

May 2019: May 15, 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, May 2019, has now been completed. The previous survey, April 2019, was published April 10, 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	
	May 19	Apr 19	May 19	Apr 19	May 19	Apr 19
Annual						
Inflation CPI, %	1,8	1,9	1,8	1,9	1,9	2,0
Inflation CPIF, %	1,7	1,8	1,8	1,7	1,8	1,8
GDP, %	1,7	1,7	1,8	1,8	2,0	2,0

	3 months		12 months		24 months		60 months	
	May 19	Apr 19	May 19	Apr 19	May 19	Apr 19	May 19	Apr 19
Repo rate, %	-0,3	-0,3	0,0	0,0	0,2	0,3	1,2	1,3
5 year gvt bond rate, %	-0,1	-0,1	0,2	0,2	0,7	0,6	1,6	1,6
EUR	10,47	10,44	10,26	10,27	10,05	10,02	-	-
USD	9,28	9,24	8,99	8,95	8,69	8,59	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out April 24 - May 13, 2019 (previous survey March 27 - April 9, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on April 24, 2019 (previous survey March 27, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 4,8 years.

About the Interviewees & Response Rate

In all 47 (47) organisations were approached for interview. 10 (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 79 % (85 %). 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 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	1,832	1,900	1,400	2,300	0,230	0,038	37	10	79%
Year 2	1,838	1,800	1,400	2,400	0,254	0,042	37	10	79%
Year 5	1,917	2,000	1,000	2,500	0,376	0,064	35	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	1,734	1,800	1,200	2,100	0,252	0,043	35	12	74%
Year 2	1,776	1,800	1,300	2,200	0,238	0,040	35	12	74%
Year 5	1,835	2,000	1,000	2,300	0,347	0,060	34	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	1,333	1,400	0,700	1,900	0,341	0,062	30	17	64%
Upper bound	2,163	2,050	1,500	3,000	0,404	0,074	30	17	64%
Year 2									
Lower bound	1,273	1,450	0,000	1,900	0,473	0,086	30	17	64%
Upper bound	2,333	2,200	1,600	3,500	0,450	0,082	30	17	64%
Year 5									
Lower bound	1,128	1,400	-1,000	2,000	0,727	0,135	29	18	62%
Upper bound	2,738	2,500	1,800	5,000	0,757	0,141	29	18	62%

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	1,735	1,775	1,000	2,500	0,413	0,069	36	11	77%
Year 2	1,797	1,800	0,900	3,000	0,392	0,065	36	11	77%
Year 5	2,021	2,000	1,400	3,000	0,309	0,052	35	12	74%



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	25	22	53%
12 months	-0,030	0,000	-0,500	0,250	0,181	0,036	25	22	53%
24 months	0,230	0,250	-1,000	1,250	0,439	0,088	25	22	53%
60 months	1,246	1,250	-1,000	3,000	0,846	0,176	23	24	49%

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	-0,317	-0,250	-1,000	-0,250	0,172	0,036	23	24	49%
Upper bound	-0,130	-0,250	-0,250	1,000	0,270	0,056	23	24	49%
12 months									
Lower bound	-0,315	-0,250	-1,000	0,250	0,274	0,057	23	24	49%
Upper bound	0,259	0,250	0,000	1,250	0,311	0,065	23	24	49%
24 months									
Lower bound	-0,174	0,000	-1,000	0,750	0,502	0,105	23	24	49%
Upper bound	0,828	0,750	0,000	1,800	0,490	0,102	23	24	49%
60 months									
Lower bound	0,364	0,000	-2,000	2,500	1,027	0,224	21	26	45%
Upper bound	2,152	2,000	0,750	4,200	0,894	0,195	21	26	45%

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	-0,079	-0,100	-0,220	0,150	0,088	0,019	22	25	47%
12 months	0,236	0,150	-0,150	1,100	0,295	0,063	22	25	47%
24 months	0,680	0,575	-0,250	2,000	0,580	0,124	22	25	47%
60 months	1,577	1,500	-0,250	3,500	0,878	0,187	22	25	47%
EUR/SEK									
3 months	10,467	10,400	10,200	11,200	0,206	0,042	24	23	51%
12 months	10,260	10,200	9,800	11,300	0,353	0,072	24	23	51%
24 months	10,048	10,000	9,400	11,300	0,429	0,088	24	23	51%
USD/SEK									
3 months	9,276	9,250	8,900	10,180	0,241	0,049	24	23	51%
12 months	8,995	9,000	8,250	10,270	0,447	0,091	24	23	51%
24 months	8,690	8,725	7,900	10,270	0,568	0,116	24	23	51%