%**	**0%**
# of Respondents	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**

Federal Funds Rate or Range at the End of 2026										
	<= 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	**1%**	**1%**	**1%**	**3%**	**10%**	**41%**	**22%**	**14%**	**6%**	**1%**
# of Respondents	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**

Federal Funds Rate or Range at the End of 2027										
	<= 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	**1%**	**1%**	**1%**	**3%**	**5%**	**11%**	**26%**	**30%**	**15%**	**7%**
# of Respondents	**61**	**61**	**61**	**61**	**61**	**61**	**61**	**61**	**61**	**61**

4a) According to the implementation note issued June 17, 2026, the FOMC directed the Open Market Desk to "when appropriate, 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.

Expectations for Reserve Management Purchases in U.S. Treasury Bills ($ billions)							
	Mid-Aug. to mid-Sep. 2026	Mid-Sep. to mid-Oct. 2026	Mid-Oct. to mid-Nov. 2026	Mid-Nov. to mid-Dec. 2026	Mid-Dec. 2026 to mid-Jan. 2027	Mid-Jan. to mid-Feb. 2027	Mid-Feb. to mid-Mar. 2027
25th Percentile	10	8	8	10	8	5	5
Median	10	10	10	10	10	10	10
75th Percentile	10	10	15	15	20	20	20
# of Respondents	51	51	51	51	50	50	50

Expectations for Reserve Management Purchases in U.S. Treasury Notes & Bonds, Maturing in Under 3 Years ($ billions)							
	Mid-Aug. to mid-Sep. 2026	Mid-Sep. to mid-Oct. 2026	Mid-Oct. to mid-Nov. 2026	Mid-Nov. to mid-Dec. 2026	Mid-Dec. 2026 to mid-Jan. 2027	Mid-Jan. to mid-Feb. 2027	Mid-Feb. to mid-Mar. 2027
25th Percentile	0	0	0	0	0	0	0
Median	0	0	0	0	0	0	0
75th Percentile	0	0	0	0	0	0	0
# of Respondents	50	50	50	50	49	49	49

4b) Please discuss factors behind your baseline expectation for reserve management purchases. Please also discuss the distribution of outcomes around your baseline.
(47 responses)

Some respondents emphasized their expectations for the current pace of reserve management purchases (RMPs) to be maintained. Some respondents expect RMPs to increase over the next few months. Several respondents expected the pace of reserve management purchases to be flexible or to evolve with seasonality in market conditions. Several respondents expect RMPs to decrease.

In explaining the factors underlying respondents' expectations for the pace of RMPs, some respondents highlighted currency growth. Some respondents mentioned funding market conditions as a key factor in RMP sizing. Some expected the pace of RMPs to be driven by trend GDP growth or bank asset growth.

Some respondents noted that the balance sheet task force could prompt an evolution in balance sheet policy, with several noting that they did not expect a material shift in the pace of RMPs until the task force is concluded. Some respondents viewed risks as skewed toward lower RMPs, with several citing the Chairman’s views on the balance sheet, and several citing potential regulatory changes. Several respondents noted upside risks to their forecast for RMPs.

4c) 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. Please consider your expectations for RMPs from the responses above.

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)						
	Jul. 2026	Aug. 2026	Sep. 2026	Oct. 2026	Nov. 2026	Dec. 2026
25th Percentile	4,505	4,531	4,555	4,580	4,605	4,628
Median	4,506	4,531	4,559	4,586	4,611	4,640
75th Percentile	4,509	4,537	4,564	4,595	4,624	4,657
# of Respondents	48	48	48	48	47	47

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)						
	Jul. 2026	Aug. 2026	Sep. 2026	Oct. 2026	Nov. 2026	Dec. 2026
25th Percentile	1,943	1,927	1,910	1,893	1,876	1,859
Median	1,946	1,931	1,916	1,900	1,885	1,870
75th Percentile	1,946	1,932	1,916	1,901	1,886	1,871
# of Respondents	48	48	48	48	47	47

