

April 2019: April 10, 2019

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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, April 2019, has now been completed. The previous survey, March 2019, was published March 13, 2019.

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	
	Apr 19	Mar 19	Apr 19	Mar 19	Apr 19	Mar 19
Annual						
Inflation CPI, %	1,9	1,9	1,9	1,9	2,0	1,9
Inflation CPIF, %	1,8	1,8	1,7	1,8	1,8	1,8
GDP, %	1,7	1,8	1,8	1,8	2,0	2,0

	3 months		12 months		24 months		60 months	
	Apr 19	Mar 19	Apr 19	Mar 19	Apr 19	Mar 19	Apr 19	Mar 19
Repo rate, %	-0,3	-0,2	0,0	0,0	0,3	0,3	1,3	1,2
5 year gvt bond rate, %	-0,1	0,0	0,2	0,4	0,6	0,8	1,6	1,6
EUR	10,44	10,45	10,27	10,26	10,02	10,03	-	-
USD	9,24	9,24	8,95	8,96	8,59	8,65	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out March 27 - April 9, 2019 (previous survey February 25 - March 11, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 27, 2019 (previous survey March 6, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,8 years.

About the Interviewees & Response Rate

In all 47 (47) organisations were approached for interview. 7 (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 85 % (85 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 79 % 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 44 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	1,890	1,900	1,500	2,400	0,250	0,040	39	8	83%
Year 2	1,854	1,900	1,000	2,600	0,333	0,053	39	8	83%
Year 5	1,950	2,000	1,000	2,500	0,366	0,059	38	9	81%

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	1,781	1,800	1,400	2,100	0,223	0,037	37	10	79%
Year 2	1,745	1,800	1,000	2,200	0,294	0,048	37	10	79%
Year 5	1,838	2,000	1,000	2,300	0,353	0,058	37	10	79%

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	1,358	1,400	0,500	2,000	0,390	0,070	31	16	66%
Upper bound	2,176	2,100	1,500	3,000	0,310	0,056	31	16	66%
Year 2									
Lower bound	1,250	1,400	0,000	2,000	0,515	0,092	31	16	66%
Upper bound	2,342	2,300	1,500	3,500	0,448	0,080	31	16	66%
Year 5									
Lower bound	1,072	1,450	-2,000	2,300	0,895	0,158	32	15	68%
Upper bound	2,766	2,500	1,800	5,000	0,767	0,136	32	15	68%

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	1,704	1,700	1,000	2,500	0,387	0,062	39	8	83%
Year 2	1,755	1,800	0,800	3,200	0,458	0,073	39	8	83%
Year 5	1,993	2,000	1,500	3,500	0,381	0,062	38	9	81%



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	-0,250	-0,250	-0,250	-0,250	0,000	0,000	31	16	66%
12 months	-0,032	0,000	-0,250	0,500	0,180	0,032	31	16	66%
24 months	0,250	0,250	-0,500	1,500	0,398	0,071	31	16	66%
60 months	1,308	1,250	-0,500	2,500	0,775	0,144	29	18	62%

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	-0,300	-0,250	-0,500	-0,250	0,100	0,020	26	21	55%
Upper bound	-0,192	-0,250	-0,250	0,000	0,107	0,021	26	21	55%
12 months									
Lower bound	-0,346	-0,250	-1,200	0,000	0,286	0,054	28	19	60%
Upper bound	0,264	0,250	-0,250	1,200	0,302	0,057	28	19	60%
24 months									
Lower bound	-0,154	0,000	-1,000	0,750	0,466	0,088	28	19	60%
Upper bound	0,986	0,875	0,000	3,000	0,746	0,141	28	19	60%
60 months									
Lower bound	0,246	0,175	-1,250	2,000	0,876	0,172	26	21	55%
Upper bound	2,696	2,500	0,000	6,500	1,565	0,307	26	21	55%

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	-0,106	-0,100	-0,500	0,150	0,153	0,029	28	19	60%
12 months	0,180	0,175	-0,350	0,750	0,237	0,045	28	19	60%
24 months	0,600	0,500	-0,350	1,750	0,519	0,100	27	20	57%
60 months	1,626	1,600	0,000	2,750	0,791	0,152	27	20	57%
EUR/SEK									
3 months	10,440	10,400	10,200	11,200	0,227	0,041	31	16	66%
12 months	10,269	10,200	9,800	11,300	0,348	0,062	31	16	66%
24 months	10,016	10,000	8,750	11,300	0,515	0,093	31	16	66%
USD/SEK									
3 months	9,239	9,200	8,870	10,180	0,253	0,045	31	16	66%
12 months	8,947	9,000	8,300	10,270	0,445	0,080	31	16	66%
24 months	8,587	8,600	6,870	10,270	0,659	0,118	31	16	66%