RESPONSES TO SURVEY OF PRIMARY DEALERS

Markets Group, Federal Reserve Bank of New York

JUNE 2017

Distributed: 6/1/2017 – Received by: 6/5/2017

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.[1] For questions that ask respondents to give a probability distribution, the average response across dealers for each potential outcome is reported. Brief summaries of the comments received in free response form are also provided.

Responses were received from 23 primary dealers. Except where noted, all 23 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 June FOMC statement.

Current economic conditions:

Several dealers expected that the Committee would acknowledge that growth in economic activity had increased in the second quarter of 2017 after having slowed in the first quarter. Additionally, several dealers indicated that the Committee would acknowledge the slower pace of job gains, while several noted that the Committee would likely acknowledge the recent decline in the unemployment rate. Several dealers also specified that the Committee could note continued strengthening of the labor market, and several suggested that the Committee could upgrade its characterization of household spending. Furthermore, several dealers suggested that the Committee could indicate that inflation had recently decreased, and several suggested that the Committee could attribute this to transitory factors. Lastly, several dealers suggested that the Committee could acknowledge that inflation remained below the Committee's longer-run objective of 2 percent.

Economic outlook:
(22 responses)

Some dealers noted that they expected no or few significant changes to the Committee's language on the economic outlook. Several dealers noted that the Committee could remove the characterization that the slowing growth during the first quarter was likely to be transitory, and several also indicated that the Committee could continue to note its expectation that economic activity will expand at a moderate pace.

Communication on the expected path of the target fed funds rate:
(22 responses)

Most dealers expected no significant changes in the Committee's communication on the expected path of the target federal funds rate. Additionally, several noted their expectations for the Committee to announce an increase in the target range for the fed funds rate at the June FOMC meeting.

Communication on the Committee's policy of reinvesting principal payments on Treasury and agency securities:
(21 responses)

Many dealers expected no change in the Committee's communication on its policy of reinvesting principal payments on Treasury and agency securities, while several dealers indicated that the Committee could signal that a change to reinvestment policy would occur later this year.

Other:
(9 responses)

Dealers did not provide substantial commentary in this section.

1b) What are your expectations for the medians of FOMC participants' economic projections in the Summary of Economic Projections (SEP)?

Most dealers reported that the medians of FOMC participants' projections for the unemployment rate through 2019 could decrease, and several also indicated that the medians of FOMC participants' projections for the longer-run unemployment rate could decrease. Additionally, many dealers expected that the medians of FOMC participants' projections for near-term headline and/or core PCE inflation could decrease.

1c) What are your expectations for the medians of FOMC participants' target federal funds rate projections in the SEP?

	Year-end 2017	Year-end 2018	Year-end 2019	Longer Run
25th Pctl	**1.38%**	**2.13%**	**2.88%**	**3.00%**
Median	**1.38%**	**2.13%**	**3.00%**	**3.00%**
75th Pctl	**1.38%**	**2.13%**	**3.00%**	**3.00%**

Please comment on the balance of risks around your expectations, as well as any underlying assumptions.
(21 responses)

Several dealers noted the potential for the medians of FOMC participants' year-end target rate projections to decrease for 2018 and 2019, and/or the longer-run. Several dealers also noted the possibility that the median of FOMC participants' 2018 projections could increase slightly as a result of recent changes in the composition of Committee participants. Lastly, several dealers suggested that the risks regarding changes to the medians of FOMC participants' year-end target rate projections were generally balanced.

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

Some dealers noted that they expected the Chair to provide more information regarding the likely timing and/or approach of future changes to reinvestment policy. Additionally, several respondents expected that the Chair would discuss measures of inflation having moved lower, and possibly to attribute this to transitory factors. Lastly, several dealers expected that the Chair would explain the Committee's rationale for increasing the target range at the current meeting.

2a) 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 quarter below. For the time periods at which you expect a target range, please indicate the midpoint of that range in providing your response.

