Responses to Survey of Market Participants

Markets Group, Federal Reserve Bank of New York

September 2015

Responses to Survey of Market Participants
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For most questions, median responses across respondents, 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 29 respondents. Except where noted, all 29 respondents responded to each question. In some cases, respondents 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.

Monetary Policy Expectations

1. a) Provide below your expectations for changes, if any, to the language referencing each of the following topics in the September FOMC statement. Limit your responses to changes you consider most likely.

Current economic conditions and the economic outlook:
(27 responses)

Several respondents expected the September FOMC statement to note a continued moderate expansion in economic growth, while several respondents also expected the statement to reference continued improvements in the labor market. Some respondents expected the statement to acknowledge recent international developments and financial market volatility. In addition, several respondents expected the statement to cite recent levels of low inflation. Lastly, several participants expected there to be no material changes to most aspects of the September FOMC statement.

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

Most respondents expected no change to the Committee's policy of reinvesting principal payments on Treasury and agency securities in the September FOMC statement.

Communication on the expected path of policy rates and forward guidance on the target federal funds rate:
(25 responses)

Some respondents expected no change in the Committee's communication regarding the expected path of policy rates or forward guidance on the target federal funds rate. Several respondents expected the statement to include language that the expected pace of policy normalization will likely be gradual. Several respondents expected the statement to indicate that the Committee will remain data dependent in determining the appropriate stance of policy.

Other:
(7 responses)

Respondents did not provide substantial commentary in this section.

[1] Answers may not sum to 100 percent due to rounding.

b) The July FOMC meeting minutes indicated that FOMC participants unanimously supported a proposal for publishing median values of all variables included in the Summary of Economic Projections (SEP) starting at the time of the September FOMC meeting. What are your expectations for the medians of FOMC participants' economic projections in the Summary of Economic Projections (SEP)?
(28 responses)

Change in real GDP

	2015	2016	2017	2018	Longer Run
25th Pctl	2.00%	2.50%	2.25%	2.10%	2.10%
Median	2.15%	2.50%	2.30%	2.20%	2.11%
75th Pctl	2.35%	2.50%	2.30%	2.30%	2.20%

Unemployment rate

	2015	2016	2017	2018	Longer Run
25th Pctl	5.00%	4.80%	4.80%	4.80%	5.00%
Median	5.00%	4.90%	4.88%	4.90%	5.00%
75th Pctl	5.10%	5.00%	5.00%	5.00%	5.10%

PCE inflation

	2015	2016	2017	2018	Longer Run
25th Pctl	0.50%	1.50%	1.80%	1.95%	2.00%
Median	0.58%	1.68%	1.90%	2.00%	2.00%
75th Pctl	0.70%	1.80%	2.00%	2.00%	2.00%

Core PCE inflation

	2015	2016	2017	2018
25th Pctl	1.25%	1.60%	1.80%	1.95%
Median	1.30%	1.70%	1.90%	2.00%
75th Pctl	1.38%	1.80%	1.98%	2.00%

Please explain:
(27 responses)

Several respondents expected that FOMC participants' economic projections for 2015 would be adjusted in response to recent data releases, with several noting their expectation that participants' forecasts for 2015 GDP growth would likely increase. Several respondents noted their expectation that participants' projections for the longer run unemployment rate may be lowered, given recent declines in the unemployment rate and other recent labor market dynamics. Additionally, several respondents noted their expectation that FOMC participants' projections for PCE inflation would likely be lowered, given the recent declines in energy prices and appreciation of the U.S. dollar, as well as increased disinflationary pressures from abroad. Lastly, several respondents also suggested that participants' projections for longer run growth may also be lowered.

c) **What are your expectations for the medians of FOMC participants' year-end target federal funds rate projections in the Summary of Economic Projections (SEP)?**

	Federal funds rate				
	2015	**2016**	**2017**	**2018**	**Longer Run**
25th Pctl	0.38%	1.38%	2.38%	3.00%	3.50%
Median	0.38%	1.38%	2.50%	3.38%	3.50%
75th Pctl	0.45%	1.50%	2.75%	3.50%	3.50%

Please explain:
(27 responses)

Several respondents noted their expectation that FOMC participants' year-end 2015 target federal funds rate projections would reflect a delay in liftoff, with the median year-end rate expected to indicate one rate hike this year. In addition, several respondents suggested that FOMC participants' projections for the longer run target federal funds rate would be lowered. Lastly, several respondents also expected that FOMC participants' year-end rate projections would continue to reinforce that the Committee expects a gradual pace of policy tightening following the first increase in the target range.

d) What are your expectations for the Chair's post-FOMC press conference?

