



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 2013, has now been completed. The previous survey, October 2013, was published October 9, 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	Nov 13	Oct 13	Nov 13	Oct 13	Nov 13	Oct 13
Inflation, %	1,2	1,2	1,7	1,7	2,0	1,9
GDP, %	2,0	1,9	2,3	2,3	2,3	2,4

	3 months		12 months		24 months		60 months	
	Nov 13	Oct 13	Nov 13	Oct 13	Nov 13	Oct 13	Nov 13	Oct 13
Repo rate, %	1,0	1,0	1,1	1,1	1,8	1,8	2,8	2,8
5 year gvt bond rate, %	1,9	1,9	2,2	2,2	2,6	2,7	3,4	3,3
EUR	8,63	8,56	8,49	8,44	8,41	8,44	-	-
USD	6,50	6,53	6,66	6,73	6,84	6,94	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out October 23 – November 4, 2013 (previous survey September 25 – October 4, 2013).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on October 23 (previous survey September 25).

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. 4 (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 93 % (93 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 85 % 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	1,182	1,200	0,500	2,200	0,410	0,059	49	6	89%
Year 2	1,711	1,700	0,800	2,800	0,447	0,065	47	8	85%
Year 5	2,019	2,000	1,000	4,500	0,539	0,082	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	0,699	0,700	0,000	1,300	0,386	0,059	43	12	78%
Upper bound	1,545	1,500	0,700	3,000	0,471	0,072	43	12	78%
Year 2									
Lower bound	1,052	1,000	-1,000	2,300	0,579	0,088	43	12	78%
Upper bound	2,227	2,000	1,200	3,500	0,588	0,090	43	12	78%
Year 5									
Lower bound	1,126	1,100	-1,500	2,500	0,772	0,119	42	13	76%
Upper bound	2,898	2,625	1,300	6,000	0,998	0,154	42	13	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	2,004	2,000	0,700	3,200	0,672	0,096	49	6	89%
Year 2	2,276	2,300	1,000	3,000	0,471	0,069	47	8	85%
Year 5	2,348	2,400	1,000	3,250	0,513	0,078	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	1,000	1,000	1,000	1,000	0,000	0,000	36	19	65%
12 months	1,114	1,000	0,500	1,500	0,183	0,030	36	19	65%
24 months	1,770	1,750	1,000	2,800	0,439	0,076	33	22	60%
60 months	2,802	2,750	1,500	4,250	0,721	0,126	33	22	60%



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	0,841	0,750	-0,250	1,000	0,232	0,040	33	22	60%
Upper bound	1,076	1,000	1,000	1,250	0,117	0,020	33	22	60%
12 months									
Lower bound	0,818	0,750	0,000	1,250	0,244	0,043	33	22	60%
Upper bound	1,492	1,500	1,000	2,000	0,230	0,040	33	22	60%
24 months									
Lower bound	1,076	1,000	0,000	2,000	0,466	0,081	33	22	60%
Upper bound	2,394	2,500	1,500	4,000	0,619	0,108	33	22	60%
60 months									
Lower bound	1,636	1,750	0,000	3,500	0,829	0,144	33	22	60%
Upper bound	3,697	3,500	1,750	7,000	1,045	0,182	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									
	1,852	1,800	1,600	2,100	0,113	0,020	33	22	60%
12 months									
	2,191	2,150	1,700	2,900	0,277	0,048	33	22	60%
24 months									
	2,648	2,650	1,700	4,000	0,473	0,084	32	23	58%
60 months									
	3,350	3,150	2,000	5,000	0,734	0,130	32	23	58%
EUR/SEK									
3 months									
	8,630	8,700	8,180	8,900	0,143	0,024	36	19	65%
12 months									
	8,488	8,500	8,000	9,000	0,191	0,032	36	19	65%
24 months									
	8,413	8,400	7,800	9,000	0,299	0,051	34	21	62%
USD/SEK									
3 months									
	6,498	6,445	6,090	7,250	0,238	0,040	36	19	65%
12 months									
	6,659	6,600	5,930	7,550	0,372	0,062	36	19	65%
24 months									
	6,840	6,800	5,780	8,100	0,493	0,086	33	22	60%