



# 2025 Stress Test Scenarios

February 2025





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#### The Federal Reserve

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- **promotes the stability of the financial system** and seeks to minimize and contain systemic risks through active monitoring and engagement in the U.S. and abroad;
- **promotes the safety and soundness of individual financial institutions** and monitors their impact on the financial system as a whole;
- **fosters payment and settlement system safety and efficiency** through services to the banking industry and U.S. government that facilitate U.S.-dollar transactions and payments; and
- **promotes consumer protection and community development** through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community economic development activities, and administration of consumer laws and regulations.

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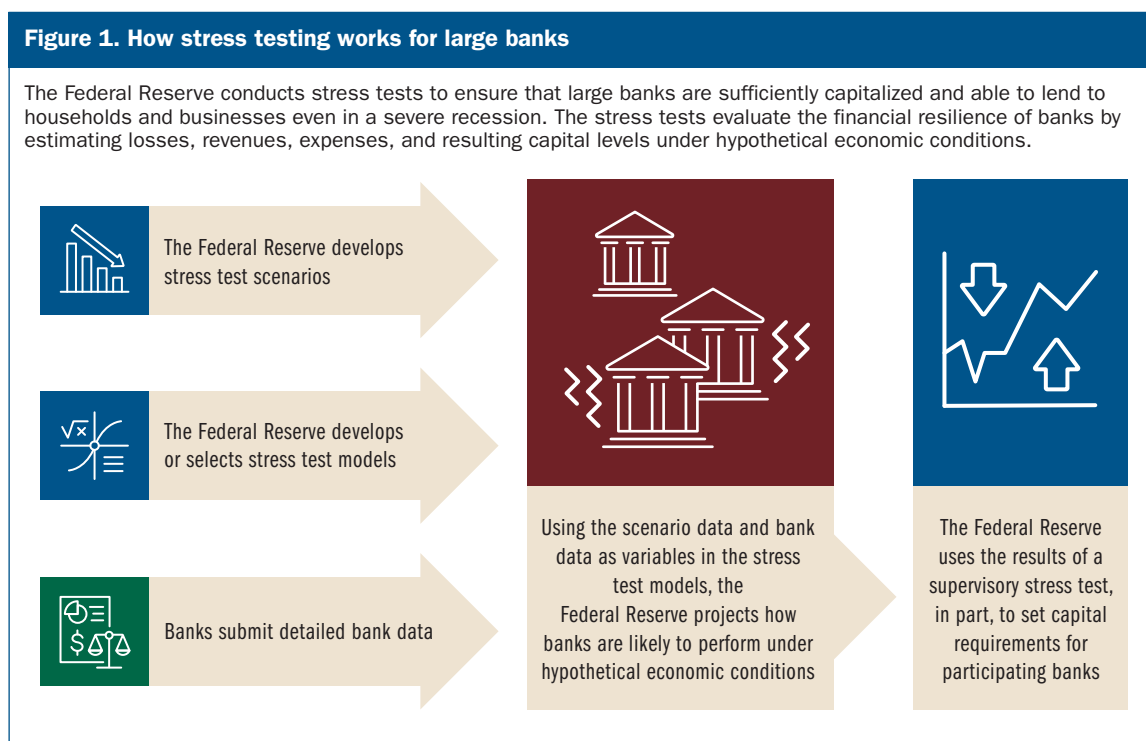
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## Preface

The Federal Reserve promotes a safe, sound, and efficient banking system that supports the U.S. economy through its supervision and regulation of domestic and foreign banks.

As part of its supervision efforts and as required by the Dodd-Frank Act, the Federal Reserve annually conducts a stress test.<sup>1</sup> The stress test assesses how large banks are likely to perform under hypothetical economic conditions.<sup>2</sup> [Figure 1](#) summarizes the stress test cycle.



The Federal Reserve conducts stress tests to ensure that large banks are sufficiently capitalized and able to lend to households and businesses even in a severe recession. They evaluate the financial resilience of banks by estimating losses, revenues, expenses, and resulting capital levels under hypothetical economic conditions.

<sup>1</sup> For more information, see 12 U.S.C. § 5365(i)(1)(A).

<sup>2</sup> U.S. bank holding companies (BHCs), covered savings and loan holding companies (SLHCs), and intermediate holding companies of foreign banking organizations (IHCs) with \$100 billion or more in assets are subject to the Federal Reserve Board's supervisory stress test rules (12 C.F.R. pt. 238, subpt. O; 12 C.F.R. pt. 252, subpt. E) and capital planning requirements (12 C.F.R. § 225.8; 12 C.F.R. § 238.170).

As part of the annual supervisory stress test cycle, the Federal Reserve publishes four documents:

- *Stress Test Scenarios* describes the hypothetical economic conditions used in the supervisory stress test. The *Stress Test Scenarios* document is typically published by mid-February.
- *Stress Test Methodology* provides details about the models and methodologies used in the supervisory stress test. The *Stress Test Methodology* document is typically published at the end of the first quarter.
- *Federal Reserve Stress Test Results* reports the aggregate and individual bank results of the supervisory stress test, which assesses whether banks are sufficiently capitalized to absorb losses during a hypothetical severe recession. The *Federal Reserve Stress Test Results* document is typically published at the end of the second quarter.
- *Large Bank Capital Requirements* announces the individual capital requirement for all large banks, which are partially informed by the results of a supervisory stress test. The *Large Bank Capital Requirements* document is typically published during the third quarter.

These publications can be found on the Stress Test Publications page (<https://www.federalreserve.gov/publications/dodd-frank-act-stress-test-publications.htm>).

For information on the Federal Reserve's supervision of large financial institutions, see <https://www.federalreserve.gov/supervisionreg/large-financial-institutions.htm>.

For information on the Federal Reserve's supervision of capital-planning processes of banks, see <https://www.federalreserve.gov/supervisionreg/stress-tests-capital-planning.htm>.

For more information on how the Board promotes the safety and soundness of the banking system, see <https://www.federalreserve.gov/supervisionreg.htm>.

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# Executive Summary

The Federal Reserve’s supervisory stress tests help ensure that large banks are able to lend to households and businesses even in a severe recession. The stress tests evaluate the financial resilience of large banks by estimating bank losses, revenues, expenses, and resulting capital levels—which provide a cushion against losses—under hypothetical recession scenarios into the future.<sup>3</sup> The Federal Reserve uses the results of a stress test, in part, to set large bank capital requirements.

The [severely adverse scenario](#) is characterized by a hypothetical severe global recession accompanied by a period of heightened stress in commercial and residential real estate markets and in corporate debt markets. The U.S. unemployment rate rises 5.9 percentage points from the scenario’s starting point of 4.1 percent in the fourth quarter of 2024 to its peak of 10 percent in the third quarter of 2026. The sharp decline in economic activity is accompanied by an increase in market volatility, widening corporate bond spreads, and a collapse in asset prices, including about a 33 percent decline in house prices and a 30 percent decline in commercial real estate prices.<sup>4</sup> The international portion of the scenario features recessions in four countries or country blocs, accompanied by declines in inflation, with Japan and developing Asia experiencing deflation. The value of the U.S. dollar appreciates against all countries and country blocs’ currencies, except the Japanese yen.

Banks with large trading operations are tested against a [global market shock](#) component that stresses their trading and certain other fair-valued positions. Furthermore, banks with substantial trading or custodial operations are tested against the [default of their largest counterparty](#).

The hypothetical scenarios are described in additional detail in this publication.

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<sup>3</sup> As noted, BHCs, SLHCs, and IHCs with \$100 billion or more in assets are subject to the Board’s supervisory stress test rule (12 C.F.R. pt. 238, subpt. O; 12 C.F.R. pt. 252, subpt. E) and capital planning requirements (12 C.F.R. § 225.8; 12 C.F.R. § 238.170). In addition, certain BHCs, SLHCs, IHCs, and state member banks must comply with the Board’s company-run stress test rules (12 C.F.R. pt. 238, subpt. P; and 12 C.F.R. pt. 252, subpts. B and F).

<sup>4</sup> The smaller decline in commercial real estate prices this year relative to last year’s severely adverse scenario reflects realized declines relative to their most recent peak.

<b>Table 1. 2025 Stress test banks</b>		
<b>Bank<sup>1</sup></b>	<b>Subject to global market shock</b>	<b>Subject to counterparty default</b>
American Express Company		
Bank of America Corporation	X	X
The Bank of New York Mellon Corporation		X
Barclays US LLC	X	X
BMO Financial Corp		
Capital One Financial Corporation		
The Charles Schwab Corporation		
Citigroup Inc.	X	X
DB USA Corporation	X	X
The Goldman Sachs Group, Inc.	X	X
JPMorgan Chase & Co.	X	X
M&T Bank Corporation		
Morgan Stanley	X	X
Northern Trust Corporation		
The PNC Financial Services Group, Inc.		
RBC US Group Holdings LLC <sup>2</sup>		
State Street Corporation		X
TD Group US Holdings LLC		
Truist Financial Corporation		
UBS Americas Holding LLC		
U.S. Bancorp		
Wells Fargo & Company	X	X

<sup>1</sup> The information listed in this table is based on third quarter 2024 data.

<sup>2</sup> M&T Bank Corporation and RBC US Group Holdings LLC elected to opt into the 2025 stress test.



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# Supervisory Stress Test Scenarios

The severely adverse scenario describes a hypothetical set of conditions designed to assess the strength and resilience of banks in an adverse economic environment.<sup>5</sup> Meanwhile, the baseline scenario follows a profile similar to that of average projections from a survey of economic forecasters. These scenarios are not Federal Reserve forecasts.

The scenarios start in the first quarter of 2025 and extend through the first quarter of 2028. Each scenario includes 28 variables; the set of variables for the 2025 supervisory stress test is the same as the set provided in last year's supervisory stress test scenarios. The variables describing economic developments within the United States include:

- **Six measures of economic activity and prices:** quarterly percent changes (at an annualized rate) in real and nominal gross domestic product (GDP), real and nominal disposable personal income, the Consumer Price Index for All Urban Consumers (CPI), and the unemployment rate of the civilian non-institutional population aged 16 years and over.
- **Four aggregate measures of asset prices or financial conditions:** indexes of house prices, commercial real estate prices, equity prices, and stock market volatility.
- **Six measures of interest rates:** the rate on 3-month Treasury securities; the yield on 5-year Treasury securities; the yield on 10-year Treasury securities; the yield on 10-year BBB-rated corporate securities; the interest rate associated with conforming, conventional, 30-year fixed-rate mortgages; and the prime rate.

