

August 2020: August 13, 2020

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Press Release

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

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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, August 2020, has now been completed. The previous survey, July 2020, was published July 15, 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	
	Aug 20	Jul 20	Aug 20	Jul 20	Aug 20	Jul 20
Annual						
Inflation CPI, %	1,0	0,8	1,4	1,3	1,7	1,7
Inflation CPIF, %	1,0	0,8	1,4	1,4	1,7	1,7
GDP, %	-0,6	-1,6	2,7	2,8	1,9	2,1

	3 months		12 months		24 months		60 months	
	Aug 20	Jul 20	Aug 20	Jul 20	Aug 20	Jul 20	Aug 20	Jul 20
Repo rate, %	0,0	0,0	0,0	0,0	0,0	0,1	0,6	0,7
5 year gvt bond rate, %	-0,3	-0,3	-0,1	-0,1	0,2	0,1	1,0	0,8
EUR	10,24	10,42	10,05	10,22	9,91	10,06	-	-
USD	8,68	9,25	8,53	9,05	8,43	8,82	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out August 5 - August 11, 2020 (previous survey July 1 - July 13, 2020).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 5, 2020 (previous survey on July 1, 2020).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 11,7 years.

About the Interviewees & Response Rate

In all 44 (44) organisations were approached for interview. 14 (18) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 68 % (59 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 64 % 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 42 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	1,014	0,900	0,000	2,500	0,576	0,107	29	15	66%
Year 2	1,379	1,300	0,500	2,500	0,430	0,080	29	15	66%
Year 5	1,730	1,670	1,000	3,000	0,433	0,082	28	16	64%

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	0,986	0,900	0,000	2,500	0,584	0,110	28	16	64%
Year 2	1,412	1,300	0,700	2,500	0,404	0,076	28	16	64%
Year 5	1,689	1,700	1,000	3,000	0,426	0,081	28	16	64%

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	0,422	0,500	-1,000	1,500	0,565	0,118	23	21	52%
Upper bound	1,417	1,100	0,500	3,500	0,751	0,157	23	21	52%
Year 2									
Lower bound	0,637	0,800	-1,000	1,500	0,553	0,115	23	21	52%
Upper bound	2,018	1,900	1,000	4,000	0,674	0,141	23	21	52%
Year 5									
Lower bound	0,757	1,000	-1,000	1,800	0,655	0,137	23	21	52%
Upper bound	2,893	2,500	1,500	9,000	1,571	0,328	23	21	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	-0,573	-0,600	-8,000	7,500	4,844	0,884	30	14	68%
Year 2	2,730	2,600	1,000	5,000	1,148	0,210	30	14	68%
Year 5	1,914	2,000	1,000	3,000	0,386	0,072	29	15	66%

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	24	20	55%
12 months	0,000	0,000	0,000	0,000	0,000	0,000	24	20	55%
24 months	0,000	0,000	0,000	0,000	0,000	0,000	24	20	55%
60 months	0,636	0,500	0,000	2,000	0,601	0,128	22	22	50%

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	-0,197	-0,250	-0,500	0,000	0,169	0,041	17	27	39%
Upper bound	0,032	0,000	0,000	0,400	0,101	0,025	17	27	39%
12 months									
Lower bound	-0,400	-0,500	-1,100	0,000	0,266	0,065	17	27	39%
Upper bound	0,103	0,000	0,000	1,100	0,271	0,066	17	27	39%
24 months									
Lower bound	-0,462	-0,250	-2,000	0,000	0,473	0,115	17	27	39%
Upper bound	0,391	0,250	0,000	2,000	0,492	0,119	17	27	39%
60 months									
Lower bound	-0,366	-0,125	-2,000	0,400	0,699	0,175	16	28	36%
Upper bound	1,450	1,250	0,000	3,000	0,995	0,249	16	28	36%

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	-0,256	-0,250	-0,500	0,000	0,088	0,019	21	23	48%
12 months	-0,119	-0,100	-0,500	0,200	0,172	0,038	21	23	48%
24 months	0,166	0,110	-0,200	0,500	0,236	0,053	20	24	45%
60 months	0,953	0,775	0,000	2,500	0,729	0,163	20	24	45%
EUR/SEK									
3 months	10,239	10,250	10,000	10,500	0,124	0,025	24	20	55%
12 months	10,054	10,025	9,500	10,500	0,230	0,047	24	20	55%
24 months	9,915	10,000	9,250	10,500	0,274	0,057	23	21	52%
USD/SEK									
3 months	8,682	8,600	8,350	9,550	0,267	0,055	24	20	55%
12 months	8,531	8,475	8,000	9,300	0,345	0,070	24	20	55%
24 months	8,427	8,400	7,500	9,500	0,488	0,102	23	21	52%