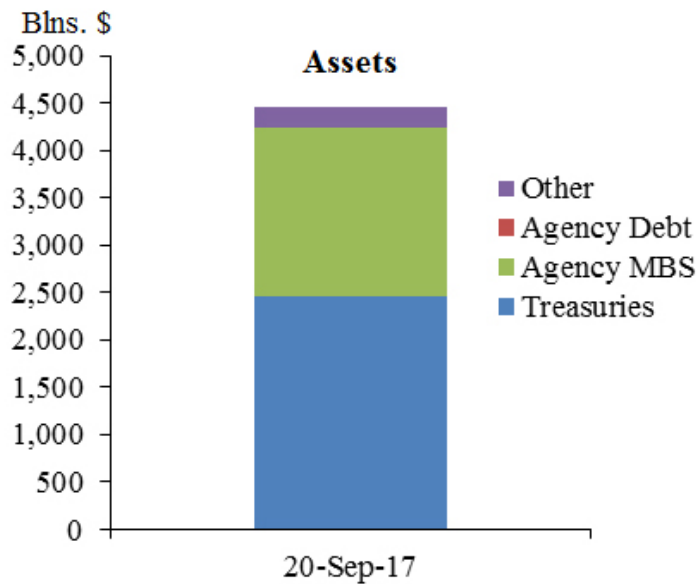
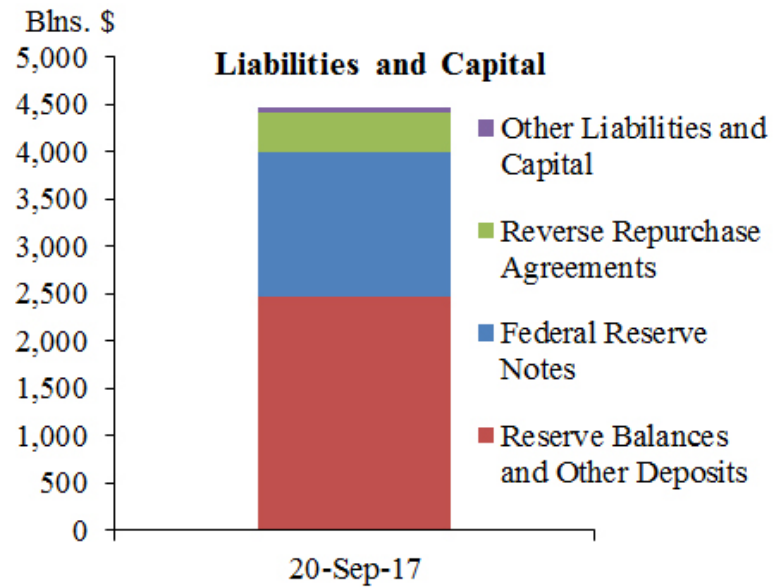


Panel 1: Assets and Liabilities Today

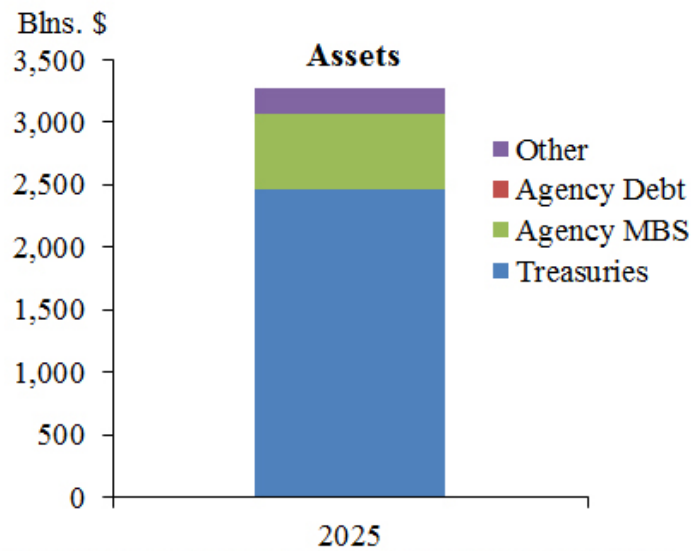


Source: H.4.1, Federal Reserve Statistical Release.