The variables describing international economic conditions in each scenario include three variables in four countries or country blocs:

- **The three variables for each country or country bloc:** quarterly percent changes (at an annual rate) in real GDP and in consumer price indexes or local equivalent, and the level of the U.S. dollar exchange rate.
- **Four countries or country blocs:** the euro area (the 20 European Union member states that have adopted the euro as their common currency); the United Kingdom; developing Asia (the nominal GDP-weighted aggregate of China, India, South Korea, Hong Kong Special Administrative Region, and Taiwan); and Japan.

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<sup>5</sup> For more information about the Federal Reserve's framework for designing stress test scenarios, see "Policy Statement on the Scenario Design Framework for Stress Testing" (12 C.F.R. pt. 252, appendix A).

## Baseline and Severely Adverse Scenarios

The following sections describe this year's baseline and severely adverse scenarios. The variables included in these scenarios are provided in tables at the end of this document.<sup>6</sup> Historical data for the domestic and the international variables are reported in [tables 2.A](#) and [2.B](#), respectively.

### Baseline Scenario

The baseline scenario for U.S. real activity, inflation, and interest rates (see [table 3.A](#)) is similar to the consensus projections from *2025 Blue Chip Financial Forecasts* and *2025 Blue Chip Economic Indicators*.<sup>7</sup> The near-term component of the baseline scenario is similar to the January 2025 release of the *Blue Chip* publications, while the long-term component of the baseline scenario is similar to the October 2024 release. It is important to again emphasize that this scenario is not a forecast by the Federal Reserve.

The baseline scenario for the United States features moderate economic growth. The unemployment rate moves up to 4.3 percent in the first quarter of 2025, stays at that level until the end of 2026 before edging down to 4.2 percent at the beginning of 2027 and staying at that level for the rest of the scenario. Real GDP growth decreases from 2.3 percent at the end of 2024 to 1.9 percent by the second quarter of 2025 and hovers around that rate for the rest of the scenario. Inflation, measured as the quarterly change in the CPI and reported as an annualized rate, ticks up from 2.7 percent at the end of 2024 to 2.8 percent in the first quarter of 2025. It then reaches a low of 2.1 percent in the fourth quarter of 2027, before edging up to 2.2 percent at the end of the scenario. The 3-month Treasury rate gradually falls from 4.4 percent at the end of 2024 to 3.4 percent by the first quarter of 2027, where it remains until the end of the scenario. Ten-year Treasury yields tick up from 4.3 percent at the beginning of the scenario to 4.4 percent in the first quarter of 2025 and then decline gradually to 4.1 percent by the fourth quarter of 2026, where they stay for the rest of the scenario. The prime rate follows a path similar to short-term interest rates. Mortgage rates decline gradually from 6.6 percent at the end of 2024 to 5.6 percent by the second quarter of 2027 and then remain there for the rest of the scenario. Yields on BBB-rated corporate bonds trend up gradually from 5.4 percent at the end of 2024 to 5.9 percent in the second quarter of 2026 and remain around that rate through the end of the scenario.

Equity prices remain at their level for the fourth quarter of 2024 throughout the scenario. Equity market volatility, as measured by the U.S. Market Volatility Index (VIX), stays below 28 throughout most of the scenario. Nominal house prices and commercial real estate prices each increase gradually by about 2 percent per year over the scenario.

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<sup>6</sup> The scenarios also can be downloaded (together with the historical time series of the variables) from the Board's website, at <https://www.federalreserve.gov/supervisionreg/dfa-stress-tests-2025.htm>.

<sup>7</sup> See Wolters Kluwer Legal and Regulatory Solutions, *Blue Chip Economic Indicators* and *Blue Chip Financial Forecasts*.

The baseline paths for the international variables (see [table 3.B](#)) are similar to the trajectories reported in the January 2025 *Blue Chip Economic Indicators* and the International Monetary Fund's October 2024 *World Economic Outlook*.<sup>8</sup> In the baseline scenario, real GDP growth in developing Asia declines from 4.5 percent to 3.6 percent in the third quarter of 2027, where it stands until the end of the scenario. Real GDP growth in the euro area remains around 1 percent through the third quarter of 2025 and then increases to a high of 1.3 percent in the second quarter of 2026, before declining to 1.1 percent in the first quarter of 2027, where it remains until the end of the scenario. Real GDP growth in the United Kingdom initially decreases and then moves back up to 1.6 percent in the second quarter of 2026. It then declines again, reaching 1.1 percent in the second quarter of 2027 and hovering around that rate for the rest of the scenario. GDP growth in Japan starts at 1.3 percent and declines to 0.3 percent in the second quarter of 2027. It then edges back up to 0.5 percent at the end of the scenario.

Consumer price inflation in the euro area increases from 1.1 percent to 1.9 percent in the first quarter of 2025 and hovers around there for the rest of the scenario. Consumer price inflation in the United Kingdom remains around 2.6 percent through the third quarter of 2025 before edging down to 2.3 by the second quarter of 2026 and staying at that rate for the rest of the scenario. Inflation in Japan decreases from 2.2 percent at the beginning of the scenario to 1.7 percent in the first quarter of 2026, before increasing back to 2.2 percent in the second quarter of 2027. It then remains around that rate for the rest of the scenario. Inflation rates in developing Asia increase gradually from 1.6 percent to 2 percent by the end of the scenario.

### **Severely Adverse Scenario**

The severely adverse scenario follows the Board's Policy Statement on the Scenario Design Framework for Stress Testing (Scenario Design Framework).<sup>9</sup> This scenario is characterized by a severe global recession, including prolonged declines in both residential and commercial real estate prices, which spill over into the corporate sector and affect investment sentiment, albeit to a lesser degree than in the 2024 severely adverse scenario. This is a hypothetical scenario designed to assess the strength and resilience of banks and does not represent a forecast of the Federal Reserve.

Consistent with the Scenario Design Framework, under the severely adverse scenario, the U.S. unemployment rate climbs to a peak of 10 percent in the third quarter of 2026 (see [table 4.A](#)), a 5.9 percentage point increase relative to its fourth-quarter 2024 level. Real GDP declines 7.8 percent from the fourth quarter of 2024 to its trough in the first quarter of 2026, before recovering to the level at the beginning of the scenario. The rising unemployment rate and the rapid decline in

<sup>8</sup> See International Monetary Fund, *World Economic Outlook* (October 2024), <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>. The January 2025 update to the *World Economic Outlook* was released after the finalization of the scenarios.

<sup>9</sup> 12 C.F.R. pt. 252, appendix A.

aggregate demand for goods and services significantly reduce inflationary pressures. Inflation, measured as the quarterly change in the CPI and reported as an annualized rate, falls from 2.7 percent at the end of 2024 to 1.3 percent in the third quarter of 2025 and then gradually increases to 1.6 percent in the third quarter of 2027, where it stays for the rest of the scenario.

Short-term interest rates, as measured by the 3-month Treasury rate, fall significantly from 4.4 percent at the fourth quarter of 2024 to 0.1 percent by the second quarter of 2025 and remain there for the remainder of the scenario. Long-term interest rates, as measured by the 10-year Treasury yield, fall 3.3 percentage points to 1.0 percent by the second quarter of 2025 and then gradually start to rise in late 2025 to 1.7 percent by the end of the scenario. These interest rate paths imply that the yield curve is inverted in the first quarter of 2025. Thereafter, the slope of the yield curve becomes positive and steepens over the remainder of the scenario.

Conditions in corporate bond markets deteriorate markedly. The spread between yields on BBB-rated bonds and yields on 10-year Treasury securities increases 3.9 percentage points to 5 percentage points by the third quarter of 2025. Corporate bond spreads then gradually decline to 2.0 percentage points by the end of the severely adverse scenario. The spread between mortgage rates and 10-year Treasury yields widens to 2.8 percentage points by the third quarter of 2025 before narrowing to about 1.5 percentage points at the end of the severely adverse scenario.

Asset prices drop sharply in the severely adverse scenario. Equity prices fall 50 percent from the fourth quarter of 2024 through the fourth quarter of 2025 and do not return to their initial level until the end of the scenario. The VIX, measured as the highest daily closing value per quarter, reaches a peak value of 65 in the second quarter of 2025 and then declines to about 31 at the end of the scenario. House prices and commercial real estate prices also experience large declines. House prices fall sharply through the third quarter of 2026, reaching a trough that is about 33 percent below their level in the fourth quarter of 2024. Commercial real estate prices experience a slightly smaller decline, reaching a trough in the fourth quarter of 2026 that is 30 percent below their level at the end of 2024. House prices and commercial real estate prices recover slowly and are well below their respective fourth-quarter 2024 values at the end of the scenario.

The international component of the severely adverse scenario involves sharp declines in real GDP in three of the four countries or country blocs at the start of the scenario (see [table 4.B](#)). Japan experiences the most severe contraction, followed by the euro area and the United Kingdom, while developing Asia experiences only a modest decline in real GDP. In Japan, the euro area, and the United Kingdom, GDP levels return to around their respective fourth-quarter 2024 levels toward the end of the scenario. By contrast, in developing Asia, where output falls less, the level of GDP surpasses its fourth-quarter 2024 level in 2026.

Inflation declines significantly in all four countries or country blocs. Both Japan and developing Asia experience a period of deflation at various points in the scenario, although deflation is more severe and protracted in developing Asia than in Japan. The value of the U.S. dollar appreciates against all countries and country blocs' currencies, except the Japanese yen.

### **Additional Key Features of the Severely Adverse Scenario**

As in last year's severely adverse scenario, stress on corporate borrower balance sheets and resulting credit losses on corporate loans should be assumed to be higher for lower-rated non-financial corporate borrowers. Declines in aggregate U.S. house prices should be assumed to be concentrated in regions that have experienced rapid price gains over the past few years. Declines in commercial real estate prices should be assumed to be concentrated in properties most at risk of a sustained drop in income and asset values. Declines in U.S. house prices and U.S. commercial real estate prices also should be assumed to be representative of the declines in house prices and commercial real estate prices in foreign regions and economies.

Weakness in developing Asia in the scenario reflects a significant slowdown in economic growth in China. Conditions across Latin American economies should be assumed to feature a slowdown comparable to the average slowdown in the global economy. Conditions in other emerging economies outside of Latin America should be assumed to feature a slowdown similar to the one in developing Asia.