Several respondents expected Chair Yellen to emphasize that the pace of tightening after the first rate hike will likely be gradual and that accommodative monetary policy will continue to be appropriate for some time after liftoff. Several respondents expected that the Chair would emphasize the likelihood of a rate hike by the end of this year. Several respondents also suggested that the Chair would likely discuss recent levels of low inflation and any expected impacts on the economic outlook from recent energy price declines, a stronger dollar, and global growth concerns. Additionally, several respondents expected the Chair to discuss recent international and financial market developments, including how the Committee perceives any potential impacts from these developments on the economic outlook. Lastly, several respondents expected the Chair to emphasize the data dependency of the Committee.

e) **How do you expect the September FOMC events to influence market perceptions of the stance of monetary policy, if at all? (1 = less accommodative, 3 = neutral, 5 = more accommodative)**

Perceived Stance of Monetary Policy	
25th Pctl	2
Median	3
75th Pctl	3

Please explain:
(25 of responses)

Several respondents suggested that aspects of the September FOMC events could be perceived as more accommodative than expected. In explaining their views, several cited the possibility that the Committee does not raise the target range for the federal funds rate as well as the possibility that the September FOMC events could signal a more accommodative path of policy rates. However, several respondents also suggested that aspects of the September FOMC events could be perceived as less accommodative than expected, with several noting the possibility that the Committee raises the target range for the federal funds rate, or that the Committee strongly signals that a rate hike by the end of this year is likely.

2. a) **Of the possible outcomes below, provide the percent chance you attach to the timing of the first increase in the federal funds target rate or range. Also, provide your estimate for the most likely meeting for the first increase.**

	Sep. 16-17	Oct. 27-28	Dec. 15-16	Jan. 26-27	Mar. 15-16	Apr. 26-27	Jun. 14-15	≥ Jul. 26-27
Average	30%	14%	30%	7%	10%	2%	3%	4%

	Most Likely Meeting of First Increase in Target Rate or Range
25th Pctl	September 2015
Median	December 2015
75th Pctl	December 2015

b) **Provide the percent chance you attach to the target federal funds rate or range not returning to the zero lower bound during the 2 years following liftoff.**

	Probability of Not Returning to ZLB within 2 Years Following Liftoff
25th Pctl	70%
Median	75%
75th Pctl	80%

Conditional on the target not returning to the zero lower bound, provide the percent chance you attach to the net change in the target rate or range in each of the two years following liftoff.

First Year Following Liftoff

	0 - 50 basis points	51 - 100 basis points	101 - 150 basis points	151 - 200 basis points	>200 basis points
Average	26%	44%	21%	7%	2%

Second Year Following Liftoff

	0 - 50 basis points	51 - 100 basis points	101 - 150 basis points	151 - 200 basis points	>200 basis points
Average	17%	38%	30%	12%	3%

c) **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 or half-year period below. If you expect a range, please provide both the top and bottom of the range in the specified fields below. If you expect a target rate, provide your response in the "Target rate" field only.**

Top of Target Range

	September 16-17	October 27-28	December 15-16	January 26-27 2016	March 15-16 2016	April 26-27 2016	June 14-15 2016	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 H2	2018 H1	2018 H2
25th Pctl	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%
Median	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	1.00%	1.25%	1.50%	1.63%	1.75%	2.25%	2.50%	2.50%
75th Pctl	0.50%	0.50%	0.50%	0.63%	0.75%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.50%	3.00%	3.25%
# of Responses	24	24	24	23	22	22	22	22	22	21	20	18	15	15

Bottom of Target Range

	September 16-17	October 27-28	December 15-16	January 26-27 2016	March 15-16 2016	April 26-27 2016	June 14-15 2016	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 H2	2018 H1	2018 H2
25th Pctl	0.00%	0.00%	0.25%	0.25%	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
Median	0.00%	0.00%	0.25%	0.25%	0.50%	0.50%	0.75%	1.00%	1.25%	1.25%	1.50%	2.00%	2.25%	2.25%
75th Pctl	0.25%	0.25%	0.25%	0.38%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%	2.75%	3.00%
# of Responses	24	24	24	23	22	22	22	22	22	21	20	18	15	15

