

April 2022 report

Money Market Players' expectations

Apr 13, 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, repo rate, Swedish 5 year government bond rate, EUR and USD rates.

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

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	
	Apr 22	Mar 22	Apr 22	Mar 22	Apr 22	Mar 22
Money Market Players						
Annual inflation CPI	3,4	3,2	2,6	2,4	2,2	2,1
Annual inflation CPIF	3,2	3,2	2,4	2,2	2,2	2,1
Annual GDP	2,7	2,8	2,2	2,3	2,3	2,2

	3 months		12 months		24 months		60 months	
	Apr 22	Mar 22	Apr 22	Mar 22	Apr 22	Mar 22	Apr 22	Mar 22
Money Market Players								
Repo rate (%)	0,2	0,0	0,8	0,3	1,1	0,7	1,5	1,4
5 year gvt bond rate (%)	1,2	0,5	1,5	0,7	1,7	1,2	2,0	1,8
EUR/SEK	10,27	10,75	10,15	10,43	10,04	10,17	-	-
USD/SEK	9,53	9,83	9,35	9,53	9,13	9,09	-	-

	Current quarter		Following 3 quarters	
	Apr 22	Mar 22	Apr 22	Mar 22
Money Market Players				
The Riksbank's bond purchases (SEK bn)	35	102	39	133
Distribution (%)				
Government bonds	34,4	35,2	29,3	33,4
Municipal bonds	28,4	30,3	22,0	25,8
Covered bonds	34,3	32,1	30,0	30,6
Corporate bonds	2,8	2,5	2,0	2,0

About the survey		Apr 22	Mar 22
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	Apr 6-Apr 12	Mar 1-Mar 11
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Questions on future repo rate, 5 year government bond rate, EUR and USD rate	Apr 6	Mar 8
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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	14	15
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Overall response rate (%)	71	69
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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)	11,4
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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

Repo rate The Riksbank's borrowing/lending rate from/to banks for seven days' money

Previous reports www.kantarsifo.se/erbjudande/prospira/inflation-expectations

April 2022 report

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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	3,432	3,500	0,900	5,500	1,037	0,178	34	14	71%
Year 2	2,560	2,450	1,300	5,000	0,799	0,137	34	14	71%
Year 5	2,221	2,000	1,300	5,500	0,751	0,129	34	14	71%
CPIF									
Year 1	3,201	3,000	0,900	6,500	1,122	0,195	33	15	69%
Year 2	2,378	2,100	1,300	6,000	0,898	0,156	33	15	69%
Year 5	2,158	2,000	1,300	5,000	0,688	0,120	33	15	69%

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	2,497	2,500	0,400	4,500	1,006	0,187	29	19	60%
Upper bound	4,045	3,800	1,400	8,000	1,436	0,267	29	19	60%
Year 2									
Lower bound	1,728	1,700	0,000	4,000	0,831	0,154	29	19	60%
Upper bound	3,191	2,900	1,800	7,000	1,077	0,200	29	19	60%
Year 5									
Lower bound	1,374	1,500	-0,500	3,000	0,748	0,139	29	19	60%
Upper bound	3,017	3,000	1,800	5,000	0,739	0,137	29	19	60%

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	2,661	2,800	1,500	3,800	0,614	0,107	33	15	69%
Year 2	2,230	2,200	1,000	3,500	0,559	0,097	33	15	69%
Year 5	2,297	2,000	1,500	4,500	0,604	0,105	33	15	69%

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	0,181	0,250	0,000	0,500	0,148	0,027	29	19	60%
12 months	0,776	0,750	0,250	1,500	0,309	0,057	29	19	60%
24 months	1,145	1,000	0,250	2,200	0,512	0,095	29	19	60%
60 months	1,491	1,500	0,250	2,500	0,709	0,134	28	20	58%

April 2022 report

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Apr 13, 2022

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	0,027	0,000	-0,100	0,250	0,088	0,018	24	24	50%
Upper bound	0,315	0,250	0,250	0,800	0,140	0,029	24	24	50%
12 months									
Lower bound	0,308	0,250	-0,750	1,000	0,403	0,082	24	24	50%
Upper bound	1,129	1,000	0,250	2,600	0,512	0,105	24	24	50%
24 months									
Lower bound	0,538	0,625	-0,750	1,750	0,653	0,133	24	24	50%
Upper bound	1,775	1,875	0,250	3,600	0,765	0,156	24	24	50%
60 months									
Lower bound	0,696	0,500	-1,000	2,250	0,911	0,190	23	25	48%
Upper bound	2,548	2,500	0,250	5,100	1,132	0,236	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	1,216	1,300	0,500	1,500	0,216	0,042	26	22	54%
12 months	1,480	1,500	0,500	2,500	0,409	0,080	26	22	54%
24 months	1,687	1,580	0,500	3,000	0,589	0,118	25	23	52%
60 months	1,984	2,000	0,600	3,500	0,704	0,141	25	23	52%
EUR/SEK									
3 months	10,272	10,250	10,000	10,500	0,127	0,024	28	20	58%
12 months	10,153	10,000	9,900	11,000	0,261	0,049	28	20	58%
24 months	10,035	10,000	9,700	11,000	0,311	0,059	28	20	58%
USD/SEK									
3 months	9,527	9,400	8,900	12,000	0,530	0,100	28	20	58%
12 months	9,346	9,225	8,330	12,000	0,652	0,123	28	20	58%
24 months	9,133	9,000	7,800	12,000	0,837	0,158	28	20	58%

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	35,077	37,000	15,000	80,000	16,656	4,619	13	35	27%
Following 3 quarters	39,154	30,000	0,000	105,000	33,840	9,386	13	35	27%

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	34,423	33,000	30,000	46,000	4,192	1,163	13	35	27%
Municipal bonds	28,423	32,000	10,000	33,000	7,455	2,068	13	35	27%
Covered bonds	34,346	33,000	26,000	55,000	6,920	1,919	13	35	27%
Corporate bonds	2,808	2,500	1,000	5,000	1,627	0,451	13	35	27%
Following 3 quarters									
Government bonds	29,292	33,000	0,000	42,000	14,204	4,100	12	36	25%
Municipal bonds	21,958	30,000	0,000	34,500	13,609	3,929	12	36	25%
Covered bonds	30,042	33,000	0,000	55,000	15,855	4,577	12	36	25%
Corporate bonds	2,042	1,250	0,000	5,000	1,790	0,517	12	36	25%