### **Comparison of the 2025 Severely Adverse Scenario to the 2024 Severely Adverse Scenario**

The current severely adverse scenario features a slightly smaller increase in the unemployment rate in the United States as compared to the 2024 severely adverse scenario. This difference reflects the Scenario Design Framework, which calls for a smaller increase in the unemployment rate when the starting level of the unemployment rate is higher.

The current severely adverse scenario features a somewhat lower starting level of interest rates as well as a higher trough for the long-term interest rates compared to the previous year's severely adverse scenario. As a result, interest rates decline somewhat less in response to the hypothetical drop in economic activity and inflation. The current severely adverse scenario also features slightly smaller declines in house prices, which reflects the Scenario Design Framework's response to the slightly lower ratio of nominal house prices to per capita disposable income at the end of 2024. The current severely adverse scenario reflects a decline in commercial real estate prices that is 10 percentage points smaller, as compared to previous year's severely adverse scenario, which recognizes that those prices already declined a little more than 10 percent relative to their most recent peaks and limits the procyclicality in the stress tests.

The potential for spillover effects in asset markets and sharp changes in investor sentiment are captured by a decline in equity prices and an increase in corporate bond spreads, although these changes are less severe relative to last year's scenario, reflecting less severe stress in commercial real estate markets. The international component of the current severely adverse scenario shows a recessionary episode that, relative to last year's severely adverse scenario, is the same for the euro area and is less severe in all other countries or country blocs.

## **Global Market Shock Component for the Supervisory Severely Adverse Scenario**

The global market shock component for the severely adverse scenario (global market shock) is a set of hypothetical shocks to a large set of risk factors reflecting general market distress and heightened uncertainty. Banks with significant trading activity must consider the global market shock as part of the supervisory severely adverse scenario in their company-run stress test.<sup>10</sup> The losses associated with the global market shock are recognized in the first quarter of the scenario and are carried through all subsequent quarters. In addition, certain large and highly interconnected firms must apply the same global market shock to project losses under the counterparty default scenario component. The global market shock is applied to positions held by the banks on a given as-of date, which is October 11, 2024, for the 2025 stress test cycle.<sup>11</sup> These shocks do not represent a forecast of the Federal Reserve.

The design and specification of the global market shock differ from the macroeconomic scenarios for several reasons. First, profits and losses from trading and counterparty credit are measured in mark-to-market terms, while revenues and losses from traditional banking are generally measured using the accrual method. Another key difference is the timing of loss recognition. The global market shock affects the mark-to-market value of trading positions and counterparty credit losses in the first quarter of the severely adverse scenario. This timing is based on an observation that market dislocations can happen rapidly and unpredictably at any time under stressed conditions. Applying the global market shock in the first quarter ensures that potential losses from trading and counterparty exposures are incorporated into banks' capital ratios in each quarter of the severely adverse scenario.

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<sup>10</sup> The global market shock applies to a firm that is subject to the stress test; that has aggregate trading assets and liabilities of \$50 billion or more, or aggregate trading assets and liabilities equal to 10 percent or more of total consolidated assets; and that is not a Category IV firm under the Board's tailoring framework. See 12 C.F.R. § 238.143(b)(2)(i); 12 C.F.R. § 252.54(b)(2)(i).

<sup>11</sup> A firm may use data as of the date that corresponds to its weekly internal risk reporting cycle as long as it falls during the business week of the as-of date for the global market shock (i.e., October 7–11, 2024).

The global market shock is specified by a large set of risk factors that include, but are not limited to

- equity prices of key advanced economies and developing and emerging market economies along with selected points along term structures of option-implied volatilities;
- foreign exchange rates of most major and some minor currencies, along with selected points along term structures of option-implied volatilities;
- selected-maturity government yields (e.g., for 10-year U.S. Treasuries), swap rates, and other important interest rates for key advanced economies, and developing and emerging market economies;
- selected maturities and expiries of implied volatilities that are key inputs to the pricing of interest rate derivatives;
- selected expiries of futures prices for energy products including crude oil (differentiated by country of origin), natural gas, and power;
- selected expiries of futures prices for metals and agricultural commodities; and
- credit spreads or prices for selected credit-sensitive products, including corporate bonds, credit default swaps (CDS), and loans; non-agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS); sovereign debt; and municipal bonds.

The Board considers emerging and ongoing areas of financial market vulnerabilities in the development of the global market shock. This assessment of potential vulnerabilities is informed by financial stability reports, supervisory information, and internal and external assessments of potential sources of distress such as geopolitical, economic, and financial market events.

The global market shock includes a standardized set of risk factor shocks to financial market variables that apply to all banks with significant trading activity. Depending on the type of financial market vulnerability that the global market shock is intended to assess, the risk factor shocks could be based on a single historical episode, multiple historical periods, hypothetical events that are based on salient risks, or a hybrid approach comprising some combination of historical episodes and hypothetical events. A market shock based on hypothetical events may result in changes in risk factors that were not observed over history.<sup>12</sup>

Risk factor shocks are calibrated based on assumed time horizons. The calibration horizons reflect several considerations related to the scenario being modeled. One important consideration is the liquidity characteristics of different risk factors. These characteristics may vary depending on the specified market shock narrative. More specifically, the calibration horizons reflect the variation in the speed at which banks could reasonably close out, or effectively hedge, risk expo-

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<sup>12</sup> For example, credit spread changes in the municipal credit markets during March and April of 2020 would have been considered unprecedented had they been used in earlier global market shocks.

tures in the event of market stress. The calibration horizons are generally longer than the typical times needed to liquidate exposures under normal conditions because they are designed to capture the unpredictable liquidity conditions that prevail in times of stress.<sup>13</sup> In addition, shocks to risk factors in more liquid markets, such as those for government securities, foreign exchange, or public equities, are calibrated to shorter horizons (such as three months), while shocks to risk factors in less liquid markets, such as those for non-agency securitized products, have longer calibration horizons (such as 12 months).<sup>14</sup>

### **2025 Global Market Shock Component of the Supervisory Severely Adverse Scenario**

The 2025 global market shock is characterized by expectations for a severe slowdown in the economy leading to increased unemployment and lower inflationary pressures.

The expected fall in economic activity leads to equity price declines across global markets, while public equity volatility rises from heightened market uncertainty.

Treasury yields fall, particularly in the shorter tenors as inflation expectations decline. The U.S. dollar appreciates against most major currencies, reflecting flight-to-safety considerations. The Japanese yen strengthens against the U.S. dollar as the yen carry trade unwinds.

Consistent with expectations for lower demand from a severe recession, commodity prices fall. An increase in anticipated defaults leads to a significant widening in credit spreads.

### **Comparison of the 2025 Global Market Shock Component and the 2024 Global Market Shock Component**

The 2025 global market shock features fading inflationary pressures, while last year's global market shock was characterized by expectations for higher inflation. Accordingly, the current global market shock mainly differs from the 2024 global market shock in the behavior of interest rates, foreign exchange, and commodities prices.

Treasury yields decrease in the current global market shock, with large declines specified for shorter tenors and milder declines specified for longer tenors. In the 2024 global market shock, Treasury yields increased, with short-term yields rising more than long term Treasury yields. Similarly, inflation breakeven rates decrease in the current global market shock, while they increased in the 2024 global market shock.

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<sup>13</sup> The liquidity of previously well-functioning financial markets can undergo abrupt changes in times of financial stress. For example, prior to the Global Financial Crisis, AAA-rated private-label RMBS would likely have been considered highly liquid, but their liquidity deteriorated drastically during the crisis period.

<sup>14</sup> Private equity shocks are not included in the 2025 global market shock component. For more information on the Board's expectations regarding the treatment of private equity positions, refer to FAQ SHK0502 on the [Comprehensive Capital and Analysis Review and Dodd-Frank Act Stress Tests: Questions and Answers site](#).



The U.S. dollar appreciates against the currencies of most advanced economies (except the Japanese yen) in the 2025 global market shock. In contrast, in the 2024 global market shock, the U.S. dollar depreciated against the currencies of major economies. Commodities, such as gold, oil, and natural gas, face price declines from receding inflationary pressures and lower demand in the current global market shock, while those commodity prices increased in the 2024 global market shock.

In prior stress tests, private equity shocks were included in the global market shock component. Private equity shocks are not included in the 2025 global market shock component. For the 2025 supervisory stress test, private equity exposures will be stressed using the severely adverse macroeconomic scenario.<sup>15</sup>

## Counterparty Default Component of the Supervisory Severely Adverse Scenario

Large banks with substantial trading or custodial operations are required to incorporate a counterparty default scenario component into their supervisory severely adverse scenario for 2025 and recognize associated losses in the first quarter of the scenario.<sup>16</sup> This component involves the unexpected default of the firm's largest counterparty. In identifying its largest counterparty, a firm subject to the counterparty default component will not consider certain entities. In addition to sovereign entities and qualified central counterparties, certain multilateral development banks and supranational entities (International Bank for Reconstruction and Development, International Monetary Fund, Bank for International Settlements, European Commission, and European Central Bank) will not be considered for the counterparty default component to better align the treatment of these entities across regulatory exercises.<sup>17</sup>

The counterparty default scenario component is an add-on to the Federal Reserve's severely adverse scenario: banks are required to estimate and report the potential losses and related

<sup>15</sup> The Federal Reserve intends to provide further information about its approach to modeling private equity exposures in the supervisory stress test in the 2025 supervisory stress test methodology document.

<sup>16</sup> The Board may require a company to include one or more additional components in its severely adverse scenario in the annual stress test based on the company's financial condition, size, complexity, risk profile, scope of operations, or activities, or based on risks to the U.S. economy. See 12 C.F.R. § 252.54(b)(2)(ii).

<sup>17</sup> In identifying its largest counterparty, a firm subject to the counterparty default component will not consider certain sovereign entities (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States), certain multilateral development banks and supranational entities (International Bank for Reconstruction and Development, International Monetary Fund, Bank for International Settlements, European Commission, and European Central Bank), or qualifying central counterparties (QCCPs). See the definition of a QCCP at 12 C.F.R. § 217.2.

Please note that although the International Bank for Reconstruction and Development is excluded, the other subsidiaries of World Bank Group (including the International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency, and International Centre for Settlement of Investment Disputes) must be considered when selecting the firm's largest counterparty.

