RESPONSES TO SURVEY OF PRIMARY DEALERS

Markets Group, Federal Reserve Bank of New York

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The **Survey of Primary Dealers** 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, median responses across dealers, along with the 25th and 75th percentiles, are reported. For questions that ask respondents to give a probability distribution, the average response across dealers for each potential outcome is reported.[1] Brief summaries of the comments received in free response form are also provided.

Responses were received from 25 primary dealers. Except where noted, all 25 dealers responded to each question. In some cases, dealers may not have provided complete responses (e.g. may not have provided forecasts extending 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.

List of Primary Dealers:
www.newyorkfed.org/markets/primarydealers

Table of Contents

1a) Provide below your expectations for changes, if any, to the language referencing each of the following topics in the November FOMC statement. Please write N/A if you do not expect any changes.

Current economic conditions:

Many dealers indicated they expected little or no change. Several dealers indicated they expected the statement to continue to reference the strong labor market, and several dealers expected a mention of some moderation in job growth. Several dealers indicated they expected continued reference to elevated inflation.

Economic outlook and communication on the expected path of the target federal funds rate:
(24 responses)

Many dealers indicated they expected little or no change. Several dealers indicated they expected some mention that rate policy would be data dependent.

Communication on tools other than the target federal funds rate:
(22 responses)

Most dealers indicated they expected little or no change.

Other:
(17 responses)

Dealers did not provide significant commentary in this section.

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

Most dealers indicated they expected the Chair to note that the pace of tightening is expected to slow or to discuss conditions for slowing. Several expected the Chair to suggest that rates being at a restrictive level would factor into the decision for slowing the pace of tightening. Several dealers expected the Chair to cite disinflation as a condition for slowing the pace of tightening. Several expected the Chair to suggest that the FOMC will be attentive to the cumulative impact of tightening on the real economy over time. Several indicated they expected the Chair to note that the peak level of the target range for the federal funds rate during this tightening cycle will likely be maintained for a period of time.

Many dealers indicated they expected the Chair to reiterate the FOMC's commitment to returning inflation to target.

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.

	Number of Respondents
1 - Ineffective	**3**
2	**2**
3	**5**
4	**12**
5 - Effective	**3**
# of Respondents	**25**

Please explain:

Some dealers viewed Fed communications as being clear, consistent, or effective. Several dealers referenced the FOMC's consistent resolve to fight inflation. For dealers that indicated communications were less effective, several cited the role of press articles in influencing the perceived policy outlook. Several dealers noted a lack of detail or consistent messaging on conditions for slowing or stopping policy rate increases.

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.

	Nov. 1-2	Dec. 13-14	Jan. 31 - Feb. 1	Mar. 21-22	May 2-3	Jun. 13-14
25th Percentile	**3.875%**	**4.375%**	**4.625%**	**4.625%**	**4.625%**	**4.625%**
Median	**3.875%**	**4.375%**	**4.625%**	**4.875%**	**4.875%**	**4.875%**
75th Percentile	**3.875%**	**4.625%**	**5.125%**	**5.125%**	**5.125%**	**5.125%**
# of Respondents	**25**	**25**	**25**	**25**	**25**	**25**

	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
25th Percentile	**4.625%**	**4.625%**	**4.125%**	**3.438%**	**2.875%**	**2.625%**
Median	**4.875%**	**4.625%**	**4.125%**	**3.875%**	**3.625%**	**3.125%**
75th Percentile	**5.125%**	**4.875%**	**4.625%**	**4.375%**	**4.125%**	**3.875%**
# of Respondents	**25**	**25**	**22**	**22**	**22**	**22**

	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026	2027	2028	2029
25th Percentile	**2.625%**	**2.625%**	**2.500%**	**2.250%**	**2.125%**	**2.125%**	**2.125%**	**2.125%**
Median	**2.875%**	**2.875%**	**2.625%**	**2.625%**	**2.375%**	**2.375%**	**2.313%**	**2.375%**
75th Percentile	**3.625%**	**3.250%**	**3.125%**	**3.125%**	**2.625%**	**2.625%**	**2.625%**	**2.625%**
# of Respondents	**19**	**19**	**19**	**19**	**18**	**18**	**18**	**18**

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.

