

November 2022 report

Money Market Players' expectations

Nov 16, 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 Jannica Westling, +46 (0)76 536 24 03.

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	
	Nov 22	Oct 22	Nov 22	Oct 22	Nov 22	Oct 22
Money Market Players						
Annual inflation CPI	5,5	5,6	2,7	2,9	2,3	2,3
Annual inflation CPIF	4,6	4,7	2,5	2,8	2,3	2,3
Annual GDP	-0,2	0,4	1,2	1,3	2,1	2,0

	3 months		12 months		24 months		60 months	
	Nov 22	Oct 22	Nov 22	Oct 22	Nov 22	Oct 22	Nov 22	Oct 22
Money Market Players								
Policy rate (%)	2,5	2,3	2,7	2,6	2,3	2,2	2,2	2,0
5 year gvt bond rate (%)	2,5	2,5	2,7	2,5	2,6	2,4	2,5	2,3
EUR/SEK	10,86	10,81	10,54	10,61	10,17	10,36	-	-
USD/SEK	10,99	10,96	10,53	10,49	9,86	10,01	-	-

	Current quarter		Following 3 quarters	
	Nov 22	Oct 22	Nov 22	Oct 22
Money Market Players				
The Riksbank's bond purchases (SEK bn)	15	14	22	92
Distribution (%)				
Government bonds	33,5	34,5	32,7	32,5
Municipal bonds	33,9	31,2	29,3	27,5
Covered bonds	30,4	30,7	26,0	22,5
Corporate bonds	2,3	3,6	12,0	17,5

About the survey	Nov 22	Oct 22
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Method	Telephone interviews
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Interview period

Questions on inflation and GDP expectations	Nov 8-Nov 14	Oct 5-Oct 11
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Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Nov 8	Oct 5
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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	16	16
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Overall response rate (%)	67	67
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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)	4,4
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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	5,543	5,550	2,200	10,700	1,690	0,299	32	16	67%
Year 2	2,665	2,550	0,000	6,000	1,152	0,204	32	16	67%
Year 5	2,339	2,000	1,500	7,000	0,994	0,179	31	17	65%
CPIF									
Year 1	4,626	4,400	1,000	8,200	1,680	0,302	31	17	65%
Year 2	2,484	2,250	0,000	5,500	1,172	0,210	31	17	65%
Year 5	2,292	2,000	1,500	7,000	1,046	0,191	30	18	63%

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	3,585	3,900	0,000	7,000	2,070	0,406	26	22	54%
Upper bound	6,204	6,250	1,500	10,000	2,089	0,410	26	22	54%
Year 2									
Lower bound	1,598	1,625	-2,000	4,500	1,532	0,300	26	22	54%
Upper bound	3,919	4,000	2,000	7,000	1,418	0,278	26	22	54%
Year 5									
Lower bound	1,267	1,450	-1,000	3,000	0,973	0,191	26	22	54%
Upper bound	3,413	3,000	1,800	6,000	1,133	0,222	26	22	54%

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	-0,181	-0,200	-1,500	2,500	0,896	0,161	31	17	65%
Year 2	1,219	1,500	-1,000	3,500	0,974	0,175	31	17	65%
Year 5	2,123	2,000	1,500	3,200	0,378	0,069	30	18	63%

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	2,451	2,500	1,500	3,000	0,269	0,050	29	19	60%
12 months	2,679	2,750	1,750	3,500	0,385	0,072	29	19	60%
24 months	2,309	2,250	0,000	3,500	0,645	0,120	29	19	60%
60 months	2,189	2,000	1,500	4,000	0,561	0,108	27	21	56%

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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	2,238	2,250	1,750	2,500	0,250	0,051	24	24	50%
Upper bound	2,790	2,750	2,200	3,250	0,277	0,057	24	24	50%
12 months									
Lower bound	2,019	2,250	0,000	3,000	0,712	0,145	24	24	50%
Upper bound	3,490	3,250	2,300	6,000	0,751	0,153	24	24	50%
24 months									
Lower bound	1,521	1,750	-0,500	2,750	0,814	0,166	24	24	50%
Upper bound	3,463	3,125	2,000	6,000	1,109	0,226	24	24	50%
60 months									
Lower bound	1,167	1,500	-1,000	2,500	0,837	0,175	23	25	48%
Upper bound	3,415	3,000	1,750	5,000	1,169	0,244	23	25	48%

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	2,533	2,500	2,000	3,250	0,300	0,059	26	22	54%
12 months	2,660	2,700	1,000	3,500	0,515	0,101	26	22	54%
24 months	2,550	2,500	1,000	3,500	0,715	0,143	25	23	52%
60 months	2,459	2,500	1,500	4,000	0,625	0,125	25	23	52%
EUR/SEK									
3 months	10,865	10,800	10,600	12,000	0,260	0,050	27	21	56%
12 months	10,541	10,500	10,000	11,200	0,344	0,066	27	21	56%
24 months	10,173	10,050	9,000	11,200	0,436	0,086	26	22	54%
USD/SEK									
3 months	10,986	10,900	10,500	12,000	0,329	0,063	27	21	56%
12 months	10,529	10,450	9,200	12,000	0,632	0,122	27	21	56%
24 months	9,862	10,000	7,800	12,000	0,837	0,164	26	22	54%

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	14,818	9,000	0,000	90,000	25,179	7,592	11	37	23%
Following 3 quarters	21,889	0,000	0,000	100,000	42,096	14,032	9	39	19%

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	33,475	33,000	24,250	40,000	4,379	1,385	10	38	21%
Municipal bonds	33,875	33,000	30,000	49,250	5,534	1,750	10	38	21%
Covered bonds	30,375	32,750	20,000	33,000	4,557	1,441	10	38	21%
Corporate bonds	2,275	1,000	0,000	10,000	2,859	0,904	10	38	21%
Following 3 quarters									
Government bonds	32,667	33,000	25,000	40,000	7,506	4,333	3	45	6%
Municipal bonds	29,333	30,000	25,000	33,000	4,041	2,333	3	45	6%
Covered bonds	26,000	25,000	20,000	33,000	6,557	3,786	3	45	6%
Corporate bonds	12,000	10,000	1,000	25,000	12,124	7,000	3	45	6%