

May 2023 report

Money Market Players' expectations

May 16, 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	
	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23
Money Market Players						
Annual inflation CPI	4,5	4,9	2,4	2,5	2,2	2,2
Annual inflation CPIF	3,7	4,0	2,3	2,4	2,1	2,2
Annual GDP	-0,4	-0,6	1,4	1,3	2,1	2,1

	3 months		12 months		24 months		60 months	
	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23
Money Market Players								
Policy rate (%)	3,7	3,6	3,2	3,3	2,7	2,6	2,3	2,2
5 year gvt bond rate (%)	2,6	2,6	2,5	2,6	2,4	2,5	2,4	2,5
EUR/SEK	11,15	11,15	10,89	10,90	10,55	10,55	-	-
USD/SEK	10,17	10,26	9,91	9,82	9,52	9,49	-	-

About the survey		May 23	Apr 23
Method	Telephone interviews		
Interview period			
Questions on inflation and GDP expectations		May 9-May 12	Apr 4-Apr 12
Questions on future policy rate, 5 year government bond rate, EUR and USD rate		May 9	Apr 4
Response rate			
Number of organisations approached for interview		48	48
Number of organisations not reached or denied participation		15	15
Overall response rate (%)		69	69
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)		5,1	
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	4,508	4,700	0,000	7,400	1,603	0,279	33	15	69%
Year 2	2,420	2,300	1,000	4,500	0,846	0,147	33	15	69%
Year 5	2,158	2,000	1,500	3,000	0,343	0,061	32	16	67%
CPIF									
Year 1	3,675	3,800	0,000	7,300	1,416	0,250	32	16	67%
Year 2	2,341	2,200	1,000	4,800	0,751	0,133	32	16	67%
Year 5	2,145	2,000	1,500	3,500	0,385	0,069	31	17	65%

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	2,877	3,000	-1,000	6,500	1,656	0,325	26	22	54%
Upper bound	4,867	4,900	1,000	9,500	1,689	0,331	26	22	54%
Year 2									
Lower bound	1,498	1,775	-1,000	3,000	0,848	0,166	26	22	54%
Upper bound	3,521	3,250	2,100	6,000	1,006	0,197	26	22	54%
Year 5									
Lower bound	1,285	1,500	-1,000	2,200	0,740	0,145	26	22	54%
Upper bound	3,231	3,000	2,100	5,200	0,857	0,168	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	-0,436	-0,700	-2,000	2,200	1,006	0,175	33	15	69%
Year 2	1,361	1,400	-1,500	3,500	0,960	0,167	33	15	69%
Year 5	2,123	2,000	1,700	3,000	0,371	0,066	32	16	67%

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	3,731	3,750	3,500	3,750	0,068	0,013	26	22	54%
12 months	3,212	3,375	1,000	4,000	0,619	0,121	26	22	54%
24 months	2,692	2,750	1,000	4,000	0,580	0,114	26	22	54%
60 months	2,285	2,250	1,000	3,000	0,425	0,087	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	3,424	3,500	3,000	3,750	0,219	0,046	23	25	48%
Upper bound	3,935	4,000	3,750	4,250	0,155	0,032	23	25	48%
12 months									
Lower bound	2,550	2,750	0,000	3,500	0,936	0,195	23	25	48%
Upper bound	3,867	4,000	3,200	5,000	0,448	0,093	23	25	48%
24 months									
Lower bound	1,839	2,000	-0,500	3,000	0,858	0,179	23	25	48%
Upper bound	3,435	3,500	2,000	5,000	0,770	0,160	23	25	48%
60 months									
Lower bound	1,418	1,500	-1,000	2,750	0,826	0,176	22	26	46%
Upper bound	3,227	3,000	2,000	5,000	0,844	0,180	22	26	46%

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	2,624	2,600	2,350	3,250	0,194	0,040	24	24	50%
12 months	2,523	2,500	1,500	3,250	0,340	0,069	24	24	50%
24 months	2,445	2,400	2,000	3,000	0,301	0,063	23	25	48%
60 months	2,408	2,500	1,500	3,000	0,391	0,082	23	25	48%
EUR/SEK									
3 months	11,154	11,150	10,900	11,500	0,136	0,027	25	23	52%
12 months	10,886	10,900	10,000	11,500	0,300	0,060	25	23	52%
24 months	10,550	10,600	9,750	11,400	0,406	0,081	25	23	52%
USD/SEK									
3 months	10,167	10,200	9,800	10,500	0,158	0,032	25	23	52%
12 months	9,909	9,900	9,240	11,000	0,412	0,082	25	23	52%
24 months	9,522	9,500	8,000	11,000	0,556	0,111	25	23	52%