	10-yr Average FF Rate	Longer Run
25th Percentile	**2.50%**	**2.25%**
Median	**2.82%**	**2.40%**
75th Percentile	**3.00%**	**2.50%**
# of Respondents	**25**	**25**

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 November FOMC meeting and at the end of 2022, 2023, 2024, and 2025. If you expect a target range, please use the midpoint of that range in providing your response. (19 responses)

Federal Funds Rate or Range after the November 2022 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%**	**9%**	**84%**	**6%**	**0%**	**0%**

Federal Funds Rate or Range at the End of 2022										
	<= 3.25%	3.26 - 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 - 5.25%	>= 5.26%
Average	**1%**	**0%**	**1%**	**3%**	**9%**	**44%**	**37%**	**3%**	**1%**	**0%**

Federal Funds Rate or Range at the End of 2023										
	<= 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 - 5.25%	5.26 - 5.50%	>= 5.51%
Average	**8%**	**3%**	**6%**	**8%**	**14%**	**18%**	**15%**	**13%**	**7%**	**8%**

Federal Funds Rate or Range at the End of 2024										
	<= 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 - 5.00%	>= 5.01%
Average	**7%**	**5%**	**8%**	**12%**	**17%**	**16%**	**11%**	**9%**	**5%**	**10%**

Federal Funds Rate or Range at the End of 2025										
	<= 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 - 5.00%	>= 5.01%
Average	**8%**	**8%**	**12%**	**19%**	**19%**	**13%**	**8%**	**6%**	**6%**	**3%**

3d) Please indicate the percent chance that you attach to the highest level of the target range for the federal funds rate before the target range is next decreased falling in each of the following ranges.

	<= 3.75%	3.76 - 4.00%	4.01 - 4.25%	4.26 - 4.50%	4.51 - 4.75%	4.76 - 5.00%	5.01 - 5.25%	5.26 - 5.50%	5.51 - 5.75%	>= 5.76%
Average	**1%**	**2%**	**4%**	**9%**	**19%**	**21%**	**19%**	**11%**	**5%**	**8%**

3e) For parts a-d, please explain the factors behind any change to your expectations, where applicable, since the last policy survey.

Some dealers indicated they increased their modal expectations for the target range for the federal funds rate compared with their prior survey response due to higher-than-expected realized inflation prints. Several dealers attributed increases in their policy rate expectations to their perception of increased risk of persistent elevated inflationary pressure. Several dealers attributed changes in their policy expectations to communications from FOMC officials.

4) The following matrix lays out hypothetical scenarios in which the realized levels of the 2023 unemployment rate (Q4 average level) and 2023 core PCE inflation (Q4/Q4 growth) are either 50 basis points above, below, or equal to the medians of FOMC participants' projections for these indicators in the current (September 2022) Summary of Economic Projections (SEP). For example, the upper left box represents a scenario in which the unemployment rate and core PCE inflation are both 50 basis points below the current SEP medians.

For each of the following scenarios, please indicate the level of the target federal funds rate or range that you expect would prevail at the end of Q1 2024. If you expect a target range, please indicate the midpoint of that range in providing your response.

