

February 2020: February 20, 2020

1 (4)

## Press Release

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

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, February 2020, has now been completed. The previous survey, January 2020, was published January 23, 2020.

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	
	Feb 20	Jan 20	Feb 20	Jan 20	Feb 20	Jan 20
<b>Annual</b>						
Inflation CPI, %	1,6	1,7	1,7	1,7	1,8	1,9
Inflation CPIF, %	1,5	1,6	1,6	1,6	1,8	1,8
GDP, %	1,3	1,3	1,6	1,6	1,9	2,0

	3 months		12 months		24 months		60 months	
	Feb 20	Jan 20	Feb 20	Jan 20	Feb 20	Jan 20	Feb 20	Jan 20
Repo rate, %	0,0	0,0	0,0	0,0	0,1	0,1	0,8	0,9
5 year gvt bond rate, %	-0,1	-0,1	0,1	0,0	0,4	0,4	1,1	1,2
EUR	10,53	10,51	10,42	10,37	10,22	10,16	-	-
USD	9,51	9,45	9,30	9,26	9,00	9,04	-	-

**February 2020: February 20, 2020**  
2 (4)

## Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out February 5 - February 18, 2020 (previous survey January 16 - January 22, 2020).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on February 5, 2020 (previous survey January 16, 2020).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 5,5 years.

## About the Interviewees & Response Rate

In all 44 (44) organisations were approached for interview. 8 (10) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 82 % (77 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 75 % 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 42 Swedish and 2 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	1,605	1,600	1,000	2,000	0,220	0,037	35	9	80%
Year 2	1,671	1,600	1,200	2,250	0,223	0,038	35	9	80%
Year 5	1,832	1,850	1,000	2,500	0,298	0,051	34	10	77%

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	1,523	1,500	0,900	1,900	0,227	0,039	33	11	75%
Year 2	1,629	1,600	1,200	2,250	0,231	0,040	33	11	75%
Year 5	1,779	1,800	1,000	2,500	0,288	0,050	33	11	75%

**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	1,178	1,200	0,500	1,800	0,373	0,073	26	18	59%
Upper bound	2,018	1,900	1,500	4,000	0,491	0,096	26	18	59%
<b>Year 2</b>									
Lower bound	1,046	1,150	0,000	1,750	0,519	0,102	26	18	59%
Upper bound	2,198	2,100	1,600	3,500	0,467	0,092	26	18	59%
<b>Year 5</b>									
Lower bound	0,979	1,300	-0,500	1,800	0,694	0,139	25	19	57%
Upper bound	2,657	2,500	1,700	6,000	0,861	0,172	25	19	57%

**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	1,319	1,350	0,700	2,000	0,306	0,052	34	10	77%
Year 2	1,610	1,650	0,800	2,000	0,268	0,046	34	10	77%
Year 5	1,936	2,000	1,500	2,500	0,228	0,040	33	11	75%



**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>	0,000	0,000	0,000	0,000	0,000	0,000	27	17	61%
<b>12 months</b>	0,009	0,000	0,000	0,250	0,048	0,009	27	17	61%
<b>24 months</b>	0,115	0,000	0,000	0,750	0,198	0,038	27	17	61%
<b>60 months</b>	0,756	0,750	0,000	2,250	0,532	0,109	24	20	55%

**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	-0,134	-0,050	-0,500	0,000	0,152	0,032	22	22	50%
Upper bound	0,050	0,000	0,000	0,350	0,110	0,023	22	22	50%
<b>12 months</b>									
Lower bound	-0,283	-0,250	-1,160	0,000	0,268	0,056	23	21	52%
Upper bound	0,192	0,000	0,000	1,160	0,277	0,058	23	21	52%
<b>24 months</b>									
Lower bound	-0,304	-0,250	-1,750	0,500	0,446	0,093	23	21	52%
Upper bound	0,609	0,250	0,000	3,000	0,734	0,153	23	21	52%
<b>60 months</b>									
Lower bound	-0,150	0,000	-1,750	1,500	0,748	0,163	21	23	48%
Upper bound	1,814	1,500	0,250	5,000	1,224	0,267	21	23	48%

**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>	-0,123	-0,175	-0,400	0,300	0,163	0,033	24	20	55%
<b>12 months</b>	0,077	0,000	-0,300	0,650	0,245	0,050	24	20	55%
<b>24 months</b>	0,423	0,250	0,000	1,250	0,415	0,087	23	21	52%
<b>60 months</b>	1,077	0,960	0,100	2,500	0,684	0,143	23	21	52%
<b>EUR/SEK</b>									
<b>3 months</b>	10,528	10,500	10,200	11,300	0,199	0,039	26	18	59%
<b>12 months</b>	10,421	10,375	9,800	11,300	0,331	0,065	26	18	59%
<b>24 months</b>	10,223	10,225	9,500	11,300	0,422	0,083	26	18	59%
<b>USD/SEK</b>									
<b>3 months</b>	9,508	9,500	9,200	10,270	0,187	0,037	26	18	59%
<b>12 months</b>	9,299	9,300	8,500	10,270	0,364	0,071	26	18	59%
<b>24 months</b>	9,002	9,000	8,000	10,270	0,545	0,107	26	18	59%