

October 2019: October 9, 2019

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Press Release

Questions regarding the survey will be answered by Saga Andreasson, +46 (0)76 536 22 25.

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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, October 2019, has now been completed. The previous survey, September 2019, was published September 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	
	Oct 19	Sep 19	Oct 19	Sep 19	Oct 19	Sep 19
Annual						
Inflation CPI, %	1,6	1,7	1,6	1,7	1,8	1,9
Inflation CPIF, %	1,5	1,6	1,6	1,6	1,7	1,8
GDP, %	1,4	1,4	1,5	1,5	1,9	1,9

	3 months		12 months		24 months		60 months	
	Oct 19	Sep 19	Oct 19	Sep 19	Oct 19	Sep 19	Oct 19	Sep 19
Repo rate, %	-0,2	-0,3	-0,2	-0,3	0,0	-0,1	0,8	0,7
5 year gvt bond rate, %	-0,5	-0,5	-0,3	-0,4	0,1	0,0	1,1	1,1
EUR	10,72	10,76	10,61	10,60	10,42	10,41	-	-
USD	9,68	9,68	9,49	9,45	9,14	9,18	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out September 25 - October 8, 2019 (previous survey August 26 - September 9, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on September 25, 2019 (previous survey August 28, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 5,1 years.

About the Interviewees & Response Rate

In all 46 (46) organisations were approached for interview. 11 (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 76 % (80 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 72 % 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	1,599	1,700	1,000	2,300	0,318	0,054	35	11	76%
Year 2	1,644	1,700	1,000	2,300	0,325	0,055	35	11	76%
Year 5	1,819	1,900	1,000	2,700	0,394	0,067	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	1,542	1,600	1,000	2,100	0,268	0,047	33	13	72%
Year 2	1,585	1,600	1,000	2,100	0,261	0,045	33	13	72%
Year 5	1,741	1,800	1,000	2,400	0,336	0,059	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	1,096	1,150	0,000	1,700	0,422	0,086	24	22	52%
Upper bound	2,042	1,950	1,300	3,000	0,442	0,090	24	22	52%
Year 2									
Lower bound	0,925	1,000	-1,000	1,900	0,698	0,142	24	22	52%
Upper bound	2,200	2,050	1,700	3,500	0,460	0,094	24	22	52%
Year 5									
Lower bound	0,865	1,000	-1,000	1,700	0,820	0,171	23	23	50%
Upper bound	2,746	2,500	1,900	6,000	0,939	0,196	23	23	50%

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	1,373	1,400	0,700	2,000	0,310	0,052	35	11	76%
Year 2	1,487	1,500	0,000	2,200	0,407	0,069	35	11	76%
Year 5	1,858	1,800	1,400	2,500	0,280	0,049	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	-0,223	-0,250	-0,500	0,000	0,104	0,020	28	18	61%
12 months	-0,179	-0,250	-0,500	0,250	0,191	0,036	28	18	61%
24 months	0,018	0,000	-0,500	1,250	0,402	0,076	28	18	61%
60 months	0,760	0,500	-0,500	3,000	0,819	0,161	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	-0,354	-0,250	-0,500	-0,250	0,121	0,025	24	22	52%
Upper bound	-0,090	0,000	-0,250	0,000	0,120	0,024	24	22	52%
12 months									
Lower bound	-0,467	-0,500	-1,000	0,000	0,267	0,054	24	22	52%
Upper bound	0,208	0,125	-0,250	1,000	0,301	0,061	24	22	52%
24 months									
Lower bound	-0,428	-0,500	-1,500	0,500	0,470	0,098	23	23	50%
Upper bound	0,674	0,500	0,000	3,000	0,701	0,146	23	23	50%
60 months									
Lower bound	-0,135	0,000	-1,500	2,000	0,870	0,181	23	23	50%
Upper bound	1,854	1,000	0,250	6,000	1,511	0,315	23	23	50%

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	-0,457	-0,500	-1,000	0,250	0,239	0,049	24	22	52%
12 months	-0,304	-0,400	-1,500	0,750	0,424	0,087	24	22	52%
24 months	0,104	0,000	-1,000	1,750	0,629	0,128	24	22	52%
60 months	1,075	1,000	-0,500	3,250	1,048	0,214	24	22	52%
EUR/SEK									
3 months	10,718	10,700	10,350	11,300	0,192	0,036	28	18	61%
12 months	10,609	10,600	10,000	11,300	0,333	0,063	28	18	61%
24 months	10,419	10,500	9,500	11,500	0,460	0,089	27	19	59%
USD/SEK									
3 months	9,684	9,700	8,650	10,270	0,290	0,055	28	18	61%
12 months	9,493	9,500	9,000	10,270	0,345	0,065	28	18	61%
24 months	9,135	9,250	8,000	10,500	0,652	0,126	27	19	59%