



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, February 2013, has now been completed. The previous survey, January 2013, was published January 30, 2013.

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	Feb 13	Jan 13	Feb 13	Jan 13	Feb 13	Jan 13
Inflation, %	1,1	1,0	1,7	1,6	2,0	2,0
GDP, %	1,5	1,4	2,1	2,1	2,3	2,3

	3 months		12 months		24 months		60 months	
	Feb 13	Jan 13	Feb 13	Jan 13	Feb 13	Jan 13	Feb 13	Jan 13
Repo rate, %	0,8	0,8	0,9	0,8	1,5	1,4	2,7	2,7
5 year gvt bond rate, %	1,4	1,2	1,6	1,4	2,1	2,0	3,2	3,1
EUR	8,52	8,55	8,43	8,43	8,43	8,39	-	-
USD	6,39	6,54	6,58	6,69	6,75	6,88	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out February 6 – February 14, 2013 (previous survey January 16 – January 25, 2013).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on February 6, 2013 (previous survey January 16, 2013).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 17,7 years.

About the Interviewees & Response Rate

In all 55 (55) organisations were approached for interview. 3 (3) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 95 % (95 %). 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 48 Swedish and 7 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	1,102	1,100	0,000	2,100	0,447	0,062	52	3	95%
Year 2	1,651	1,700	0,250	3,200	0,546	0,076	52	3	95%
Year 5	1,964	2,000	1,000	4,500	0,484	0,072	45	10	82%

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	0,606	0,700	-1,000	1,600	0,519	0,076	47	8	85%
Upper bound	1,541	1,500	0,500	2,600	0,464	0,068	47	8	85%
Year 2									
Lower bound	0,967	1,000	-1,000	3,000	0,665	0,097	47	8	85%
Upper bound	2,279	2,000	0,750	4,400	0,719	0,105	47	8	85%
Year 5									
Lower bound	1,076	1,000	-2,000	3,800	0,814	0,123	44	11	80%
Upper bound	2,815	3,000	1,750	5,400	0,695	0,105	44	11	80%

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	1,465	1,300	0,500	3,200	0,665	0,093	51	4	93%
Year 2	2,086	2,100	0,500	3,000	0,540	0,076	50	5	91%
Year 5	2,290	2,250	1,000	3,000	0,450	0,068	44	11	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 (%)
Money Market Players									
3 months	0,843	0,750	0,500	1,000	0,134	0,020	43	12	78%
12 months	0,878	0,750	0,500	1,500	0,246	0,038	43	12	78%
24 months	1,452	1,500	0,500	2,750	0,514	0,078	43	12	78%
60 months	2,688	2,500	1,500	4,250	0,753	0,126	36	19	65%



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	0,692	0,750	0,300	1,000	0,131	0,021	38	17	69%
Upper bound	1,058	1,000	0,750	1,750	0,183	0,030	38	17	69%
12 months									
Lower bound	0,567	0,500	0,000	1,250	0,243	0,039	38	17	69%
Upper bound	1,247	1,250	0,750	2,000	0,306	0,050	38	17	69%
24 months									
Lower bound	0,857	0,900	0,000	2,000	0,429	0,070	38	17	69%
Upper bound	2,005	2,000	1,000	3,000	0,610	0,099	38	17	69%
60 months									
Lower bound	1,629	2,000	0,000	3,500	0,828	0,140	35	20	64%
Upper bound	3,650	4,000	2,000	6,000	0,987	0,167	35	20	64%

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	1,387	1,400	1,000	1,700	0,140	0,023	36	19	65%
12 months	1,645	1,600	1,180	2,250	0,278	0,046	36	19	65%
24 months	2,112	2,110	1,200	3,000	0,425	0,072	35	20	64%
60 months	3,209	3,125	1,500	5,000	0,854	0,146	34	21	62%
EUR/SEK									
3 months	8,524	8,500	8,250	8,800	0,128	0,020	40	15	73%
12 months	8,432	8,430	8,000	9,000	0,238	0,038	40	15	73%
24 months	8,426	8,500	7,500	9,500	0,390	0,062	39	16	71%
USD/SEK									
3 months	6,388	6,350	6,000	7,300	0,240	0,038	40	15	73%
12 months	6,576	6,625	5,700	7,550	0,463	0,073	40	15	73%
24 months	6,747	6,750	5,700	8,300	0,623	0,100	39	16	71%