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1 (4)

## Press Release

Questions will be answered by Emelie Alm, +46 (0)765 36 21 19.

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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 2016, has now been completed. The previous survey, September 2016, was published September 14, 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			
	Oct 16	Sep 16	Oct 16	Sep 16	Oct 16	Sep 16		
<b>Annual</b>								
<b>Inflation, %</b>	1,4	1,3	1,7	1,7	1,9	2,0		
<b>GDP, %</b>	2,7	2,6	2,3	2,3	2,2	2,2		
	3 months		12 months		24 months		60 months	
	Oct 16	Sep 16	Oct 16	Sep 16	Oct 16	Sep 16	Oct 16	Sep 16
<b>Repo rate, %</b>	-0,5	-0,5	-0,3	-0,4	0,2	0,1	1,7	1,7
<b>5 year gvt bond rate, %</b>	-0,3	-0,3	0,0	0,0	0,8	0,8	2,1	2,2
<b>EUR</b>	9,46	9,33	9,21	9,10	9,01	8,93	-	-
<b>USD</b>	8,57	8,45	8,48	8,39	8,29	8,24	-	-



October 2016: October 12, 2016

2 (4)

### Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out September 28 – October 11, 2016 (previous survey August 29 – September 13, 2016).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on September 28, 2016 (previous survey August 31, 2016).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 2,1 years.

### About the Interviewees & Response Rate

In all 51 (51) organisations were approached for interview. 6 (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 88 % (92 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 84 % 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
<b>Money Market Players</b>									
<b>Year 1</b>	1,388	1,450	0,500	2,100	0,350	0,053	44	7	86%
<b>Year 2</b>	1,740	1,700	1,000	2,600	0,371	0,056	44	7	86%
<b>Year 5</b>	1,915	2,000	1,000	2,600	0,338	0,053	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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	0,916	1,000	0,000	2,100	0,488	0,077	40	11	78%
Upper bound	1,836	1,800	1,000	3,000	0,449	0,071	40	11	78%
<b>Year 2</b>									
Lower bound	1,092	1,200	-0,500	2,200	0,566	0,091	39	12	76%
Upper bound	2,322	2,200	1,500	4,000	0,563	0,090	39	12	76%
<b>Year 5</b>									
Lower bound	1,059	1,300	-1,500	2,400	0,872	0,141	38	13	75%
Upper bound	2,788	2,500	1,800	5,500	0,876	0,142	38	13	75%

**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
<b>Money Market Players</b>									
<b>Year 1</b>	2,665	2,800	1,500	4,000	0,590	0,090	43	8	84%
<b>Year 2</b>	2,310	2,250	1,000	3,500	0,574	0,088	43	8	84%
<b>Year 5</b>	2,224	2,200	1,000	4,000	0,684	0,107	41	10	80%

**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
<b>Money Market Players</b>									
<b>3 months</b>	-0,500	-0,500	-0,500	-0,500	0,000	0,000	34	17	67%
<b>12 months</b>	-0,338	-0,500	-0,500	0,000	0,193	0,033	34	17	67%
<b>24 months</b>	0,240	0,000	-0,500	2,000	0,522	0,090	34	17	67%
<b>60 months</b>	1,707	1,625	-0,250	3,500	0,786	0,139	32	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
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,584	-0,500	-1,000	-0,500	0,147	0,026	32	19	63%
Upper bound	-0,414	-0,500	-0,500	0,500	0,204	0,036	32	19	63%
<b>12 months</b>									
Lower bound	-0,606	-0,500	-1,250	-0,250	0,229	0,041	31	20	61%
Upper bound	-0,010	0,000	-0,500	1,000	0,380	0,068	31	20	61%
<b>24 months</b>									
Lower bound	-0,368	-0,500	-1,250	0,500	0,447	0,082	30	21	59%
Upper bound	0,715	0,500	-0,500	3,500	0,704	0,129	30	21	59%
<b>60 months</b>									
Lower bound	0,610	0,550	-1,000	2,000	0,831	0,152	30	21	59%
Upper bound	2,828	2,500	1,000	6,000	1,387	0,253	30	21	59%

**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
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>									
	-0,268	-0,300	-0,530	0,400	0,160	0,028	32	19	63%
<b>12 months</b>									
	0,043	0,000	-0,400	0,700	0,240	0,042	32	19	63%
<b>24 months</b>									
	0,826	0,650	-0,200	3,000	0,694	0,125	31	20	61%
<b>60 months</b>									
	2,078	2,000	1,000	4,500	0,815	0,149	30	21	59%
<b>EUR/SEK</b>									
<b>3 months</b>									
	9,457	9,500	9,200	9,800	0,134	0,023	34	17	67%
<b>12 months</b>									
	9,206	9,200	8,750	10,000	0,234	0,040	34	17	67%
<b>24 months</b>									
	9,008	9,000	8,500	10,000	0,293	0,050	34	17	67%
<b>USD/SEK</b>									
<b>3 months</b>									
	8,568	8,550	8,350	8,800	0,131	0,023	34	17	67%
<b>12 months</b>									
	8,484	8,400	7,800	9,100	0,319	0,055	34	17	67%
<b>24 months</b>									
	8,287	8,200	7,500	9,500	0,433	0,074	34	17	67%