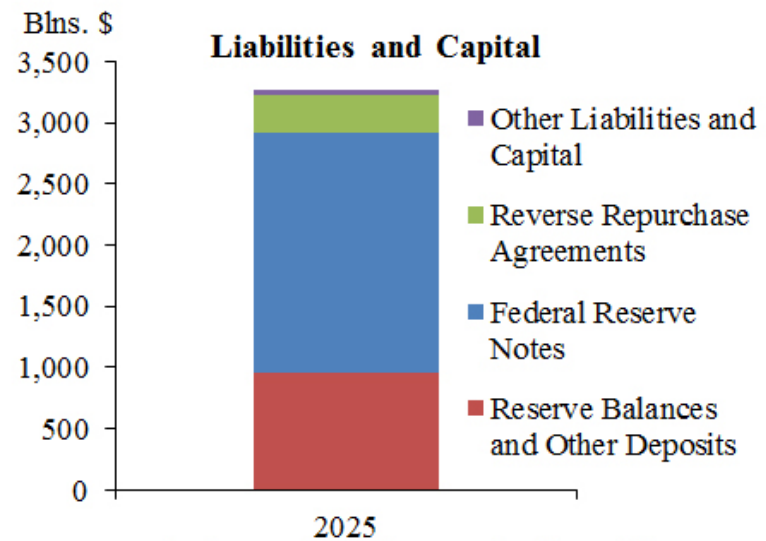


Source: H.4.1, Federal Reserve Statistical Release.

Panel 2: Projections of Assets and Liabilities in 2025

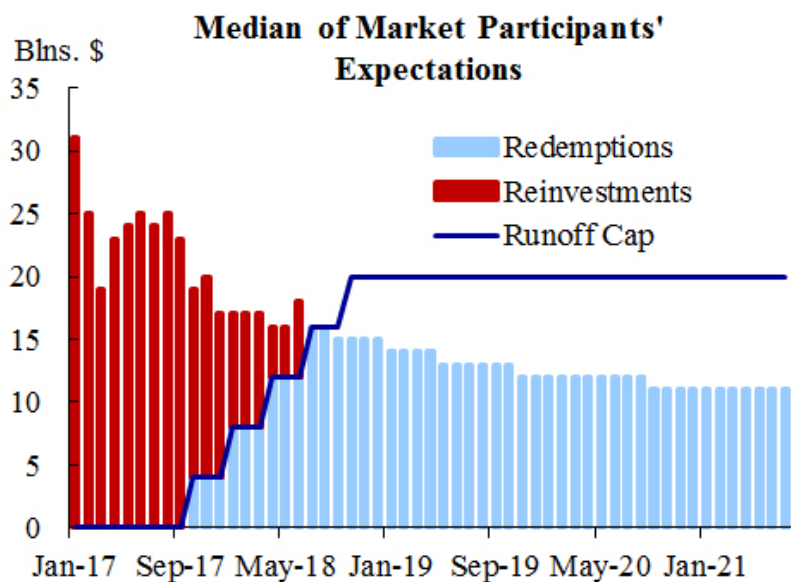


Source: Survey of Primary Dealers and Survey of Market Participants, June 2017.

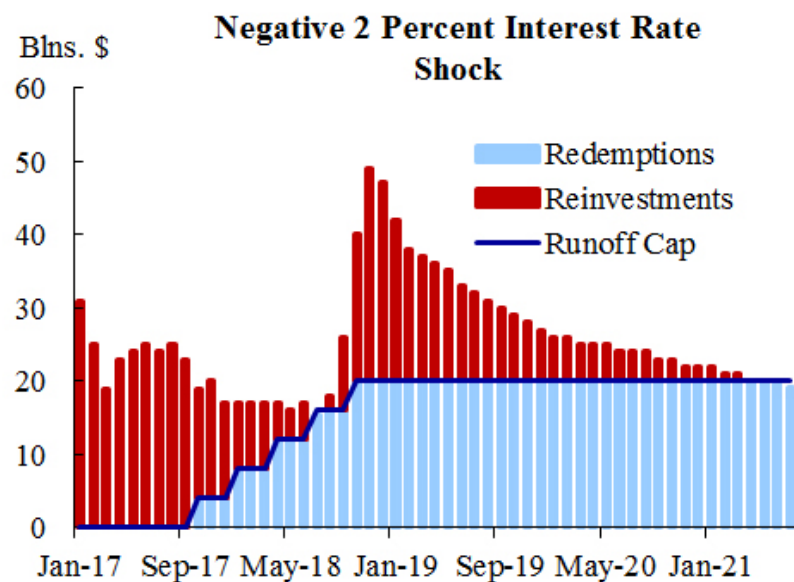


Source: Survey of Primary Dealers and Survey of Market Participants, June 2017.