25th Percentile Responses		**2023 Unemployment Rate (Q4 average level)**		
		- 50 bps	Current SEP median 4.4%	+ 50 bps
2023 Core PCE Inflation (Q4/Q4 growth)	- 50 bps	**4.13%**	**3.88%**	**3.63%**
	Current SEP median 3.1%	**4.63%**	**4.38%**	**3.88%**
	+ 50 bps	**5.13%**	**4.88%**	**4.63%**

Median Responses		2023 Unemployment Rate (Q4 average level)		
		- 50 bps	Current SEP median 4.4%	+ 50 bps
2023 Core PCE Inflation (Q4/Q4 growth)	- 50 bps	4.38%	4.13%	3.88%
	Current SEP median 3.1%	4.88%	4.63%	4.38%
	+ 50 bps	5.38%	5.13%	4.88%

75th Percentile Responses		2023 Unemployment Rate (Q4 average level)		
		- 50 bps	Current SEP median 4.4%	+ 50 bps
2023 Core PCE Inflation (Q4/Q4 growth)	- 50 bps	4.63%	4.38%	4.13%
	Current SEP median 3.1%	5.13%	4.63%	4.63%
	+ 50 bps	5.63%	5.38%	5.13%

Please explain any assumptions underlying your responses.
(23 responses)

Many dealers noted that they perceived the FOMC as being more responsive to inflation than to unemployment.

5a) Please provide your modal expectation for the total net change in SOMA holdings of U.S. Treasury securities and agency mortgage-backed securities (MBS) over each of the periods below.

If you expect SOMA holdings to increase on net in a given period, for example through net asset purchases, please enter a positive number. If you expect SOMA holdings to be unchanged on net in a given period, for example through reinvestments that result in no net change in holdings, please enter 0. If you expect SOMA holdings to decline on net in a given period, for example through maturities or paydowns that exceed any reinvestments or through sales, please enter a negative number.

Net Change in U.S. Treasury Securities ($ billions)								
	Nov. 2022	Dec. 2022	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May. 2023	Jun. 2023
25th Percentile	-60	-60	-60	-60	-60	-60	-60	-60
Median	-60	-60	-60	-60	-60	-60	-60	-60
75th Percentile	-60	-60	-60	-60	-60	-60	-60	-60
# of Respondents	25	25	25	25	25	25	25	25

Net Change in U.S. Treasury Securities ($ billions)										
	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
25th Percentile	**-180**	**-180**	**-180**	**-180**	**-170**	**-160**	**-23**	**0**	**0**	**0**
Median	**-180**	**-180**	**-90**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
75th Percentile	**-180**	**-45**	**0**	**0**	**0**	**0**	**46**	**46**	**52**	**49**
# of Respondents	**25**	**25**	**25**	**25**	**25**	**25**	**24**	**24**	**24**	**24**

Net Change in Agency MBS ($ billions)								
	Nov. 2022	Dec. 2022	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May. 2023	Jun. 2023
25th Percentile	**-23**	**-24**	**-23**	**-23**	**-27**	**-26**	**-27**	**-28**
Median	**-20**	**-20**	**-18**	**-19**	**-19**	**-20**	**-20**	**-21**
75th Percentile	**-17**	**-17**	**-15**	**-15**	**-15**	**-18**	**-17**	**-19**
# of Respondents	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**

Net Change in Agency MBS ($ billions)										
	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
25th Percentile	**-80**	**-76**	**-80**	**-79**	**-74**	**-68**	**-63**	**-57**	**-60**	**-53**
Median	**-63**	**-60**	**-52**	**-60**	**-60**	**-52**	**-50**	**-50**	**-50**	**-49**
75th Percentile	**-52**	**-45**	**-26**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
# of Respondents	**24**	**24**	**24**	**24**	**24**	**24**	**23**	**23**	**23**	**23**

5b) Please indicate the period in which you expect the SOMA portfolio will cease to decline as well as the size of the SOMA portfolio when it ceases to decline. Please also indicate the size of specified liabilities, reserves and take-up at the overnight reverse repurchase facility, when the SOMA portfolio ceases to decline.

