



Press Release

Questions regarding the survey will be answered by Hanna Helgesson, +46 (0)768 98 80 00.

This release, or parts thereof, may be published immediately. Please state Kantar Sifo Prospera as the source.

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, January 2018, has now been completed. The previous survey, December 2017, was published December 13, 2017.

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	
	Jan 18	Dec 17	Jan 18	Dec 17	Jan 18	Dec 17
Annual						
Inflation CPI, %	2,0	1,9	2,1	2,0	2,0	2,0
Inflation CPIF, %	1,9	1,9	1,9	1,9	1,9	1,9
GDP, %	2,6	2,6	2,2	2,3	2,1	2,2

	3 months		12 months		24 months		60 months	
	Jan 18	Dec 17	Jan 18	Dec 17	Jan 18	Dec 17	Jan 18	Dec 17
Repo rate, %	-0,5	-0,5	-0,1	-0,2	0,6	0,3	1,7	1,6
5 year gvt bond rate, %	0,2	-0,1	0,6	0,3	1,3	0,9	2,2	1,8
EUR	9,73	9,77	9,46	9,51	9,28	9,25	-	-
USD	8,05	8,32	7,84	8,04	7,69	7,87	-	-



January 2018: January 24, 2018
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 17 – January 23, 2018 (previous survey November 27 – December 12, 2017).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 17, 2018 (previous survey November 29, 2017).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,6 years.

About the Interviewees & Response Rate

In all 47 (48) organisations were approached for interview. 8 (9) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 83 % (81 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 81 % for the one year and two year assessments. For the five year assessment as well as the questions 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 43 Swedish and 4 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	1,982	1,950	1,300	2,700	0,320	0,052	38	9	81%
Year 2	2,084	2,100	1,400	3,000	0,354	0,057	38	9	81%
Year 5	1,981	2,000	1,400	2,600	0,295	0,049	37	10	79%

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	1,863	1,800	1,300	2,700	0,316	0,058	30	17	64%
Year 2	1,888	1,900	1,400	2,600	0,308	0,056	30	17	64%
Year 5	1,887	2,000	0,900	2,700	0,363	0,066	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	1,446	1,500	0,700	2,500	0,360	0,068	28	19	60%
Upper bound	2,296	2,250	1,700	3,500	0,434	0,082	28	19	60%
Year 2									
Lower bound	1,361	1,500	0,400	2,400	0,485	0,092	28	19	60%
Upper bound	2,477	2,500	1,700	4,000	0,514	0,097	28	19	60%
Year 5									
Lower bound	1,154	1,450	0,000	2,500	0,676	0,128	28	19	60%
Upper bound	2,764	2,600	1,900	5,000	0,710	0,134	28	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	2,574	2,600	1,700	3,500	0,367	0,060	38	9	81%
Year 2	2,229	2,250	1,000	3,500	0,469	0,076	38	9	81%
Year 5	2,132	2,200	1,000	3,000	0,338	0,055	37	10	79%



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	-0,483	-0,500	-0,500	-0,250	0,064	0,012	29	18	62%
12 months	-0,112	0,000	-0,500	0,500	0,237	0,044	29	18	62%
24 months	0,570	0,500	-0,180	1,500	0,447	0,084	28	19	60%
60 months	1,690	1,600	0,250	3,250	0,713	0,137	27	20	57%

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	-0,500	-0,500	-0,500	-0,500	0,000	0,000	26	21	55%
Upper bound	-0,375	-0,500	-0,500	0,000	0,167	0,033	26	21	55%
12 months									
Lower bound	-0,337	-0,375	-0,750	0,250	0,220	0,043	26	21	55%
Upper bound	0,252	0,250	-0,250	0,750	0,278	0,055	26	21	55%
24 months									
Lower bound	0,120	0,000	-1,000	1,000	0,485	0,097	25	22	53%
Upper bound	1,086	1,000	0,250	2,000	0,535	0,107	25	22	53%
60 months									
Lower bound	0,622	1,000	-1,500	2,000	0,928	0,186	25	22	53%
Upper bound	2,662	2,500	0,750	6,500	1,321	0,264	25	22	53%

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	0,205	0,225	-0,100	0,500	0,152	0,030	26	21	55%
12 months	0,642	0,650	0,150	2,500	0,457	0,090	26	21	55%
24 months	1,300	1,200	0,300	3,000	0,601	0,120	25	22	53%
60 months	2,154	2,200	0,400	3,500	0,704	0,141	25	22	53%
EUR/SEK									
3 months	9,732	9,750	9,420	10,000	0,125	0,023	29	18	62%
12 months	9,463	9,500	9,000	10,200	0,230	0,043	29	18	62%
24 months	9,279	9,250	8,700	10,500	0,325	0,062	27	20	57%
USD/SEK									
3 months	8,047	8,000	7,500	8,380	0,201	0,037	29	18	62%
12 months	7,844	7,800	7,200	8,750	0,333	0,062	29	18	62%
24 months	7,693	7,600	6,800	9,250	0,519	0,100	27	20	57%