

Federal Reserve Bank of Philadelphia

SURVEY OF PROFESSIONAL FORECASTERS FIRST QUARTER 2023

DEADLINE: **February 6, 2023**
E-mail to: phil.spf@phil.frb.org

DATE ON WHICH THIS
FORECAST WAS MADE

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NAME

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COMPANY

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ADDRESS

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PHONE

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E-MAIL

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INSTRUCTIONS

Please e-mail this survey to phil.spf@phil.frb.org no later than **February 6, 2023**. Questions about the survey should be directed to Tom Stark at (215) 574-6436 or John Chew at (215) 574-3814.

Recent data for the variables to be forecast are given on an attached sheet, with figures for the most recent quarter printed in the first column of the table on the next page (there are figures for the past year listed as well). If you use these figures in preparing your forecast, leave them as they are; otherwise, insert your own figures.

For monthly data, use quarterly averages.

For some variables, you may record your responses in growth rates or levels, but you must provide a level for **2022:Q4** for quarterly data and for **2022** annual data. These variables are denoted with a blank cell under the column header "L/G"; type "L" if you forecast in levels, or "G" if you forecast in growth rates. Please be consistent- if you forecast in growth rates for quarterly data, also forecast in growth rates for annual data.

See the information in the write-up "Data Sources and Descriptions" for details on all the variables.

SPF 2023:Q1

Section 1. U.S. Business Indicators

Forecaster:

Date:

	L / G	Quarterly Data						Annual Data ^a				
		2022:Q4	2023:Q1	2023:Q2	2023:Q3	2023:Q4	2024:Q1	2022	2023	2024	2025	2026
1. Nominal GDP		26132.5						25461.4				
2. GDP Price Index (Chain)		129.37						127.19				
3. Corporate Prof After Tax		.						.				
4. Civilian Unemp Rate	L	3.6						3.6				
5. Nonfarm Payroll Employment ^b		153509						152041				
6. Industrial Prod Index		104.1						103.9				
7. Housing Starts		1.403						1.555				
8. T-Bill Rate, 3-month	L	4.04						2.02				
9. Moody's AAA Corp Bond Yield ^c	L	.						.				
10. Moody's BAA Corp Bond Yield ^c	L	.						.				
11. Treasury Bond Rate, 10-year	L	3.83						2.95				

Do your forecasts for Nonfarm Payrolls include the February 3, 2023 benchmark revision?

Did you use (check one):

Unrevised Data?

Revised Data?

Section 2. Real GDP and Its Components

Chain-weighted (2012\$)	L / G	Quarterly Data						Annual Data ^a				
		2022:Q4	2023:Q1	2023:Q2	2023:Q3	2023:Q4	2024:Q1	2022	2023	2024	2025	2026
12. Real GDP		20198.1						20018.0				
13. Real Personal Cons Expenditures		14252.2						14139.7				
14. Real Nonres Fixed Investment		2964.7						2938.7				
15. Real Res Fixed Investment		573.6						642.3				
16. Real Fed Government C & GI		1374.1						1355.5				
17. Real State & Local Govt C & GI		2068.3						2050.8				
18. Real Change in Private Inventories	L	129.9						123.3				
19. Real Net Exports of Goods & Services	L	-1232.4						-1355.1				

Section 3. CPI and PCE Inflation

	Quarterly Data (Q/Q)						Annual Data (Q4/Q4) ^d			
	2022:Q4	2023:Q1	2023:Q2	2023:Q3	2023:Q4	2024:Q1	2022	2023	2024	2025
20. CPI Inflation Rate	3.1						7.1			
21. Core CPI Inflation Rate	4.4						6.0			
22. PCE Inflation Rate	3.2						5.5			
23. Core PCE Inflation Rate	3.9						4.7			

^a If you provide your forecasts in growth rates, your annual forecasts in Sections 1 and 2 should be computed as the growth in annual-average level.

^b Please provide your forecasts for nonfarm payroll employment either in levels (thousands of jobs, seasonally adjusted) or annualized growth rates.

^c Moody's AAA and BAA historical rates are proprietary. The Philadelphia Fed cannot provide the historical values, except upon a special request to Tom.Stark@phil.frb.org.

If you forecast these two variables, please provide the historical rates in the questionnaire.

^d Annual growth rate forecasts in Section 3 should be computed as a fourth-quarter over fourth-quarter percent change.

Section 4A. Probabilities of Changes in Real GDP (Y/Y)

Please indicate what probabilities you would attach to the various possible percentage changes (annual-average over annual-average) in chain-weighted real GDP. The probabilities of these alternative forecasts should add up to 100. For the last two years, please provide answers only if you normally forecast out that far.

	Probability of indicated percent change in real (chain-weighted) GDP			
	2022-2023	2023-2024	2024-2025	2025-2026
16.0 percent or more				
10.0 to 15.9 percent				
7.0 to 9.9 percent				
4.0 to 6.9 percent				
2.5 to 3.9 percent				
1.5 to 2.4 percent				
0.0 to 1.4 percent				
-3.0 to -0.1 percent				
-6.0 to -3.1 percent				
-12.0 to -6.1 percent				
Decline more than 12.0 percent				
TOTAL	0	0	0	0

Section 4B. Probabilities of Changes in the GDP Price Index (Y/Y)

Please indicate what probabilities you would attach to the various possible percentage changes (annual-average over annual-average) in the chain-weighted GDP price index. The probabilities of these alternative forecasts should add up to 100.

