SURVEY OF MARKET EXPECTATIONS
JULY 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 **Monday, July 20th 2:00pm Eastern Time** to the questions below. Your time and input are greatly appreciated.

1a) Provide below your expectations for <u>changes</u>, if any, to the language in the July FOMC statement. <u>Please write N/A if you do not expect any changes.</u>

1b) What are your expectations for the Chairman'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 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.

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

	Jul 28-29, 2026	Sep 15-16, 2026	Oct 27-28, 2026	Dec 8-9, 2026	Jan 26-27, 2027	Mar 16-17, 2027	Apr 27-28, 2027
Target rate / midpoint of target range (percent, out to three decimal places):							

Quarters

	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 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.

	≤ 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
July 28-29:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
September 15-16:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Year-end 2026:	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 2027:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

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

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. If you expect any of these amounts to be zero in a given period, please enter 0.

	Mid-Jul. to mid-Aug. 2026	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
U.S. Treasury Bills ($ billions):	10							
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.*

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

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.

Average level over each period ($ billions)

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

	June 2026 (Actual**)	July 2026	August 2026	September 2026	October 2026	November 2026	December 2026
U.S. Treasuries:	4481						
Agency MBS:	1961						
Total Assets*:	6776						

Average level over each period ($ billions)

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

	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 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.*

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.

The displayed level for total liabilities and capital is computed from total assets in part 4c. For 2026 Q3 through 2026 Q4, monthly averages from part 4c are averaged to reflect quarterly horizons.

Average level over each period ($ billions)

	2026 Q2 (Actual*)	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
Total Liabilities and Capital	6764							

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

	2026 Q2 (Actual*)	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q4
Reserves:	3034							
Currency in Circulation:	2461							
Overnight Reverse Repurchase Facility:	3							
Treasury General Account:	861							

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

5a) 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):	

5b) 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.

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):

6a) 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:

6b) 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.

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:	

7) 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).

	Q2 2026 (saar)	Q3 2026 (saar)	Q4 2026 (saar)	Q1 2027 (saar)	Q2 2027 (saar)
Headline PCE inflation (percent): *Q1 2026 (saar): 4.6% ** *					
Core PCE inflation (percent): *Q1 2026 (saar): 4.4% ** *					

**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.*

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

	≤ 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%	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):

8b) 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.

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):

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. 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 July 1, 2026 – June 30, 2031 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:

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

9) 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.*

10) 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 5.*

***Responses for headline PCE inflation in 2026 and 2027 are pulled directly from point estimate values provided in question 8.*

****Responses for the average unemployment rates in Q4 2026 and Q4 2027 are pulled directly from point estimate values provided in question 6.*