Panel 3: Mortgage Principal Repayments

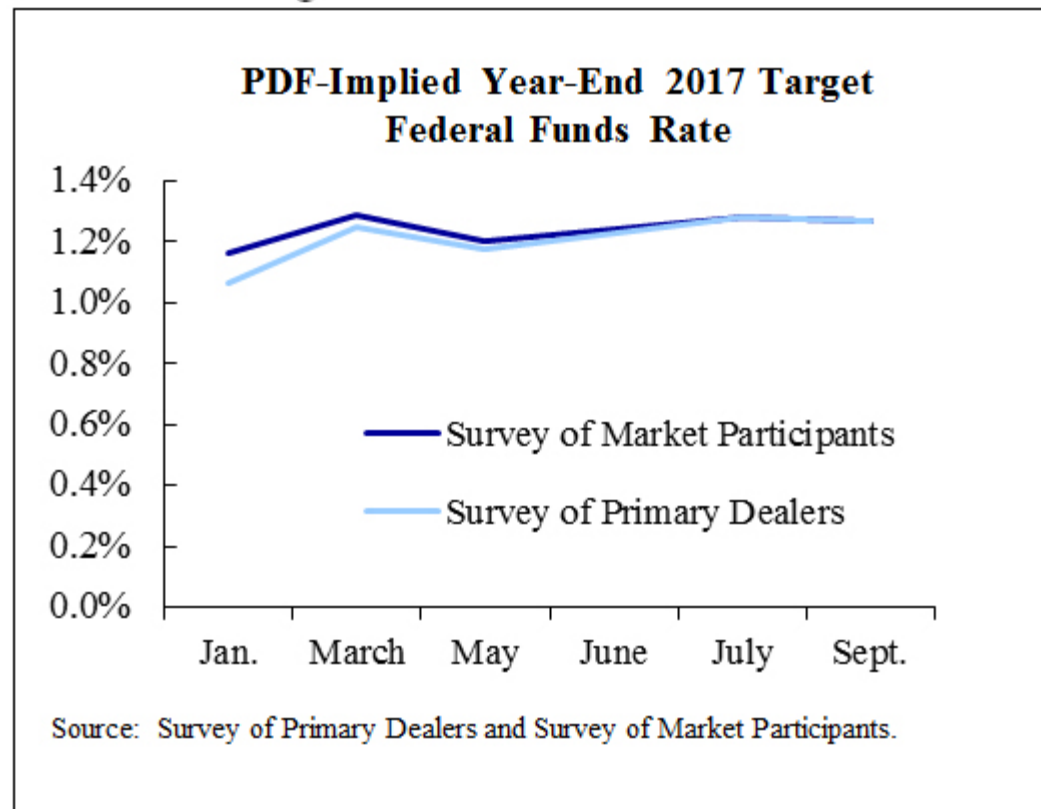


Source: Federal Reserve Bank of New York.