	Probability of indicated percent change in chain-weighted GDP price index	
	2022-2023	2023-2024
4 percent or more		
3.5 to 3.9 percent		
3.0 to 3.4 percent		
2.5 to 2.9 percent		
2.0 to 2.4 percent		
1.5 to 1.9 percent		
1.0 to 1.4 percent		
0.5 to 0.9 percent		
0.0 to 0.4 percent		
Will decline		
TOTAL	0	0

Section 4C. Probabilities of Civilian Unemployment Rates (Annual Average)

Please indicate what probabilities you would attach to the various possible civilian unemployment rates (annual average). The probabilities of these alternative forecasts should add up to 100. For the last two years, please provide answers only if you normally forecast out that far.

	Probability of indicated civilian unemployment rate			
	2023	2024	2025	2026
15.0 percent or more				
12.0 to 14.9 percent				
10.0 to 11.9 percent				
8.0 to 9.9 percent				
7.0 to 7.9 percent				
6.0 to 6.9 percent				
5.0 to 5.9 percent				
4.0 to 4.9 percent				
3.0 to 3.9 percent				
Less than 3.0 percent				
TOTAL	0	0	0	0

Section 5. Probabilities of Core CPI and Core PCE Inflation (Q4/Q4)

Please indicate what probabilities you would attach to the various possible percentage changes (fourth-quarter over fourth-quarter) this year and the next in the core CPI and the core PCE price index. The probabilities of these alternative forecasts should add up to 100.

	Probability of indicated percent change in core CPI			Probability of indicated percent change in core PCE	
	22Q4-23Q4	23Q4-24Q4		22Q4-23Q4	23Q4-24Q4
4 percent or more			4 percent or more		
3.5 to 3.9 percent			3.5 to 3.9 percent		
3.0 to 3.4 percent			3.0 to 3.4 percent		
2.5 to 2.9 percent			2.5 to 2.9 percent		
2.0 to 2.4 percent			2.0 to 2.4 percent		
1.5 to 1.9 percent			1.5 to 1.9 percent		
1.0 to 1.4 percent			1.0 to 1.4 percent		
0.5 to 0.9 percent			0.5 to 0.9 percent		
0.0 to 0.4 percent			0.0 to 0.4 percent		
Will decline			Will decline		
TOTAL	0	0	TOTAL	0	0

Section 6. Probability of Decline in Real GDP (chain-weighted)

Indicate the probability you would attach to a decline in the level of real GDP (chain-weighted basis, seasonally adjusted) in the next five quarters. Write in a figure that may range from 0 to 100 in each of the cells (100 means a decline in the given quarter is certain, i.e., 100 percent; 0 means there is no chance at all, i.e., 0 percent).

	Probability (out of 100) of decline in real GDP:
Q4 2022 to Q1 2023	
Q1 2023 to Q2 2023	
Q2 2023 to Q3 2023	
Q3 2023 to Q4 2023	
Q4 2023 to Q1 2024	

Section 7. Long-Term Forecasts

Next 5 Years: 2023 to 2027 [Please be consistent with your annual projections in Section 3]

What do you expect to be the annual average over the next 5 years -- 2023-2027:

a. The CPI inflation rate?	
b. The PCE inflation rate?	

Next 10 Years: 2023 to 2032 [Please be consistent with your 5-year projections above]

What do you expect to be the annual average over the next 10 years -- 2023-2032:

c. The CPI inflation rate?	
d. The PCE inflation rate?	
e. Real GDP growth rate (chain-weighted basis)?	
f. Productivity growth (output per hour, chained-weighted)?	
g. Stock return (S&P 500)?	
h. Yield on 10-year constant maturity Treasury bonds (*)?	
i. Bill returns (3-month T-bills)?	

* This should be the average of your annual forecasts for the current and following nine years. Please be consistent with the annual forecasts you reported for the 10-year Treasury rate in Section 1 (variable #11).

Your Implied Forward Inflation Projections

Based on your annual projections in Section 3 and the five-year projections in Section 7, your implied annual-average inflation projections over the two-year period, 2026-2027, are shown below.

Two-Year Annual-Average Inflation Projections in Years 2026-2027

The CPI inflation rate	Not Available
The PCE inflation rate	Not Available

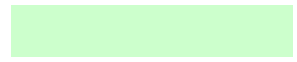
Based on your five-year and 10-year projections in Section 7, your implied annual-average inflation projections over the 5-year period, 2028-2032, are shown below.

Five-Year Annual-Average Inflation Projections in Years 2028-2032

The CPI inflation rate	Not Available
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SPF 2023:Q1

Forecaster:



The PCE inflation rate

Not Available

SPF 2023:Q1

Forecaster:

Section 8. Special Question on House Prices

If you normally forecast house prices, please tell us your projections for the average growth in 2023 and 2024 on a fourth-quarter over fourth-quarter basis (annualized percentage points).

Please provide a projection (for one or more indexes) only if you normally forecast the index and indicate your primary measure of house prices.

	Please indicate your primary measure with an "X"	2022 Q4 to 2023 Q4 (pct points)	2023 Q4 to 2024 Q4 (pct points)
S&P CoreLogic Case-Shiller: U.S. National			
S&P CoreLogic Case-Shiller: Composite 10			
S&P CoreLogic Case-Shiller: Composite 20			
FHFA: Purchase Only (U.S. Total)			
CoreLogic: National HPI, incl Distressed Sales (Single Family Combined)			
NAR Median: Total Existing			
Other (list index name in this cell)			