

January 2023 report

Money Market Players' expectations

Jan 24, 2023

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	
	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22
Money Market Players						
Annual inflation CPI	5,4	5,5	2,5	2,7	2,3	2,3
Annual inflation CPIF	4,2	4,6	2,3	2,5	2,3	2,3
Annual GDP	-0,6	-0,5	1,5	1,5	2,1	2,1

	3 months		12 months		24 months		60 months	
	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22
Money Market Players								
Policy rate (%)	3,0	2,8	3,0	2,8	2,3	2,3	2,2	2,2
5 year gvt bond rate (%)	2,3	2,3	2,5	2,5	2,3	2,4	2,3	2,4
EUR/SEK	11,14	10,88	10,83	10,59	10,49	10,25	-	-
USD/SEK	10,41	10,58	10,01	10,08	9,63	9,65	-	-

About the survey

	Jan 23	Dec 22
Method	Telephone interviews	
Interview period		
Questions on inflation and GDP expectations	Jan 17-Jan 23	Nov 30-Dec 13
Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Jan 17	Dec 7
Response rate		
Number of organisations approached for interview	48	48
Number of organisations not reached or denied participation	16	16
Overall response rate (%)	67	67
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)	12,3	

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	5,398	5,300	0,000	9,700	2,026	0,358	32	16	67%
Year 2	2,480	2,100	1,000	5,500	1,174	0,208	32	16	67%
Year 5	2,276	2,000	1,400	7,500	1,032	0,185	31	17	65%
CPIF									
Year 1	4,216	4,000	1,000	7,000	1,669	0,300	31	17	65%
Year 2	2,275	2,000	1,000	6,000	0,971	0,174	31	17	65%
Year 5	2,327	2,050	1,400	7,500	1,045	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	3,410	3,500	0,000	6,500	1,879	0,376	25	23	52%
Upper bound	5,428	5,200	2,000	10,000	2,122	0,424	25	23	52%
Year 2									
Lower bound	1,580	1,200	-1,000	5,000	1,178	0,236	25	23	52%
Upper bound	3,448	3,500	1,900	8,000	1,374	0,275	25	23	52%
Year 5									
Lower bound	1,306	1,500	0,000	2,500	0,733	0,147	25	23	52%
Upper bound	3,342	3,000	1,900	5,000	1,020	0,204	25	23	52%

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	-0,556	-0,650	-2,000	1,500	0,905	0,160	32	16	67%
Year 2	1,522	1,500	-1,000	3,100	0,767	0,136	32	16	67%
Year 5	2,123	2,000	1,500	3,500	0,411	0,074	31	17	65%

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	3,010	3,000	2,750	3,250	0,088	0,018	25	23	52%
12 months	2,960	3,000	2,000	3,500	0,449	0,090	25	23	52%
24 months	2,320	2,500	1,000	3,500	0,606	0,121	25	23	52%
60 months	2,219	2,250	1,000	3,000	0,450	0,092	24	24	50%

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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	2,675	2,750	2,000	3,000	0,216	0,048	20	28	42%
Upper bound	3,238	3,250	3,000	3,500	0,172	0,038	20	28	42%
12 months									
Lower bound	2,050	2,500	0,000	3,000	0,845	0,189	20	28	42%
Upper bound	3,588	3,500	2,500	4,500	0,475	0,106	20	28	42%
24 months									
Lower bound	1,438	1,750	-0,500	2,500	0,884	0,198	20	28	42%
Upper bound	3,513	3,500	2,500	4,500	0,576	0,129	20	28	42%
60 months									
Lower bound	1,132	1,500	-1,000	2,250	0,847	0,194	19	29	40%
Upper bound	3,632	3,500	2,500	5,000	0,875	0,201	19	29	40%

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	2,337	2,275	1,700	2,850	0,288	0,059	24	24	50%
12 months	2,475	2,400	1,500	3,500	0,490	0,100	24	24	50%
24 months	2,344	2,250	1,000	3,500	0,606	0,126	23	25	48%
60 months	2,346	2,500	1,000	3,500	0,574	0,120	23	25	48%
EUR/SEK									
3 months	11,136	11,100	10,500	11,500	0,222	0,045	24	24	50%
12 months	10,827	10,850	10,000	12,000	0,410	0,084	24	24	50%
24 months	10,494	10,500	9,500	12,500	0,580	0,118	24	24	50%
USD/SEK									
3 months	10,407	10,410	10,000	11,000	0,229	0,047	24	24	50%
12 months	10,010	10,100	7,500	11,540	0,690	0,141	24	24	50%
24 months	9,626	9,800	8,000	12,500	0,920	0,188	24	24	50%