Target Rate

	September 16-17	October 27-28	December 15-16	January 26-27 2016	March 15-16 2016	April 26-27 2016	June 14-15 2016	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 H2	2018 H1	2018 H2
25th Pctl	0.25%	0.25%	0.38%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.88%	2.00%	2.50%	3.00%
Median	0.38%	0.38%	0.63%	0.75%	1.00%	1.00%	1.25%	1.50%	1.88%	2.00%	2.13%	2.50%	3.00%	3.25%
75th Pctl	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.75%	2.00%	2.50%	2.63%	3.25%	3.25%	3.50%
# of Responses	4	4	4	5	6	6	6	6	6	7	8	10	13	13

d) 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	3.00%	2.25%
Median	3.50%	2.50%
75th Pctl	3.50%	2.90%

e) Of the possible outcomes below, please indicate the percent chance you attach to the target federal funds rate or range falling in each of the following ranges at the end of 2015, 2016, and 2017. If you expect a target range please use the midpoint of the range in providing your response.

Year-End 2015

	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	24%	51%	23%	2%	0%	0%	0%

Year-End 2016

	≤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	9%	22%	31%	24%	11%	2%	1%

Year-End 2017

	≤2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	3.51 - 4.00%	4.01 - 4.50%	≥4.51%
Average	32%	27%	17%	14%	7%	3%	1%

If you changed your responses to parts a and/or c since the policy survey on July 20, please explain the factors that motivated you to make the change(s):
(23 responses)

In explaining changes to their responses, several respondents noted that recent global developments could lead to a delay in liftoff and/or a more gradual pace of expected rate hikes. Similarly, several respondents also noted the recent tightening in financial market conditions as informing the change in their responses. Additionally, several respondents pointed to continued low levels of realized inflation and further declines in market-based measures of inflation compensation. Lastly, several respondents noted that they made no significant changes to their responses since the last policy survey on July 20.

3. a) Of the possible outcomes below, provide the percent chance you attach to the 10-year Treasury yield falling in each of the following ranges at the end of 2015 and 2016.

Year-End 2015

	≤1.50%	1.51-2.00%	2.01-2.50%	2.51-3.00%	3.01-3.50%	3.51-4.00%	>4.00%
Average	6%	18%	39%	27%	7%	2%	1%

Year-End 2016

	≤2.50%	2.51-3.00%	3.01-3.50%	3.51-4.00%	4.01-4.50%	4.51-5.00%	>5.00%
Average	24%	32%	25%	12%	5%	2%	1%

If you changed your expectations since the last policy survey on July 20, explain the factors that motivated you to make the change(s).
(21 responses)

Several respondents cited no material changes to their responses since the last policy survey on July 20, while several respondents pointed to recent changes in market rates as motivating changes to their forecasts. Additionally, several respondents highlighted uncertainty surrounding the potential impact of a perceived increase in foreign central bank sales of U.S. Treasury securities on U.S. Treasury yields as motivating changes to their forecasts.

b) From July 28 to September 4, various measures of the 5-year/5 year forward breakeven rate of inflation declined by roughly 24 basis points. Provide your estimate of the decomposition of this decline. Please ensure your signs are correct.
(26 responses)

	Change in Expected Average Inflation	Change in Inflation Risk Premium	Change in Other Risk Premia
Average (bps)	-9	-8	-7

Please explain the factors contributing to any change in your estimate of the expected average CPI inflation rate:
(25 responses)

Several respondents cited the recent declines in commodity prices as driving the decline in the expected average CPI rate. Several respondents pointed to increased global disinflationary pressures as contributing to the decline, while several respondents specifically cited recent developments in China as increasing the downside risks around average expected inflation.

Please explain the factors contributing to any change in your estimate of the inflation risk premium:
(25 responses)

Several respondents cited recent commodity price volatility as driving the decline in inflation risk premium.

Please explain the factors contributing to any change in your estimate of the other risk premia:
(26 responses)

Several respondents noted liquidity conditions in the TIPS market as contributing to changes in their estimates of other risk premia.

4. a) Provide the percent chance you attach to the unemployment rate falling within the following ranges at the time of the first increase in the target federal funds rate or range.