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)						
	Jul. 2026	Aug. 2026	Sep. 2026	Oct. 2026	Nov. 2026	Dec. 2026
25th Percentile	6,785	6,795	6,804	6,810	6,815	6,820
Median	6,786	6,796	6,806	6,816	6,826	6,836
75th Percentile	6,789	6,800	6,811	6,825	6,840	6,854
# of Respondents	48	48	48	48	47	47

Expectations for the Average Level of Treasury Holdings in the SOMA Portfolio ($ billions)					
	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	4,679	4,744	4,810	4,861	4,999
Median	4,697	4,778	4,846	4,923	5,219
75th Percentile	4,743	4,854	4,944	5,049	5,455
# of Respondents	47	47	47	47	43

Expectations for the Average Level of MBS in the SOMA Portfolio ($ billions)					
	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	1,823	1,774	1,724	1,674	1,497
Median	1,833	1,786	1,739	1,694	1,518
75th Percentile	1,841	1,797	1,752	1,707	1,542
# of Respondents	47	47	47	47	43

Expectations for the Average Level of Total Assets on the Federal Reserve Balance Sheet ($ billions)					
	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	6,828	6,838	6,846	6,848	6,864
Median	6,866	6,896	6,927	6,956	7,071
75th Percentile	6,912	6,960	7,012	7,074	7,298
# of Respondents	47	47	47	47	43

4d) 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)							
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	2,981	2,985	3,026	3,023	3,031	3,034	3,028
Median	3,042	3,034	3,041	3,065	3,072	3,075	3,123
75th Percentile	3,060	3,071	3,115	3,150	3,175	3,210	3,294
# of Respondents	45	45	45	45	45	45	40

Expectations for the Average Level of Currency in Circulation ($ billions)							
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	2,476	2,491	2,506	2,521	2,536	2,551	2,611
Median	2,480	2,499	2,517	2,537	2,555	2,576	2,653
75th Percentile	2,483	2,506	2,529	2,553	2,577	2,601	2,692
# of Respondents	45	45	45	45	45	45	40

Expectations for the Average Level of Overnight Reverse Repo Take-up ($ billions)							
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	0	0	0	0	0	0	0
Median	3	3	2	2	2	3	2
75th Percentile	4	4	4	4	4	4	4
# of Respondents	44	44	44	44	44	44	40

Expectations for the Average Level of the Treasury General Account Balance ($ billions)							
	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
25th Percentile	850	858	850	850	850	850	858
Median	875	887	890	900	900	900	940
75th Percentile	917	938	931	950	950	950	977
# of Respondents	45	45	45	45	45	45	40

5a, b) Please provide the 1st and 99th percentiles of your distribution of expectations for U.S. real GDP growth in 2026 (Q4/Q4) and 2027 (Q4/Q4).

U.S. Real GDP 1st and 99th Percentile Estimates (Q4/Q4)				
	2026		2027	
	1st percentile	99th percentile	1st percentile	99th percentile
25th Percentile	-1.29%	3.50%	-2.43%	3.99%
Median	-0.50%	4.05%	-1.00%	4.20%
75th Percentile	0.00%	5.00%	0.00%	5.38%
# of Respondents	54	54	54	54

Please provide the percent chance you attach to the following outcomes for U.S. real GDP growth in 2026 (Q4/Q4) and 2027 (Q4/Q4).

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	**2%**	**3%**	**6%**	**11%**	**23%**	**29%**	**16%**	**6%**	**3%**	**1%**
# of Respondents	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**

Probability Distribution of U.S. Real GDP Growth in 2027 (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%**	**4%**	**7%**	**13%**	**22%**	**25%**	**14%**	**7%**	**3%**	**2%**
# of Respondents	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**

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

U.S. Real GDP Modal Point Estimates (Q4/Q4)		
	2026	2027
25th Percentile	**2.00%**	**1.90%**
Median	**2.10%**	**2.10%**
75th Percentile	**2.20%**	**2.20%**
# of Respondents	**61**	**61**

6a, b) Please provide the 1st and 99th percentiles of your distribution of expectations for <u>the average unemployment rate in Q4 2026 and Q4 2027</u>.

