

October 2023 report

Money Market Players' expectations

Oct 12, 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.

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

	3 months		12 months		24 months		60 months	
	Oct 23	Sep 23	Oct 23	Sep 23	Oct 23	Sep 23	Oct 23	Sep 23
Money Market Players								
Policy rate (%)	4,1	4,0	3,7	3,5	2,6	2,6	2,5	2,4
5 year gvt bond rate (%)	3,2	3,0	2,9	2,7	2,6	2,6	2,8	2,5
EUR/SEK	11,55	11,81	11,16	11,38	10,72	10,92	-	-
USD/SEK	10,86	10,83	10,35	10,32	9,82	9,88	-	-

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

Questions on inflation and GDP expectations	Oct 5-Oct 11	Sep 6-Sep 13
Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Oct 5	Sep 6

Response rate

Number of organisations approached for interview	47	48
Number of organisations not reached or denied participation	18	17
Overall response rate (%)	62	65

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	3,487	3,500	-2,000	8,400	1,783	0,331	29	18	62%
Year 2	2,039	2,200	0,000	4,000	0,937	0,174	29	18	62%
Year 5	2,119	2,000	1,500	2,800	0,317	0,059	29	18	62%
CPIF									
Year 1	2,720	2,800	-2,000	5,800	1,373	0,255	29	18	62%
Year 2	2,080	2,200	0,000	3,000	0,589	0,109	29	18	62%
Year 5	2,066	2,000	1,500	3,000	0,322	0,060	29	18	62%

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	1,936	2,000	-3,000	5,400	1,552	0,310	25	22	53%
Upper bound	3,772	3,600	-1,000	7,000	1,620	0,324	25	22	53%
Year 2									
Lower bound	1,244	1,000	-2,000	2,600	0,931	0,186	25	22	53%
Upper bound	3,272	3,100	1,300	5,000	0,971	0,194	25	22	53%
Year 5									
Lower bound	1,206	1,500	-0,500	2,000	0,650	0,130	25	22	53%
Upper bound	3,334	2,800	2,100	5,000	1,007	0,201	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	-0,140	-0,500	-2,000	2,100	1,047	0,194	29	18	62%
Year 2	1,376	1,800	-1,500	3,500	1,106	0,205	29	18	62%
Year 5	2,071	2,000	1,000	3,000	0,406	0,075	29	18	62%

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	4,104	4,000	4,000	4,250	0,126	0,026	24	23	51%
12 months	3,677	3,750	2,500	4,250	0,386	0,079	24	23	51%
24 months	2,625	2,500	1,000	3,750	0,617	0,126	24	23	51%
60 months	2,508	2,500	1,900	3,500	0,478	0,098	24	23	51%

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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	3,913	4,000	3,000	4,000	0,233	0,052	20	27	43%
Upper bound	4,263	4,250	4,000	4,500	0,099	0,022	20	27	43%
12 months									
Lower bound	2,788	3,000	1,000	3,750	0,919	0,205	20	27	43%
Upper bound	4,263	4,250	3,500	5,000	0,417	0,093	20	27	43%
24 months									
Lower bound	1,700	1,750	0,000	3,000	0,845	0,189	20	27	43%
Upper bound	3,700	3,750	2,250	5,000	0,701	0,157	20	27	43%
60 months									
Lower bound	1,400	1,375	0,000	2,750	0,809	0,181	20	27	43%
Upper bound	3,655	3,375	2,000	5,000	0,972	0,217	20	27	43%

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	3,162	3,150	2,750	4,000	0,331	0,072	21	26	45%
12 months	2,877	2,750	2,000	4,000	0,530	0,116	21	26	45%
24 months	2,636	2,750	1,500	3,750	0,525	0,114	21	26	45%
60 months	2,750	2,750	1,800	3,500	0,509	0,111	21	26	45%
EUR/SEK									
3 months	11,550	11,500	11,000	12,100	0,234	0,049	23	24	49%
12 months	11,158	11,100	10,500	11,800	0,357	0,075	23	24	49%
24 months	10,717	10,700	10,000	11,800	0,529	0,110	23	24	49%
USD/SEK									
3 months	10,861	10,900	10,500	11,200	0,191	0,040	23	24	49%
12 months	10,346	10,500	8,500	11,400	0,593	0,124	23	24	49%
24 months	9,823	9,850	8,000	11,400	0,770	0,161	23	24	49%