	Jun. 13-14 2017	Jul. 25-26 2017	Sep. 19-20 2017	Oct. 31 - Nov. 1 2017	Dec. 12-13 2017	Jan. 30-31 2018	Mar. 20-21 2018
25th Pctl	1.13%	1.13%	1.13%	1.13%	1.38%	1.38%	1.38%
Median	1.13%	1.13%	1.38%	1.38%	1.38%	1.38%	1.63%
75th Pctl	1.13%	1.13%	1.38%	1.38%	1.38%	1.38%	1.63%
# of Responses	23	23	23	23	23	23	23
	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
25th Pctl	1.63%	1.88%	1.88%	2.00%	2.13%	2.19%	2.38%
Median	1.63%	1.88%	2.13%	2.38%	2.63%	2.63%	2.69%
75th Pctl	1.88%	2.13%	2.38%	2.38%	2.63%	2.88%	2.94%
# of Responses	23	23	23	20	20	20	20

2b) 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.

	Longer Run	10-yr Average FF Rate
25th Pctl	2.50%	2.25%
Median	2.88%	2.50%
75th Pctl	3.00%	2.75%

2c) Please indicate the percent chance that you attach to the following possible outcomes for the Committee's next policy action in 2017.

	Next Change is Increase in Target Rate or Range	Next Change is Decrease in Target Rate or Range	No Change in Target Rate or Range in 2017
Average	92%	1%	7%

2d) Conditional on the Committee's next policy action in 2017 being an increase in the target federal funds rate or range, please indicate the percent chance that you attach to the following possible outcomes for the timing of such a change. Only fill out this conditional probability distribution if you assigned a non-zero probability to the Committee's next policy action in 2017 being an increase.

	Increase Occurs at June FOMC meeting	Increase Occurs at July FOMC meeting	Increase Occurs at September FOMC meeting or later
Average	89%	4%	7%

2e) Please indicate the percent chance that you attach to the target federal funds rate or range falling in each of the following ranges at the end of 2017, conditional on the following possible scenarios for the direction and timing of the Committee's next policy action in 2017. Only fill out the conditional probability distributions for which you assigned a non-zero probability to the conditioning event occurring. If you expect a target range, please use the midpoint of that range in providing your response.

Next change is an increase, occurs at July meeting or earlier								
	≤ 0.50%	0.51 - 0.75%	0.76 - 1.00%	1.01 - 1.25%	1.26 - 1.50%	1.51 - 1.75%	1.76 - 2.00%	≥ 2.01%
Average	**2%**	**2%**	**5%**	**26%**	**49%**	**14%**	**2%**	**0%**

Next change is an increase, occurs at September meeting or later								
	≤ 0.50%	0.51 - 0.75%	0.76 - 1.00%	1.01 - 1.25%	1.26 - 1.50%	1.51 - 1.75%	1.76 - 2.00%	≥ 2.01%
Average	**1%**	**3%**	**6%**	**55%**	**29%**	**5%**	**1%**	**0%**

Next change is a decrease								
	< 0.0%	0.00 - 0.25%	0.26 - 0.50%	0.51 - 0.75%	0.76 - 1.00%	1.01 - 1.25%	1.26 - 1.50%	≥ 1.51%
Average	**5%**	**31%**	**37%**	**24%**	**3%**	**0%**	**0%**	**0%**

2f-i) Please indicate the percent chance that you attach to the target federal funds rate or range falling in each of the following ranges at the end of 2018 and 2019, conditional on **not** moving to the zero lower bound (ZLB) at any point between now and the end of 2019. If you expect a target range, please use the midpoint of that range in providing your response.
(21 responses)

Year-end 2018							
	≤ 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	**5%**	**12%**	**30%**	**37%**	**12%**	**2%**	**1%**

Year-end 2019							
	≤ 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	**5%**	**7%**	**17%**	**28%**	**26%**	**12%**	**5%**

2f-ii) Please indicate the percent chance that you attach to moving to the ZLB at some point between now and the end of 2019.

	Probability of Moving to ZLB at Some Point between now and the end of 2019
25th Pctl	**10%**
Median	**20%**
75th Pctl	**25%**

2f-iii) Please indicate the percent chance that you attach to the target federal funds rate or range falling in each of the following ranges at the end of 2018 and 2019, conditional on moving to the ZLB at some point between now and the end of 2019. Only fill out these conditional probability distributions if you assigned a non-zero probability to moving to the ZLB at some point between now and the end of 2019. If you expect a target range, please use the midpoint of that range in providing your response. (20 responses)

Year-end 2018								
	< 0.00%	0.00-0.25%	0.26-0.50%	0.51-1.00%	1.01-1.50%	1.51-2.00%	2.01-2.50%	≥ 2.51%
Average	**4%**	**38%**	**19%**	**14%**	**12%**	**6%**	**4%**	**2%**

Year-end 2019								
	< 0.00%	0.00-0.25%	0.26-0.50%	0.51-1.00%	1.01-1.50%	1.51-2.00%	2.01-2.50%	≥ 2.51%
Average	**8%**	**55%**	**19%**	**9%**	**6%**	**2%**	**1%**	**1%**

2f-iv) What is your estimate of the target federal funds rate or range at the effective lower bound?