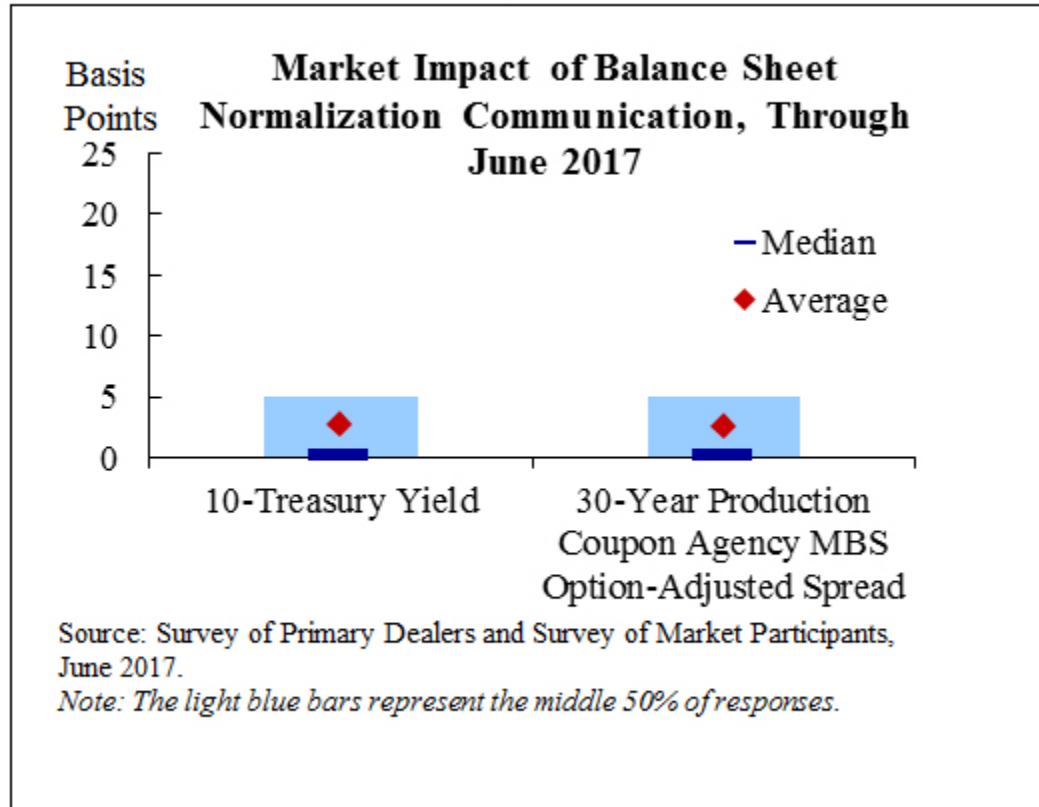


Source: Federal Reserve Bank of New York.

Panel 4: Disagreement Between Dealers and Investors

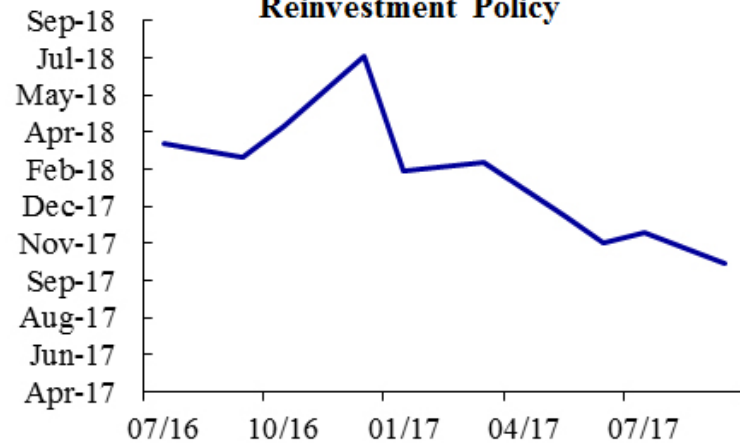


Panel 5: Market Impact of Communication



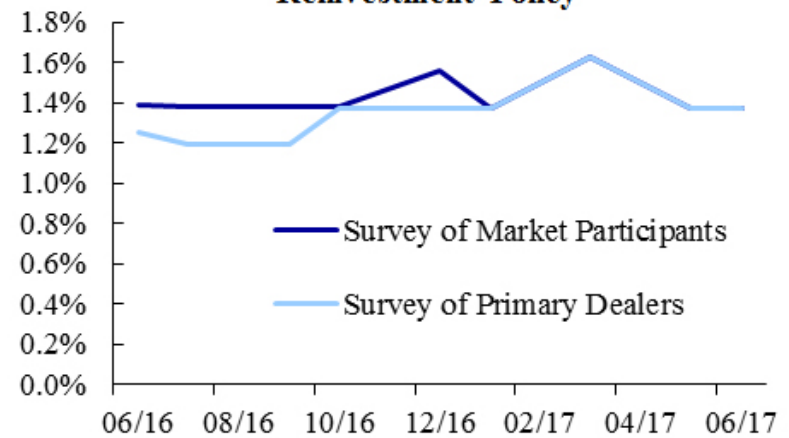
Panel 6: Timing of Reinvestment Change

Date of Announcement of Change in the Reinvestment Policy



Source: Survey of Primary Dealers and Survey of Market Participants; FRBNY calculations.