U.S. IHCs are not required to include any affiliate as a counterparty. An affiliate of a company includes a parent of the company, as well as any other firm that is consolidated with the company under applicable accounting standards, including U.S. generally accepted accounting principles or International Financial Reporting Standards. See 12 C.F.R. § 252.171(b) & (f).

effects on capital associated with the unexpected default of the counterparty that would generate the largest net stressed losses across their derivatives and securities financing transactions.

Net stressed losses are estimated by applying the global market shock to revalue securities financing transactions and derivatives, including collateral posted or received. The as-of date for the counterparty default scenario component for the 2025 stress test cycle is October 11, 2024, which is the same as-of date as for the global market shock component.<sup>18</sup>

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<sup>18</sup> As with the global market shock component, a firm subject to the counterparty default component may use data as of the date that corresponds to its weekly internal risk reporting cycle as long as it falls during the business week of the as-of date for the counterparty default scenario component (i.e., October 7–11, 2024).

# Variables for the Supervisory Scenarios

**Table 2.A. Historical data: Domestic variables, Q1:2000–Q4:2024**  
Percent, unless otherwise indicated

Date	Real GDP growth	Nominal GDP growth	Real disposable income growth	Nominal disposable income growth	Unemployment rate	CPI inflation rate	3-month Treasury rate	5-year Treasury yield	10-year Treasury yield	BBB corporate yield	Mortgage rate	Prime rate	Level			
													Dow Jones Total Stock Market Index	House Price Index	Commercial Real Estate Price Index	Market Volatility Index
Q1 2000	1.5	4.2	7.2	10.7	4.0	4.0	5.5	6.6	6.7	8.3	8.3	8.7	14,296	102	125	27.0
Q2 2000	7.5	10.2	4.8	6.8	3.9	3.2	5.7	6.5	6.4	8.6	8.3	9.2	13,619	105	134	33.5
Q3 2000	0.4	2.8	5.4	8.1	4.0	3.7	6.0	6.1	6.1	8.2	8.0	9.5	13,613	107	143	21.9
Q4 2000	2.4	4.6	2.7	5.1	3.9	2.9	6.0	5.6	5.8	8.0	7.6	9.5	12,176	110	145	31.7
Q1 2001	-1.3	1.3	3.2	6.3	4.2	3.9	4.8	4.9	5.3	7.5	7.0	8.6	10,646	112	144	32.8
Q2 2001	2.5	5.0	-0.3	1.6	4.4	2.8	3.7	4.9	5.5	7.5	7.1	7.3	11,407	114	145	34.7
Q3 2001	-1.6	0.0	9.5	9.7	4.8	1.1	3.2	4.6	5.3	7.2	7.0	6.6	9,563	116	146	43.7
Q4 2001	1.1	2.4	-6.5	-6.3	5.5	-0.3	1.9	4.2	5.1	7.1	6.8	5.2	10,708	118	139	35.3
Q1 2002	3.4	4.7	9.9	10.8	5.7	1.3	1.7	4.5	5.4	7.4	7.0	4.8	10,776	120	143	26.1
Q2 2002	2.5	3.9	3.2	6.3	5.8	3.2	1.7	4.5	5.4	7.5	6.8	4.8	9,384	124	141	28.4
Q3 2002	1.6	3.6	0.5	2.6	5.7	2.2	1.6	3.4	4.5	7.2	6.3	4.8	7,774	127	143	45.1
Q4 2002	0.5	2.8	2.5	4.4	5.9	2.4	1.3	3.1	4.3	6.9	6.1	4.5	8,343	129	149	42.6
Q1 2003	2.1	4.1	0.1	3.2	5.9	4.2	1.2	2.9	4.2	6.2	5.8	4.3	8,052	132	155	34.7
Q2 2003	3.6	5.1	4.6	5.0	6.1	-0.7	1.0	2.6	3.8	5.3	5.5	4.2	9,342	135	153	29.1
Q3 2003	6.8	9.3	7.0	9.8	6.1	3.0	0.9	3.1	4.4	5.6	6.0	4.0	9,650	139	149	22.7
Q4 2003	4.7	7.3	1.1	3.1	5.8	1.5	0.9	3.2	4.4	5.4	5.9	4.0	10,800	143	152	21.1
Q1 2004	2.3	5.2	1.8	5.0	5.7	3.4	0.9	3.0	4.1	5.0	5.6	4.0	11,039	148	161	21.6
Q2 2004	3.1	6.5	4.2	7.0	5.6	3.2	1.1	3.7	4.7	5.7	6.1	4.0	11,145	154	169	20.0
Q3 2004	3.8	6.5	2.6	4.6	5.4	2.6	1.5	3.5	4.4	5.4	5.9	4.4	10,894	159	180	19.3
Q4 2004	4.1	7.4	4.7	8.4	5.4	4.4	2.0	3.5	4.3	5.1	5.7	4.9	11,952	165	180	16.6
Q1 2005	4.5	7.9	-5.3	-3.1	5.3	2.0	2.5	3.9	4.4	5.2	5.8	5.4	11,637	172	186	14.7
Q2 2005	2.0	5.0	3.7	6.4	5.1	2.7	2.9	3.9	4.2	5.4	5.7	5.9	11,857	179	189	17.7
Q3 2005	3.2	7.0	1.5	5.9	5.0	6.2	3.4	4.0	4.3	5.4	5.8	6.4	12,283	185	197	14.2
Q4 2005	2.2	5.6	3.6	7.0	5.0	3.8	3.8	4.4	4.6	5.8	6.2	7.0	12,497	190	204	16.5
Q1 2006	5.5	8.5	7.6	9.9	4.7	2.1	4.4	4.6	4.7	5.8	6.2	7.4	13,122	194	210	14.6
Q2 2006	1.0	4.6	1.5	5.1	4.6	3.7	4.7	5.0	5.2	6.3	6.6	7.9	12,809	192	220	23.8
Q3 2006	0.6	3.4	0.6	3.5	4.6	3.8	4.9	4.8	5.0	6.3	6.6	8.3	13,323	191	225	18.6
Q4 2006	3.5	5.0	5.0	4.3	4.4	-1.6	4.9	4.6	4.7	6.0	6.2	8.3	14,216	191	230	12.7
Q1 2007	1.2	5.1	3.1	6.9	4.5	4.0	5.0	4.6	4.8	6.0	6.2	8.3	14,354	189	236	19.6
Q2 2007	2.5	5.3	2.0	5.5	4.5	4.6	4.7	4.7	4.9	6.2	6.4	8.3	15,163	183	247	18.9
Q3 2007	2.3	4.6	0.7	3.0	4.7	2.6	4.3	4.5	4.8	6.5	6.6	8.2	15,318	178	251	30.8
Q4 2007	2.5	4.2	0.5	4.6	4.8	5.0	3.4	3.8	4.4	6.3	6.2	7.5	14,754	173	249	31.1

(continued)

Table 2.A—continued

Date	Real GDP growth	Nominal GDP growth	Real disposable income growth	Nominal disposable income growth	Unemployment rate	CPI inflation rate	3-month Treasury rate	5-year Treasury yield	10-year Treasury yield	BBB corporate yield	Mortgage rate	Prime rate	Level			
													Dow Jones Total Stock Market Index	House Price Index	Commercial Real Estate Price Index	Market Volatility Index
Q1 2008	-1.7	-0.2	1.7	5.1	5.0	4.4	2.1	2.8	3.9	6.4	5.9	6.2	13,284	166	229	32.2
Q2 2008	2.4	4.4	8.5	12.8	5.3	5.3	1.6	3.2	4.1	6.7	6.1	5.1	13,016	158	233	24.1
Q3 2008	-2.1	0.9	-7.5	-3.5	6.0	6.3	1.5	3.1	4.1	7.1	6.3	5.0	11,826	151	227	46.7
Q4 2008	-8.5	-7.6	4.6	-1.9	6.9	-8.9	0.3	2.2	3.7	9.7	5.9	4.1	9,057	144	221	80.9
Q1 2009	-4.5	-4.8	-0.3	-3.0	8.3	-2.7	0.2	1.9	3.2	9.1	5.1	3.3	8,044	139	207	56.7
Q2 2009	-0.7	-1.4	2.7	4.3	9.3	2.1	0.2	2.3	3.7	8.1	5.0	3.3	9,343	139	171	42.3
Q3 2009	1.4	1.9	-4.8	-2.1	9.6	3.5	0.2	2.5	3.8	6.5	5.2	3.3	10,813	140	166	31.3
Q4 2009	4.4	5.7	0.6	3.7	9.9	3.2	0.1	2.3	3.7	5.8	4.9	3.3	11,385	141	154	30.7
Q1 2010	2.0	3.1	2.4	4.0	9.8	0.6	0.1	2.4	3.9	5.6	5.0	3.3	12,033	139	159	27.3
Q2 2010	3.9	6.0	6.8	7.5	9.6	-0.1	0.1	2.3	3.6	5.4	4.9	3.3	10,646	140	171	45.8
Q3 2010	3.1	4.4	2.2	3.0	9.5	1.2	0.2	1.6	2.9	4.8	4.4	3.3	11,814	137	170	32.9
Q4 2010	2.1	4.5	1.5	4.2	9.5	3.3	0.1	1.5	3.0	4.7	4.4	3.3	13,132	136	172	23.5
Q1 2011	-0.9	1.1	4.1	7.6	9.0	4.3	0.1	2.1	3.5	5.0	4.8	3.3	13,909	133	178	29.4
Q2 2011	2.7	5.5	-0.8	3.2	9.1	4.6	0.0	1.8	3.3	4.8	4.7	3.3	13,844	134	175	22.7
Q3 2011	-0.1	2.3	2.1	4.1	9.0	2.6	0.0	1.1	2.5	4.5	4.3	3.3	11,677	135	172	48.0
Q4 2011	4.6	5.1	0.9	2.2	8.6	1.8	0.0	1.0	2.1	4.8	4.0	3.3	13,019	134	183	45.5
Q1 2012	3.4	5.8	6.3	9.1	8.3	2.3	0.1	0.9	2.1	4.4	3.9	3.3	14,628	136	183	23.0
Q2 2012	1.8	3.5	2.7	3.7	8.2	0.8	0.1	0.8	1.8	4.3	3.8	3.3	14,100	139	182	26.7
Q3 2012	0.6	2.8	-3.1	-2.0	8.0	1.8	0.1	0.7	1.6	3.9	3.6	3.3	14,895	142	186	20.5
Q4 2012	0.5	2.5	11.6	14.1	7.8	2.7	0.1	0.7	1.7	3.6	3.4	3.3	14,835	145	188	22.7
Q1 2013	4.0	5.7	-14.9	-13.7	7.7	1.6	0.1	0.8	1.9	3.7	3.5	3.3	16,396	149	190	19.0
Q2 2013	1.1	1.9	3.1	3.3	7.5	-0.4	0.1	0.9	2.0	3.8	3.7	3.3	16,771	153	200	20.5
Q3 2013	3.4	5.5	1.4	3.1	7.2	2.2	0.0	1.5	2.7	4.7	4.4	3.3	17,718	156	213	17.0
Q4 2013	3.5	5.7	0.6	2.0	6.9	1.5	0.1	1.4	2.8	4.5	4.3	3.3	19,413	159	213	20.3
Q1 2014	-1.4	0.1	4.7	6.7	6.7	2.5	0.0	1.6	2.8	4.4	4.4	3.3	19,711	162	209	21.4
Q2 2014	5.3	7.7	5.1	7.0	6.2	2.1	0.0	1.7	2.7	4.0	4.2	3.3	20,569	163	219	17.0
Q3 2014	5.0	6.7	3.8	5.0	6.1	1.0	0.0	1.7	2.5	3.9	4.1	3.3	20,459	165	224	17.0
Q4 2014	2.0	2.4	5.8	5.3	5.7	-1.0	0.0	1.6	2.3	4.0	4.0	3.3	21,425	167	232	26.3
Q1 2015	3.7	3.4	5.6	3.7	5.5	-2.6	0.0	1.5	2.0	3.9	3.7	3.3	21,708	170	241	22.4
Q2 2015	2.5	4.9	1.2	3.2	5.4	2.8	0.0	1.5	2.2	3.9	3.8	3.3	21,631	172	246	18.9
Q3 2015	1.6	2.7	2.2	3.3	5.1	1.5	0.0	1.6	2.3	4.3	4.0	3.3	19,959	174	245	40.7
Q4 2015	0.7	0.7	2.3	2.0	5.0	0.0	0.1	1.6	2.2	4.4	3.9	3.3	21,101	177	244	24.4
Q1 2016	2.3	2.0	3.3	3.5	4.9	-0.2	0.3	1.4	2.0	4.5	3.7	3.5	21,179	179	239	28.1
Q2 2016	1.3	4.1	-0.8	1.7	4.9	3.2	0.3	1.3	1.8	3.9	3.6	3.5	21,622	181	248	25.8
Q3 2016	2.9	3.9	2.3	3.7	4.9	1.7	0.3	1.2	1.6	3.5	3.4	3.5	22,469	183	257	18.1
Q4 2016	2.2	4.2	2.6	4.5	4.8	2.6	0.4	1.7	2.2	3.9	3.8	3.5	23,277	186	258	22.5
Q1 2017	2.0	4.1	4.2	6.7	4.6	2.8	0.6	2.0	2.5	4.0	4.2	3.8	24,508	189	252	13.1

