



FEDERAL RESERVE BANK *of* NEW YORK

A Steady Anchor in a Stormy Sea

SNB-FRB-BIS High-Level Conference on Global Risk, Uncertainty, and Volatility

John C. Williams, President and Chief Executive Officer

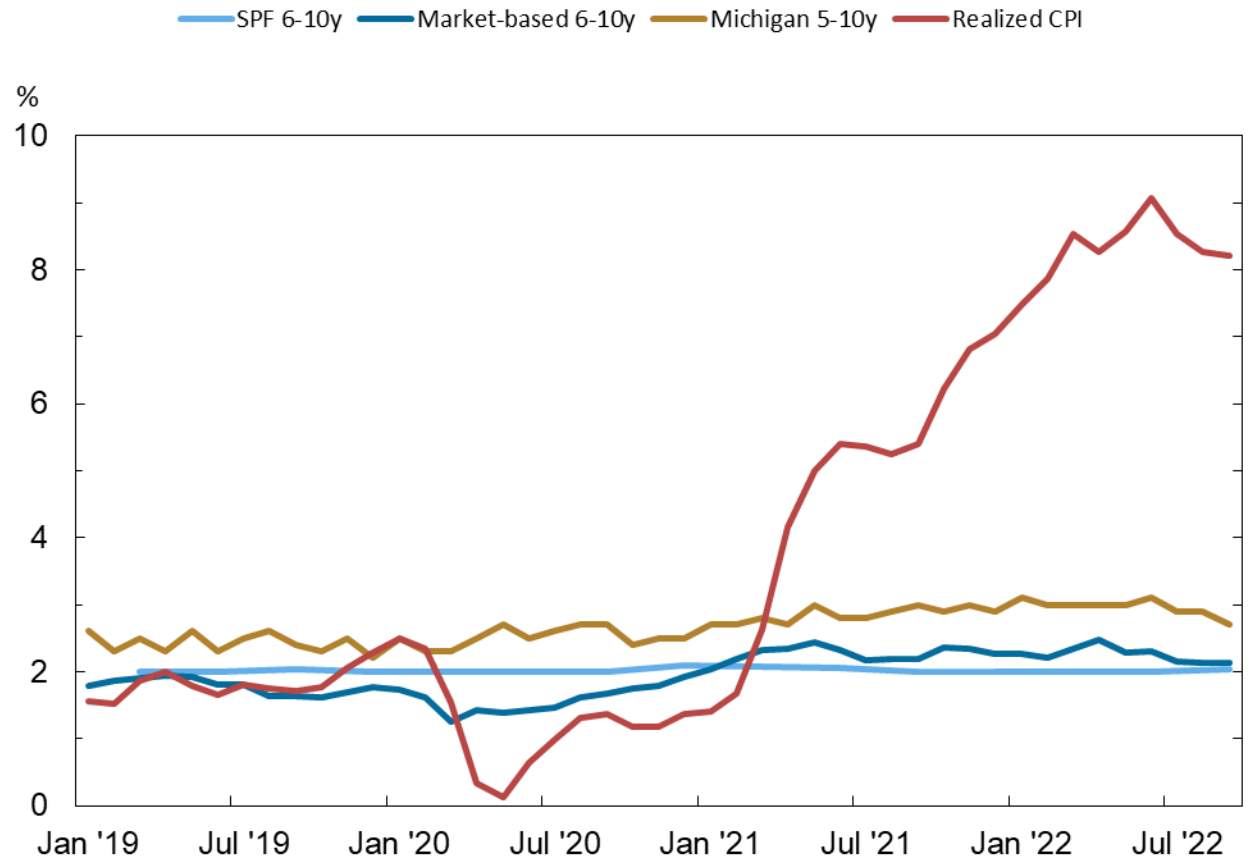
November 9, 2022

Table 1

	2014-20 mean	2014-20 90% range	2021	2022	2022 Q3
<i>Longer-run expectations:</i>					
SPF 6-10 years	2.0	2.0–2.1	2.0	2.0	2.0
Market-based 6-10 years	1.9	1.4–2.4	2.3	2.3	2.1
Michigan next 5-10 years	2.6	2.3–2.9	2.9	3.0	2.8
<i>Short- and medium-run expectations:</i>					
SCE 1 year ahead	2.8	2.5–3.1	4.5	6.2	5.8
SCE 3 years ahead	2.8	2.5–3.2	3.6	3.5	2.9
Michigan 1 year ahead	2.7	2.4–3.2	4.2	5.1	4.9

Sources: Federal Reserve Board, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, University of Michigan.