	< 5.0%	5.0 - 5.4%	5.5 - 5.9%	6.0 - 6.5%	> 6.5%
Average	35%	59%	5%	1%	0%

b) Provide the percent chance you attach to inflation between 1 and 2 years ahead falling within the following ranges at the time of the first increase in the target federal funds rate or range.

	< 1.25%	1.25 - 1.74%	1.75 - 2.24%	2.25 - 2.74%	≥ 2.75%
Average	10%	35%	43%	10%	3%

c) Provide your estimate for the most likely value of the following indicators at the time of the first increase in the target federal funds rate or range. When specifying values below, where appropriate, provide your estimate consistent with the last published value prior to the announcement of liftoff. For reference, the level of total U.S. employees on nonfarm payrolls for August, seasonally adjusted, was 142.3 million.
(28 responses)

	Unemployment Rate	Labor Force Participation Rate	Total NFP*	12-Month Change in Average Hourly Earnings	Core 12-Month PCE Inflation	Headline 12-Month PCE Inflation	Inflation Between 1 and 2 Years Ahead
25th Pctl	5.0%	62.6%	142.3	2.2%	1.2%	0.3%	1.7%
Median	5.1%	62.6%	142.6	2.3%	1.3%	0.4%	1.8%
75th Pctl	5.1%	62.7%	142.9	2.3%	1.4%	0.6%	2.0%

**In millions*

d) Provide your forecast for the expected levels of the following indicators at the time periods provided below. If you expect a target range, please enter the range. If you do not believe a particular tool will be used during one or more of the time periods below, please enter "N/A". If you do not believe a cap on the O/N RRP will be employed at a particular time period, please write "No cap".*
(23 complete responses)

One Quarter Prior to Liftoff

	IOER Rate	Target Federal Funds Rate or Range	Federal Funds Effective Rate	O/N RRP Rate	3-month Libor Rate	Overnight Treasury GCF Repo Rate	O/N RRP Demand ($ bn)	O/N RRP Cap ($ bn)**
25th Pctl	0.25%	0.13%	0.10%	0.05%	0.26%	0.15%	140	300
Median	0.25%	0.13%	0.13%	0.05%	0.29%	0.25%	163	300
75th Pctl	0.25%	0.13%	0.14%	0.10%	0.33%	0.25%	200	300

† 2 respondents expected no O/N RRP cap.

Immediately Following Liftoff

	IOER Rate	Target Federal Funds Rate or Range	Federal Funds Effective Rate	O/N RRP Rate	3-month Libor Rate	Overnight Treasury GCF Repo Rate	O/N RRP Demand ($ bn)	O/N RRP Cap ($ bn)**
25th Pctl	0.50%	0.38%	0.33%	0.25%	0.38%	0.35%	300	300
Median	0.50%	0.38%	0.35%	0.25%	0.50%	0.44%	450	550
75th Pctl	0.50%	0.38%	0.38%	0.30%	0.55%	0.50%	750	800

† 11 respondents expected no O/N RRP cap.

1 Year Following Liftoff

	IOER Rate	Target Federal Funds Rate or Range	Federal Funds Effective Rate	O/N RRP Rate	3-month Libor Rate	Overnight Treasury GCF Repo Rate	O/N RRP Demand ($ bn)	O/N RRP Cap ($ bn)**
25th Pctl	1.13%	1.00%	1.00%	1.00%	1.14%	1.20%	250	300
Median	1.50%	1.38%	1.35%	1.25%	1.39%	1.35%	400	500
75th Pctl	1.50%	1.38%	1.40%	1.25%	1.54%	1.40%	900	750

† 6 respondents expected no O/N RRP cap.

3 Years Following Liftoff

	IOER Rate	Target Federal Funds Rate or Range	Federal Funds Effective Rate	O/N RRP Rate	3-month Libor Rate	Overnight Treasury GCF Repo Rate	O/N RRP Demand ($ bn)	O/N RRP Cap ($ bn)**
25th Pctl	2.25%	2.13%	2.20%	2.00%	2.19%	2.30%	200	300
Median	3.25%	3.06%	3.13%	3.00%	3.23%	3.15%	275	350
75th Pctl	3.50%	3.38%	3.35%	3.25%	3.44%	3.35%	500	500

† 4 respondents expected no O/N RRP cap.