	Level of Target Fed Funds Rate or Range at ELB
25th Pctl	**-0.25%**
Median	**0.00%**
75th Pctl	**0.13%**

2g) For parts a-f, please explain the factors behind any change to your expectations, where applicable, since the last policy survey.
(20 responses)

Several dealers indicated that they shifted earlier their modal forecast for the timing of the next rate hike to the June FOMC meeting or assigned increased probability to a rate hike occurring in June. Additionally, several dealers indicated that they assigned increased probability to lower rate outcomes occurring in 2018 and/or 2019. Several other dealers indicated few significant changes to their responses since the last policy survey.

3a) Provide your estimate of the most likely outcome for the 10-year Treasury yield at the end of each period below. In addition, provide your estimate of the longer-run level of the 10-year Treasury yield.

	2017 Q2	2017 Q3	2017 Q4	2018 Q1
25th Pctl	**2.23%**	**2.38%**	**2.50%**	**2.50%**
Median	**2.30%**	**2.50%**	**2.60%**	**2.65%**
75th Pctl	**2.40%**	**2.60%**	**2.75%**	**2.85%**
# of Responses	**23**	**23**	**23**	**23**
	2018 Q2	2018 H2	2019 H1	2019 H2
25th Pctl	**2.62%**	**2.80%**	**2.90%**	**2.95%**
Median	**2.75%**	**3.00%**	**3.13%**	**3.04%**
75th Pctl	**2.90%**	**3.25%**	**3.25%**	**3.50%**
# of Responses	**21**	**19**	**18**	**18**

	Longer Run
25th Pctl	**3.00%**
Median	**3.23%**
75th Pctl	**3.50%**
# of Responses	**20**

3b) Provide your estimate of the most likely outcome for the 30-year fixed primary mortgage rate at the end of each period below. In addition, provide your estimate of the longer-run level of the 30-year fixed primary mortgage rate.

	2017 Q2	2017 Q3	2017 Q4	2018 Q1
25th Pctl	**3.90%**	**4.00%**	**4.17%**	**4.20%**
Median	**4.07%**	**4.25%**	**4.37%**	**4.43%**
75th Pctl	**4.19%**	**4.33%**	**4.48%**	**4.55%**
# of Responses	**18**	**18**	**18**	**18**
	2018 Q2	2018 H2	2019 H1	2019 H2
25th Pctl	**4.39%**	**4.65%**	**4.70%**	**4.75%**
Median	**4.55%**	**4.75%**	**5.00%**	**5.10%**
75th Pctl	**4.73%**	**5.20%**	**5.40%**	**5.50%**
# of Responses	**16**	**15**	**15**	**15**

	Longer Run
25th Pctl	**4.89%**
Median	**5.10%**
75th Pctl	**5.45%**
# of Responses	**16**

4a) In its Policy Normalization Principles and Plans, the Committee indicated that it "expects to cease or commence phasing out reinvestments" after liftoff. Please indicate the percent chance that you attach to the Committee ceasing its reinvestments all at once, phasing out its reinvestments over time*, or not changing its reinvestments.

Treasuries			
	Reinvestments Ceased All at Once	Reinvestments Phased Out Over Time*	No Change to Reinvestments
Average	**2%**	**91%**	**7%**

Agency Debt and MBS			
	Reinvestments Ceased All at Once	Reinvestments Phased Out Over Time*	No Change to Reinvestments
Average	**2%**	**91%**	**7%**

**Includes a phased-in cap approach as discussed in question 4e.*

4b) In recent FOMC statements, the Committee has indicated that it anticipates continuing its current reinvestment policy until normalization of the level of the federal funds rate is "well under way."