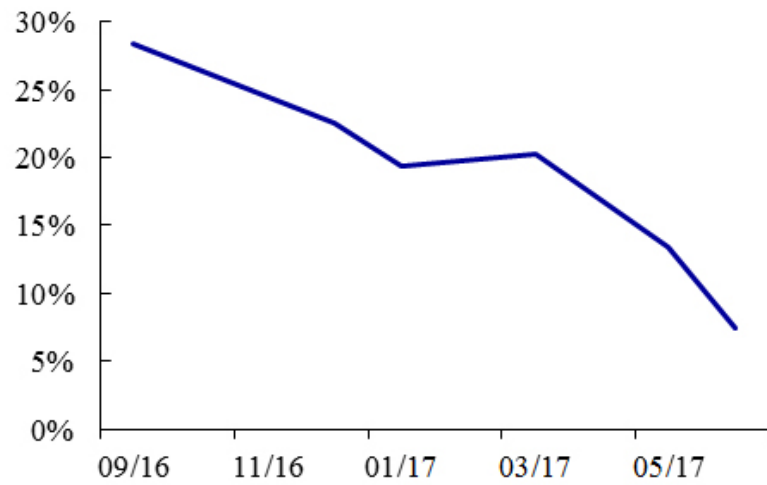
Federal Funds Rate at First Change in Reinvestment Policy



Source: Survey of Primary Dealers and Survey of Market Participants; FRBNY calculations.

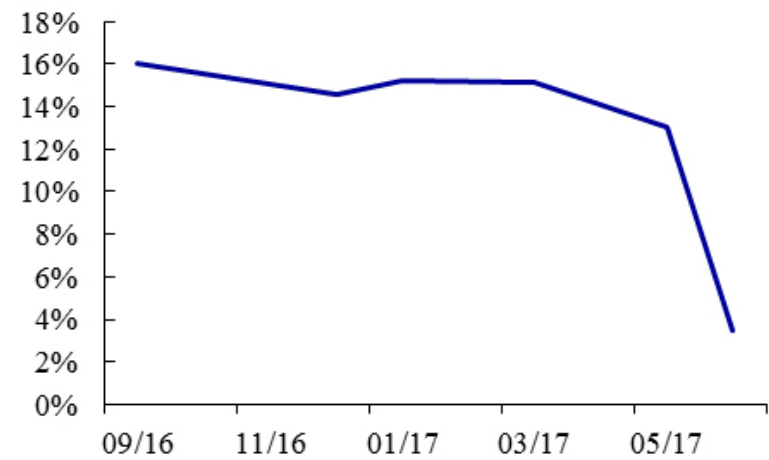
Panel 7: Expectations for Method of Reduction

No Change in Treasury Reinvestments



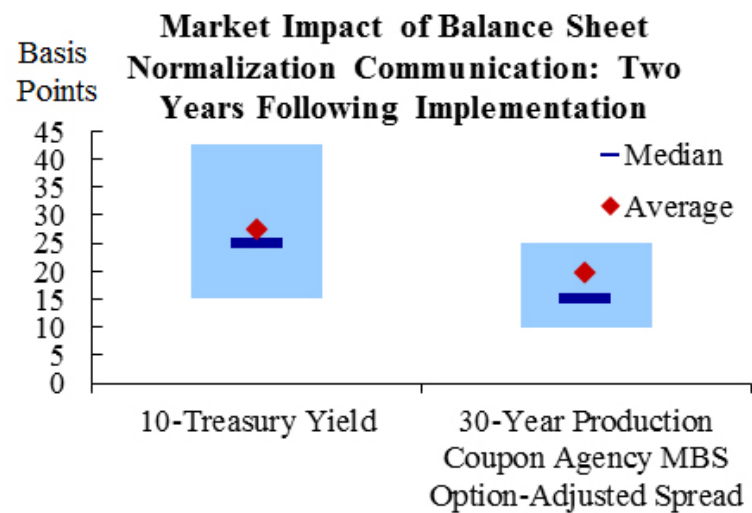
Source: Survey of Primary Dealers and Survey of Market Participants.

Treasury Reinvestments Ceasing All at Once



Source: Survey of Primary Dealers and Survey of Market Participants.

