



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, February 2016, has now been completed. The previous survey, January 2016, was published January 20, 2016.

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 16	Jan 16	Feb 16	Jan 16	Feb 16	Jan 16
Annual						
Inflation, %	1,0	1,1	1,5	1,6	1,9	1,9
GDP, %	3,1	3,2	2,7	2,8	2,3	2,4

	3 months		12 months		24 months		60 months	
	Feb 16	Jan 16	Feb 16	Jan 16	Feb 16	Jan 16	Feb 16	Jan 16
Repo rate, %	-0,4	-0,4	-0,3	-0,3	0,2	0,5	1,6	1,9
5 year gvt bond rate, %	0,0	0,2	0,3	0,5	1,0	1,2	2,2	2,3
EUR	9,25	9,24	9,05	9,08	8,91	8,91	-	-
USD	8,54	8,55	8,53	8,53	8,38	8,25	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out February 3 – February 16, 2016 (previous survey January 14 – January 19, 2016).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on February 3, 2016 (previous survey January 14, 2016).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 7,6 years.

About the Interviewees & Response Rate

In all 50 (50) organisations were approached for interview. 4 (3) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 92 % (94 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 92 % 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 44 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	1,041	1,000	0,000	2,000	0,466	0,069	46	4	92%
Year 2	1,499	1,500	0,100	3,000	0,577	0,085	46	4	92%
Year 5	1,899	1,900	1,000	2,800	0,364	0,055	43	7	86%

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	0,485	0,500	-1,000	1,700	0,547	0,084	42	8	84%
Upper bound	1,452	1,500	0,600	3,000	0,524	0,081	42	8	84%
Year 2									
Lower bound	0,848	1,000	-1,000	1,800	0,616	0,096	41	9	82%
Upper bound	2,043	2,000	0,800	4,000	0,694	0,108	41	9	82%
Year 5									
Lower bound	1,121	1,500	-1,000	1,900	0,702	0,112	39	11	78%
Upper bound	2,601	2,400	1,250	5,000	0,761	0,122	39	11	78%

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	3,126	3,100	1,000	5,000	0,666	0,098	46	4	92%
Year 2	2,711	2,700	1,000	5,500	0,697	0,103	46	4	92%
Year 5	2,307	2,300	0,000	3,500	0,676	0,104	42	8	84%

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	-0,411	-0,425	-0,500	-0,350	0,058	0,011	28	22	56%
12 months	-0,325	-0,350	-0,550	0,000	0,172	0,033	28	22	56%
24 months	0,191	0,250	-0,550	0,750	0,398	0,075	28	22	56%
60 months	1,648	1,775	0,500	3,250	0,671	0,137	24	26	48%

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	-0,528	-0,500	-1,000	-0,350	0,132	0,026	25	25	50%
Upper bound	-0,344	-0,350	-0,450	-0,200	0,053	0,011	25	25	50%
12 months									
Lower bound	-0,564	-0,500	-1,000	-0,250	0,198	0,040	25	25	50%
Upper bound	-0,106	-0,250	-0,450	0,500	0,300	0,060	25	25	50%
24 months									
Lower bound	-0,312	-0,350	-1,000	0,500	0,399	0,080	25	25	50%
Upper bound	0,614	0,500	-0,450	1,750	0,626	0,125	25	25	50%
60 months									
Lower bound	0,663	0,625	-1,000	2,250	0,943	0,211	20	30	40%
Upper bound	2,650	2,375	0,500	6,500	1,344	0,300	20	30	40%

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									
	0,029	0,000	-0,250	0,300	0,128	0,027	23	27	46%
12 months									
	0,330	0,250	-0,150	1,200	0,279	0,058	23	27	46%
24 months									
	0,982	0,950	0,100	4,000	0,772	0,165	22	28	44%
60 months									
	2,186	2,000	0,150	4,500	1,018	0,222	21	29	42%
EUR/SEK									
3 months									
	9,250	9,250	8,900	9,400	0,095	0,019	26	24	52%
12 months									
	9,048	9,100	8,500	9,600	0,251	0,049	26	24	52%
24 months									
	8,908	8,900	8,400	9,750	0,348	0,068	26	24	52%
USD/SEK									
3 months									
	8,537	8,500	8,170	8,800	0,134	0,026	26	24	52%
12 months									
	8,533	8,550	7,500	9,460	0,414	0,081	26	24	52%
24 months									
	8,381	8,500	7,250	9,500	0,581	0,114	26	24	52%