Conditional on reinvestments either being ceased all at once or phased out over time, please indicate the percent chance that you attach to the following outcomes for the level of the target federal funds rate or range when the Committee first announces a change to its reinvestment policy. Only fill out this probability distribution if you assigned a non-zero probability to reinvestments either being ceased all at once or phased out over time in question 4a. If you expect a target range, please use the midpoint of that range in providing your response.

	≤ 0.75%	0.76 - 1.00%	1.01 - 1.25%	1.26 - 1.50%	1.51 - 1.75%	1.76 - 2.00%	≥ 2.01%
Average	**0%**	**3%**	**38%**	**43%**	**13%**	**2%**	**1%**

Additionally, please provide your point estimate for the most likely outcome of the level of the target federal funds rate or range when the Committee first announces a change to its reinvestment policy. If you expect a target range, please use the midpoint of that range in providing your response.

	Level of Target Fed Funds Rate/Range
25th Pctl	**1.13%**
Median	**1.38%**
75th Pctl	**1.38%**

4c) The May FOMC minutes reported that "nearly all" FOMC participants indicated that "as long as the economy and path of the federal funds rate evolved as currently expected, it likely would be appropriate to begin reducing the Federal Reserve's securities holdings this year." Conditional on a change to reinvestments occurring, please indicate the percent chance that you attach to the following possible outcomes for when the Committee first announces a change to its reinvestment policy. Only fill out this probability distribution if you assigned a non-zero probability to a change to reinvestments occurring in question 4a.

	Jun. 13-14 FOMC	Jul. 25-26 FOMC	Sep. 19-20 FOMC	Oct. 31-Nov. 1 FOMC	Dec. 12-13 FOMC	Q1 2018	Q2 2018	≥ H2 2018
Average	**5%**	**4%**	**38%**	**9%**	**33%**	**7%**	**3%**	**1%**

4d) Please explain the factors behind any change to your views in parts a-c, where applicable, since the last policy survey.

Some dealers noted that they assigned increased probability to the Committee announcing a change to its reinvestment policy this year. Additionally, several dealers indicated that they shifted earlier their modal forecast for the timing of an announcement of a change to the Committee's reinvestment policy, with several specifying that they now expect an announcement to occur at the September meeting or that they increased the probability on an announcement occurring at the September meeting. In explaining their views, some dealers pointed to the May FOMC minutes as prompting the change in their expectations, while several other dealers cited Fed communications more broadly as informing the change in their expectations.

4e) The May FOMC minutes indicated that "nearly all policymakers expressed a favorable view" of a reinvestment approach in which "the Committee would announce a set of gradually increasing caps, or limits, on the dollar amounts of Treasury and agency securities that would be allowed to run off each month, and only the amounts of securities repayments that exceeded the caps would be reinvested each month." Additionally, the minutes suggested that under such a strategy, the caps would "initially be set at low levels and then be raised every three months, over a set period of time, to their fully phased-in levels."

Conditional on the Committee adopting such a strategy, please indicate the most likely levels ($ billions) of the caps initially and at their fully phased-in levels.
(22 responses)

		Initial	Fully Phased-In
Treasuries	25th Pctl	**5**	**15**
	Median	**5**	**25**
	75th Pctl	**10**	**30**
Agency Debt and MBS	25th Pctl	**5**	**15**
	Median	**5**	**22**
	75th Pctl	**5**	**30**

Conditional on the Committee adopting such a strategy, please also indicate the most likely number of months from when caps are initially implemented until they are fully phased in.

	Treasuries	Agency Debt and MBS
25th Pctl	**9**	**9**
Median	**10**	**10**
75th Pctl	**12**	**12**

5a) Please indicate the percent chance that you attach to the following possible outcomes for the par value of the SOMA portfolio <u>at the end of 2019, conditional on **not** moving to the ZLB at any point between now and the end of 2019</u>. For reference, the level of the SOMA portfolio on May 24, 2017 was $4274 billion, including inflation compensation and settled and unsettled agency MBS, according to the most recent H.4.1 release. Levels referenced below are in $ billions.