	Period in which SOMA portfolio ceases to decline*	Size of SOMA portfolio when it ceases to decline**	Size of reserves***	Take-up at the overnight reverse repurchase facility****
25th Percentile	**2023 Q4**	**5,750**	**2,125**	**563**
Median	**2024 Q3**	**6,750**	**2,375**	**1,125**
75th Percentile	**2025 Q2**	**7,250**	**2,625**	**1,625**
# of Respondents	**25**	**25**	**24**	**24**

**Dropdown selections: Q4 2022, Q1 2023, Q2 2023, Q3 2023, Q4 2023, Q1 2024, Q2 2024, Q3 2024, Q4 2024, Q1 2025, Q2 2025, Q3 2025, Q4 2025, Q1 2026, Q2 2026, Q3 2026, Q4 2026, Q1 2027, Q2 2027, Q3 2027, Q4 2027, Q1 2028, Q2 2028, Q3 2028, Q4 2028, Q1 2029 or later.*
***Dropdown selections: $0-500bn, $501-1000bn, $1001-1500bn, $1501-2000bn, $2001-2500bn, $2501-3000bn, $3001-3500bn, $3501-4000bn, $4001-4500bn, $4501-5000bn, $5001-5500bn, $5501-6000bn, $6001-6500bn, $6501-7000bn, $7001-7500bn, $7501-8000bn, $8001bn or larger*
****Dropdown selections: $1000bn or smaller, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501-2750bn, $2751-3000bn, $3001-3250bn, $3251-3500bn, $3501-3750bn, $3751-4000bn, $4001bn or larger.*
*****Dropdown selections: $0-250bn, $251-500bn, $501-750bn, $751-1000bn, $1001-1250bn, $1251-1500bn, $1501-1750bn, $1751-2000bn, $2001-2250bn, $2251-2500bn, $2501bn or larger.*

5c) Please indicate the percent chance that you attach to the size of the SOMA portfolio falling in each of the following ranges when it ceases to decline. For reference, Securities Held Outright in the SOMA portfolio on October 12, 2022 was $8,330 billion according to the most recent H.4.1 release.

	$4000bn or smaller	$4001-4500bn	$4501-5000bn	$5001-5500bn	$5501-6000bn	$6001-6500bn	$6501-7000bn	$7001-7500bn	$7501bn or larger
Average	**0%**	**1%**	**3%**	**9%**	**14%**	**16%**	**17%**	**24%**	**15%**

5d) Please provide any additional information on your expectations for balance sheet reduction, including the period in which you expect the SOMA portfolio will cease to decline and the factors behind your expectations. Please include any factors that influenced the probability that you assigned to the distribution of outcomes in part c above.
(24 responses)

Some dealers indicated they expected an earlier end to balance sheet reduction or saw risks of an earlier end due to expectations for a slowdown in growth or due to policy rate cuts. Several dealers indicated they expected the end of balance sheet reduction to be determined by reserve conditions or by strains in wholesale funding markets. Several dealers indicated they expected a decline in take-up at the ON RRP facility.

Several dealers indicated they expected MBS principal payments to fall short of the maximum cap on monthly MBS securities reductions. Several dealers indicated they viewed MBS sales as likely or possible at some point. Several dealers indicated they viewed MBS sales as unlikely or less likely than in the prior survey.

6) The table below lists the average spreads of selected money market rates* over the past week. Please provide your expectation for each of these rate spreads for the day after each of the FOMC meetings. Please ensure your signs are correct.

Top of target range** minus IORB (in bps)				
	Nov. 1-2	Dec. 13-14	Jan. 31 - Feb. 1	Mar. 21-22
25th Percentile	**10.0**	**10.0**	**10.0**	**10.0**
Median	**10.0**	**10.0**	**10.0**	**10.0**
75th Percentile	**10.0**	**10.0**	**10.0**	**10.0**
# of Respondents	**24**	**24**	**24**	**24**

EFFR minus IORB (in bps)				
	Nov. 1-2	Dec. 13-14	Jan. 31 - Feb. 1	Mar. 21-22
25th Percentile	**-7.0**	**-7.0**	**-7.0**	**-7.0**
Median	**-7.0**	**-7.0**	**-7.0**	**-7.0**
75th Percentile	**-7.0**	**-6.0**	**-5.8**	**-5.0**
# of Respondents	**24**	**24**	**24**	**24**

