

January 2021: January 27, 2021

1 (4)

Press Release

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

This release, or parts thereof, may be published immediately. Please state Kantar Sifo Prospera as the source.

Kantar Sifo Prospera has been commissioned by Sveriges Riksbank (Central Bank of Sweden) to undertake a series of surveys, twelve times a year, aiming at mapping money market players' expectations of inflation, GDP and future repo rates in Sweden as well as expectations of the Swedish 5 year government bond rate, EUR and USD rates.

The latest survey in the series, January 2021, has now been completed. The previous survey, December 2020, was published December 9, 2020.

A comparison of the results of the two surveys covering money market players can be summarised as follows (rounded off figures):

Money Market Players' Expectations of

	Year 1		Year 2		Year 5	
	Jan 21	Dec 20	Jan 21	Dec 20	Jan 21	Dec 20
Annual						
Inflation CPI, %	1,1	1,0	1,4	1,4	1,8	1,7
Inflation CPIF, %	1,1	1,0	1,3	1,4	1,8	1,7
GDP, %	2,9	2,6	2,7	2,6	2,2	2,2

	3 months		12 months		24 months		60 months	
	Jan 21	Dec 20	Jan 21	Dec 20	Jan 21	Dec 20	Jan 21	Dec 20
Repo rate, %	0,0	0,0	0,0	0,0	0,1	0,1	0,7	0,8
5 year gvt bond rate, %	-0,2	-0,3	-0,1	-0,2	0,2	0,1	0,7	0,9
EUR	10,06	10,13	9,92	9,93	9,81	9,78	-	-
USD	8,33	8,53	8,17	8,33	8,12	8,14	-	-

January 2021: January 27, 2021
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 20 - January 26, 2021 (previous survey November 23 - December 8, 2020).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 20, 2021 (previous survey on November 25, 2020).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 6,5 years.

About the Interviewees & Response Rate

In all 42 (42) organisations were approached for interview. 9 (10) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 79 % (76 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 74 % for the one year and two year assessments. For the five year assessment as well as the question regarding repo rates, 5 year government bond rates, EUR and USD rates the response rate is generally lower. (Tables 1-6)

The money market category includes 40 Swedish and 2 international players active in the Swedish fixed income market.

Definitions

Inflation, the percentage increase in Consumer Price Index (CPI) and Consumer Price Index with a fixed interest rate (CPIF)

GDP, Gross Domestic Product, the value of all goods and services produced (by Swedish agents) in one year.

Repo rate, the Riksbank's borrowing/lending rate from/to banks for seven days' money.

Previous Kantar Sifo Prospera Inflation Expectations Surveys

Kantar Sifo Prospera inflation reports and tables, from 2000 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>



TABLE 1 - Inflation Expectations

Expected annual increase in CPI the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Year 1	1,106	1,000	0,300	2,500	0,524	0,091	33	9	79%
Year 2	1,371	1,300	0,750	2,500	0,399	0,070	33	9	79%
Year 5	1,792	1,800	1,000	2,500	0,346	0,061	32	10	76%

Expected annual increase in CPIF the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Year 1	1,113	1,000	0,200	2,500	0,523	0,094	31	11	74%
Year 2	1,342	1,300	0,800	2,300	0,374	0,067	31	11	74%
Year 5	1,750	1,800	1,000	2,500	0,371	0,067	31	11	74%

TABLE 2 - Inflation Expectations - 75% probability forecast uncertainty intervals

Expected annual increase intervals in CPIF the coming 1, 2 and 5 years with a 75 % probability

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Year 1									
Lower bound	0,627	0,500	-0,500	1,700	0,569	0,112	26	16	62%
Upper bound	1,508	1,400	0,300	3,500	0,699	0,137	26	16	62%
Year 2									
Lower bound	0,756	0,800	0,000	1,900	0,502	0,100	25	17	60%
Upper bound	1,876	1,700	1,000	3,000	0,581	0,116	25	17	60%
Year 5									
Lower bound	1,006	1,000	0,000	2,000	0,569	0,114	25	17	60%
Upper bound	2,520	2,300	1,500	5,000	0,740	0,148	25	17	60%

TABLE 3 - GDP Increase Expectations

Expected annual increase in GDP the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Year 1	2,939	3,000	-3,000	5,800	1,619	0,282	33	9	79%
Year 2	2,667	2,600	1,000	4,800	0,721	0,125	33	9	79%
Year 5	2,197	2,100	1,000	3,200	0,549	0,097	32	10	76%



TABLE 4 - Repo Rate Expectations

Expected repo rate the coming 3-60 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	26	16	62%
12 months	0,000	0,000	0,000	0,000	0,000	0,000	26	16	62%
24 months	0,117	0,000	0,000	1,000	0,245	0,048	26	16	62%
60 months	0,700	0,625	0,000	3,000	0,666	0,136	24	18	57%

TABLE 5 - Repo Rate Expectations - 75% probability forecast uncertainty intervals

Expected repo rate intervals the coming 3-60 months with a 75 % probability

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
3 months									
Lower bound	-0,137	0,000	-0,500	0,000	0,177	0,037	23	19	55%
Upper bound	0,030	0,000	0,000	0,500	0,111	0,023	23	19	55%
12 months									
Lower bound	-0,267	-0,250	-1,250	0,000	0,290	0,061	23	19	55%
Upper bound	0,139	0,000	0,000	1,250	0,326	0,068	23	19	55%
24 months									
Lower bound	-0,309	0,000	-2,100	0,250	0,504	0,105	23	19	55%
Upper bound	0,554	0,500	0,000	2,100	0,588	0,123	23	19	55%
60 months									
Lower bound	0,005	0,000	-1,750	1,000	0,618	0,138	20	22	48%
Upper bound	1,395	1,000	0,000	5,000	1,272	0,284	20	22	48%

TABLE 6 - 5 year Government Bond Rate, EUR and USD rates

Expected 5 year government bond rate, EUR and USD rates the coming 3-24 months

Money Market Players

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
5 YEAR GOVERNMENT BOND RATE									
3 months	-0,231	-0,250	-0,350	0,000	0,083	0,017	23	19	55%
12 months	-0,087	-0,100	-0,300	0,250	0,144	0,030	23	19	55%
24 months	0,157	0,100	-0,200	1,000	0,293	0,063	22	20	52%
60 months	0,710	0,625	-0,100	2,000	0,588	0,125	22	20	52%
EUR/SEK									
3 months	10,063	10,075	9,900	10,300	0,093	0,018	26	16	62%
12 months	9,923	9,900	9,500	10,300	0,163	0,032	26	16	62%
24 months	9,812	9,800	9,500	10,300	0,189	0,037	26	16	62%
USD/SEK									
3 months	8,334	8,335	8,000	8,800	0,191	0,038	26	16	62%
12 months	8,168	8,140	7,500	8,900	0,295	0,058	26	16	62%
24 months	8,119	8,100	6,960	9,000	0,421	0,083	26	16	62%