(continued)

Table 2.A—continued

Date	Real GDP growth	Nominal GDP growth	Real disposable income growth	Nominal disposable income growth	Unemployment rate	CPI inflation rate	3-month Treasury rate	5-year Treasury yield	10-year Treasury yield	BBB corporate yield	Mortgage rate	Prime rate	Level			
													Dow Jones Total Stock Market Index	House Price Index	Commercial Real Estate Price Index	Market Volatility Index
Q2 2017	2.3	3.3	4.4	5.3	4.4	0.5	0.9	1.8	2.3	3.8	4.0	4.0	25,125	191	271	16.0
Q3 2017	3.2	5.3	2.8	4.3	4.3	1.9	1.0	1.8	2.3	3.7	3.9	4.3	26,149	194	265	16.0
Q4 2017	4.6	7.2	2.5	5.0	4.2	3.2	1.2	2.1	2.4	3.7	3.9	4.3	27,673	197	270	13.1
Q1 2018	3.3	5.9	4.3	7.2	4.0	3.4	1.6	2.5	2.8	4.1	4.3	4.5	27,383	201	273	37.3
Q2 2018	2.1	5.1	3.6	5.8	3.9	2.2	1.8	2.8	2.9	4.5	4.5	4.8	28,314	203	274	23.6
Q3 2018	2.5	4.3	4.3	5.7	3.8	1.6	2.0	2.8	2.9	4.5	4.6	5.0	30,190	205	275	16.1
Q4 2018	0.6	2.3	3.9	5.5	3.8	1.6	2.3	2.9	3.0	4.8	4.8	5.3	25,725	207	271	36.1
Q1 2019	2.5	3.8	5.0	5.9	3.9	1.1	2.4	2.5	2.7	4.5	4.4	5.5	29,194	208	282	25.5
Q2 2019	3.4	5.5	-0.3	2.0	3.6	3.0	2.3	2.1	2.4	4.0	4.0	5.5	30,244	210	297	20.6
Q3 2019	4.8	6.1	2.7	3.7	3.6	1.3	2.0	1.7	1.8	3.4	3.7	5.3	30,442	213	293	24.6
Q4 2019	2.8	4.0	1.9	3.5	3.6	2.8	1.6	1.6	1.8	3.3	3.7	4.8	33,035	216	290	20.6
Q1 2020	-5.5	-3.7	2.6	3.9	3.8	1.4	1.1	1.2	1.4	3.4	3.5	4.4	25,985	219	295	82.7
Q2 2020	-28.1	-29.1	45.9	43.6	13.0	-3.7	0.1	0.4	0.7	3.4	3.2	3.3	31,577	221	287	57.1
Q3 2020	35.2	40.0	-13.5	-10.6	8.8	4.6	0.1	0.3	0.6	2.4	3.0	3.3	34,306	228	292	33.6
Q4 2020	4.4	7.3	-8.0	-6.2	6.8	2.8	0.1	0.4	0.9	2.3	2.8	3.3	39,220	237	301	40.3
Q1 2021	5.6	11.1	57.6	64.8	6.2	4.1	0.1	0.6	1.4	2.4	2.9	3.3	41,603	244	304	37.2
Q2 2021	6.4	13.2	-27.7	-23.1	5.9	7.7	0.0	0.8	1.6	2.6	3.0	3.3	44,904	256	311	27.6
Q3 2021	3.5	9.8	-4.5	0.9	5.1	6.5	0.0	0.8	1.4	2.4	2.9	3.3	44,706	267	336	25.7
Q4 2021	7.4	15.1	-4.4	2.0	4.2	8.8	0.1	1.2	1.6	2.7	3.1	3.3	48,634	277	348	31.1
Q1 2022	-1.0	7.3	-10.9	-4.0	3.8	9.1	0.3	1.9	2.0	3.5	3.8	3.3	45,847	290	341	36.5
Q2 2022	0.3	9.7	-1.8	5.6	3.6	10.0	1.1	3.0	3.0	4.9	5.3	3.9	37,977	298	341	34.8
Q3 2022	2.7	7.4	6.6	11.7	3.5	5.3	2.7	3.3	3.2	5.3	5.6	5.4	36,098	296	345	32.6
Q4 2022	3.4	7.2	3.8	7.9	3.6	4.0	4.0	4.1	3.9	6.1	6.7	6.8	38,521	297	345	33.6
Q1 2023	2.8	6.6	10.9	15.3	3.5	3.8	4.6	3.8	3.7	5.6	6.4	7.7	41,137	301	343	26.5
Q2 2023	2.5	4.3	3.3	6.4	3.5	3.0	5.1	3.7	3.7	5.7	6.5	8.2	44,412	304	352	20.1
Q3 2023	4.4	7.7	1.4	4.1	3.7	3.4	5.3	4.3	4.2	6.0	7.0	8.4	42,789	310	344	18.9
Q4 2023	3.2	4.8	3.2	4.9	3.8	2.7	5.3	4.5	4.5	6.2	7.3	8.5	47,788	314	318	21.7
Q1 2024	1.6	4.7	5.6	9.2	3.8	3.8	5.2	4.1	4.2	5.6	6.7	8.5	52,403	317	309	15.9
Q2 2024	3.0	5.6	1.0	3.6	4.0	2.8	5.2	4.5	4.5	5.8	7.0	8.5	53,916	318	305	19.2
Q3 2024	3.1	5.0	1.1	2.7	4.2	1.2	5.0	3.8	4.0	5.3	6.5	8.4	57,046	321	308	38.6
Q4 2024	2.3	4.6	2.7	5.0	4.1	2.7	4.4	4.1	4.3	5.4	6.6	7.8	58,399	322	309	27.6

Note: Refer to [Notes Regarding Scenario Variables](#) for more information on the definitions and sources of historical observations of the variables in the table.

