



Press Release

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TNS 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, July, has now been completed. The previous survey, June 2015, was published June 10, 2015.

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	
	Jul 15	Jun 15	Jul 15	Jun 15	Jul 15	Jun 15
Annual						
Inflation, %	1,0	0,9	1,5	1,5	1,8	1,8
GDP, %	2,4	2,5	2,5	2,4	2,5	2,4

	3 months		12 months		24 months		60 months	
	Jul 15	Jun 15	Jul 15	Jun 15	Jul 15	Jun 15	Jul 15	Jun 15
Repo rate, %	-0,3	-0,3	-0,2	-0,2	0,5	0,5	1,8	2,0
5 year gvt bond rate, %	0,4	0,3	0,7	0,6	1,2	1,2	2,4	2,4
EUR	9,22	9,30	9,06	9,08	8,90	8,89	-	-
USD	8,41	8,54	8,46	8,53	8,32	8,36	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out July 1 – July 14, 2015 (previous survey May 25 – June 9, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on July 1, 2015 (previous survey June 3, 2015).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,7 years.

About the Interviewees & Response Rate

In all 53 (53) organisations were approached for interview. 10 (4) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 81 % (92 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 81 % for the one year and two year assessments. For the five year assessment as well as the questions 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 47 Swedish and 6 international players active in the Swedish fixed income market.

Definitions

Inflation, the percentage increase in Consumer Price Index (CPI).

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 TNS Sifo Prospera Inflation Expectations Surveys

TNS Sifo Prospera inflation reports and tables, from 1995 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	0,976	1,000	0,000	2,200	0,471	0,072	43	10	81%
Year 2	1,477	1,500	0,400	2,900	0,441	0,067	43	10	81%
Year 5	1,817	1,900	1,250	2,700	0,293	0,047	39	14	74%

TABLE 2 - Inflation Expectations - 75% probability forecast uncertainty intervals

Expected annual increase intervals in CPI 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	0,405	0,500	-2,200	1,300	0,628	0,100	39	14	74%
Upper bound	1,349	1,400	0,500	3,100	0,550	0,088	39	14	74%
Year 2									
Lower bound	0,825	1,000	-0,500	1,800	0,467	0,074	40	13	75%
Upper bound	1,918	2,000	0,800	3,800	0,511	0,081	40	13	75%
Year 5									
Lower bound	1,007	1,000	-0,500	1,750	0,560	0,095	35	18	66%
Upper bound	2,607	2,500	1,500	4,000	0,563	0,095	35	18	66%

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	2,352	2,500	0,500	3,500	0,514	0,078	43	10	81%
Year 2	2,467	2,500	1,000	3,500	0,543	0,083	43	10	81%
Year 5	2,461	2,500	1,300	3,700	0,590	0,096	38	15	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	-0,261	-0,250	-0,400	0,250	0,104	0,017	38	15	72%
12 months	-0,168	-0,250	-0,400	0,500	0,185	0,030	38	15	72%
24 months	0,485	0,500	-0,250	1,000	0,420	0,069	37	16	70%
60 months	1,831	2,000	0,500	3,500	0,876	0,150	34	19	64%



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	-0,463	-0,500	-0,750	-0,250	0,133	0,024	31	22	58%
Upper bound	-0,016	-0,250	-0,250	1,050	0,315	0,057	31	22	58%
12 months									
Lower bound	-0,391	-0,400	-0,750	0,250	0,216	0,038	33	20	62%
Upper bound	0,206	0,000	-0,250	1,500	0,378	0,066	33	20	62%
24 months									
Lower bound	0,049	0,000	-0,500	0,750	0,386	0,066	34	19	64%
Upper bound	1,060	1,000	0,000	2,000	0,549	0,094	34	19	64%
60 months									
Lower bound	0,820	1,000	-0,250	3,000	0,725	0,128	32	21	60%
Upper bound	2,734	3,000	0,750	5,000	1,125	0,199	32	21	60%

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									
	0,365	0,370	0,000	0,700	0,114	0,020	33	20	62%
12 months									
	0,688	0,700	0,100	1,100	0,229	0,040	33	20	62%
24 months									
	1,248	1,250	0,500	2,000	0,359	0,063	32	21	60%
60 months									
	2,350	2,450	1,000	5,000	0,938	0,166	32	21	60%
EUR/SEK									
3 months									
	9,224	9,250	9,000	9,500	0,109	0,018	35	18	66%
12 months									
	9,057	9,000	8,650	9,500	0,175	0,030	35	18	66%
24 months									
	8,898	9,000	8,300	9,310	0,251	0,043	34	19	64%
USD/SEK									
3 months									
	8,412	8,400	8,000	8,820	0,161	0,027	35	18	66%
12 months									
	8,459	8,500	7,700	9,300	0,357	0,060	35	18	66%
24 months									
	8,315	8,300	7,200	9,700	0,539	0,092	34	19	64%