Average Unemployment 1st and 99th Percentile Estimates				
	Q4 2026		Q4 2027	
	1st percentile	99th percentile	1st percentile	99th percentile
25th Percentile	**3.00%**	**5.65%**	**3.00%**	**6.00%**
Median	**3.50%**	**6.50%**	**3.28%**	**6.65%**
75th Percentile	**3.50%**	**7.00%**	**3.50%**	**8.38%**
# of Respondents	**54**	**54**	**54**	**54**

Please provide the percent chance you attach to the following outcomes for the <u>average unemployment rate in Q4 2026 and Q4 2027</u>.

Probability Distribution of Average Unemployment in Q4 2026								
	<= 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%
Average	**3%**	**17%**	**46%**	**21%**	**7%**	**4%**	**2%**	**1%**
# of Respondents	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**

Probability Distribution of Average Unemployment in Q4 2027								
	<= 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%
Average	**4%**	**17%**	**37%**	**22%**	**10%**	**5%**	**3%**	**2%**
# of Respondents	**59**	**59**	**59**	**59**	**59**	**59**	**59**	**59**

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

Average Unemployment Modal Point Estimates		
	Q4 2026	Q4 2027
25th Percentile	**4.20%**	**4.20%**
Median	**4.30%**	**4.30%**
75th Percentile	**4.40%**	**4.40%**
# of Respondents	**61**	**61**

7) 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 2026 (saar)	Q3 2026 (saar)	Q4 2026 (saar)	Q1 2027 (saar)	Q2 2027 (saar)
25th Percentile	**4.9%**	**1.8%**	**2.1%**	**2.3%**	**2.0%**
Median	**5.1%**	**2.1%**	**2.3%**	**2.5%**	**2.2%**
75th Percentile	**5.2%**	**2.6%**	**2.7%**	**2.9%**	**2.4%**
# of Respondents	**57**	**57**	**57**	**57**	**57**

Core PCE Inflation Quarterly Modal Point Estimates					
	Q2 2026 (saar)	Q3 2026 (saar)	Q4 2026 (saar)	Q1 2027 (saar)	Q2 2027 (saar)
25th Percentile	**3.3%**	**2.5%**	**2.2%**	**2.4%**	**2.2%**
Median	**3.4%**	**2.7%**	**2.4%**	**2.7%**	**2.3%**
75th Percentile	**3.5%**	**2.9%**	**2.7%**	**3.0%**	**2.5%**
# of Respondents	**58**	**58**	**58**	**58**	**58**

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

8a, b) Please provide the 1st and 99th percentiles of your distribution of expectations for headline PCE inflation in 2026 (Q4/Q4) and 2027 (Q4/Q4).

Headline PCE Inflation 1st and 99th Percentile Estimates (Q4/Q4)				
	2026		2027	
	1st percentile	99th percentile	1st percentile	99th percentile
25th Percentile	1.50%	4.10%	0.40%	3.50%
Median	2.00%	4.80%	1.50%	4.00%
75th Percentile	2.30%	5.50%	1.50%	5.00%
# of Respondents	53	53	53	53

Please provide the percent chance you attach to the following outcomes for headline PCE inflation in 2026 and 2027 (Q4/Q4).

Probability Distribution of Headline PCE Inflation in 2026 (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	1%	2%	3%	4%	10%	16%	23%	19%	14%	7%
# of Respondents	59	59	59	59	59	59	59	59	59	59

Probability Distribution of Headline PCE Inflation in 2027 (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	3%	6%	12%	20%	22%	15%	9%	5%	4%	4%
# of Respondents	58	58	58	58	58	58	58	58	58	58

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

Headline PCE Inflation Modal Point Estimates (Q4/Q4)		
	2026	2027
25th Percentile	3.40%	2.12%
Median	3.47%	2.30%
75th Percentile	3.57%	2.43%
# of Respondents	61	60

8c) Please provide the 1st and 99th percentiles of your distribution of expectations for the annual average CPI inflation rate from July 1, 2026 – June 30, 2031.