SOFR minus IORB (in bps)				
	Nov. 1-2	Dec. 13-14	Jan. 31 - Feb. 1	Mar. 21-22
25th Percentile	**-11.0**	**-11.0**	**-11.0**	**-11.0**
Median	**-11.0**	**-11.0**	**-10.0**	**-10.0**
75th Percentile	**-10.0**	**-10.0**	**-9.8**	**-9.0**
# of Respondents	**24**	**24**	**24**	**24**

Bottom of target range** minus ON RRP rate (in bps)				
	Nov. 1-2	Dec. 13-14	Jan. 31 - Feb. 1	Mar. 21-22
25th Percentile	**-5.0**	**-5.0**	**-5.0**	**-5.0**
Median	**-5.0**	**-5.0**	**-5.0**	**-5.0**
75th Percentile	**-5.0**	**-5.0**	**-5.0**	**-3.8**
# of Respondents	**24**	**24**	**24**	**24**

**Listed rates include the interest on reserve balances (IORB) rate, effective federal funds rate (EFFR), Secured Overnight Financing Rate (SOFR), and overnight reverse repurchase agreement (ON RRP) rate.*
***Target range for the federal funds rate*

7) Please provide the percent chance you attach to the following outcomes for U.S. real GDP growth in 2022, 2023, 2024, and 2025 (Q4/Q4).
(17 responses)

Probability Distribution of U.S. Real GDP Growth in 2022 (Q4/Q4)										
	<= -1.01%	-1.00 - -0.51%	-0.50 - 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%
Average	**3%**	**10%**	**24%**	**31%**	**22%**	**7%**	**2%**	**0%**	**0%**	**0%**

Probability Distribution of U.S. Real GDP Growth in 2023 (Q4/Q4)										
	<= -1.01%	-1.00 - -0.51%	-0.50 - 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%
Average	**12%**	**15%**	**19%**	**20%**	**13%**	**9%**	**6%**	**3%**	**1%**	**1%**

Probability Distribution of U.S. Real GDP Growth in 2024 (Q4/Q4)										
	<= -1.01%	-1.00 - -0.51%	-0.50 - 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%
Average	**3%**	**3%**	**7%**	**10%**	**17%**	**18%**	**18%**	**12%**	**8%**	**5%**

Probability Distribution of U.S. Real GDP Growth in 2025 (Q4/Q4)										
	<= -1.01%	-1.00 - -0.51%	-0.50 - 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%
Average	**3%**	**3%**	**3%**	**6%**	**10%**	**14%**	**20%**	**20%**	**13%**	**9%**

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

U.S. Real GDP Modal Point Estimates (Q4/Q4)				
	2022	2023	2024	2025
25th Percentile	**-0.10%**	**-0.60%**	**1.20%**	**1.80%**
Median	**0.20%**	**0.10%**	**1.70%**	**2.00%**
75th Percentile	**0.50%**	**0.50%**	**1.90%**	**2.20%**
# of Respondents	**25**	**25**	**22**	**17**

8a) Please provide the percent chance you attach to the following outcomes for <u>headline PCE inflation</u> in 2022, 2023, 2024, and 2025 (Q4/Q4).
(17 responses)

Probability Distribution of Headline PCE Inflation in 2022 (Q4/Q4)										
	<= 3.00%	3.01 - 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 - 7.00%	>= 7.01%
Average	**0%**	**1%**	**1%**	**2%**	**6%**	**21%**	**32%**	**22%**	**9%**	**5%**

Probability Distribution of Headline PCE Inflation in 2023 (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	**4%**	**3%**	**4%**	**6%**	**9%**	**14%**	**19%**	**16%**	**11%**	**15%**

Probability Distribution of Headline PCE Inflation in 2024 (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	**6%**	**9%**	**13%**	**19%**	**17%**	**14%**	**10%**	**5%**	**3%**	**5%**

