

November 2017: November 8, 2017

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## Press Release

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

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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, November 2017, has now been completed. The previous survey, October 2017, was published October 11, 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

Annual	Year 1		Year 2		Year 5	
	Nov 17	Oct 17	Nov 17	Oct 17	Nov 17	Oct 17
Inflation, CPI %	2,0	2,0	2,1	2,1	2,0	2,1
Inflation, CPIF %	2,0	2,0	2,1	2,0	2,0	2,1
GDP, %	2,7	2,8	2,4	2,5	2,2	2,3

	3 months		12 months		24 months		60 months	
	Nov 17	Oct 17	Nov 17	Oct 17	Nov 17	Oct 17	Nov 17	Oct 17
Repo rate, %	-0,5	-0,5	-0,2	-0,2	0,4	0,4	1,6	1,8
5 year gvt bond rate, %	0,1	0,1	0,5	0,5	1,0	1,1	2,0	2,1
EUR	9,55	9,44	9,33	9,22	9,13	9,11	-	-
USD	8,19	8,07	8,00	7,80	7,82	7,65	-	-



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## Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out October 25 – November 7, 2017 (previous survey September 27 – October 10, 2017).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on October 25, 2017 (previous survey September 27, 2017).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,1 years.

## About the Interviewees & Response Rate

In all 49 (49) organisations were approached for interview. 5 (6) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 90 % (88 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 82 % 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 45 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
<b>Money Market Players</b>									
Year 1	1,991	1,900	1,400	3,200	0,345	0,053	43	6	88%
Year 2	2,144	2,000	1,500	3,800	0,452	0,069	43	6	88%
Year 5	2,048	2,000	1,000	4,900	0,546	0,084	42	7	86%

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
<b>Money Market Players</b>									
Year 1	1,979	1,900	1,400	3,400	0,359	0,057	40	9	82%
Year 2	2,060	2,000	1,400	3,900	0,471	0,074	40	9	82%
Year 5	2,016	2,000	1,100	5,200	0,609	0,096	40	9	82%

**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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	1,597	1,500	0,700	3,200	0,451	0,074	37	12	76%
Upper bound	2,376	2,300	1,600	3,600	0,405	0,067	37	12	76%
<b>Year 2</b>									
Lower bound	1,577	1,500	0,500	3,400	0,625	0,106	35	14	71%
Upper bound	2,589	2,500	1,600	4,300	0,538	0,091	35	14	71%
<b>Year 5</b>									
Lower bound	1,372	1,500	-1,000	4,200	0,910	0,152	36	13	73%
Upper bound	2,808	2,550	1,900	6,000	0,887	0,148	36	13	73%

**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
<b>Money Market Players</b>									
Year 1	2,662	2,750	1,500	3,500	0,376	0,058	42	7	86%
Year 2	2,367	2,300	1,500	4,000	0,487	0,075	42	7	86%
Year 5	2,177	2,100	1,000	4,000	0,488	0,076	41	8	84%

**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
<b>Money Market Players</b>									
<b>3 months</b>	-0,485	-0,500	-0,500	-0,250	0,061	0,011	33	16	67%
<b>12 months</b>	-0,189	-0,250	-0,500	0,500	0,217	0,038	33	16	67%
<b>24 months</b>	0,422	0,400	-0,500	1,500	0,381	0,066	33	16	67%
<b>60 months</b>	1,633	1,500	0,250	3,250	0,587	0,105	31	18	63%

**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
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,507	-0,500	-0,600	-0,500	0,026	0,005	29	20	59%
Upper bound	-0,410	-0,500	-0,500	0,000	0,153	0,028	29	20	59%
<b>12 months</b>									
Lower bound	-0,442	-0,500	-0,750	0,000	0,165	0,032	26	23	53%
Upper bound	0,096	0,000	-0,500	1,000	0,290	0,057	26	23	53%
<b>24 months</b>									
Lower bound	-0,148	0,000	-1,000	1,000	0,444	0,082	29	20	59%
Upper bound	0,962	1,000	-0,500	3,000	0,723	0,134	29	20	59%
<b>60 months</b>									
Lower bound	0,577	0,500	-1,000	2,000	0,848	0,160	28	21	57%
Upper bound	2,777	2,500	0,500	6,000	1,339	0,253	28	21	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
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>	0,061	0,050	-0,250	0,300	0,103	0,019	31	18	63%
<b>12 months</b>	0,469	0,500	0,000	2,000	0,355	0,064	31	18	63%
<b>24 months</b>	1,027	1,000	0,500	2,500	0,423	0,077	30	19	61%
<b>60 months</b>	2,038	2,000	0,500	3,000	0,604	0,110	30	19	61%
<b>EUR/SEK</b>									
<b>3 months</b>	9,547	9,525	9,300	9,750	0,123	0,022	32	17	65%
<b>12 months</b>	9,328	9,350	8,900	9,550	0,160	0,028	32	17	65%
<b>24 months</b>	9,130	9,105	8,400	9,500	0,230	0,041	32	17	65%
<b>USD/SEK</b>									
<b>3 months</b>	8,188	8,250	7,660	8,500	0,204	0,036	32	17	65%
<b>12 months</b>	8,000	8,000	7,260	8,800	0,329	0,058	32	17	65%
<b>24 months</b>	7,823	7,800	7,150	9,200	0,440	0,078	32	17	65%