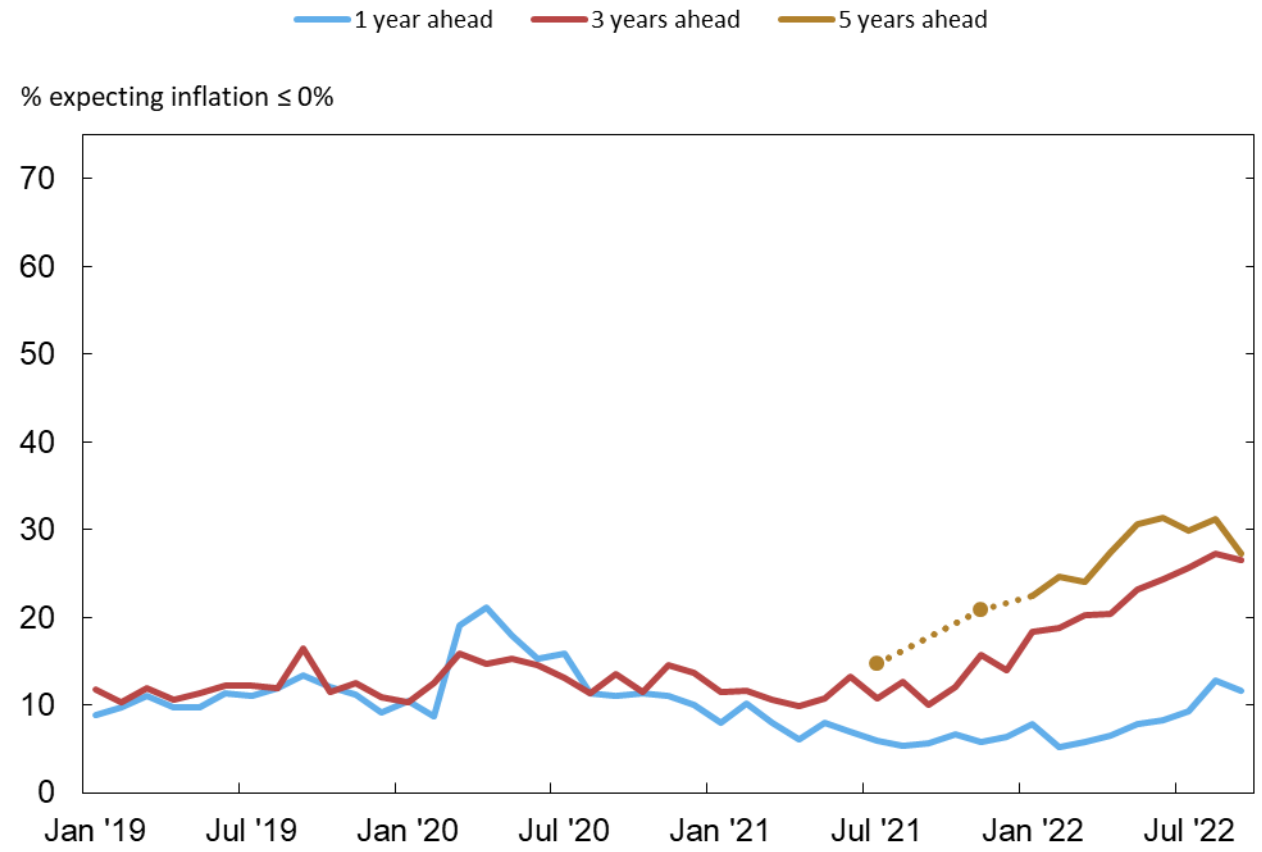
Figure 1: Longer-run Inflation Expectations



Sources: Bureau of Labor Statistics, Federal Reserve Board, Federal Reserve Bank of Philadelphia, Haver Analytics, University of Michigan.

