



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 2016, has now been completed. The previous survey, December 2015, was published December 9, 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	
	Jan 16	Dec 15	Jan 16	Dec 15	Jan 16	Dec 15
Annual						
Inflation, %	1,1	1,2	1,6	1,6	1,9	1,8
GDP, %	3,2	3,0	2,8	2,6	2,4	2,3

	3 months		12 months		24 months		60 months	
	Jan 16	Dec 15	Jan 16	Dec 15	Jan 16	Dec 15	Jan 16	Dec 15
Repo rate, %	-0,4	-0,4	-0,3	-0,3	0,5	0,3	1,9	1,8
5 year gvt bond rate, %	0,2	0,1	0,5	0,5	1,2	1,1	2,3	2,2
EUR	9,24	9,22	9,08	9,04	8,91	8,90	-	-
USD	8,55	8,76	8,53	8,63	8,25	8,41	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 14 – January 19, 2016 (previous survey November 23 – December 8, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 14, 2016 (previous survey December 2, 2015).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,5 years.

About the Interviewees & Response Rate

In all 50 (50) 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 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	1,112	1,000	0,200	2,100	0,513	0,076	46	4	92%
Year 2	1,584	1,500	0,500	3,000	0,559	0,082	46	4	92%
Year 5	1,856	1,900	1,000	2,800	0,410	0,062	44	6	88%

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	0,531	0,500	-0,500	1,700	0,510	0,079	42	8	84%
Upper bound	1,445	1,375	0,500	3,000	0,574	0,089	42	8	84%
Year 2									
Lower bound	0,858	1,000	-0,500	2,000	0,577	0,088	43	7	86%
Upper bound	2,059	2,000	1,000	4,000	0,745	0,114	43	7	86%
Year 5									
Lower bound	1,096	1,000	-0,500	2,000	0,568	0,089	41	9	82%
Upper bound	2,550	2,500	1,400	5,000	0,837	0,131	41	9	82%

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	3,165	3,000	1,500	5,100	0,616	0,091	46	4	92%
Year 2	2,752	2,750	1,500	5,500	0,664	0,098	46	4	92%
Year 5	2,391	2,450	0,500	4,000	0,631	0,095	44	6	88%

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	-0,379	-0,350	-0,500	-0,350	0,047	0,008	36	14	72%
12 months	-0,275	-0,350	-0,650	0,000	0,171	0,028	36	14	72%
24 months	0,490	0,500	-0,450	2,000	0,625	0,106	35	15	70%
60 months	1,892	2,000	-0,150	3,500	0,888	0,157	32	18	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	-0,444	-0,450	-0,600	-0,350	0,072	0,013	32	18	64%
Upper bound	-0,320	-0,350	-0,450	0,400	0,136	0,024	32	18	64%
12 months									
Lower bound	-0,463	-0,450	-0,750	-0,250	0,116	0,020	32	18	64%
Upper bound	-0,070	-0,050	-0,450	0,500	0,261	0,046	32	18	64%
24 months									
Lower bound	-0,059	-0,250	-0,750	1,300	0,492	0,087	32	18	64%
Upper bound	0,900	0,750	-0,450	3,000	0,848	0,150	32	18	64%
60 months									
Lower bound	0,914	1,000	-0,500	3,000	0,817	0,154	28	22	56%
Upper bound	2,952	3,000	0,750	6,000	1,195	0,226	28	22	56%

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									
	0,164	0,100	0,000	0,650	0,140	0,026	29	21	58%
12 months									
	0,521	0,500	0,100	1,200	0,289	0,054	29	21	58%
24 months									
	1,233	1,000	0,150	4,000	0,780	0,145	29	21	58%
60 months									
	2,348	2,200	0,400	4,500	1,002	0,186	29	21	58%
EUR/SEK									
3 months									
	9,243	9,250	8,900	9,400	0,104	0,018	34	16	68%
12 months									
	9,076	9,000	8,700	9,750	0,216	0,037	34	16	68%
24 months									
	8,913	8,900	8,200	10,000	0,321	0,056	33	17	66%
USD/SEK									
3 months									
	8,549	8,500	8,170	9,000	0,182	0,031	34	16	68%
12 months									
	8,528	8,540	7,500	9,350	0,400	0,069	34	16	68%
24 months									
	8,251	8,250	7,000	9,500	0,543	0,095	33	17	66%