



Press Release

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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, May 2018, has now been completed. The previous survey, April 2018, was published April 11, 2018.

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	
	May 18	Apr 18	May 18	Apr 18	May 18	Apr 18
Annual						
Inflation CPI, %	1,9	1,9	2,0	2,0	2,0	2,0
Inflation CPIF, %	1,9	1,8	1,9	1,9	1,9	1,9
GDP, %	2,4	2,4	2,2	2,2	2,1	2,2

	3 months		12 months		24 months		60 months	
	May 18	Apr 18	May 18	Apr 18	May 18	Apr 18	May 18	Apr 18
Repo rate, %	-0,5	-0,5	-0,2	-0,2	0,4	0,4	1,7	1,7
5 year gvt bond rate, %	0,2	0,2	0,7	0,6	1,2	1,1	2,1	2,0
EUR	10,22	10,06	9,87	9,73	9,53	9,42	-	-
USD	8,37	8,14	8,05	7,88	7,84	7,63	-	-



May 2018: May 8, 2018
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out April 25 - May 7, 2018 (previous survey March 27 - April 10, 2018).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on April 25, 2018 (previous survey March 27, 2018).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,8 years.

About the Interviewees & Response Rate

In all 46 (46) organisations were approached for interview. 6 (7) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 87 % (85 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 67% for the one year and two year assessments. For the five year assessment as well as the question 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 3 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 (CPIFI)

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	1,929	1,900	1,400	2,700	0,300	0,048	39	7	85%
Year 2	2,049	2,000	1,400	2,700	0,303	0,049	39	7	85%
Year 5	2,013	2,000	1,500	2,600	0,298	0,048	38	8	83%

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	1,858	1,800	1,300	3,000	0,356	0,064	31	15	67%
Year 2	1,889	1,900	1,300	2,700	0,303	0,054	31	15	67%
Year 5	1,903	2,000	1,300	2,700	0,294	0,053	31	15	67%

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	1,457	1,500	0,900	2,800	0,387	0,073	28	18	61%
Upper bound	2,279	2,200	1,500	3,500	0,435	0,082	28	18	61%
Year 2									
Lower bound	1,304	1,500	0,000	2,600	0,592	0,112	28	18	61%
Upper bound	2,475	2,350	1,800	4,000	0,532	0,100	28	18	61%
Year 5									
Lower bound	1,102	1,400	-1,500	2,600	0,867	0,164	28	18	61%
Upper bound	2,791	2,500	2,000	6,000	0,850	0,161	28	18	61%

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	2,404	2,500	1,500	3,200	0,427	0,069	38	8	83%
Year 2	2,205	2,200	1,000	3,500	0,494	0,080	38	8	83%
Year 5	2,145	2,100	1,500	3,500	0,440	0,072	37	9	80%

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	-0,500	-0,500	-0,500	-0,500	0,000	0,000	29	17	63%
12 months	-0,193	-0,250	-0,500	0,250	0,194	0,036	29	17	63%
24 months	0,424	0,500	-0,500	1,500	0,401	0,074	29	17	63%
60 months	1,683	1,700	0,250	3,250	0,671	0,129	27	19	59%

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	-0,517	-0,500	-0,750	-0,500	0,054	0,010	27	19	59%
Upper bound	-0,409	-0,500	-0,500	0,000	0,153	0,029	27	19	59%
12 months									
Lower bound	-0,459	-0,500	-0,750	-0,100	0,151	0,029	27	19	59%
Upper bound	0,091	0,000	-0,400	0,750	0,247	0,048	27	19	59%
24 months									
Lower bound	-0,139	0,000	-1,000	0,750	0,457	0,088	27	19	59%
Upper bound	1,015	1,000	-0,400	4,000	0,800	0,154	27	19	59%
60 months									
Lower bound	0,627	0,500	-1,500	2,000	0,968	0,190	26	20	57%
Upper bound	2,813	2,375	1,000	7,500	1,490	0,292	26	20	57%

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	0,226	0,250	-0,100	0,500	0,146	0,028	27	19	59%
12 months	0,656	0,600	0,000	1,500	0,321	0,062	27	19	59%
24 months	1,181	1,225	0,200	2,500	0,503	0,099	26	20	57%
60 months	2,058	2,000	0,700	3,250	0,670	0,131	26	20	57%
EUR/SEK									
3 months	10,219	10,200	9,900	10,500	0,161	0,030	29	17	63%
12 months	9,867	9,800	9,400	10,500	0,241	0,045	29	17	63%
24 months	9,532	9,500	9,000	10,500	0,297	0,056	28	18	61%
USD/SEK									
3 months	8,371	8,450	7,500	8,750	0,240	0,045	29	17	63%
12 months	8,052	8,050	7,000	8,750	0,337	0,062	29	17	63%
24 months	7,838	7,825	7,000	8,750	0,380	0,072	28	18	61%