

November 2023 report

Money Market Players' expectations

Nov 15, 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.

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(%)	Year 1		Year 2		Year 5	
	Nov 23	Oct 23	Nov 23	Oct 23	Nov 23	Oct 23
Money Market Players						
Annual inflation CPI	3,4	3,5	2,0	2,0	2,1	2,1
Annual inflation CPIF	2,8	2,7	2,1	2,1	2,1	2,1
Annual GDP	-0,3	-0,1	1,2	1,4	2,1	2,1

	3 months		12 months		24 months		60 months	
	Nov 23	Oct 23	Nov 23	Oct 23	Nov 23	Oct 23	Nov 23	Oct 23
Money Market Players								
Policy rate (%)	4,2	4,1	3,7	3,7	2,8	2,6	2,5	2,5
5 year gvt bond rate (%)	3,0	3,2	2,8	2,9	2,6	2,6	2,6	2,8
EUR/SEK	11,60	11,55	11,22	11,16	10,75	10,72	-	-
USD/SEK	10,76	10,86	10,26	10,35	9,76	9,82	-	-

About the survey		Nov 23	Oct 23
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	Nov 7-Nov 13	Oct 5-Oct 11
Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Nov 7	Oct 5

Response rate

Number of organisations approached for interview	47	47
Number of organisations not reached or denied participation	16	18
Overall response rate (%)	66	62

For response rate per question please see Tables 1-8

About the interviews (numbers)

Money Market players	Swedish	45
	International	2

About the interviewers

Average experience of the survey (years)	5,4
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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	3,439	3,500	-0,500	8,300	1,701	0,305	31	16	66%
Year 2	1,976	2,100	0,500	3,000	0,666	0,120	31	16	66%
Year 5	2,088	2,000	1,500	3,000	0,318	0,058	30	17	64%
CPIF									
Year 1	2,773	2,600	-0,500	6,100	1,318	0,237	31	16	66%
Year 2	2,072	2,100	1,400	3,000	0,350	0,063	31	16	66%
Year 5	2,072	2,000	1,500	2,800	0,273	0,050	30	17	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	1,888	1,900	-1,000	5,300	1,172	0,234	25	22	53%
Upper bound	3,740	3,250	1,700	7,000	1,355	0,271	25	22	53%
Year 2									
Lower bound	1,264	1,000	0,300	2,400	0,561	0,112	25	22	53%
Upper bound	3,134	3,000	1,900	5,000	0,825	0,165	25	22	53%
Year 5									
Lower bound	1,204	1,100	-0,500	2,000	0,600	0,120	25	22	53%
Upper bound	3,152	3,000	2,100	5,000	0,858	0,172	25	22	53%

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	-0,266	-0,400	-2,800	2,000	1,021	0,183	31	16	66%
Year 2	1,208	1,500	-1,000	3,500	1,128	0,203	31	16	66%
Year 5	2,098	2,000	1,100	3,500	0,429	0,078	30	17	64%

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	4,175	4,250	4,000	4,250	0,117	0,021	30	17	64%
12 months	3,725	3,750	3,000	4,250	0,362	0,066	30	17	64%
24 months	2,750	2,750	2,000	3,750	0,468	0,087	29	18	62%
60 months	2,470	2,500	1,750	3,500	0,467	0,088	28	19	60%

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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	3,930	4,000	3,000	4,250	0,223	0,045	25	22	53%
Upper bound	4,290	4,250	4,000	4,500	0,118	0,024	25	22	53%
12 months									
Lower bound	2,920	3,000	1,000	3,750	0,756	0,151	25	22	53%
Upper bound	4,196	4,000	3,250	5,000	0,486	0,097	25	22	53%
24 months									
Lower bound	1,777	1,875	0,000	3,500	0,854	0,174	24	23	51%
Upper bound	3,560	3,375	2,250	5,000	0,713	0,146	24	23	51%
60 months									
Lower bound	1,446	1,500	0,000	2,750	0,761	0,159	23	24	49%
Upper bound	3,559	3,250	2,000	5,000	0,921	0,192	23	24	49%

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	3,018	2,975	2,700	4,000	0,261	0,049	28	19	60%
12 months	2,846	2,750	2,000	4,000	0,413	0,078	28	19	60%
24 months	2,602	2,600	1,500	3,700	0,466	0,091	26	21	55%
60 months	2,612	2,550	1,500	4,000	0,556	0,109	26	21	55%
EUR/SEK									
3 months	11,597	11,600	11,350	11,900	0,154	0,029	28	19	60%
12 months	11,218	11,200	10,650	11,800	0,272	0,051	28	19	60%
24 months	10,748	10,800	10,000	11,800	0,462	0,089	27	20	57%
USD/SEK									
3 months	10,763	10,750	10,500	11,000	0,150	0,028	28	19	60%
12 months	10,260	10,350	8,500	11,500	0,527	0,100	28	19	60%
24 months	9,760	9,850	8,000	11,500	0,617	0,119	27	20	57%