**Table 2.B. Historical data: International variables, Q1:2000–Q4:2024**

Percent, unless otherwise indicated

Date	Euro area real GDP growth	Euro area inflation	Euro area bilateral dollar exchange rate (USD/euro)	Developing Asia real GDP growth	Developing Asia inflation	Developing Asia bilateral dollar exchange rate (F/USD, index) <sup>1</sup>	Japan real GDP growth	Japan inflation	Japan bilateral dollar exchange rate (yen/USD)	U.K. real GDP growth	U.K. inflation	U.K. bilateral dollar exchange rate (USD/pound)
Q1 2000	5.3	2.6	0.957	7.3	1.5	100.0	7.1	-0.5	102.7	5.1	0.3	1.592
Q2 2000	3.6	0.9	0.955	7.0	-0.3	100.7	1.8	-1.1	106.1	3.0	0.5	1.513
Q3 2000	2.7	3.4	0.884	7.8	2.3	101.4	0.1	-0.4	107.9	2.6	1.0	1.479
Q4 2000	1.8	2.8	0.939	3.7	2.5	105.3	4.0	-1.0	114.4	2.5	1.9	1.496
Q1 2001	4.5	1.2	0.879	4.6	1.7	106.2	3.0	0.7	125.5	3.8	-0.1	1.419
Q2 2001	0.2	4.0	0.847	5.4	2.1	106.2	-2.9	-1.9	124.7	1.7	3.2	1.408
Q3 2001	0.8	1.5	0.910	4.9	1.3	106.5	-4.3	-0.7	119.2	2.1	1.0	1.469
Q4 2001	-0.2	1.7	0.890	8.3	0.0	107.0	-1.4	-1.8	131.0	1.2	-0.1	1.454
Q1 2002	0.8	3.1	0.872	8.0	0.5	107.5	0.7	-1.2	132.7	1.1	2.0	1.425
Q2 2002	2.0	2.0	0.986	8.2	1.2	104.8	3.3	0.3	119.9	1.9	0.9	1.525
Q3 2002	1.8	1.6	0.988	7.1	1.5	105.6	1.3	-0.4	121.7	2.9	1.3	1.570
Q4 2002	0.8	2.3	1.049	6.6	0.8	104.5	1.1	-0.8	118.8	3.1	1.9	1.610
Q1 2003	-1.0	3.3	1.090	6.6	3.6	105.6	0.2	0.0	118.1	3.0	1.7	1.579
Q2 2003	0.2	0.5	1.150	2.1	1.2	104.0	2.8	0.3	119.9	3.6	0.2	1.653
Q3 2003	2.6	2.1	1.165	14.3	0.1	102.6	1.2	-0.7	111.4	3.7	1.7	1.662
Q4 2003	2.5	2.3	1.260	12.8	5.5	103.4	4.4	-0.7	107.1	3.4	1.7	1.784
Q1 2004	2.3	2.2	1.229	5.9	4.0	101.4	3.1	0.6	104.2	1.6	1.4	1.840
Q2 2004	2.4	2.6	1.218	7.1	4.1	102.8	-0.1	-0.3	109.4	2.3	0.8	1.813
Q3 2004	1.0	2.0	1.242	8.1	4.1	102.7	2.5	-0.1	110.2	1.5	1.1	1.809
Q4 2004	1.7	2.4	1.354	6.4	0.8	98.8	-0.7	2.0	102.7	1.9	2.4	1.916
Q1 2005	1.1	1.4	1.297	10.6	2.9	98.5	2.0	-1.2	107.2	3.0	2.6	1.889
Q2 2005	2.5	2.2	1.210	8.7	1.5	98.9	3.1	-1.0	110.9	3.4	1.8	1.793
Q3 2005	3.1	3.1	1.206	9.3	2.4	98.5	4.2	-1.1	113.3	3.4	2.8	1.770
Q4 2005	2.8	2.5	1.184	11.6	1.6	98.0	0.7	0.4	117.9	3.8	1.4	1.719
Q1 2006	3.8	1.7	1.214	10.8	2.4	96.6	0.6	1.1	117.5	2.0	1.9	1.739
Q2 2006	4.5	2.5	1.278	7.1	3.2	96.5	0.6	0.4	114.5	1.4	3.0	1.849
Q3 2006	2.3	2.0	1.269	10.2	2.3	96.2	-0.8	0.4	118.0	1.1	3.3	1.872
Q4 2006	4.7	0.9	1.320	11.3	3.6	94.4	5.5	-0.6	119.0	2.2	2.6	1.959
Q1 2007	2.9	2.3	1.337	13.8	3.6	93.8	2.6	-0.7	117.6	3.7	2.5	1.969
Q2 2007	2.7	2.3	1.352	10.5	4.9	91.8	0.2	0.4	123.4	2.9	1.8	2.006
Q3 2007	1.6	2.1	1.422	8.7	7.6	90.5	-2.1	0.3	115.0	2.9	0.3	2.039
Q4 2007	2.0	4.9	1.460	12.8	5.9	89.4	1.8	2.0	111.7	2.4	4.0	1.984
Q1 2008	2.7	4.2	1.581	7.2	8.1	88.0	1.5	1.4	99.9	1.9	3.4	1.986
Q2 2008	-2.0	3.2	1.575	5.9	6.3	88.7	-2.4	1.7	106.2	-2.1	5.8	1.991
Q3 2008	-2.2	3.2	1.408	2.9	3.0	91.7	-4.9	3.8	105.9	-6.0	5.9	1.780
Q4 2008	-6.6	-1.4	1.392	0.4	-1.1	92.4	-9.5	-2.4	90.8	-8.3	0.4	1.462
Q1 2009	-11.7	-1.0	1.326	4.2	-1.4	94.4	-17.9	-3.5	99.2	-7.9	-0.2	1.430

(continued)

**Table 2.B—continued**

Date	Euro area real GDP growth	Euro area inflation	Euro area bilateral dollar exchange rate (USD/euro)	Developing Asia real GDP growth	Developing Asia inflation	Developing Asia bilateral dollar exchange rate (F/USD, index) <sup>1</sup>	Japan real GDP growth	Japan inflation	Japan bilateral dollar exchange rate (yen/USD)	U.K. real GDP growth	U.K. inflation	U.K. bilateral dollar exchange rate (USD/pound)
Q2 2009	-0.2	0.0	1.402	15.0	2.3	92.5	8.1	-1.5	96.4	-1.3	2.3	1.645
Q3 2009	1.4	1.1	1.463	12.8	4.1	91.4	-0.2	-1.5	89.5	0.3	3.6	1.600
Q4 2009	1.9	1.6	1.433	9.6	5.0	90.8	5.1	-1.4	93.1	1.2	2.8	1.617
Q1 2010	1.7	1.8	1.353	9.8	4.4	89.9	4.2	1.0	93.4	3.7	4.2	1.519
Q2 2010	3.6	1.9	1.229	9.4	3.4	91.2	5.0	-1.4	88.5	4.4	3.3	1.495
Q3 2010	1.8	1.6	1.360	8.7	4.2	88.5	7.4	-2.0	83.5	2.4	2.2	1.573
Q4 2010	2.5	2.6	1.327	9.7	7.5	87.5	-3.2	1.4	81.7	0.3	3.9	1.539
Q1 2011	3.8	3.7	1.418	9.6	6.2	86.5	-4.2	-0.4	82.8	1.1	7.0	1.605
Q2 2011	0.0	3.1	1.452	6.8	5.4	85.4	-3.3	-0.7	80.6	0.4	4.6	1.607
Q3 2011	0.1	1.3	1.345	5.6	5.3	87.5	10.1	0.4	77.0	1.2	3.5	1.562
Q4 2011	-1.1	3.5	1.297	6.6	3.0	87.4	-0.5	-0.6	77.0	0.5	3.4	1.554
Q1 2012	-1.1	2.9	1.333	7.6	3.1	86.4	5.7	2.3	82.4	3.5	2.3	1.599
Q2 2012	-1.5	2.2	1.267	5.7	3.9	88.2	-3.6	-1.4	79.8	-0.5	1.9	1.569
Q3 2012	-0.5	1.5	1.286	6.6	2.2	86.3	-1.5	-2.0	77.9	3.9	2.1	1.613
Q4 2012	-1.6	2.5	1.319	7.3	3.5	86.0	-0.2	0.1	86.6	-0.4	4.2	1.626
Q1 2013	-1.5	1.3	1.282	6.6	4.5	86.3	5.5	0.6	94.2	1.3	3.0	1.519
Q2 2013	2.6	0.2	1.301	6.2	2.8	87.3	3.7	0.0	99.2	2.7	1.5	1.521
Q3 2013	1.3	1.1	1.354	7.8	3.6	86.7	3.9	2.7	98.3	3.3	2.1	1.618
Q4 2013	1.1	0.5	1.378	6.8	3.8	85.9	-0.4	2.4	105.3	2.7	1.7	1.657
Q1 2014	1.6	0.9	1.378	6.1	1.4	86.9	3.1	1.0	103.0	3.3	1.8	1.668
Q2 2014	0.9	-0.4	1.369	7.4	2.6	86.7	-6.9	8.3	101.3	3.8	1.4	1.711
Q3 2014	1.9	0.1	1.263	6.5	2.5	87.1	0.4	1.9	109.7	3.2	0.8	1.622
Q4 2014	1.7	0.0	1.210	5.8	0.9	88.2	1.9	-0.8	119.9	2.8	-0.3	1.558
Q1 2015	2.9	-0.8	1.074	6.3	0.9	88.2	6.1	0.1	120.0	1.1	-1.3	1.485
Q2 2015	1.8	2.4	1.115	6.8	2.8	88.5	0.6	1.1	122.1	2.5	0.8	1.573
Q3 2015	1.6	-0.2	1.116	6.5	2.7	91.2	0.5	0.3	119.8	1.5	0.7	1.512
Q4 2015	2.1	-0.4	1.086	5.7	1.1	92.3	-0.7	-0.8	120.3	2.3	0.0	1.475
Q1 2016	2.0	-1.4	1.139	6.9	3.0	91.9	3.0	-0.5	112.4	1.4	0.0	1.438
Q2 2016	0.9	1.5	1.103	6.9	2.9	94.3	-0.6	0.0	102.8	2.3	0.7	1.324
Q3 2016	1.9	1.3	1.124	6.6	1.2	93.8	0.9	-0.4	101.2	1.7	2.0	1.302
Q4 2016	2.9	1.7	1.055	5.9	1.7	97.7	0.5	2.2	116.8	2.5	2.1	1.234
Q1 2017	3.1	2.6	1.070	6.3	1.3	95.3	3.1	-0.7	111.4	3.4	3.8	1.254
Q2 2017	3.0	0.5	1.141	6.7	2.2	94.8	1.7	0.7	112.4	2.5	3.1	1.300
Q3 2017	2.9	1.1	1.181	5.8	2.3	93.8	3.4	0.4	112.6	2.6	2.2	1.340
Q4 2017	3.2	1.7	1.202	6.0	2.5	91.2	0.3	1.8	112.7	3.0	3.1	1.353
Q1 2018	0.0	1.8	1.232	8.5	2.5	89.1	0.2	2.0	106.2	0.3	2.5	1.403
Q2 2018	2.1	2.3	1.168	6.4	1.9	93.6	1.8	-1.3	110.7	0.7	1.9	1.320
Q3 2018	0.2	2.8	1.162	3.0	2.9	97.3	-2.3	2.0	113.5	1.2	2.6	1.305

(continued)