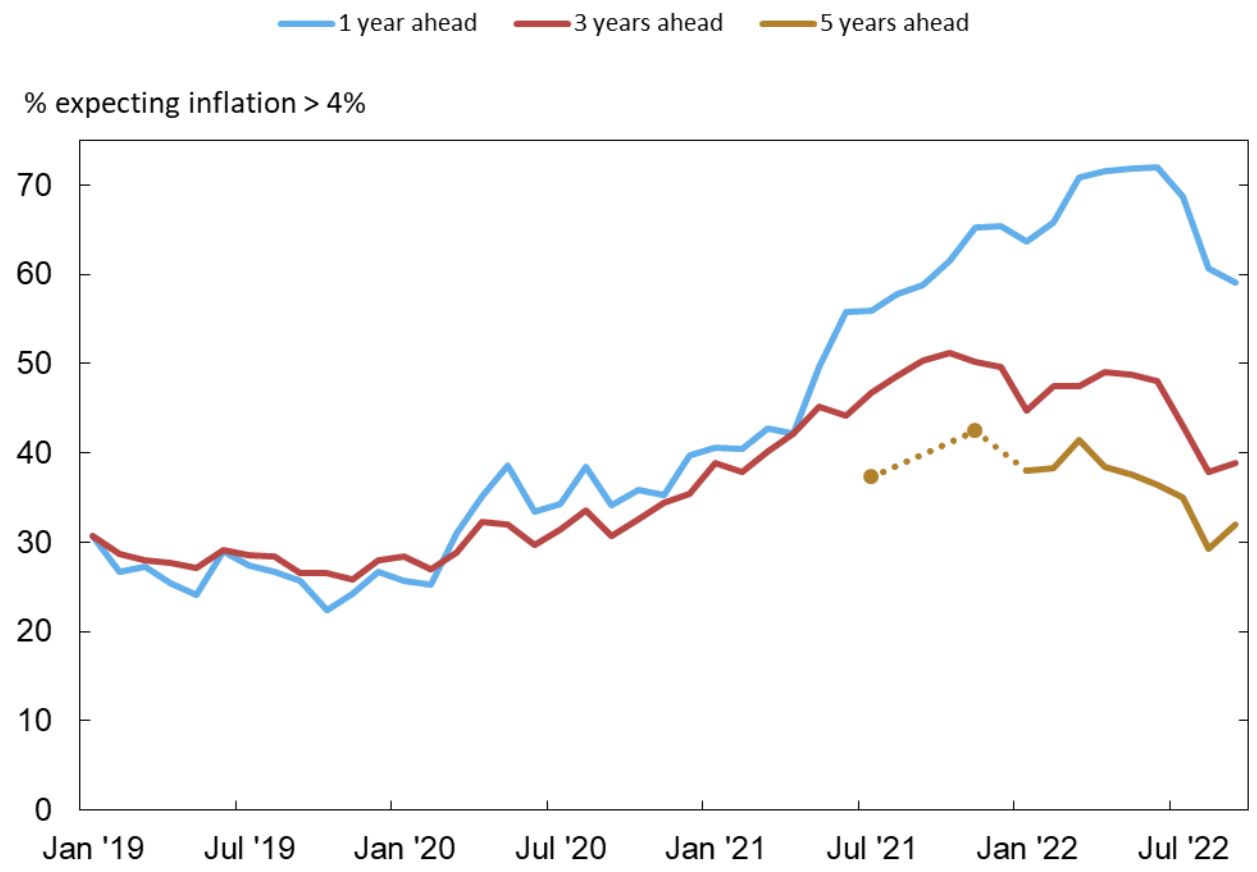
Note: Survey of Professional Forecasters forecast for Personal Consumption Expenditures Price Index Inflation shown.

Figure 2: Deflation Scare?



