

January 2019: January 23, 2019

1 (4)

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, January 2019, has now been completed. The previous survey, December 2018, was published December 13, 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	
	Jan 19	Dec 18	Jan 19	Dec 18	Jan 19	Dec 18
Annual						
Inflation CPI, %	2,0	2,1	2,0	2,1	2,0	2,0
Inflation CPIF, %	1,9	1,9	1,9	1,9	1,9	1,9
GDP, %	1,9	2,0	1,8	1,9	2,0	2,0

	3 months		12 months		24 months		60 months	
	Jan 19	Dec 18	Jan 19	Dec 18	Jan 19	Dec 18	Jan 19	Dec 18
Repo rate, %	-0,2	-0,3	0,0	0,1	0,5	0,6	1,5	1,6
5 year gvt bond rate, %	0,1	0,2	0,4	0,6	0,8	1,2	1,8	2,0
EUR	10,20	10,17	9,98	9,88	9,76	9,64	-	-
USD	8,91	8,98	8,60	8,57	8,30	8,17	-	-



January 2019: January 23, 2019
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 16- January 22, 2019 (previous survey November 26 - December 11, 2018).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 16, 2019 (previous survey November 28, 2018).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 4,4 years.

About the Interviewees & Response Rate

In all 46 (46) organisations were approached for interview. 9 (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 80 % (80 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 74 % 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 (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	2,000	1,500	2,600	0,237	0,040	36	10	78%
Year 2	2,007	2,050	1,000	2,700	0,412	0,069	36	10	78%
Year 5	1,953	2,000	1,000	2,600	0,358	0,061	34	12	74%

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	1,875	1,850	1,200	2,300	0,263	0,045	34	12	74%
Year 2	1,865	1,900	1,000	2,400	0,328	0,056	34	12	74%
Year 5	1,879	1,900	1,000	2,400	0,313	0,054	33	13	72%

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	1,427	1,500	0,400	2,000	0,410	0,078	28	18	61%
Upper bound	2,282	2,200	1,800	3,100	0,308	0,058	28	18	61%
Year 2									
Lower bound	1,345	1,400	-0,500	2,300	0,571	0,108	28	18	61%
Upper bound	2,421	2,350	1,800	3,500	0,363	0,069	28	18	61%
Year 5									
Lower bound	1,170	1,400	-0,500	2,200	0,616	0,118	27	19	59%
Upper bound	2,663	2,500	1,900	4,500	0,539	0,104	27	19	59%

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	1,860	1,950	0,000	3,200	0,533	0,089	36	10	78%
Year 2	1,833	1,850	0,500	2,700	0,395	0,066	36	10	78%
Year 5	1,962	2,000	1,200	3,000	0,335	0,058	33	13	72%



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	-0,214	-0,250	-0,250	0,250	0,112	0,021	28	18	61%
12 months	0,041	0,000	-0,250	0,750	0,195	0,037	28	18	61%
24 months	0,461	0,500	-0,250	1,000	0,324	0,062	27	19	59%
60 months	1,483	1,500	0,000	3,000	0,689	0,135	26	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	-0,252	-0,250	-0,500	0,250	0,131	0,027	23	23	50%
Upper bound	-0,098	-0,250	-0,250	0,250	0,181	0,038	23	23	50%
12 months									
Lower bound	-0,204	-0,250	-1,000	0,500	0,298	0,062	23	23	50%
Upper bound	0,365	0,250	-0,050	1,000	0,290	0,060	23	23	50%
24 months									
Lower bound	-0,018	0,000	-1,000	0,750	0,457	0,097	22	24	48%
Upper bound	1,152	1,000	0,250	2,300	0,556	0,118	22	24	48%
60 months									
Lower bound	0,502	0,500	-1,000	2,000	0,904	0,197	21	25	46%
Upper bound	2,900	2,500	0,700	6,500	1,349	0,294	21	25	46%

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	0,073	0,025	-0,200	0,500	0,147	0,029	26	20	57%
12 months	0,414	0,375	0,000	1,100	0,275	0,054	26	20	57%
24 months	0,844	0,700	0,100	1,750	0,450	0,090	25	21	54%
60 months	1,774	1,700	0,500	3,400	0,732	0,146	25	21	54%
EUR/SEK									
3 months	10,196	10,200	9,900	10,800	0,167	0,032	28	18	61%
12 months	9,980	10,000	9,500	11,300	0,356	0,067	28	18	61%
24 months	9,764	9,700	9,000	11,800	0,486	0,092	28	18	61%
USD/SEK									
3 months	8,905	8,900	8,500	9,560	0,216	0,041	28	18	61%
12 months	8,602	8,575	7,900	10,270	0,526	0,099	28	18	61%
24 months	8,295	8,275	7,000	10,270	0,736	0,139	28	18	61%