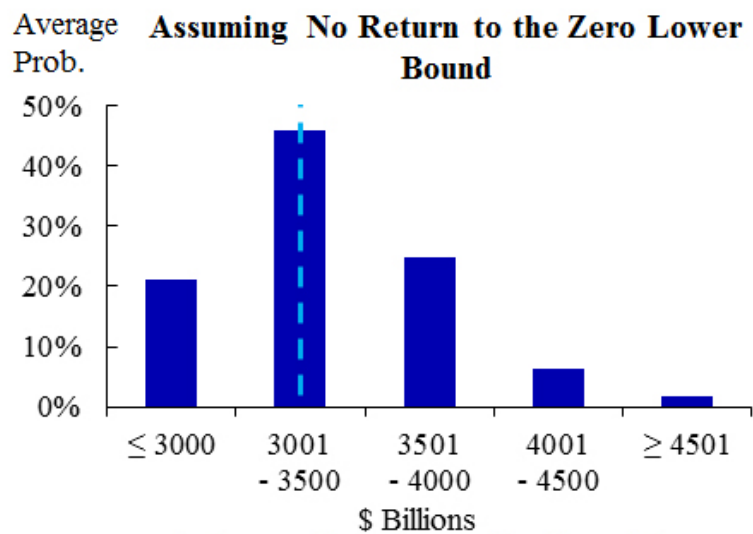
Panel 8: Market Impact of Balance Sheet Normalization: Two Years Following Implementation



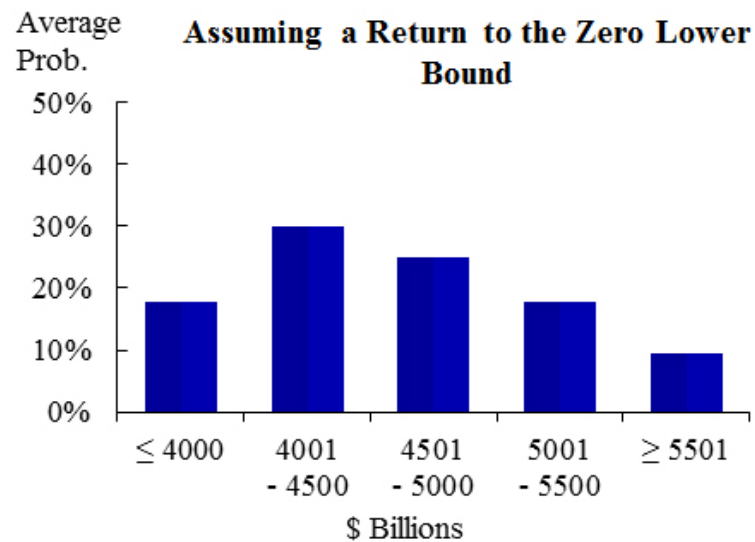
Source: Survey of Primary Dealers and Survey of Market Participants, July 2017.

Note: The light blue bars represent the middle 50% of responses.

Panel 9: 2020 Portfolio Size Probability Distribution

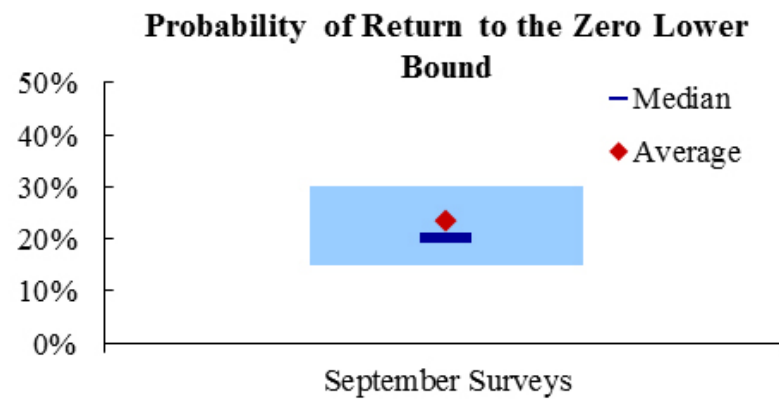


Source: Survey of Primary Dealers and Survey of Market Participants, September 2017. The dotted line represents the median scenario from the July update to the Annual Report.



Source: Survey of Primary Dealers and Survey of Market Participants, September 2017.

Panel 10: Prob. of Moving to ZLB (Now - End 2020)



Source: Survey of Primary Dealers and Survey of Market Participants, September 2017.

Note: The light blue bars represent the middle 50% of responses.