



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, November, has now been completed. The previous survey, October 2015, was published October 14, 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	
	Nov 15	Oct 15	Nov 15	Oct 15	Nov 15	Oct 15
Annual						
Inflation, %	1,1	1,0	1,6	1,6	1,8	1,8
GDP, %	2,8	2,6	2,6	2,5	2,3	2,4

	3 months		12 months		24 months		60 months	
	Nov 15	Oct 15	Nov 15	Oct 15	Nov 15	Oct 15	Nov 15	Oct 15
Repo rate, %	-0,4	-0,4	-0,4	-0,3	0,2	0,3	1,8	1,9
5 year gvt bond rate, %	0,0	0,1	0,4	0,4	1,0	1,1	2,2	2,2
EUR	9,28	9,38	9,12	9,16	9,00	9,00	-	-
USD	8,55	8,48	8,41	8,42	8,18	8,22	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out October 28 – November 9, 2015 (previous survey September 30 – October 13, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on October 28, 2015 (previous survey September 30, 2015).

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

About the Interviewees & Response Rate

In all 51 (52) 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 90 % (90 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 88 % 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 45 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	1,107	1,200	0,000	1,900	0,474	0,071	45	6	88%
Year 2	1,592	1,600	0,400	2,900	0,581	0,087	45	6	88%
Year 5	1,837	1,900	1,000	2,800	0,377	0,059	41	10	80%

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	0,594	0,700	-0,200	1,500	0,473	0,074	41	10	80%
Upper bound	1,480	1,500	0,200	3,000	0,621	0,097	41	10	80%
Year 2									
Lower bound	0,960	1,000	-0,200	1,800	0,518	0,081	41	10	80%
Upper bound	2,043	2,000	0,800	3,500	0,692	0,108	41	10	80%
Year 5									
Lower bound	1,126	1,500	-0,500	2,000	0,600	0,096	39	12	76%
Upper bound	2,644	2,500	1,500	5,000	0,822	0,132	39	12	76%

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	2,812	2,900	1,900	3,500	0,390	0,058	45	6	88%
Year 2	2,561	2,500	0,800	3,500	0,564	0,084	45	6	88%
Year 5	2,297	2,300	0,000	4,000	0,723	0,116	39	12	76%

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	-0,388	-0,350	-0,500	-0,350	0,049	0,010	24	27	47%
12 months	-0,352	-0,350	-0,500	0,000	0,103	0,021	24	27	47%
24 months	0,221	0,000	-0,500	2,000	0,515	0,105	24	27	47%
60 months	1,773	1,775	0,500	3,500	0,724	0,162	20	31	39%

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	-0,480	-0,500	-1,000	-0,350	0,133	0,028	23	28	45%
Upper bound	-0,339	-0,350	-0,400	-0,100	0,054	0,011	23	28	45%
12 months									
Lower bound	-0,507	-0,500	-0,800	-0,350	0,131	0,027	23	28	45%
Upper bound	-0,148	-0,200	-0,350	0,500	0,204	0,043	23	28	45%
24 months									
Lower bound	-0,200	-0,350	-0,600	1,000	0,432	0,090	23	28	45%
Upper bound	0,709	0,500	-0,350	2,000	0,619	0,129	23	28	45%
60 months									
Lower bound	0,640	1,000	-0,600	2,000	0,798	0,178	20	31	39%
Upper bound	2,533	2,325	1,000	5,000	1,041	0,233	20	31	39%

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	-0,700	0,950	0,327	0,071	21	30	41%
12 months									
	0,430	0,300	0,000	1,500	0,406	0,089	21	30	41%
24 months									
	1,031	1,000	0,150	2,500	0,636	0,139	21	30	41%
60 months									
	2,185	2,000	1,000	4,000	0,840	0,188	20	31	39%
EUR/SEK									
3 months									
	9,284	9,345	8,200	9,600	0,259	0,053	24	27	47%
12 months									
	9,123	9,200	8,400	9,800	0,302	0,062	24	27	47%
24 months									
	9,000	9,000	8,300	9,850	0,379	0,077	24	27	47%
USD/SEK									
3 months									
	8,555	8,500	8,200	9,650	0,299	0,061	24	27	47%
12 months									
	8,414	8,400	7,500	9,100	0,410	0,084	24	27	47%
24 months									
	8,181	8,200	7,300	9,500	0,514	0,105	24	27	47%