	≤ 3000	3001 - 3500	3501 - 4000	4001 - 4500	≥ 4501
Average	**6%**	**35%**	**46%**	**11%**	**2%**

5b) Please indicate the percent chance that you attach to the following possible outcomes for the par value of the SOMA portfolio <u>at the end of 2019, conditional on moving to the ZLB at any point between now and the end of 2019</u>. Only fill out this conditional probability distribution if you assigned a non-zero probability to moving to the ZLB at some point between now and the end of 2019 in question 2. Levels referenced below are in $ billions.
(22 responses)

	≤ 4000	4001 - 4500	4501 - 5000	5001 - 5500	≥ 5501
Average	**12%**	**39%**	**29%**	**15%**	**6%**

6) What has been the impact to date of Fed communication regarding potential changes to reinvestment policy on the 10-year Treasury yield and 30-year MBS option-adjusted spread, if any? Please provide your responses in basis points.
(20 responses)

	10-Year Treasury Yield	30-Year MBS Option-Adjusted Spread
25th Pctl	**0**	**0**
Median	**0**	**0**
75th Pctl	**5**	**5**

Please also comment on the expected future market impact of the strategy you outlined in question 4e, if any.
(20 responses)

Several dealers noted that they expect a relatively modest impact on Treasury yields and MBS spreads from changes to reinvestment policy, conditional on the reinvestment strategy they outlined in question 4e being realized. Additionally, several dealers also noted that they had perceived minimal market impact to date from Fed communication regarding potential changes to reinvestment policy.

7) On average during 2016, the size of the Federal Reserve System's balance sheet was $4472 billion, and was composed roughly as follows:

Assets	Level ($ Bn)	Share	Liabilities and Capital	Level ($ Bn)	Share
US Treasuries	**2462**	**55%**	Federal Reserve Notes	**1413**	**32%**
Agency MBS	**1749**	**39%**	Reserves	**2306**	**52%**
All Other Assets*	**261**	**6%**	Deposits in Treasury General Account (TGA)	**308**	**7%**
Total Assets	**4472**	**100%**	Reverse Repos with Private Counterparties	**107**	**2%**
			Reverse Repos with Foreign Official Accounts	**242**	**5%**
			Other Deposits**	**39**	**1%**
			All Other Liabilities and Capital	**57**	**1%**
			Total Liabilities and Capital	**4472**	**100%**

**Includes net unamortized premiums and discounts on securities held outright, repos, and other assets.*
***Includes balances held by designated financial market utilities (DFMUs), government sponsored entities (GSEs) and international and multilateral organizations.*

The figures above refer to averages of Wednesday levels from 2016 H.4.1 releases. For further details, see also the "Report on Domestic Open Market Operations during 2016" prepared by the Markets Group of the Federal Reserve Bank of New York.

Please indicate your expectations for the composition of the Federal Reserve System's balance sheet, on average, in 2025, conditional on not moving to the ZLB at any point between now and the end of 2025. Please provide your responses in levels ($ billions). Please ensure total assets are equal to total liabilities plus capital.
(21 responses)

Results to this question are on the following page.

Question text related to these results are on the previous page.

Assets		Level	Liabilities and Capital		Level
US Treasuries	25th Pctl	**1945**	Federal Reserve Notes	25th Pctl	**1787**
	Median	**2466**		Median	**2025**
	75th Pctl	**3107**		75th Pctl	**2440**
Agency MBS	25th Pctl	**400**	Reserves	25th Pctl	**412**
	Median	**600**		Median	**588**
	75th Pctl	**730**		75th Pctl	**850**
All Other Assets*	25th Pctl	**115**	Deposits in Treasury General Account (TGA)	25th Pctl	**250**
	Median	**200**		Median	**300**
	75th Pctl	**261**		75th Pctl	**400**
			Reverse Repos with Private Counterparties	25th Pctl	**50**
				Median	**90**
				75th Pctl	**100**
			Reverse Repos with Foreign Official Accounts	25th Pctl	**121**
				Median	**150**
				75th Pctl	**242**
			Other Deposits**	25th Pctl	**35**
				Median	**50**
				75th Pctl	**100**
			All Other Liabilities and Capital	25th Pctl	**45**
				Median	**50**
				75th Pctl	**57**

**Includes net unamortized premiums and discounts on securities held outright, repos, and other assets.*
***Includes balances held by designated financial market utilities (DFMUs), government sponsored entities (GSEs) and international and multilateral organizations.*

	Total Assets	Total Liabilities and Capital
25th Pctl	**2750**	**2750**
Median	**3418**	**3600**
75th Pctl	**3930**	**3930**

Note: Due to partial responses, total assets may not equal total liabilites/capital at all percentiles.

