

May 2022 report

Money Market Players' expectations

May 11, 2022

Kantar 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 Swedish inflation, GDP, repo rate, Swedish 5 year government bond rate, EUR and USD rates.

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 Prospera as the source.

As of February 2021, Kantar Prospera also maps expectations on the Riksbank's bond purchases.

(%)	Year 1		Year 2		Year 5	
	May 22	Apr 22	May 22	Apr 22	May 22	Apr 22
Money Market Players						
Annual inflation CPI	4,3	3,4	3,0	2,6	2,4	2,2
Annual inflation CPIF	4,1	3,2	2,8	2,4	2,4	2,2
Annual GDP	2,4	2,7	2,0	2,2	2,3	2,3

	3 months		12 months		24 months		60 months	
	May 22	Apr 22	May 22	Apr 22	May 22	Apr 22	May 22	Apr 22
Money Market Players								
Repo rate (%)	0,5	0,2	1,3	0,8	1,6	1,1	1,7	1,5
5 year gvt bond rate (%)	1,8	1,2	2,2	1,5	2,3	1,7	2,3	2,0
EUR/SEK	10,34	10,27	10,29	10,15	10,13	10,04	-	-
USD/SEK	9,72	9,53	9,59	9,35	9,39	9,13	-	-

	Current quarter		Following 3 quarters	
	May 22	Apr 22	May 22	Apr 22
Money Market Players				
The Riksbank's bond purchases (SEK bn)	111	35	111	39
Distribution (%)				
Government bonds	37,5	34,4	36,7	29,3
Municipal bonds	27,2	28,4	27,3	22,0
Covered bonds	33,5	34,3	34,4	30,0
Corporate bonds	1,9	2,8	1,9	2,0

About the survey		May 22	Apr 22
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	May 4-May 10	Apr 6-Apr 12
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Questions on future repo rate, 5 year government bond rate, EUR and USD rate	May 4	Apr 6
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Response rate

Number of organisations approached for interview	48	48
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Number of organisations not reached or denied participation	18	14
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Overall response rate (%)	63	71
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For response rate per question please see Tables 1-8

About the interviews (numbers)

Money Market players	Swedish	46
	International	2

About the interviewers

Average experience of the survey (years)	4,3
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Definitions

Inflation CPI The percentage increase in Consumer Price Index

Inflation CPIF The percentage increase in Consumer Price Index with a fixed interest rate

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 reports

www.kantarsifo.se/erbjudande/prospira/inflation-expectations

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TABLE 1 - Inflation expectations

Expected annual increase in CPI and 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									
CPI									
Year 1	4,269	4,200	3,000	7,000	0,914	0,170	29	19	60%
Year 2	3,035	2,800	2,000	7,000	1,076	0,200	29	19	60%
Year 5	2,368	2,000	1,500	5,500	0,820	0,155	28	20	58%
CPIF									
Year 1	4,064	3,850	2,700	8,500	1,199	0,226	28	20	58%
Year 2	2,791	2,350	1,500	8,000	1,232	0,233	28	20	58%
Year 5	2,357	2,000	1,500	5,000	0,790	0,152	27	21	56%

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	3,250	3,200	1,000	5,000	1,092	0,233	22	26	46%
Upper bound	4,873	4,700	3,000	9,000	1,520	0,324	22	26	46%
Year 2									
Lower bound	2,118	2,000	0,900	5,000	0,958	0,204	22	26	46%
Upper bound	3,695	3,050	2,400	8,000	1,324	0,282	22	26	46%
Year 5									
Lower bound	1,511	1,550	0,500	3,000	0,656	0,140	22	26	46%
Upper bound	3,318	3,150	2,100	6,000	1,012	0,216	22	26	46%

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	2,391	2,500	1,000	4,000	0,643	0,119	29	19	60%
Year 2	1,990	2,000	1,000	3,500	0,552	0,102	29	19	60%
Year 5	2,261	2,050	1,500	5,000	0,672	0,127	28	20	58%

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	0,524	0,500	0,250	0,750	0,135	0,029	21	27	44%
12 months	1,252	1,250	0,500	1,800	0,330	0,072	21	27	44%
24 months	1,569	1,500	0,500	2,500	0,534	0,117	21	27	44%
60 months	1,675	1,625	0,250	3,000	0,726	0,162	20	28	42%

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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	0,324	0,250	0,250	0,500	0,117	0,028	17	31	35%
Upper bound	0,724	0,750	0,500	1,000	0,151	0,037	17	31	35%
12 months									
Lower bound	0,794	0,750	0,000	1,500	0,333	0,081	17	31	35%
Upper bound	1,650	1,500	1,000	2,600	0,500	0,121	17	31	35%
24 months									
Lower bound	0,965	1,000	-0,600	2,000	0,651	0,158	17	31	35%
Upper bound	2,397	2,250	1,000	3,600	0,804	0,195	17	31	35%
60 months									
Lower bound	0,768	1,000	-1,000	2,000	0,835	0,203	17	31	35%
Upper bound	3,032	3,000	1,000	5,100	1,178	0,286	17	31	35%

TABLE 6 - 5 year government bond rate, EUR and USD rates expectations

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

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
5 year gvt bond rate									
3 months	1,847	1,900	1,000	2,500	0,348	0,080	19	29	40%
12 months	2,174	2,200	1,000	3,000	0,495	0,114	19	29	40%
24 months	2,263	2,100	0,500	4,000	0,730	0,167	19	29	40%
60 months	2,295	2,000	0,600	4,000	0,839	0,192	19	29	40%
EUR/SEK									
3 months	10,338	10,350	10,000	10,800	0,168	0,037	21	27	44%
12 months	10,292	10,200	9,900	11,000	0,343	0,075	21	27	44%
24 months	10,130	10,000	9,500	11,000	0,398	0,087	21	27	44%
USD/SEK									
3 months	9,716	9,750	9,000	10,000	0,245	0,054	21	27	44%
12 months	9,593	9,500	8,530	11,000	0,537	0,117	21	27	44%
24 months	9,388	9,300	8,390	11,000	0,628	0,137	21	27	44%

TABLE 7 - Expectations of the Riksbank's bond purchases

Estimated nominal value of SEK bond purchases (incl reinvestments) the current and following 3 quarters

	Mean (SEK bn)	Median (SEK bn)	Lowest (SEK bn)	Highest (SEK bn)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
The Riksbank's bond purchases									
Current quarter	110,909	37,000	8,000	900,000	261,983	78,991	11	37	23%
Following 3 quarters	110,636	37,000	6,000	900,000	262,207	79,058	11	37	23%

TABLE 8 - Expectations of the distribution of the Riksbank's bond purchases

Expected distribution on government, municipal, covered and corporate bonds

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Current quarter									
Government bonds	37,545	33,500	30,000	50,000	6,475	1,952	11	37	23%
Municipal bonds	27,227	32,000	10,000	40,000	9,678	2,918	11	37	23%
Covered bonds	33,500	33,000	10,000	55,000	11,133	3,357	11	37	23%
Corporate bonds	1,900	2,000	0,000	5,000	1,430	0,452	10	38	21%
Following 3 quarters									
Government bonds	36,650	33,500	30,000	50,000	6,201	1,961	10	38	21%
Municipal bonds	27,250	32,000	10,000	40,000	10,136	3,205	10	38	21%
Covered bonds	34,350	32,750	10,000	55,000	11,662	3,688	10	38	21%
Corporate bonds	1,944	2,000	0,000	5,000	1,845	0,615	9	39	19%