

SURVEY OF	MARKET PARTICIPANTS
DECEMBER	2023

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**, **December 4th 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 referencing each of the following topics in the December FOMC statement. <u>Please write N/A if you do not expect any changes.</u>

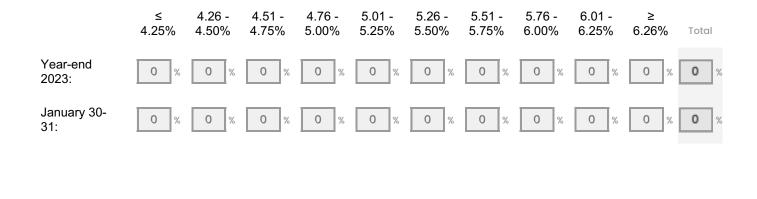
Current economic conditions:	
Economic outlook and communication on the expected path of the target federal funds rate:	
Communication on tools other than the target federal funds rate:	
Other:	

1b) What are your expectations for the most likely levels of the medians of FOMC participants' target federal funds rate projections in the SEP? Please provide your responses out to three decimal places (e.g. for one percent enter 1.000, not 0.01).

	Year-end 202 Sep-23: 5.6259		end 2024 3: 5.125%	Year-end 2025 Sep-23: 3.875%	Year-end Sep-23: 2		Longer Run ep-23: 2.500%
December SEP median (percent):							
l c) What are your expectations	s for the Chair's p	oress confer	rence?				
2a) Provide your estimate of the mmediately following the FOM periods at which you expect a to 1.25 percent enter 1.125, not 0	C meetings and arget range, plea	at the end o	of each of the	e following quarte	ers and year	s below. For	the time
		FON	MC Meeting	s			
	Dec 12- 13, 2023	Jan 30- 31, 2024	Mar 19- 20, 2024	Apr 30- May 1, 2024	June 11- 12, 2024	July 30- 31, 2024	Sep 17- 18, 2024
Target rate / midpoint of target range (percent, out to three decimal places):							
			Quarters				
	2024 Q4	202	25 Q1	2025 Q2	2025	Q3	2025 Q4
Target rate / midpoint of target range (percent, out to three decimal places):							
			Years				
		2026				2027	
Target rate / midpoint of target range (percent):							
2b) In addition, provide your es funds rate over the next 10 yea 1.0, not 0.01).							
funds rate over the next 10 yea 1.0, not 0.01).	rs. Please provid	de your resp	oonses out to	o at least one de	cimal place (e.g. for one	percent e

Longer run (percent):

2c) 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 2023, immediately following the January FOMC meeting and at the end of 2024. If you expect a target range, please use the midpoint of that range in providing your response.



	1.50%	2.00%	2.50%	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%	5.51%	Total
Year-end 2024:	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

3.01 -

3.51 -

4.01 -

4.51 -

5.01 -

≥

≤

1.51 -

2.01 -

2.51 -

2d) Please indicate the percent chance* that you attach to the <u>highest level of the target range for the federal funds rate before</u> the target range is next decreased falling in each of the following ranges.

3a) 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.

Average level over each period (\$ billions)

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

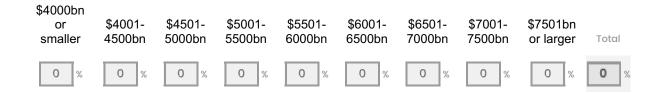
^{*}Responses should add up to 100 percent.

	October 2023 (Actual**)	November 2023	December 2023	January 2024	February 2024	March 2024
U.S. Treasuries:	4926					
Agency MBS:	2478					
Total Assets*:	7999					
Note: U.S. Treasuries and Age			ach period (\$ bil	ŕ		
Note: U.S. Treasuries and Age	2024 Q2		2024 Q3	2024 Q4	4	2025 Q4
U.S. Treasuries:						
Agency MBS:						
Total Assets*:						
ortfolio when it ceases to declin everse repurchase facility, wher			-	ilities, reserves	and take-up a	It the overnight
Period in which SOMA portfolio	ceases to dec	line*:				_
Size of SOMA portfolio when it billions)**: Current value: \$7,305bn***	ceases to decl	ine (\$				_
Size of reserves (\$ billions)**** Current value: \$3,455bn***						_
Take-up at the overnight revers	se repurchase f	acility (\$				•

Current value: \$932bn***

*Dropdown selections: 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.

3c) 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 November 22, 2023 was \$7,305 billion according to the most recent H.4.1 release.



^{*}Responses should add up to 100 percent.

3d) Please provide any additional information or factors behind your <u>baseline expectations</u> for <u>assets</u> on the Federal Reserve balance sheet and when the decline in the balance sheet will be slowed and then stopped.