5Y CPI Inflation 1st and 99th Percentile Estimates		
	1st percentile	99th percentile
25th Percentile	0.50%	3.50%
Median	1.00%	4.05%
75th Percentile	1.31%	4.50%
# of Respondents	52	52

Please provide the percent chance you attach to the annual average CPI inflation rate from July 1, 2026 – June 30, 2031 falling in each of the following ranges.

Probability Distribution of 5Y CPI Inflation							
	<= 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	**2%**	**4%**	**15%**	**33%**	**29%**	**12%**	**5%**
# of Respondents	**56**	**56**	**56**	**56**	**56**	**56**	**56**

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

5Y CPI Inflation Modal Point Estimates	
	Most Likely Outcome
25th Percentile	**2.40%**
Median	**2.50%**
75th Percentile	**2.70%**
# of Respondents	**57**

8d) Please provide the 1st and 99th percentiles of your distribution of expectations for the <u>annual average CPI inflation rate from July 1, 2031 – June 30, 2036</u>.

5Y5Y CPI Inflation 1st and 99th Percentile Estimates		
	1st percentile	99th percentile
25th Percentile	**0.50%**	**3.48%**
Median	**1.00%**	**3.80%**
75th Percentile	**1.39%**	**4.50%**
# of Respondents	**52**	**52**

Please provide the percent chance you attach to the <u>annual average CPI inflation rate from July 1, 2031 – June 30, 2036</u> falling in each of the following ranges.

Probability Distribution of 5Y5Y CPI Inflation							
	<= 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	**2%**	**6%**	**18%**	**38%**	**23%**	**9%**	**4%**
# of Respondents	**56**	**56**	**56**	**56**	**56**	**56**	**56**

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

5Y5Y CPI Inflation Modal Point Estimates	
	Most Likely Outcome
25th Percentile	**2.20%**
Median	**2.30%**
75th Percentile	**2.45%**
# of Respondents	**57**

9) 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?

Probabilities of Global and U.S. Recessions			
	Currently in U.S. Recession	U.S. Recession in 6 Months	Global Recession in 6 Months
25th Percentile	**2%**	**15%**	**18%**
Median	**5%**	**18%**	**25%**
75th Percentile	**10%**	**25%**	**30%**
# of Respondents	**63**	**63**	**62**

**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.*

10) Provide your estimate of the most likely outcome for output, inflation, and unemployment.

Economic Forecasts					
		2026	2027	2028	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	**2.00%**	**1.90%**	**1.90%**	**1.80%**
	Median	**2.10%**	**2.10%**	**2.00%**	**2.00%**
	75th Percentile	**2.20%**	**2.20%**	**2.30%**	**2.20%**
	# of Respondents	**62**	**62**	**52**	**56**
Core PCE Inflation (Q4/Q4)	25th Percentile	**3.00%**	**2.30%**	**2.00%**	**-**
	Median	**3.20%**	**2.40%**	**2.10%**	**-**
	75th Percentile	**3.30%**	**2.50%**	**2.30%**	**-**
	# of Respondents	**60**	**60**	**52**	**-**
Headline PCE Inflation (Q4/Q4)	25th Percentile	**3.40%**	**2.13%**	**2.00%**	**2.00%**
	Median	**3.49%**	**2.30%**	**2.10%**	**2.00%**
	75th Percentile	**3.55%**	**2.48%**	**2.21%**	**2.00%**
	# of Respondents	**62**	**62**	**52**	**56**
Unemployment Rate (Q4 Average Level)	25th Percentile	**4.20%**	**4.20%**	**4.08%**	**4.00%**
	Median	**4.30%**	**4.30%**	**4.20%**	**4.20%**
	75th Percentile	**4.40%**	**4.40%**	**4.40%**	**4.30%**
	# of Respondents	**62**	**62**	**52**	**56**