



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

	3 months		12 months		24 months		60 months	
	Oct 15	Sep 15	Oct 15	Sep 15	Oct 15	Sep 15	Oct 15	Sep 15
Repo rate, %	-0,4	-0,4	-0,3	-0,3	0,3	0,3	1,9	1,9
5 year gvt bond rate, %	0,1	0,1	0,4	0,4	1,1	1,1	2,2	2,3
EUR	9,38	9,43	9,16	9,19	9,00	9,02	-	-
USD	8,48	8,57	8,42	8,60	8,22	8,37	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out September 30 – October 13, 2015 (previous survey August 24 – September 8, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on September 30, 2015 (previous survey September 2, 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 52 (52) organisations were approached for interview. 5 (4) 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 % (92 %). 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 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	0,968	1,050	0,000	1,800	0,463	0,068	46	6	88%
Year 2	1,553	1,500	0,300	3,000	0,608	0,090	46	6	88%
Year 5	1,795	1,800	1,000	2,700	0,389	0,060	42	10	81%

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	0,465	0,500	-1,000	1,300	0,503	0,077	43	9	83%
Upper bound	1,367	1,400	0,500	2,500	0,462	0,071	43	9	83%
Year 2									
Lower bound	0,851	1,000	-1,500	1,750	0,631	0,097	42	10	81%
Upper bound	2,065	2,000	0,800	3,500	0,695	0,107	42	10	81%
Year 5									
Lower bound	1,063	1,100	-2,000	1,700	0,695	0,110	40	12	77%
Upper bound	2,614	2,500	1,500	5,000	0,791	0,125	40	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	2,645	2,725	1,000	3,500	0,502	0,074	46	6	88%
Year 2	2,548	2,600	1,000	4,000	0,593	0,087	46	6	88%
Year 5	2,393	2,400	1,300	4,000	0,552	0,086	41	11	79%

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	0,053	0,009	38	14	73%
12 months	-0,301	-0,350	-0,500	0,250	0,168	0,027	38	14	73%
24 months	0,341	0,375	-0,500	2,000	0,543	0,088	38	14	73%
60 months	1,923	2,000	0,500	3,500	0,866	0,151	33	19	63%

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	-0,469	-0,450	-1,000	-0,350	0,124	0,020	37	15	71%
Upper bound	-0,336	-0,350	-0,450	-0,200	0,047	0,008	37	15	71%
12 months									
Lower bound	-0,493	-0,500	-1,000	-0,250	0,170	0,028	36	16	69%
Upper bound	-0,075	0,000	-0,450	0,750	0,282	0,047	36	16	69%
24 months									
Lower bound	-0,153	-0,250	-1,000	1,500	0,466	0,078	36	16	69%
Upper bound	0,775	0,750	-0,450	2,500	0,673	0,112	36	16	69%
60 months									
Lower bound	0,853	1,000	-1,000	2,500	0,866	0,156	31	21	60%
Upper bound	2,806	3,000	0,500	5,500	1,104	0,198	31	21	60%

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									
	0,118	0,100	-0,100	1,000	0,187	0,033	33	19	63%
12 months									
	0,443	0,450	0,000	1,300	0,282	0,049	33	19	63%
24 months									
	1,053	1,000	0,000	3,000	0,664	0,116	33	19	63%
60 months									
	2,222	2,325	0,750	4,250	0,897	0,159	32	20	62%
EUR/SEK									
3 months									
	9,382	9,400	9,150	9,750	0,138	0,023	37	15	71%
12 months									
	9,156	9,200	8,400	10,250	0,324	0,053	37	15	71%
24 months									
	8,998	9,000	8,000	10,250	0,389	0,064	37	15	71%
USD/SEK									
3 months									
	8,479	8,500	8,100	9,140	0,187	0,031	37	15	71%
12 months									
	8,424	8,500	7,700	9,200	0,397	0,065	37	15	71%
24 months									
	8,218	8,200	7,000	9,000	0,531	0,087	37	15	71%