Please provide any additional information or factors behind the <u>distribution of outcomes</u> around your baseline for <u>assets</u> on the Federal Reserve balance sheet and when the decline in the balance sheet will be slowed and then stopped.

4) 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. For reference, as of November 28 the yield was roughly 4.30 percent. Please provide your responses out to at least one decimal place (e.g. for one percent enter 1.0, not 0.01).

Quarters

2023 Q4 2024 Q1 2024 Q2 2024 Q3 2024 Q4

^{**}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.

^{***}Most recent H.4.1, as of November 22, 2023.

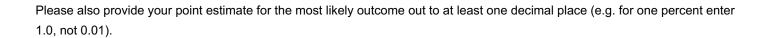
^{****}Dropdown selections: \$1000bn or smaller, \$1001-1250bn, \$1251-1500bn, \$1501-1750bn, \$1751-2000bn, \$2001-2250bn, \$2251-2500bn, \$2501-2750bn, \$2751-3000bn, \$3001-3250bn, \$3251-3500bn, \$3501-3750bn, \$3751-4000bn, \$4001bn or larger

^{*****}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.

Percent:					
		<u>Half-Years</u>			
	H1 2025	H2 2025	Н	1 2026	H2 2026
Percent:		-		-	
Percent:			Longer run		
Provide your estimate of the elow. In addition, provide you ovember 28 the rate was roug	r estimate of the long	er-run level of the 30-	year fixed prima	ary mortgage rate.	For reference, as
ercent enter 1.0, not 0.01).		<u>Quarters</u>			
	2022 04		2024 02	2024 Q3	2024.04
Percent:	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
		<u>Half-Years</u>			
	H1 2025	H2 2025	Н	1 2026	H2 2026
Percent:					
Percent:			Longer run		
) Please provide the percent o Q4/Q4). ≤ -	-1.00 -		es for U.S. real 01 - 1.51 -	GDP growth in 20 2.01 - 2.51	
1.01% 2023 (Q4/Q4): 0 %			50% 2.00%	2.50% 3.00%	

2024 (Q4/Q4): [0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
*Responses across eac	th row shoul	d add up to	100 percen	t.							
Please also provide 1.0, not 0.01).	your point	estimate	for the mo	ost likely o	utcome ou	ut to at lea	ist one dec	cimal place	e (e.g. for	one perce	nt enter
2023 (Q4/Q4, pe	ercent):										
2024 (Q4/Q4, pe	ercent):										
7) Please indicate y provide your respon									ng quarte	rs.* Please	
		Q4 20	23 (saar)	Q1 20	24 (saar)	Q2 202	24 (saar)	Q3 2024	(saar)	Q4 2024	(saar)
Headline PCE in (percent): Q3 2023 (saar): 2.9				_		_					
Core PCE inflation (percent): Q3 2023 (saar): 2.4											
*Percent change from the **Advance estimate by **				d rate, base	ed on the ave	erage of mo	nthly levels	(seasonally	adjusted) ii	n each quarte	er
8a) Please provide to (Q4/Q4).	the percen	t chance*	you attac	h to the fo	llowing ou	itcomes fo	or <u>headlin</u> e	e PCE infla	ation in 20	023 and 20	24
	≤ 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
2023 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
	≤ 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
2024 (Q4/Q4):	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Responses	across	aach	row/	shoul	d add	un t	0 100	nercent
Responses	across	eacii	I O VV	SHOUL	u auu	uv	0 100	, Dercerit.



2023 (Q4/Q4, percent):
2024 (Q4/Q4, percent):

8b) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from December 1, 2023 - November 30, 2028 falling in each of the following ranges.

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:

8c) For the outcomes below, provide the percent chance* you attach to the annual average <u>CPI inflation</u> rate from December 1, 2028 - November 30, 2033 falling in each of the following ranges.

Please also provide your point estimate for the most likely outcome out to at least one decimal place (e.g. for one percent enter

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

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

Percent:							
9a) What percent chance do y	ou 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 sugge capita real global GDP, backed up t trade, capital flows, oil consumption	by a decline or wor	rsening in one or r					
9b) What percent chance* do	you attach to th	e U.S. econom	y first entering	a recession** ir	n each of the fo	llowing period	s?
	H1 2023***	H2 2023	H1 2024	H2 2024	H1 2025	No recession by end H1 2025	Total
	0 %	0 %	0 %	0 %	0 %	0 %	0 %

1.0, not 0.01).

^{*}Responses should add up to 100 percent.

^{**}NBER-defined recession.

^{***}Percent chance that the economy first entered an NBER-defined recession in H1 2023.