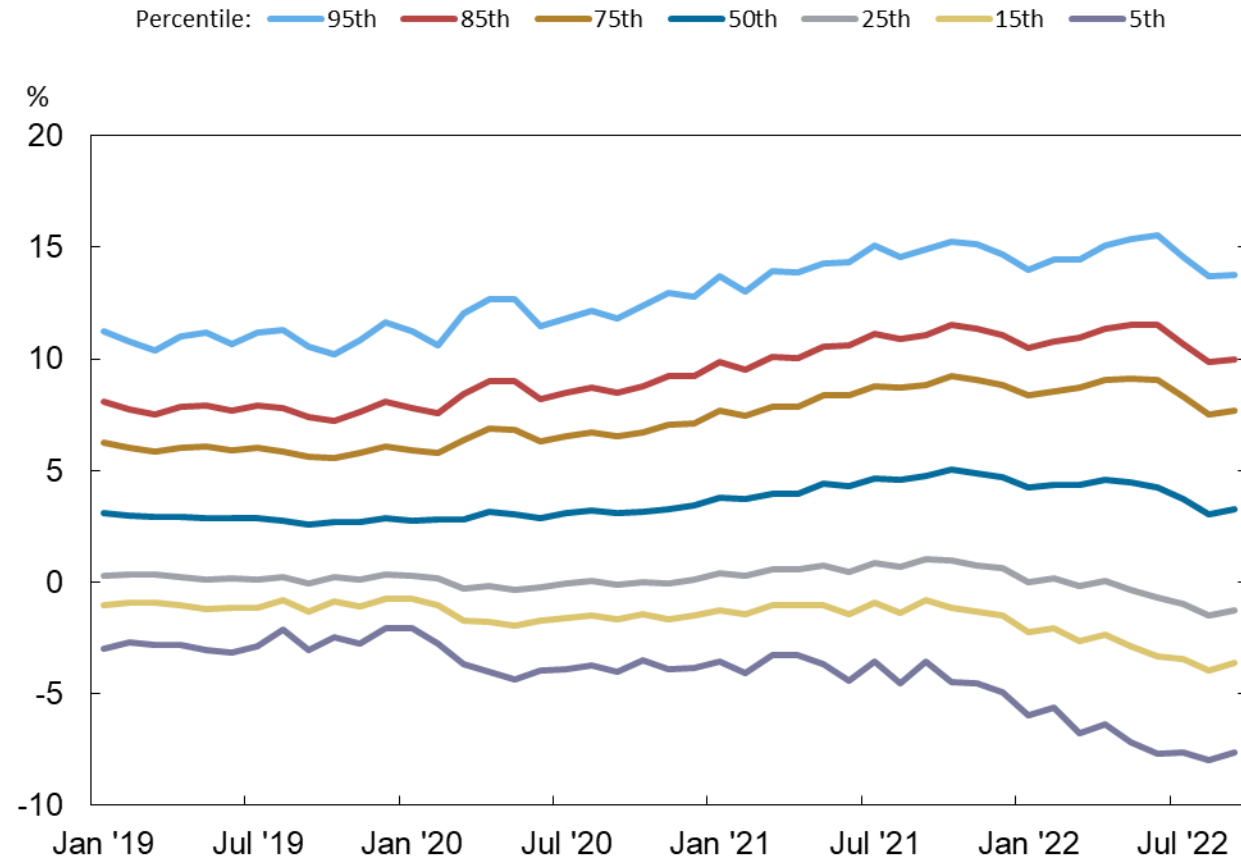
Source: Federal Reserve Bank of New York Survey of Consumer Expectations.

Figure 3: Ebbing Share with High Inflation Expectations



Source: Federal Reserve Bank of New York Survey of Consumer Expectations.

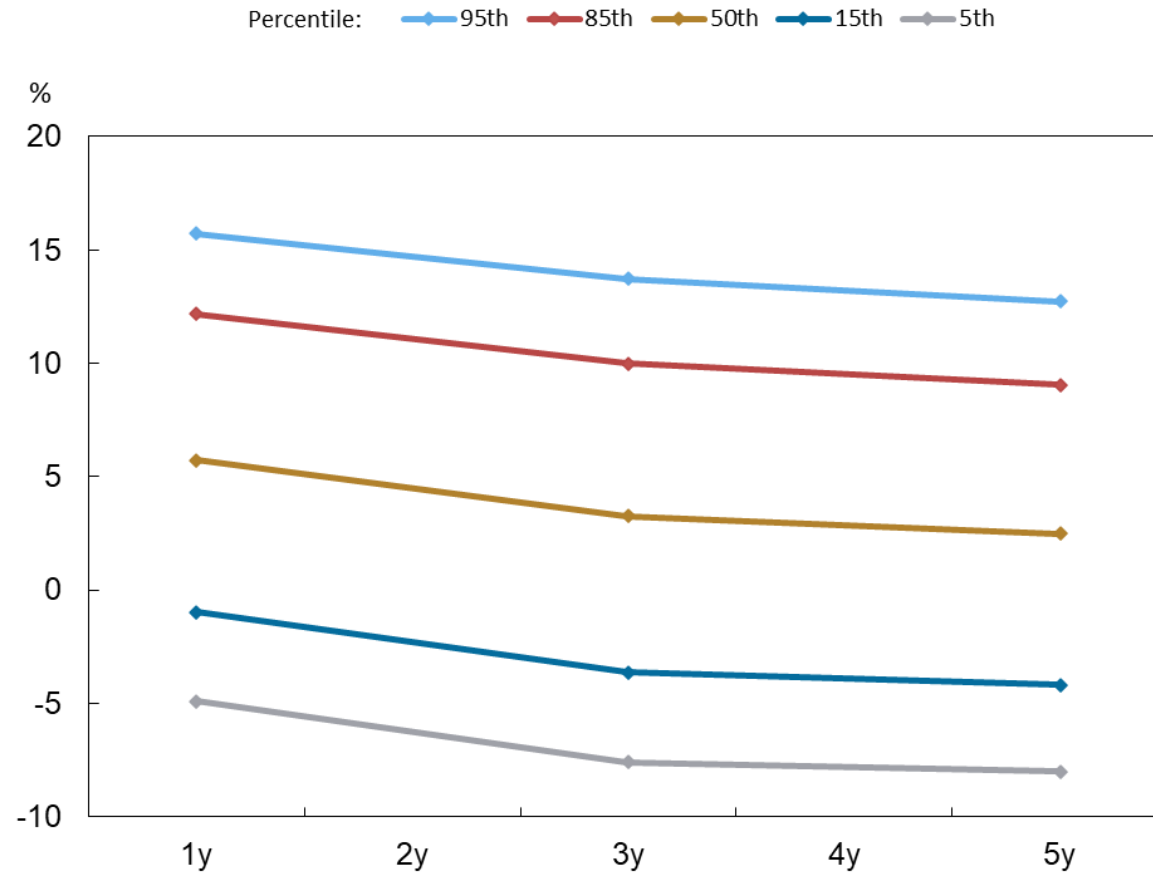
Figure 4: Rising, but Symmetric Aggregate Uncertainty



