

August 2022 report

Money Market Players' expectations

Aug 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, policy 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	
	Aug 22	Jul 22	Aug 22	Jul 22	Aug 22	Jul 22
Money Market Players						
Annual inflation CPI	5,5	5,4	3,0	3,4	2,4	2,5
Annual inflation CPIF	4,6	4,6	2,7	3,1	2,3	2,5
Annual GDP	1,4	1,6	1,8	1,6	2,2	2,1

	3 months		12 months		24 months		60 months	
	Aug 22	Jul 22	Aug 22	Jul 22	Aug 22	Jul 22	Aug 22	Jul 22
Money Market Players								
Policy rate (%)	1,4	1,2	2,1	1,9	2,0	2,0	1,9	2,0
5 year gvt bond rate (%)	1,8	1,8	2,1	2,1	2,1	2,0	2,2	2,2
EUR/SEK	10,42	10,63	10,20	10,38	10,05	10,06	-	-
USD/SEK	10,27	10,37	9,91	10,00	9,51	9,54	-	-

	Current quarter		Following 3 quarters	
	Aug 22	Jul 22	Aug 22	Jul 22
Money Market Players				
The Riksbank's bond purchases (SEK bn)	19	99	16	102
Distribution (%)				
Government bonds	35,5	35,3	33,8	35,3
Municipal bonds	31,7	32,2	32,4	32,2
Covered bonds	30,8	31,1	31,1	31,1
Corporate bonds	2,1	1,6	2,7	1,6

About the survey		Aug 22	Jul 22
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	Aug 3-Aug 10	Jul 6-Jul 12
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Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Aug 3	Jul 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	23	23
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Overall response rate (%)	52	52
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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)	13,7
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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

Policy 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	5,468	5,600	2,500	8,800	1,567	0,313	25	23	52%
Year 2	3,003	3,000	1,000	5,000	1,131	0,226	25	23	52%
Year 5	2,350	2,000	1,500	7,000	1,130	0,231	24	24	50%
CPIF									
Year 1	4,630	4,600	1,700	8,300	1,660	0,332	25	23	52%
Year 2	2,730	2,500	1,000	6,000	1,158	0,232	25	23	52%
Year 5	2,298	2,000	1,000	7,000	1,184	0,242	24	24	50%

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	3,376	3,750	0,000	7,000	1,800	0,413	19	29	40%
Upper bound	5,753	5,100	2,200	10,000	2,019	0,463	19	29	40%
Year 2									
Lower bound	1,916	1,700	-0,500	5,000	1,394	0,320	19	29	40%
Upper bound	4,161	4,200	2,200	9,000	1,619	0,371	19	29	40%
Year 5									
Lower bound	1,297	1,000	-0,500	3,000	0,922	0,212	19	29	40%
Upper bound	3,589	3,500	1,800	6,000	1,038	0,238	19	29	40%

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	1,378	1,400	0,000	2,500	0,632	0,126	25	23	52%
Year 2	1,824	1,700	0,900	3,000	0,695	0,139	25	23	52%
Year 5	2,196	2,000	1,500	4,000	0,534	0,109	24	24	50%

TABLE 4 - Policy rate expectations

Expected policy 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	1,426	1,500	1,250	1,500	0,117	0,028	17	31	35%
12 months	2,103	2,250	1,000	2,500	0,442	0,107	17	31	35%
24 months	2,016	2,000	1,000	3,000	0,574	0,143	16	32	33%
60 months	1,921	2,000	0,500	4,000	0,850	0,212	16	32	33%

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TABLE 5 - Policy rate expectations - 75% probability forecast uncertainty intervals

Expected policy 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	0,942	1,000	0,250	1,250	0,370	0,103	13	35	27%
Upper bound	1,673	1,750	1,500	2,000	0,188	0,052	13	35	27%
12 months									
Lower bound	1,423	1,750	0,000	2,500	0,732	0,203	13	35	27%
Upper bound	2,673	2,750	1,750	3,500	0,449	0,125	13	35	27%
24 months									
Lower bound	1,271	1,750	-0,500	2,500	0,950	0,274	12	36	25%
Upper bound	2,708	2,625	1,000	5,000	0,970	0,280	12	36	25%
60 months									
Lower bound	0,792	0,500	-1,000	2,000	0,946	0,273	12	36	25%
Upper bound	2,958	2,625	1,500	5,000	1,038	0,300	12	36	25%

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	1,791	1,750	1,400	2,500	0,315	0,079	16	32	33%
12 months	2,103	2,050	1,200	3,000	0,548	0,137	16	32	33%
24 months	2,113	2,000	1,200	3,500	0,601	0,155	15	33	31%
60 months	2,160	2,000	1,000	4,500	0,879	0,227	15	33	31%
EUR/SEK									
3 months	10,422	10,420	10,000	10,650	0,168	0,041	17	31	35%
12 months	10,196	10,200	9,600	11,000	0,289	0,070	17	31	35%
24 months	10,049	10,000	9,500	11,000	0,330	0,080	17	31	35%
USD/SEK									
3 months	10,266	10,250	9,860	10,600	0,195	0,047	17	31	35%
12 months	9,915	9,800	8,900	11,200	0,590	0,143	17	31	35%
24 months	9,506	9,600	7,800	11,200	0,774	0,188	17	31	35%

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	18,879	9,275	6,000	90,000	23,884	6,895	12	36	25%
Following 3 quarters	15,900	9,150	0,000	100,000	27,320	7,887	12	36	25%

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	35,542	33,000	32,500	50,000	5,306	1,532	12	36	25%
Municipal bonds	31,708	33,000	25,000	33,000	2,398	0,692	12	36	25%
Covered bonds	30,792	32,750	20,000	33,000	4,109	1,186	12	36	25%
Corporate bonds	2,136	1,000	0,000	10,000	2,739	0,826	11	37	23%
Following 3 quarters									
Government bonds	33,813	33,000	32,500	40,000	2,506	0,886	8	40	17%
Municipal bonds	32,438	33,000	30,000	33,000	1,050	0,371	8	40	17%
Covered bonds	31,063	32,750	20,000	33,000	4,492	1,588	8	40	17%
Corporate bonds	2,688	1,500	1,000	10,000	3,058	1,081	8	40	17%