



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, May 2016, has now been completed. The previous survey, April 2016, was published April 13, 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	
	May 16	Apr 16	May 16	Apr 16	May 16	Apr 16
Annual						
Inflation, %	1,2	1,1	1,7	1,6	2,0	1,9
GDP, %	3,1	3,1	2,5	2,5	2,3	2,3

	3 months		12 months		24 months		60 months	
	May 16	Apr 16	May 16	Apr 16	May 16	Apr 16	May 16	Apr 16
Repo rate, %	-0,5	-0,5	-0,3	-0,3	0,2	0,3	1,7	1,9
5 year gvt bond rate, %	0,0	-0,1	0,3	0,3	1,0	1,0	2,0	2,1
EUR	9,11	9,20	8,94	9,01	8,83	8,86	-	-
USD	8,16	8,30	8,17	8,31	8,02	8,16	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out April 27 – May 9, 2016 (previous survey March 30 – April 11, 2016).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on April 27, 2016 (previous survey March 30, 2016).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 1,6 years.

About the Interviewees & Response Rate

In all 52 (52) organisations were approached for interview. 4 (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 92 % (90 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 87 % 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	1,213	1,200	0,200	2,000	0,425	0,062	47	5	90%
Year 2	1,664	1,700	0,500	2,400	0,430	0,063	47	5	90%
Year 5	1,958	2,000	1,000	2,800	0,360	0,054	45	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	0,705	0,700	0,000	1,900	0,441	0,067	44	8	85%
Upper bound	1,647	1,700	0,400	3,000	0,518	0,078	44	8	85%
Year 2									
Lower bound	1,098	1,100	0,000	2,000	0,505	0,076	44	8	85%
Upper bound	2,209	2,175	0,700	3,800	0,589	0,089	44	8	85%
Year 5									
Lower bound	1,211	1,400	-0,500	2,100	0,643	0,099	42	10	81%
Upper bound	2,767	2,500	1,500	6,000	0,859	0,132	42	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	3,144	3,200	1,000	4,700	0,713	0,106	45	7	87%
Year 2	2,522	2,500	1,000	4,000	0,592	0,088	45	7	87%
Year 5	2,263	2,250	0,500	4,000	0,595	0,091	43	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	-0,500	-0,500	-0,500	-0,500	0,000	0,000	37	15	71%
12 months	-0,346	-0,500	-0,500	0,250	0,223	0,037	37	15	71%
24 months	0,249	0,000	-0,500	1,500	0,560	0,092	37	15	71%
60 months	1,733	1,625	0,000	3,500	0,776	0,137	32	20	62%



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	-0,576	-0,500	-1,000	-0,500	0,144	0,025	34	18	65%
Upper bound	-0,409	-0,500	-0,500	0,500	0,212	0,036	34	18	65%
12 months									
Lower bound	-0,596	-0,500	-1,500	-0,250	0,223	0,038	34	18	65%
Upper bound	-0,085	-0,200	-0,500	0,500	0,312	0,054	34	18	65%
24 months									
Lower bound	-0,325	-0,500	-1,250	1,000	0,472	0,081	34	18	65%
Upper bound	0,828	0,750	-0,500	2,000	0,622	0,107	34	18	65%
60 months									
Lower bound	0,602	0,625	-1,000	2,000	0,868	0,164	28	24	54%
Upper bound	2,793	2,500	0,500	7,000	1,245	0,235	28	24	54%

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									
	0,010	0,000	-0,100	0,350	0,096	0,017	30	22	58%
12 months									
	0,315	0,250	0,000	1,200	0,243	0,044	30	22	58%
24 months									
	0,960	1,000	0,150	2,000	0,478	0,087	30	22	58%
60 months									
	2,002	2,000	0,400	3,750	0,859	0,159	29	23	56%
EUR/SEK									
3 months									
	9,114	9,100	8,800	9,500	0,124	0,021	36	16	69%
12 months									
	8,936	8,900	8,500	9,600	0,195	0,033	36	16	69%
24 months									
	8,825	8,800	8,200	9,600	0,248	0,042	35	17	67%
USD/SEK									
3 months									
	8,163	8,150	7,750	8,730	0,194	0,032	36	16	69%
12 months									
	8,166	8,100	7,400	9,400	0,449	0,075	36	16	69%
24 months									
	8,023	8,000	7,000	9,500	0,528	0,089	35	17	67%