Table 2.B—continued

Date	Euro area real GDP growth	Euro area inflation	Euro area bilateral dollar exchange rate (USD/euro)	Developing Asia real GDP growth	Developing Asia inflation	Developing Asia bilateral dollar exchange rate (F/USD, index) <sup>1</sup>	Japan real GDP growth	Japan inflation	Japan bilateral dollar exchange rate (yen/USD)	U.K. real GDP growth	U.K. inflation	U.K. bilateral dollar exchange rate (USD/pound)
Q4 2018	2.5	1.0	1.146	5.3	1.2	96.3	-0.8	0.7	109.7	0.5	2.1	1.276
Q1 2019	2.7	-0.4	1.123	8.2	1.0	94.6	0.9	-0.4	110.7	3.0	1.0	1.303
Q2 2019	1.4	2.3	1.137	6.3	4.9	96.5	2.0	1.1	107.8	1.3	2.4	1.270
Q3 2019	0.7	1.1	1.091	0.7	3.4	99.9	0.4	0.0	108.1	2.9	1.9	1.231
Q4 2019	0.0	1.2	1.123	3.9	6.7	98.0	-10.9	1.5	108.7	0.0	0.4	1.327
Q1 2020	-12.7	-0.3	1.102	-23.5	3.7	101.7	2.2	0.0	107.5	-10.2	2.2	1.245
Q2 2020	-37.7	-1.1	1.124	35.6	-2.0	97.5	-27.1	-0.8	107.8	-59.7	-2.2	1.237
Q3 2020	55.4	0.1	1.172	20.6	1.9	95.8	23.2	-0.7	105.6	86.0	2.0	1.292
Q4 2020	1.5	0.2	1.223	13.2	0.3	92.9	7.2	-2.2	103.2	5.6	0.1	1.366
Q1 2021	2.4	4.9	1.174	5.1	3.1	93.7	1.3	1.6	110.6	-4.1	2.7	1.380
Q2 2021	9.3	2.3	1.185	6.0	2.0	91.7	2.5	-1.6	111.1	32.3	3.1	1.381
Q3 2021	7.5	4.0	1.158	0.9	0.7	93.0	-1.9	1.6	111.5	6.8	5.3	1.347
Q4 2021	3.2	7.4	1.132	7.6	3.8	92.5	4.9	0.4	115.2	6.1	8.7	1.350
Q1 2022	2.2	11.0	1.109	3.2	2.0	93.0	-2.4	3.2	121.4	3.0	8.2	1.315
Q2 2022	3.7	10.0	1.047	-1.2	6.2	98.4	4.5	4.3	135.7	1.3	14.5	1.216
Q3 2022	2.4	8.9	0.978	7.1	1.8	104.0	-1.7	3.6	144.7	0.5	9.0	1.113
Q4 2022	-0.4	9.9	1.070	2.8	1.0	101.4	1.5	4.2	131.8	1.3	11.5	1.208
Q1 2023	-0.1	3.3	1.087	7.7	0.3	100.8	5.0	2.6	132.8	0.5	6.1	1.237
Q2 2023	0.3	3.0	1.092	6.5	1.0	104.9	2.1	3.1	144.5	0.0	7.0	1.271
Q3 2023	0.0	3.9	1.058	3.3	2.3	106.6	-4.1	2.7	149.4	-0.5	2.5	1.221
Q4 2023	0.2	0.8	1.106	4.9	0.1	104.4	0.7	3.2	140.9	-1.1	1.2	1.274
Q1 2024	1.2	2.7	1.079	6.6	1.0	106.0	-2.2	1.1	151.2	3.0	3.6	1.264
Q2 2024	0.7	2.6	1.071	4.4	1.5	106.8	2.2	3.9	160.9	1.4	1.0	1.264
Q3 2024	1.7	2.5	1.115	2.2	2.4	104.2	1.2	2.9	143.3	0.1	2.4	1.340
Q4 2024	1.0	1.1	1.035	4.5	1.6	108.5	1.3	2.2	157.4	1.6	2.6	1.252

Note: Refer to [Notes Regarding Scenario Variables](#) for more information on the definitions and sources of historical observations of the variables in the table.

<sup>1</sup> F/USD denotes foreign currency index, relative to the U.S. dollar, obtained as a weighted average of the exchange rates of the countries in the developing Asia bloc.



**Table 3.A. Supervisory baseline scenario: Domestic variables, Q1:2025–Q1:2028**

Percent, unless otherwise indicated

Date	Real GDP growth	Nominal GDP growth	Real disposable income growth	Nominal disposable income growth	Unemployment rate	CPI inflation rate	3-month Treasury rate	5-year Treasury yield	10-year Treasury yield	BBB corporate yield	Mortgage rate	Prime rate	Level			
													Dow Jones Total Stock Market Index	House Price Index	Commercial Real Estate Price Index	Market Volatility Index
Q1 2025	2.1	4.5	2.4	4.9	4.3	2.8	4.3	4.2	4.4	5.6	6.4	7.6	58,399	324	311	26.7
Q2 2025	1.9	4.4	2.1	4.6	4.3	2.7	4.0	4.1	4.4	5.7	6.2	7.4	58,399	325	312	26.6
Q3 2025	1.9	4.4	2.5	5.0	4.3	2.6	3.9	4.0	4.3	5.8	6.1	7.2	58,399	327	314	26.6
Q4 2025	1.9	4.5	2.3	4.8	4.3	2.6	3.8	4.0	4.3	5.8	6.0	7.0	58,399	329	316	26.8
Q1 2026	2.0	4.7	2.6	5.2	4.3	2.8	3.7	4.0	4.2	5.8	5.9	6.9	58,399	330	317	27.0
Q2 2026	2.0	4.2	2.2	4.6	4.3	2.6	3.6	3.9	4.2	5.9	5.8	6.8	58,399	332	319	27.2
Q3 2026	2.0	4.2	2.1	4.3	4.3	2.4	3.6	3.8	4.2	5.8	5.7	6.7	58,399	334	320	27.4
Q4 2026	2.0	4.3	2.3	4.5	4.3	2.4	3.5	3.7	4.1	5.9	5.7	6.6	58,399	335	322	27.5
Q1 2027	2.0	4.2	2.1	4.3	4.2	2.3	3.4	3.7	4.1	5.9	5.7	6.6	58,399	337	323	27.6
Q2 2027	2.0	4.0	2.0	4.2	4.2	2.2	3.4	3.6	4.1	5.9	5.6	6.5	58,399	339	325	27.8
Q3 2027	2.0	4.0	2.0	4.1	4.2	2.2	3.4	3.6	4.1	5.9	5.6	6.5	58,399	340	327	27.9
Q4 2027	1.9	4.0	2.0	4.1	4.2	2.1	3.4	3.5	4.1	5.9	5.6	6.5	58,399	342	328	28.0
Q1 2028	1.9	4.0	2.0	4.1	4.2	2.2	3.4	3.5	4.1	5.9	5.6	6.5	58,399	344	330	28.1

Note: Refer to [Notes Regarding Scenario Variables](#) for more information on the definitions and sources of historical observations of the variables in the table.

**Table 3.B. Supervisory baseline scenario: International variables, Q1:2025–Q1:2028**

Percent, unless otherwise indicated

Date	Euro area real GDP growth	Euro area inflation	Euro area bilateral dollar exchange rate (USD/euro)	Developing Asia real GDP growth	Developing Asia inflation	Developing Asia bilateral dollar exchange rate (F/USD, index) <sup>1</sup>	Japan real GDP growth	Japan inflation	Japan bilateral dollar exchange rate (yen/USD)	U.K. real GDP growth	U.K. inflation	U.K. bilateral dollar exchange rate (USD/pound)
Q1 2025	1.0	1.9	1.042	4.4	1.6	108.7	1.1	2.1	154.9	1.3	2.7	1.259
Q2 2025	1.0	1.9	1.048	4.3	1.6	108.8	1.0	2.1	152.6	1.1	2.7	1.266
Q3 2025	1.0	1.8	1.055	4.3	1.6	109.0	0.9	2.0	150.3	1.1	2.6	1.273
Q4 2025	1.1	1.8	1.061	4.2	1.7	109.1	0.9	1.9	148.1	1.2	2.5	1.280
Q1 2026	1.2	1.8	1.067	4.2	1.8	108.7	0.8	1.7	145.7	1.5	2.4	1.285
Q2 2026	1.3	1.8	1.073	4.1	1.9	108.4	0.8	1.7	143.4	1.6	2.3	1.289
Q3 2026	1.3	1.8	1.079	4.0	1.9	108.0	0.7	1.7	141.2	1.6	2.3	1.294
Q4 2026	1.3	1.8	1.086	3.9	1.9	107.6	0.6	1.8	139.0	1.5	2.3	1.299
Q1 2027	1.1	1.8	1.086	3.8	1.9	107.6	0.4	2.0	139.0	1.3	2.3	1.299
Q2 2027	1.1	1.8	1.086	3.7	1.9	107.6	0.3	2.2	139.0	1.1	2.3	1.299
Q3 2027	1.1	1.8	1.086	3.6	1.9	107.6	0.3	2.2	139.0	1.1	2.3	1.299
Q4 2027	1.1	1.8	1.086	3.6	1.9	107.6	0.4	2.2	139.0	1.1	2.3	1.299
Q1 2028	1.1	1.8	1.086	3.6	2.0	107.6	0.5	2.1	139.0	1.2	2.3	1.299

Note: Refer to [Notes Regarding Scenario Variables](#) for more information on the definitions and sources of historical observations of the variables in the table.

<sup>1</sup> F/USD denotes foreign currency index, relative to the U.S. dollar, obtained as a weighted average of the exchange rates of the countries in the developing Asia bloc.

