



SURVEY OF MARKET EXPECTATIONS OCTOBER 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, October 19th 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 in the October FOMC statement. Please write N/A if you do not expect any changes.

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.

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

Oct 27-28,
2026

Dec 8-9,
2026

Jan 26-27,
2027

Mar 16-
17, 2027

Apr 27-28,
2027

Jun 8-9,
2027

Jul 27-28,
2027

Target rate / midpoint of
target range (percent, out to
three decimal places):

Quarters

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).

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 October FOMC meeting 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.

[illegible]

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

***Bins were chosen with consideration to responses to question 2c in the September 2026 SME*

3d) Please indicate the percent chance* that you attach to the longer run target federal funds rate — the level the target federal funds rate would be expected to converge to under appropriate monetary policy and in the absence of further shocks to the economy — falling in each of the following ranges.

[illegible]

**Responses should add up to 100 percent. For reference, a similar question was last asked in the March 2026 survey. Bins were chosen with consideration to responses to question 2e in the March 2026 SME*

4a) According to the implementation note issued September 16, 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-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	Mid-Mar. to mid-Apr. 2027	Mid-Apr. to mid-May 2027
U.S. Treasury Bills (\$ billions):	0							
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 provide your modal expectation for the average level of specified assets over each of the quarters below. Average level amounts referenced below are in \$ billions.

Average level over each quarter (\$ billions)

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

	2026 Q3 (Actual**)	2026 Q4	2027 Q4	2028 Q4
U.S. Treasuries:	4535			
Agency MBS:	1927			
Total Assets*:	6795			

**Refers to total factors supplying reserve funds in H 4 1*

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

4c) Please provide your modal expectation for the average level of specified liabilities over each of the quarters below. Average level amounts referenced below are in \$ billions.

	2026 Q3 (Actual*)	2026 Q4	2027 Q4	2028 Q4
Reserves:	2990			
Currency in Circulation:	2477			
Overnight Reverse Repurchase Facility:	1			
Treasury General Account:	900			

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

4d) Please indicate the percent chance* that you attach to the level of reserves falling in each of the following ranges**, on average, in 2027 Q4 and 2028 Q4. For reference, the average level of reserves in Q3 2026 was \$2,990 billion according to the H.4.1 report***.

	\$2000bn or smaller	\$2001- 2250bn	\$2251- 2500bn	\$2501- 2750bn	\$2751- 3000bn	\$3001- 3250bn	\$3251- 3500bn	\$3501- 3750bn	\$3751- 4000bn	\$4001bn or larger
2027 Q4:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
2028 Q4:	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 4d in the September 2026 SME.*

****Average of H 4 1 weekly averages of daily figures*

5) Between September 1st and around the release of this survey (October 14th) the nominal 10-year Treasury yield increased roughly 50 basis points. Please allocate a weight based on the importance of changes in the outlook and uncertainty around the outlook for the factors below in contributing to the change in market pricing. Weights must sum to 100. Please assign a weight of 0 to any factor you believe did not contribute.

	Relative Weight:
Energy & commodity developments:	0
U.S. inflation (ex-energy):	0
U.S. real economic growth:	0
U.S. fiscal trajectory:	0
U.S. corporate issuance:	0
FOMC communications & reaction function:	0
Foreign sovereign bond market developments:	0
Other, please explain:	0
Total	0

If "Other", please explain:

6a) 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).

	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):	
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6b) 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):

7) 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).

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 - 3.75%	3.76 - 4.00%	4.01 - 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	≥ 5.01%	Total
Q4 2026**:	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 6 in the September 2026 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 2026:

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).

	Q3 2026 (saar)	Q4 2026 (saar)	Q1 2027 (saar)	Q2 2027 (saar)	Q3 2027 (saar)
Headline PCE inflation (percent): Q2 2026 (saar): 5.0% **					
Core PCE inflation (percent): Q2 2026 (saar): 3.3% **					

*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 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).

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):

9b) 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):	
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9c) Please provide the 1st and 99th percentiles of your distribution of expectations for the annual average CPI inflation rate from October 1, 2026 – September 30, 2031. 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 October 1, 2026 – September 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:

9d) Please provide the 1st and 99th percentiles of your distribution of expectations for the annual average CPI inflation rate from October 1, 2031 – September 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 October 1, 2031 – September 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:

10) 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.*

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)***
2026 (percent):				
2027 (percent):				
2028 (percent):				
2029 (percent):				
Longer run (percent):		NA		

**Responses for real GDP growth in 2026 and 2027 are pulled directly from point estimate values provided in question 6.*

***Responses for headline PCE inflation in 2026 and 2027 are pulled directly from point estimate values provided in question 9*

****The response for the average unemployment rate in Q4 2026 is pulled directly from the point estimate value provided in question 7.*