**For dealers that submitted ranges, midpoints of the ranges are used.*
***Only dealers who forecasted a cap were included in the calculation for the expected size of the O/N RRP cap.*

Please note how you expect the Committee's approach to policy normalization to evolve over time. Additionally, comment on any changes you expect over time in the relative levels of money market rates and the expected amount of O/N RRP usage.
(21 responses)

Several respondents indicated their expectation that demand for overnight RRP operations will increase significantly in the near to medium term immediately following liftoff, with several respondents citing the impact of regulatory reform on money markets as important in determining the overall level of overnight RRP demand.

e) Please provide the percent chance you attach to the average effective federal funds rate, excluding month- or quarter-end dates, falling within the following subsets relative to the 25 basis point target range in the first month immediately following liftoff.
(27 responses)

	Below the Range	Bottom 8 Basis Points of Range	Middle 9 Basis Points of Range	Top 8 Basis Points of Range	Above the Range
Average	8%	33%	43%	14%	3%

Please explain which factor or factors were most relevant in formulating your expectations and any assumptions made.
(21 responses)

Several respondents indicated their expectation that the effective federal funds rate will likely trade close to the middle of the target range after liftoff, similar to current trading dynamics. Several respondents also cited various risks that may lead the effective federal funds rate to trade toward the lower end of the target range.

5. a) Provide your estimate of the most likely quarter and year during which the FOMC will first cease reinvesting some or all payments of principal on Treasuries and/or agency debt and MBS. In addition, please provide your expectation for the timing, in months, relative to the first increase in the target rate or range. If you do not expect the FOMC to cease reinvestments for either or both asset classes during the process of policy normalization, please select "N/A". Please ensure your signs are correct.
(26 responses)

	Most Likely Quarter and Year of End to Reinvestments	
	Treasuries	Agency Debt and MBS
25th Pctl	Q2 2016	Q2 2016
Median	Q2 2016	Q2 2016
75th Pctl	Q3 2016	Q4 2016

	Number of Months Relative to Liftoff	
	Treasuries	Agency Debt and MBS
25th Pctl	6	6
Median	9	9
75th Pctl	9	12

b) In its Policy Normalization Principles and Plans, the Committee indicated that it "expects to cease or commence phasing out reinvestments" after liftoff. For Treasuries and agency debt and MBS, please indicate the percent chance you attach to the Committee during the process of policy normalization ceasing its reinvestments all at once, phasing out its reinvestments over time, or not changing its reinvestments.
(26 responses)

Treasuries

	No Change to Reinvestments	Reinvestments Ceased All at Once	Reinvestments Phased Out Over Time
Average	8%	22%	70%

Agency Debt and MBS

	No Change to Reinvestments	Reinvestments Ceased All at Once	Reinvestments Phased Out Over Time
Average	8%	23%	69%

c) If you placed a non-zero probability on reinvestments being phased out over time, please indicate the number of months over which you expect this to occur.
(26 responses)

	Anticipated Duration of Phase-Out (in Months)	
	Treasuries	Agency Debt and MBS
25th Pctl	6	6
Median	12	11
75th Pctl	12	12

Please explain the factors behind any change in your expectations in either parts a, b and/or c since the policy survey on July 20.
(18 responses)

Several respondents cited no significant changes to their expectations since the last policy survey on July 20.

6. a) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from July 1, 2015 - June 30, 2020. 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%	2.51-3.0%	≥3.01%
Average	7%	18%	34%	26%	9%	4%

Point estimate for most likely outcome:

	Most Likely Outcome
25th Pctl	1.73%
Median	1.90%
75th Pctl	2.00%

b) For the outcomes below, provide the percent chance you attach to the annual average CPI inflation rate from July 1, 2020 - June 30, 2025. 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%	12%	27%	33%	14%	6%

Point estimate for most likely outcome:

	Most Likely Outcome
25th Pctl	2.00%
Median	2.10%
75th Pctl	2.30%

Appendix: Updates to the Survey

Updated as of September 21, 2015

Following the September FOMC Meeting (September 16-17), respondents were asked to update their responses to questions 2 (parts a, c, and e) and 4 (parts a and b).

2. a) Of the possible outcomes below, provide the percent chance you attach to the timing of the first increase in the federal funds target rate or range. Also, provide your estimate for the most likely meeting for the first increase.