**Table 4.A. Supervisory severely adverse scenario: Domestic variables, Q1:2025–Q1:2028**

Percent, unless otherwise indicated

Date	Real GDP growth	Nominal GDP growth	Real disposable income growth	Nominal disposable income growth	Unemployment rate	CPI inflation rate	3-month Treasury rate	5-year Treasury yield	10-year Treasury yield	BBB corporate yield	Mortgage rate	Prime rate	Level			
													Dow Jones Total Stock Market Index	House Price Index	Commercial Real Estate Price Index	Market Volatility Index
Q1 2025	-8.9	-8.0	-6.0	-4.5	5.6	2.0	1.8	0.6	1.4	5.2	4.0	4.8	34,509	275	302	60.0
Q2 2025	-6.7	-6.0	-3.5	-2.2	6.8	1.5	0.1	0.5	1.0	5.7	3.7	3.1	30,792	255	295	65.0
Q3 2025	-8.0	-7.2	-3.5	-2.4	8.1	1.3	0.1	0.6	1.0	6.0	3.8	3.1	29,731	240	286	57.3
Q4 2025	-5.9	-5.1	-2.3	-1.1	9.2	1.3	0.1	0.8	1.1	6.0	3.8	3.1	29,200	229	272	51.2
Q1 2026	-1.8	-0.7	0.5	1.6	9.7	1.4	0.1	0.9	1.2	6.0	3.8	3.1	30,261	222	256	46.4
Q2 2026	0.6	1.7	1.6	2.7	9.9	1.4	0.1	1.0	1.2	5.8	3.7	3.1	31,854	218	243	42.6
Q3 2026	0.9	2.1	1.8	3.0	10.0	1.4	0.1	1.1	1.3	5.5	3.6	3.1	33,978	214	229	39.5
Q4 2026	6.4	7.8	5.5	6.8	9.5	1.5	0.1	1.2	1.4	5.2	3.6	3.1	36,632	220	217	37.1
Q1 2027	6.0	7.4	5.4	6.8	9.0	1.5	0.1	1.3	1.5	4.8	3.5	3.1	39,818	227	218	35.2
Q2 2027	5.7	6.8	5.2	6.8	8.6	1.5	0.1	1.4	1.5	4.6	3.4	3.1	43,003	233	220	33.7
Q3 2027	5.3	6.7	5.1	6.6	8.2	1.6	0.1	1.5	1.6	4.3	3.3	3.1	47,781	239	222	32.6
Q4 2027	5.0	6.5	4.9	6.5	7.8	1.6	0.1	1.5	1.6	4.0	3.3	3.1	53,090	245	223	31.6
Q1 2028	4.8	6.2	4.6	6.3	7.5	1.6	0.1	1.6	1.7	3.7	3.2	3.1	58,399	251	225	30.9

Note: Refer to [Notes Regarding Scenario Variables](#) for more information on the definitions and sources of historical observations of the variables in the table.

**Table 4.B. Supervisory severely adverse scenario: International variables, Q1:2025–Q1:2028**

Percent, unless otherwise indicated

Date	Euro area real GDP growth	Euro area inflation	Euro area bilateral dollar exchange rate (USD/euro)	Developing Asia real GDP growth	Developing Asia inflation	Developing Asia bilateral dollar exchange rate (F/USD, index) <sup>1</sup>	Japan real GDP growth	Japan inflation	Japan bilateral dollar exchange rate (yen/USD)	U.K. real GDP growth	U.K. inflation	U.K. bilateral dollar exchange rate (USD/pound)
Q1 2025	-4.7	1.3	1.020	-1.3	-0.4	110.1	-8.8	0.9	155.1	-3.5	2.1	1.234
Q2 2025	-4.1	0.7	1.005	-0.8	-1.9	111.8	-6.4	0.2	154.5	-3.9	1.6	1.216
Q3 2025	-3.2	1.1	0.969	0.4	-1.3	116.0	-4.6	-0.2	154.3	-3.1	1.6	1.172
Q4 2025	-3.0	0.9	0.941	0.6	-2.0	119.4	-4.2	-0.7	153.9	-2.9	1.3	1.138
Q1 2026	-2.8	0.4	0.934	1.7	-2.6	120.3	-3.7	-0.9	153.5	-2.7	0.8	1.129
Q2 2026	-2.6	0.2	0.927	2.2	-2.6	121.2	-3.3	-1.0	153.4	-2.5	0.5	1.121
Q3 2026	1.0	0.4	0.930	4.0	-1.8	120.8	1.0	-0.3	153.5	1.0	0.6	1.125
Q4 2026	3.6	0.6	0.934	5.0	-1.3	120.3	4.5	0.4	153.6	3.5	0.9	1.129
Q1 2027	4.5	0.8	0.948	5.2	-0.8	118.6	5.5	1.2	153.9	4.4	1.2	1.146
Q2 2027	5.4	0.8	0.976	5.3	-0.6	115.1	6.5	2.0	154.0	5.3	1.4	1.180
Q3 2027	6.3	1.3	0.990	5.6	0.3	113.4	7.0	2.6	154.3	6.2	1.9	1.198
Q4 2027	7.2	1.7	1.005	5.8	1.0	111.8	7.5	3.0	154.4	7.0	2.4	1.216
Q1 2028	8.1	2.2	1.020	5.8	1.8	110.1	8.5	3.5	154.6	7.9	2.8	1.234

Note: Refer to [Notes Regarding Scenario Variables](#) for more information on the definitions and sources of historical observations of the variables in the table.

<sup>1</sup> F/USD denotes foreign currency index, relative to the U.S. dollar, obtained as a weighted average of the exchange rates of the countries in the developing Asia bloc.

## Notes Regarding Scenario Variables

The following are descriptions of data through 2024:Q4 (as released through January 10, 2025). The 2024:Q4 values of variables marked with an asterisk (\*) are estimates.

**\*U.S. real GDP growth:** Quarterly percent change in real gross domestic product (chained 2017 dollars), expressed at an annualized rate, Bureau of Economic Analysis (NIPA table 1.1.6, line 1).

**\*U.S. nominal GDP growth:** Quarterly percent change in gross domestic product (current dollars), expressed at an annualized rate, Bureau of Economic Analysis (NIPA table 1.1.5, line 1).

**\*U.S. real disposable income growth:** Quarterly percent change in real disposable personal income (current-dollar values divided by the price index for personal consumption expenditures), expressed at an annualized rate, Bureau of Economic Analysis (NIPA table 2.1, line 27, and NIPA table 1.1.4, line 2, respectively).

**\*U.S. nominal disposable income growth:** Quarterly percent change in disposable personal income (current dollars), expressed at an annualized rate, Bureau of Economic Analysis (NIPA table 2.1, line 27).

**U.S. unemployment rate:** Quarterly average of seasonally adjusted monthly unemployment rates for the civilian, non-institutional population aged 16 years and older, Bureau of Labor Statistics (series LNS14000000).

**\*U.S. CPI inflation:** Percent change in the quarterly average of seasonally adjusted monthly levels of the all-items CPI for all urban consumers (CPI-U), expressed at an annualized rate, Bureau of Labor Statistics (series CUSR0000SA0).

**U.S. 3-month Treasury rate:** Quarterly average of 3-month Treasury bill secondary market rate on a discount basis, H.15 Release, Selected Interest Rates, Federal Reserve Board (series RIFSGFSM03\_N.B).

**U.S. 5-year Treasury yield:** Quarterly average of the yield on 5-year U.S. Treasury notes, constructed for the FRB/U.S. model by Federal Reserve staff based on the Svensson smoothed term structure model (see Lars E. O. Svensson, 1995, “Estimating Forward Interest Rates with the Extended Nelson–Siegel Method,” *Quarterly Review*, no. 3, Sveriges Riksbank, pp. 13–26).

**U.S. 10-year Treasury yield:** Quarterly average of the yield on 10-year U.S. Treasury notes, constructed for the FRB/U.S. model by Federal Reserve staff based on the Svensson smoothed term structure model (see Svensson, “Estimating Forward Interest Rates”).

**U.S. BBB corporate yield:** Quarterly average of ICE BofAML U.S. Corporate 7-10 Year Yield-to-Maturity Index, ICE Data Indices, LLC, used with permission (C4A4 series).

**U.S. mortgage rate:** Quarterly average of weekly series for the interest rate of a conventional, conforming, 30-year fixed-rate mortgage, obtained from the Primary Mortgage Market Survey of the Federal Home Loan Mortgage Corporation.

**U.S. prime rate:** Quarterly average of monthly series, H.15 Release (Selected Interest Rates), Federal Reserve Board (series RIFSPBLP\_N.M).

**U.S. Dow Jones Total Stock Market (Float Cap) Index:** End-of-quarter value via Bloomberg Finance L.P.

**\*U.S. House Price Index:** Price Index for Owner-Occupied Real Estate, Z.1 Release (Financial Accounts of the United States), Federal Reserve Board (series FL075035243.Q divided by 1000).

**\*U.S. Commercial Real Estate Price Index:** Commercial Real Estate Price Index, Z.1 Release (Financial Accounts of the United States), Federal Reserve Board (series FL075035503.Q divided by 1000).

**U.S. Market Volatility Index (VIX):** VIX converted to quarterly frequency using the maximum close-of-day value in any quarter, Chicago Board Options Exchange via Bloomberg Finance L.P.

**\*Euro area real GDP growth:** Quarterly percent change in real gross domestic product at an annualized rate, staff calculations based on Statistical Office of the European Communities via Haver, extended back using ECB Area Wide Model dataset (ECB Working Paper series no. 42).

**\*Euro area inflation:** Percent change in the quarterly average of the harmonized index of consumer prices at an annualized rate, staff calculations based on Statistical Office of the European Communities via Haver.

**\*Developing Asia real GDP growth:** Quarterly percent change in real gross domestic product at an annualized rate, staff calculations based on data from Bank of Korea via Haver; National Bureau of Statistics of China via Haver; Indian Central Statistics Office via Haver; Census and Statistics Department of Hong Kong via Haver; and Taiwan Directorate-General of Budget, Accounting and Statistics via Haver.

**\*Developing Asia inflation:** Percent change in the quarterly average of the consumer price index, or local equivalent, at an annualized rate, staff calculations based on data from National Bureau of Statistics of China via Haver; Indian Ministry of Statistics and Programme Implementation via Haver; Labour Bureau of India via Haver; Statistics Korea (KOSTAT) via Haver; Census and Statistics Department of Hong Kong via Haver; and Taiwan Directorate-General of Budget, Accounting and Statistics via Haver.

**\*Japan real GDP growth:** Quarterly percent change in real gross domestic product at an annualized rate from 1980 to present and percent change in gross domestic expenditure at an annualized rate prior to 1980, Cabinet Office of Japan via Haver.

**\*Japan inflation:** Percent change in the quarterly average of the consumer price index at an annualized rate, based on data from the Ministry of Internal Affairs and Communications via Haver.

**\*U.K. real GDP growth:** Quarterly percent change in real gross domestic product at an annualized rate, U.K. Office for National Statistics via Haver.

**\*U.K. inflation:** Percent change in the quarterly average of the consumer price index at an annualized rate from 1988 to present and percent change in the quarterly average of the retail prices index prior to 1988, staff calculations based on data from the U.K. Office for National Statistics via Haver.

**Exchange rates:** End-of-quarter exchange rates, H.10 Release (Foreign Exchange Rates), Federal Reserve Board.



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