



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, January 2013, has now been completed. The previous survey, December 2012, was published December 12, 2012.

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	Jan 13	Dec 12	Jan 13	Dec 12	Jan 13	Dec 12
Inflation, %	1,0	1,0	1,6	1,6	2,0	2,0
GDP, %	1,4	1,3	2,1	1,9	2,3	2,3

	3 months		12 months		24 months		60 months	
	Jan 13	Dec 12	Jan 13	Dec 12	Jan 13	Dec 12	Jan 13	Dec 12
Repo rate, %	0,8	1,0	0,8	0,9	1,4	1,3	2,7	2,6
5 year gvt bond rate, %	1,2	1,0	1,4	1,2	2,0	1,8	3,1	3,1
EUR	8,55	8,61	8,43	8,55	8,39	8,51	-	-
USD	6,54	6,72	6,69	6,89	6,88	7,02	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 16 – January 25, 2013 (previous survey November 26 – December 10, 2012).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 16, 2013 (previous survey November 28, 2012).

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 (56) organisations were approached for interview. 3 (2) 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 % (96 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 93 % 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	0,976	1,000	0,000	2,100	0,485	0,068	51	4	93%
Year 2	1,608	1,700	0,500	3,700	0,569	0,080	51	4	93%
Year 5	2,049	2,000	1,500	4,900	0,519	0,079	43	12	78%

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	0,430	0,500	-1,000	1,500	0,499	0,074	45	10	82%
Upper bound	1,478	1,500	0,250	3,000	0,553	0,082	45	10	82%
Year 2									
Lower bound	0,937	1,000	-1,500	3,300	0,699	0,104	45	10	82%
Upper bound	2,249	2,000	1,250	4,700	0,732	0,109	45	10	82%
Year 5									
Lower bound	1,038	1,000	-1,500	3,500	0,778	0,121	41	14	75%
Upper bound	2,984	3,000	2,000	6,500	0,823	0,129	41	14	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 (%)
Money Market Players									
Year 1	1,417	1,300	0,500	3,400	0,676	0,095	51	4	93%
Year 2	2,057	2,000	0,800	3,200	0,611	0,085	51	4	93%
Year 5	2,337	2,500	1,000	3,500	0,487	0,074	43	12	78%

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	0,823	0,750	0,500	1,000	0,128	0,020	41	14	75%
12 months	0,848	0,750	0,500	1,500	0,230	0,036	41	14	75%
24 months	1,350	1,500	0,500	2,500	0,496	0,078	40	15	73%
60 months	2,687	2,625	1,500	4,250	0,698	0,120	34	21	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	0,668	0,750	0,300	1,000	0,143	0,024	36	19	65%
Upper bound	1,026	1,000	0,750	1,750	0,200	0,033	36	19	65%
12 months									
Lower bound	0,529	0,500	0,000	1,250	0,264	0,044	36	19	65%
Upper bound	1,186	1,000	0,750	2,250	0,316	0,053	36	19	65%
24 months									
Lower bound	0,744	0,750	-0,500	1,750	0,449	0,075	36	19	65%
Upper bound	1,922	2,000	0,750	3,250	0,578	0,096	36	19	65%
60 months									
Lower bound	1,492	1,500	0,000	3,250	0,818	0,142	33	22	60%
Upper bound	3,629	3,500	2,250	5,250	0,875	0,152	33	22	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	1,160	1,175	0,950	1,450	0,124	0,021	36	19	65%
12 months	1,394	1,400	0,900	2,000	0,286	0,048	36	19	65%
24 months	1,950	2,000	0,900	3,000	0,525	0,089	35	20	64%
60 months	3,091	3,000	1,500	4,500	0,866	0,148	34	21	62%
EUR/SEK									
3 months	8,551	8,500	8,400	8,800	0,087	0,014	41	14	75%
12 months	8,427	8,500	8,000	9,000	0,209	0,033	41	14	75%
24 months	8,390	8,400	7,700	9,000	0,293	0,047	39	16	71%
USD/SEK									
3 months	6,540	6,500	6,200	6,900	0,178	0,028	41	14	75%
12 months	6,694	6,700	5,930	7,550	0,357	0,056	41	14	75%
24 months	6,876	6,850	5,710	8,300	0,522	0,084	39	16	71%