



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, January, has now been completed. The previous survey, December 2014, was published December 10, 2014.

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	
	Jan 15	Dec 14	Jan 15	Dec 14	Jan 15	Dec 14
Annual						
Inflation, %	0,6	0,7	1,2	1,3	1,7	1,7
GDP, %	2,1	2,2	2,2	2,2	2,3	2,3

	3 months		12 months		24 months		60 months	
	Jan 15	Dec 14	Jan 15	Dec 14	Jan 15	Dec 14	Jan 15	Dec 14
Repo rate, %	0,0	0,0	0,0	0,0	0,4	0,6	2,1	2,2
5 year gvt bond rate, %	0,3	0,3	0,5	0,5	1,1	1,1	2,3	2,5
EUR	9,39	9,21	9,16	9,02	8,95	8,84	-	-
USD	8,06	7,47	8,11	7,56	7,97	7,54	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 14 – January 19, 2015 (previous survey November 24 – December 8, 2014).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 14, 2015 (previous survey November 26, 2014).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 13,3 years.

About the Interviewees & Response Rate

In all 53 (53) organisations were approached for interview. 3 (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 94 % (94 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 91 % 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	0,576	0,600	-0,300	2,400	0,528	0,075	49	4	92%
Year 2	1,215	1,100	0,000	3,000	0,562	0,080	49	4	92%
Year 5	1,654	1,700	0,500	2,750	0,479	0,071	46	7	87%

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	0,113	0,000	-1,000	1,900	0,559	0,083	45	8	85%
Upper bound	0,956	0,900	0,000	2,800	0,582	0,087	45	8	85%
Year 2									
Lower bound	0,544	0,500	-2,000	2,500	0,707	0,105	45	8	85%
Upper bound	1,698	1,500	0,300	3,500	0,695	0,104	45	8	85%
Year 5									
Lower bound	0,834	1,000	-2,500	1,800	0,837	0,128	43	10	81%
Upper bound	2,352	2,000	0,700	5,000	0,787	0,120	43	10	81%

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	2,121	2,000	0,500	3,200	0,586	0,085	48	5	91%
Year 2	2,249	2,300	1,000	3,500	0,547	0,079	48	5	91%
Year 5	2,316	2,300	1,000	3,500	0,530	0,078	46	7	87%

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	-0,014	0,000	-0,250	0,000	0,051	0,008	45	8	85%
12 months	0,006	0,000	-0,250	0,500	0,107	0,016	45	8	85%
24 months	0,437	0,500	-0,130	1,500	0,406	0,061	45	8	85%
60 months	2,060	2,000	0,500	3,500	0,807	0,125	42	11	79%



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	-0,119	-0,100	-0,250	0,000	0,102	0,016	42	11	79%
Upper bound	0,049	0,000	0,000	0,750	0,135	0,021	42	11	79%
12 months									
Lower bound	-0,123	-0,100	-0,500	0,250	0,134	0,021	42	11	79%
Upper bound	0,206	0,225	0,000	0,750	0,225	0,035	42	11	79%
24 months									
Lower bound	0,030	0,000	-0,500	0,750	0,268	0,041	42	11	79%
Upper bound	0,807	0,750	0,000	2,000	0,504	0,078	42	11	79%
60 months									
Lower bound	0,949	1,000	-0,200	2,500	0,798	0,126	40	13	75%
Upper bound	2,881	2,750	0,750	7,000	1,219	0,193	40	13	75%

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									
	0,296	0,300	0,000	1,150	0,193	0,031	40	13	75%
12 months									
	0,521	0,445	0,100	1,500	0,349	0,055	40	13	75%
24 months									
	1,054	1,000	0,100	3,500	0,713	0,114	39	14	74%
60 months									
	2,312	2,300	0,500	4,500	0,907	0,145	39	14	74%
EUR/SEK									
3 months									
	9,389	9,400	8,950	9,800	0,171	0,026	44	9	83%
12 months									
	9,160	9,100	8,700	9,800	0,279	0,042	44	9	83%
24 months									
	8,947	9,000	8,000	10,000	0,340	0,051	44	9	83%
USD/SEK									
3 months									
	8,059	8,100	7,340	8,350	0,209	0,031	44	9	83%
12 months									
	8,112	8,085	7,300	9,000	0,343	0,052	44	9	83%
24 months									
	7,974	8,000	7,000	9,000	0,489	0,074	44	9	83%