Source: Federal Reserve Bank of New York Survey of Consumer Expectations.

Note: Expectations for 3 years ahead shown. Percentiles are from aggregate distribution derived from individual respondents' forecast densities.

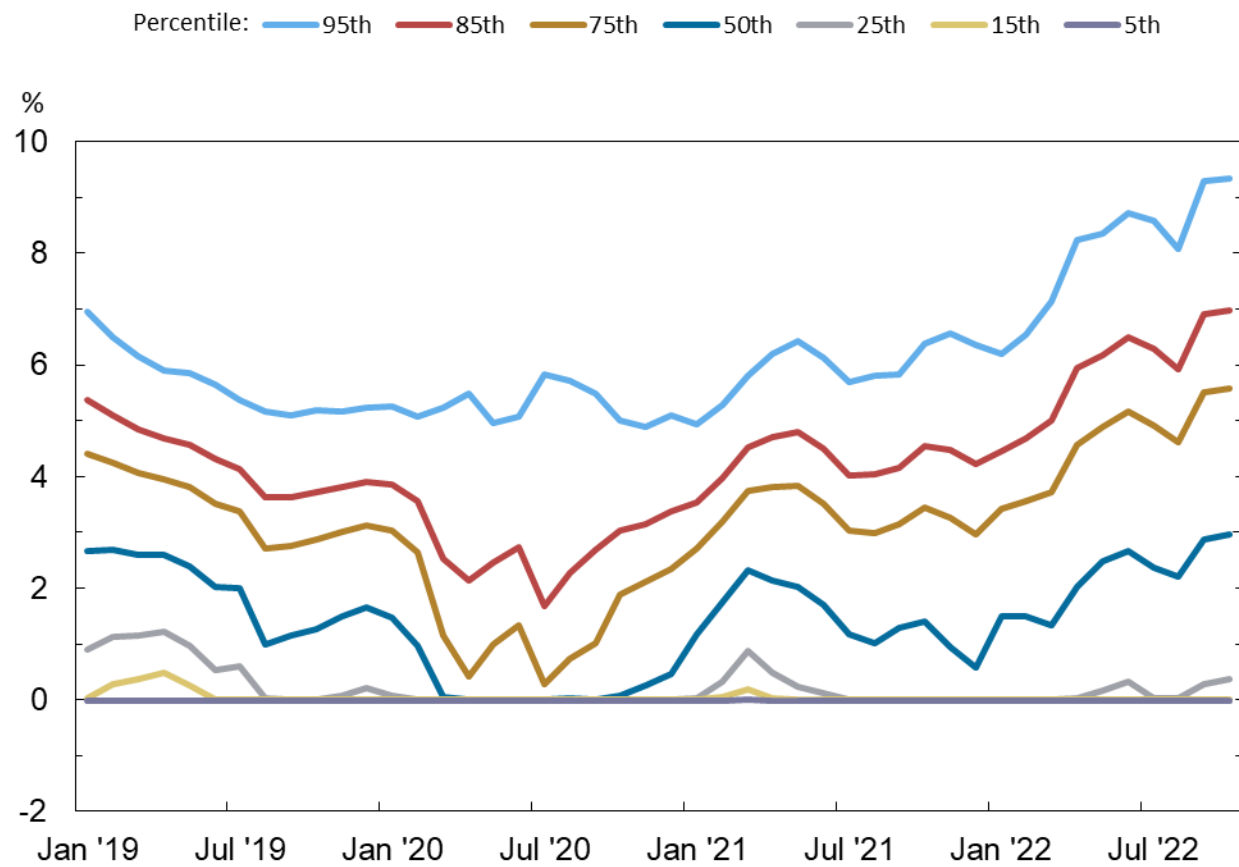
Figure 5: Aggregate Uncertainty at Different Forecast Horizons