Probability Distribution of Headline PCE Inflation in 2025 (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	**6%**	**9%**	**21%**	**25%**	**16%**	**10%**	**5%**	**3%**	**2%**	**3%**

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

Headline PCE Inflation Modal Point Estimates (Q4/Q4)				
	2022	2023	2024	2025
25th Percentile	**5.60%**	**2.60%**	**2.00%**	**2.00%**
Median	**5.90%**	**2.90%**	**2.20%**	**2.00%**
75th Percentile	**6.10%**	**3.20%**	**2.38%**	**2.20%**
# of Respondents	**25**	**25**	**22**	**17**

8b) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from November 1, 2022 - October 31, 2027 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.

	<= 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%
Average	**1%**	**2%**	**4%**	**11%**	**23%**	**27%**	**21%**	**11%**

	Most Likely Outcome
25th Percentile	**2.40%**
Median	**2.80%**
75th Percentile	**3.00%**
# of Respondents	**25**

8c) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from November 1, 2027 - October 31, 2032 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.

	<= 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%
Average	**1%**	**2%**	**7%**	**22%**	**39%**	**19%**	**7%**	**4%**

	Most Likely Outcome
25th Percentile	**2.20%**
Median	**2.30%**
75th Percentile	**2.40%**
# of Respondents	**25**

9a) 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?

	Currently in U.S. Recession	U.S. Recession in 6 Months	Global Recession in 6 Months
25th Percentile	**5%**	**27%**	**40%**
Median	**7%**	**40%**	**50%**
75th Percentile	**15%**	**60%**	**66%**
# of Respondents	**25**	**25**	**24**

**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.*

9b) What percent chance do you attach to the U.S. economy first entering a recession* in each of the following periods?

	2022**	H1 2023	H2 2023	H1 2024	H2 2024	No recession by end 2024
Average	**18%**	**35%**	**20%**	**10%**	**5%**	**13%**

**NBER-defined recession*
***Includes the possibility that the economy may currently be in an NBER-defined recession.*

9c) Please explain the factors behind any change to your expectations in parts a and b since the last policy survey.
(23 responses)

In explaining changes to their recession probabilities, among dealers citing reasons for a higher probability of recession, some cited the tightening of monetary policy or financial conditions. Several dealers noted the risk of a global recession due to a deteriorating global outlook.

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

		2022	2023	2024	2025	Longer Run
Real GDP (Q4/Q4 Growth)	25th Percentile	-0.10%	-0.60%	1.20%	1.80%	1.80%
	Median	0.20%	0.10%	1.70%	2.00%	1.80%
	75th Percentile	0.50%	0.50%	1.90%	2.20%	2.00%
Core PCE Inflation (Q4/Q4)	25th Percentile	4.80%	2.80%	2.20%	2.00%	
	Median	4.90%	3.00%	2.20%	2.00%	
	75th Percentile	5.10%	3.50%	2.48%	2.10%	
Headline PCE Inflation (Q4/Q4)	25th Percentile	5.60%	2.60%	2.00%	2.00%	2.00%
	Median	5.90%	2.90%	2.20%	2.00%	2.00%
	75th Percentile	6.10%	3.20%	2.38%	2.20%	2.00%
Unemployment Rate (Q4 Average Level)	25th Percentile	3.50%	4.00%	4.13%	4.00%	4.00%
	Median	3.60%	4.70%	4.95%	4.40%	4.00%
	75th Percentile	3.70%	5.00%	5.08%	4.90%	4.25%

10b) Please explain changes, if any, to your estimates in part a since the last policy survey.
(21 responses)

In describing the factors underlying changes to their estimates of lower real GDP growth, several dealers cited expectations for tighter monetary policy or greater inflationary pressures than previously expected. Several dealers that revised up their unemployment expectations cited expectations for tighter monetary policy as an underlying factor. Several dealers cited higher realized inflation as a driver of their higher inflation forecasts.