(27 complete responses)

	Oct. 27-28	Dec. 15-16	Jan. 26-27	Mar. 15-16	Apr. 26-27	Jun. 14-15	≥ Jul. 26-27
Average	15%	40%	10%	18%	4%	7%	7%

	Most Likely Meeting of First Increase in Target Rate or Range
25th Pctl	December 2015
Median	December 2015
75th Pctl	December 2015

c) 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 or half-year period below. If you expect a range, please provide both the top and bottom of the range in the specified fields below. If you expect a target rate, provide your response in the "Target rate" field only.

(28 responses)

Top of Target Range

	October 27-28	December 15-16	January 26-27 2016	March 15-16 2016	April 26-27 2016	June 14-15 2016	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 H2	2018 H1	2018 H2
25th Pctl	0.25%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%	1.38%	1.50%	1.75%	2.00%
Median	0.25%	0.50%	0.50%	0.50%	0.75%	0.88%	1.00%	1.25%	1.50%	1.75%	2.25%	2.50%	2.75%
75th Pctl	0.25%	0.50%	0.50%	0.75%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.50%	3.00%	3.25%
# of Responses	24	24	23	22	22	22	22	22	22	20	19	15	15

Bottom of Target Range

	October 27-28	December 15-16	January 26-27 2016	March 15-16 2016	April 26-27 2016	June 14-15 2016	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 H2	2018 H1	2018 H2
25th Pctl	0.00%	0.25%	0.25%	0.25%	0.25%	0.50%	0.75%	0.75%	1.00%	1.13%	1.25%	1.50%	1.75%
Median	0.00%	0.25%	0.25%	0.25%	0.50%	0.63%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
75th Pctl	0.00%	0.25%	0.25%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%	2.75%	3.00%
# of Responses	24	24	23	22	22	22	22	22	22	20	19	15	15

Target Rate

	October 27-28	December 15-16	January 26-27 2016	March 15-16 2016	April 26-27 2016	June 14-15 2016	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 H2	2018 H1	2018 H2
25th Pctl	0.25%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
Median	0.25%	0.50%	0.50%	0.69%	0.69%	0.88%	1.13%	1.38%	1.63%	1.88%	2.00%	2.75%	3.00%
75th Pctl	0.38%	0.63%	0.75%	1.00%	1.00%	1.25%	1.75%	2.00%	2.25%	2.25%	2.50%	3.00%	3.25%
# of Responses	4	4	5	6	6	6	6	6	6	8	9	13	13

e) Of the possible outcomes below, please indicate the percent chance you attach to the target federal funds rate or range falling in each of the following ranges at the end of 2015, 2016, and 2017. If you expect a target range please use the midpoint of the range in providing your response.
(28 responses)

	Year-End 2015						
	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	42%	52%	6%	0%	0%	0%	0%

	Year-End 2016						
	≤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	11%	30%	30%	18%	9%	1%	0%

	Year-End 2017						
	≤2.00%	2.01 - 2.50%	2.51 - 3.00%	3.01 - 3.50%	3.51 - 4.00%	4.01 - 4.50%	≥4.51%
Average	40%	28%	14%	10%	5%	2%	1%

If you changed your responses to parts a and/or c since the policy survey on July 20, please explain the factors that motivated you to make the change(s):
(21 responses)

Several respondents noted that they made modest adjustments to their responses in parts a and/or c to reflect the fact that the Committee did not raise the target range for the federal funds rate at the September FOMC meeting. Several respondents also pointed to their interpretation of the September FOMC events as driving the change in their expectations, with several specifically noting their perception that the press conference and statement reflected increased concerns on the part of the Committee about global and financial market developments.

4. a) Provide the percent chance you attach to the unemployment rate falling within the following ranges at the time of the first increase in the target federal funds rate or range.
(28 responses)

	< 5.0%	5.0 - 5.4%	5.5 - 5.9%	6.0 - 6.5%	> 6.5%
Average	50%	47%	3%	0%	0%

b) Provide the percent chance you attach to inflation between 1 and 2 years ahead falling within the following ranges at the time of the first increase in the target federal funds rate or range.
(28 responses)

	< 1.25%	1.25 - 1.74%	1.75 - 2.24%	2.25 - 2.74%	≥ 2.75%
Average	11%	32%	42%	12%	3%