8a) Provide your estimate of the most likely outcome for output, inflation, and unemployment.
(16 responses)

		Q4/Q4 2017	Q4/Q4 2018	Q4/Q4 2019	Longer Run
GDP	25th Pctl	**2.10%**	**2.10%**	**1.60%**	**1.75%**
	Median	**2.20%**	**2.30%**	**2.00%**	**1.80%**
	75th Pctl	**2.30%**	**2.70%**	**2.30%**	**2.00%**
Core PCE Deflator	25th Pctl	**1.70%**	**2.00%**	**2.00%**	**-**
	Median	**1.80%**	**2.00%**	**2.00%**	**-**
	75th Pctl	**1.80%**	**2.20%**	**2.20%**	**-**
Headline PCE Deflator	25th Pctl	**1.60%**	**1.90%**	**2.00%**	**2.00%**
	Median	**1.80%**	**2.00%**	**2.10%**	**2.00%**
	75th Pctl	**2.00%**	**2.20%**	**2.30%**	**2.00%**
Unemployment Rate*	25th Pctl	**4.20%**	**3.90%**	**4.20%**	**4.50%**
	Median	**4.30%**	**4.20%**	**4.20%**	**4.70%**
	75th Pctl	**4.30%**	**4.30%**	**4.40%**	**5.00%**

**Average level of the unemployment rate over Q4.*

8b) Provide your estimate of the most likely outcome for the U.S. federal fiscal deficit (as a percent of GDP) for fiscal years 2017, 2018 and 2019.
(19 responses)

	FY 2017	FY 2018	FY 2019
25th Pctl	**3.00%**	**3.22%**	**3.30%**
Median	**3.15%**	**3.60%**	**3.90%**
75th Pctl	**3.30%**	**3.80%**	**4.20%**

Please explain any changes to your estimates since the policy survey on April 24.
(18 responses)

Several dealers indicated few significant changes to their responses since the last policy survey, while several dealers noted they adjusted their responses given a lower perceived likelihood of fiscal stimulus measures being enacted under the current administration.

8c) Please indicate the overall effect of any changes to your estimates for the federal fiscal deficit since the last policy survey on your forecasts for GDP growth (Q4/Q4) in 2017, 2018 and 2019 and over the longer run, combining direct and indirect effects. Please provide your responses in percentage points.
(17 responses)

	2017	2018	2019	Longer Run
25th Pctl	**0.00**	**0.00**	**0.00**	**0.00**
Median	**0.00**	**0.00**	**0.00**	**0.00**
75th Pctl	**0.00**	**0.00**	**0.00**	**0.00**

9a) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from June 1, 2017 – May 31, 2022 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.

	≤ 1.00%	1.01-1.50%	1.51-2.00%	2.01-2.50%	2.51-3.00%	≥ 3.01%
Average	**4%**	**11%**	**30%**	**36%**	**15%**	**5%**

	Most Likely Outcome
25th Pctl	**2.10%**
Median	**2.20%**
75th Pctl	**2.30%**

9b) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from June 1, 2022 – May 31, 2027 falling in each of the following ranges. Please also provide your point estimate for the most likely outcome.

	≤ 1.00%	1.01-1.50%	1.51-2.00%	2.01-2.50%	2.51-3.00%	≥ 3.01%
Average	**4%**	**10%**	**27%**	**38%**	**16%**	**6%**

	Most Likely Outcome
25th Pctl	**2.10%**
Median	**2.25%**
75th Pctl	**2.30%**

10a) What percent chance do you attach to the U.S. economy **currently** being in a recession*?

10b) What percent chance do you attach to the U.S. economy being in a recession* **in 6 months**?

10c) What percent chance do you attach to the global economy being in a recession** **in 6 months**?

	Currently in U.S. Recession
25th Pctl	**2%**
Median	**5%**
75th Pctl	**5%**

	U.S. Recession in 6 Months
25th Pctl	**10%**
Median	**10%**
75th Pctl	**15%**

	Global Recession in 6 Months
25th Pctl	**10%**
Median	**12%**
75th Pctl	**15%**

**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.*

10d) Please explain the factors behind any change to your expectations in parts a-c since the last policy survey.
(16 responses)

Some dealers indicated no or few significant changes to their responses since the last policy survey.