



Press Release

Questions will be answered by Emelie Alm, +46 (0)765 36 21 19.

This release, or parts thereof, may be published immediately. Please state TNS Sifo Prospera as the source.

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, August, has now been completed. The previous survey, July 2015, was published July 15, 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	
	Aug 15	Jul 15	Aug 15	Jul 15	Aug 15	Jul 15
Annual						
Inflation, %	0,9	1,0	1,4	1,5	1,8	1,8
GDP, %	2,5	2,4	2,5	2,5	2,3	2,5

	3 months		12 months		24 months		60 months	
	Aug 15	Jul 15	Aug 15	Jul 15	Aug 15	Jul 15	Aug 15	Jul 15
Repo rate, %	-0,4	-0,3	-0,2	-0,2	0,4	0,5	2,0	1,8
5 year gvt bond rate, %	0,2	0,4	0,6	0,7	1,3	1,2	2,4	2,4
EUR	9,32	9,22	9,13	9,06	8,69	8,90	-	-
USD	8,57	8,41	8,54	8,46	8,36	8,32	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out July 29 – August 10, 2015 (previous survey July 1 – July 14, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on July 29, 2015 (previous survey July 1, 2015).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 0,9 years.

About the Interviewees & Response Rate

In all 52 (53) 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 85 % (81 %). 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 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 46 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	0,934	1,000	-0,500	1,800	0,540	0,082	43	9	83%
Year 2	1,427	1,500	0,400	3,000	0,568	0,087	43	9	83%
Year 5	1,800	1,800	1,000	2,700	0,393	0,063	39	13	75%

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	0,363	0,500	-0,750	1,200	0,520	0,084	38	14	73%
Upper bound	1,364	1,500	0,200	2,600	0,620	0,101	38	14	73%
Year 2									
Lower bound	0,703	0,800	-0,500	1,500	0,504	0,082	38	14	73%
Upper bound	1,886	2,000	0,600	4,000	0,702	0,114	38	14	73%
Year 5									
Lower bound	0,961	1,000	-1,000	1,800	0,643	0,109	35	17	67%
Upper bound	2,523	2,500	1,300	5,000	0,825	0,139	35	17	67%

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	2,505	2,500	1,000	3,600	0,463	0,071	42	10	81%
Year 2	2,496	2,500	1,000	3,250	0,444	0,069	41	11	79%
Year 5	2,349	2,400	1,500	3,500	0,413	0,068	37	15	71%

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	-0,366	-0,350	-0,500	-0,250	0,058	0,011	28	24	54%
12 months	-0,245	-0,350	-0,500	0,250	0,236	0,045	28	24	54%
24 months	0,443	0,500	-0,500	1,500	0,608	0,115	28	24	54%
60 months	1,987	2,000	1,000	3,000	0,583	0,122	23	29	44%

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	-0,442	-0,475	-0,600	-0,350	0,078	0,016	24	28	46%
Upper bound	-0,281	-0,350	-0,450	0,500	0,222	0,045	24	28	46%
12 months									
Lower bound	-0,413	-0,500	-0,600	0,000	0,149	0,029	26	26	50%
Upper bound	-0,063	-0,150	-0,350	0,500	0,323	0,063	26	26	50%
24 months									
Lower bound	-0,026	-0,100	-0,500	1,000	0,482	0,096	25	27	48%
Upper bound	0,886	0,750	-0,350	2,000	0,696	0,139	25	27	48%
60 months									
Lower bound	1,152	1,000	0,000	2,000	0,542	0,115	22	30	42%
Upper bound	2,848	3,000	1,750	4,000	0,748	0,160	22	30	42%

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									
	0,238	0,200	-0,100	1,500	0,308	0,063	24	28	46%
12 months									
	0,588	0,500	0,000	1,750	0,375	0,077	24	28	46%
24 months									
	1,257	1,200	0,300	2,500	0,563	0,117	23	29	44%
60 months									
	2,434	2,500	1,000	4,000	0,828	0,177	22	30	42%
EUR/SEK									
3 months									
	9,319	9,300	9,100	9,600	0,111	0,022	26	26	50%
12 months									
	9,133	9,150	8,650	9,800	0,218	0,043	26	26	50%
24 months									
	8,685	9,000	1,100	9,800	1,602	0,320	25	27	48%
USD/SEK									
3 months									
	8,572	8,500	8,300	9,000	0,159	0,032	25	27	48%
12 months									
	8,540	8,500	8,000	9,300	0,326	0,065	25	27	48%
24 months									
	8,358	8,400	7,250	9,000	0,468	0,096	24	28	46%