Source: Federal Reserve Bank of New York Survey of Consumer Expectations.

Note: Data from September 2022 survey shown.

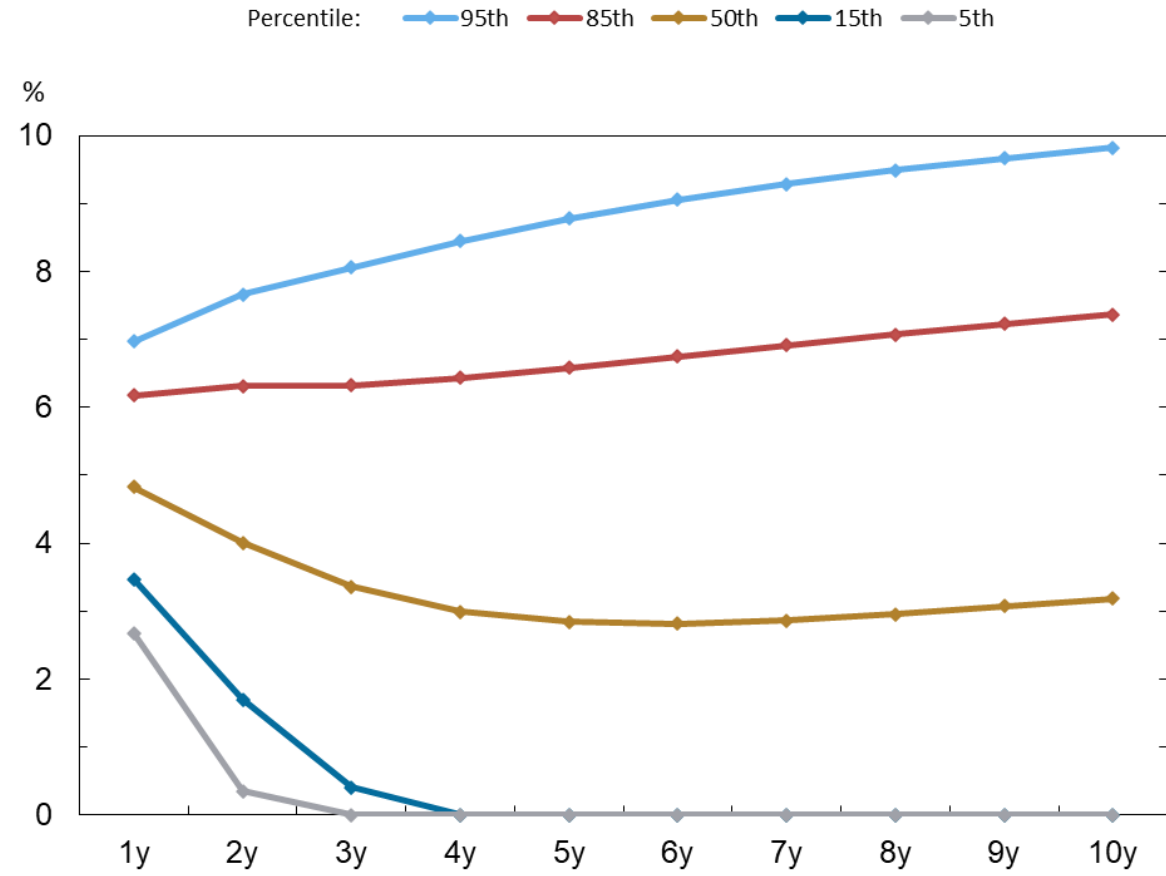
Figure 6: Forecast Densities for 7-year-ahead Interest Rates



Sources: Bloomberg, author's calculations.

Note: Based on LIBOR options prices.

Figure 7: Option-implied Interest Rate Forecast Densities



Sources: Bloomberg, author's calculations.

Note: Based on LIBOR options prices for September 2022.