



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, May, has now been completed. The previous survey, April 2015, was published April 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	
	May 15	Apr 15	May 15	Apr 15	May 15	Apr 15
Annual						
Inflation, %	0,9	0,8	1,4	1,3	1,8	1,9
GDP, %	2,5	2,5	2,4	2,4	2,4	2,4

	3 months		12 months		24 months		60 months	
	May 15	Apr 15	May 15	Apr 15	May 15	Apr 15	May 15	Apr 15
Repo rate, %	-0,3	-0,3	-0,2	-0,2	0,3	0,4	1,9	1,9
5 year gvt bond rate, %	0,2	0,0	0,4	0,3	1,0	1,0	2,4	2,3
EUR	9,31	9,32	9,11	9,16	8,95	8,98	-	-
USD	8,26	8,72	8,58	8,76	8,37	8,74	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out May 6 – May 12, 2015 (previous survey April 8 – April 14, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on May 6, 2015 (previous survey April 8, 2015).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 0,6 years.

About the Interviewees & Response Rate

In all 53 (53) organisations were approached for interview. 5 (5) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 91 % (91 %). 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	0,882	0,950	0,000	2,000	0,502	0,072	48	5	91%
Year 2	1,422	1,350	0,400	2,600	0,509	0,073	48	5	91%
Year 5	1,836	1,850	1,000	2,600	0,392	0,059	44	9	83%

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	0,410	0,500	-0,500	1,800	0,557	0,084	44	9	83%
Upper bound	1,263	1,350	0,500	2,600	0,520	0,078	44	9	83%
Year 2									
Lower bound	0,778	0,850	-0,500	1,800	0,586	0,088	44	9	83%
Upper bound	1,982	2,000	0,800	3,600	0,710	0,107	44	9	83%
Year 5									
Lower bound	1,005	1,000	-0,500	2,000	0,659	0,103	41	12	77%
Upper bound	2,573	2,500	1,500	4,000	0,694	0,108	41	12	77%

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	2,490	2,500	1,000	3,800	0,569	0,082	48	5	91%
Year 2	2,422	2,500	1,000	3,500	0,551	0,080	48	5	91%
Year 5	2,358	2,300	1,000	3,500	0,577	0,087	44	9	83%

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	-0,297	-0,250	-0,500	0,000	0,098	0,017	33	20	62%
12 months	-0,228	-0,250	-0,500	0,250	0,195	0,034	33	20	62%
24 months	0,321	0,250	-0,500	1,500	0,453	0,079	33	20	62%
60 months	1,883	2,000	0,500	3,750	0,796	0,150	28	25	53%

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	-0,498	-0,500	-2,500	-0,250	0,397	0,074	29	24	55%
Upper bound	-0,212	-0,250	-0,350	0,250	0,114	0,021	29	24	55%
12 months									
Lower bound	-0,403	-0,500	-0,750	0,000	0,151	0,028	29	24	55%
Upper bound	0,041	0,000	-0,400	0,500	0,268	0,050	29	24	55%
24 months									
Lower bound	-0,092	0,000	-1,000	1,000	0,418	0,076	30	23	57%
Upper bound	0,685	0,750	-0,350	2,000	0,527	0,096	30	23	57%
60 months									
Lower bound	0,992	1,000	-1,000	2,500	0,948	0,186	26	27	49%
Upper bound	2,794	2,750	1,000	5,000	1,150	0,225	26	27	49%

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									
	0,170	0,200	-0,100	0,400	0,130	0,025	27	26	51%
12 months									
	0,425	0,400	0,000	0,800	0,237	0,046	27	26	51%
24 months									
	1,041	1,000	0,250	2,000	0,466	0,090	27	26	51%
60 months									
	2,402	2,500	0,600	4,500	0,907	0,175	27	26	51%
EUR/SEK									
3 months									
	9,308	9,300	9,000	9,800	0,138	0,024	32	21	60%
12 months									
	9,114	9,125	8,550	9,500	0,198	0,035	32	21	60%
24 months									
	8,949	9,000	8,250	9,500	0,259	0,048	29	24	55%
USD/SEK									
3 months									
	8,258	8,500	0,500	9,150	1,432	0,253	32	21	60%
12 months									
	8,579	8,500	7,900	9,200	0,327	0,058	32	21	60%
24 months									
	8,374	8,500	7,500	9,200	0,503	0,093	29	24	55%