



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, has now been completed. The previous survey, December 2013, was published December 11, 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	Jan 14	Dec 13	Jan 14	Dec 13	Jan 14	Dec 13
Inflation, %	1,1	1,0	1,6	1,6	1,9	1,8
GDP, %	2,2	2,0	2,3	2,3	2,3	2,4

	3 months		12 months		24 months		60 months	
	Jan 14	Dec 13	Jan 14	Dec 13	Jan 14	Dec 13	Jan 14	Dec 13
Repo rate, %	0,8	0,9	0,8	1,0	1,5	1,5	2,6	2,6
5 year gvt bond rate, %	1,7	1,6	2,1	2,0	2,6	2,4	3,2	3,1
EUR	8,77	8,80	8,61	8,59	8,54	8,50	-	-
USD	6,59	6,64	6,88	6,77	7,07	6,89	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 15 – January 27, 2014 (previous survey November 25 – December 9, 2013).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 15, 2014 (previous survey November 27, 2013).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 19,0 years.

About the Interviewees & Response Rate

In all 53 (54) organisations were approached for interview. 6 (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 89 % (94 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 89 % 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 47 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	1,061	1,000	0,400	2,100	0,420	0,061	47	6	89%
Year 2	1,624	1,700	0,500	2,400	0,466	0,068	47	6	89%
Year 5	1,892	2,000	1,000	3,000	0,385	0,059	42	11	79%

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	0,539	0,500	-0,500	1,300	0,448	0,069	42	11	79%
Upper bound	1,418	1,500	0,500	2,500	0,471	0,073	42	11	79%
Year 2									
Lower bound	0,970	1,000	-1,500	2,000	0,581	0,090	42	11	79%
Upper bound	2,168	2,050	1,000	3,500	0,590	0,091	42	11	79%
Year 5									
Lower bound	1,030	1,000	-2,000	2,000	0,692	0,108	41	12	77%
Upper bound	2,772	2,750	1,750	5,000	0,680	0,106	41	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	2,155	2,300	0,500	3,500	0,757	0,110	47	6	89%
Year 2	2,333	2,500	1,000	3,500	0,598	0,087	47	6	89%
Year 5	2,345	2,300	1,500	3,500	0,495	0,076	42	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	0,756	0,750	0,750	1,000	0,040	0,006	39	14	74%
12 months	0,841	0,750	0,500	1,380	0,184	0,029	39	14	74%
24 months	1,484	1,500	0,500	2,400	0,352	0,057	38	15	72%
60 months	2,643	2,500	1,500	3,750	0,586	0,099	35	18	66%



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	0,593	0,500	0,500	0,750	0,123	0,021	35	18	66%
Upper bound	0,807	0,750	0,750	1,000	0,107	0,018	35	18	66%
12 months									
Lower bound	0,536	0,500	0,000	0,750	0,173	0,029	35	18	66%
Upper bound	1,107	1,000	0,750	1,750	0,245	0,041	35	18	66%
24 months									
Lower bound	0,850	1,000	0,000	1,500	0,355	0,060	35	18	66%
Upper bound	2,029	2,000	1,000	3,500	0,538	0,091	35	18	66%
60 months									
Lower bound	1,574	1,625	0,000	3,250	0,740	0,127	34	19	64%
Upper bound	3,647	3,500	2,500	6,000	0,917	0,157	34	19	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									
	1,749	1,750	1,600	2,000	0,086	0,015	35	18	66%
12 months									
	2,063	2,000	1,500	2,650	0,237	0,040	35	18	66%
24 months									
	2,554	2,500	1,500	4,000	0,455	0,078	34	19	64%
60 months									
	3,196	3,000	2,350	4,000	0,564	0,097	34	19	64%
EUR/SEK									
3 months									
	8,769	8,750	8,600	9,100	0,127	0,022	35	18	66%
12 months									
	8,610	8,500	8,250	9,200	0,235	0,040	35	18	66%
24 months									
	8,543	8,500	8,000	9,400	0,327	0,056	34	19	64%
USD/SEK									
3 months									
	6,594	6,550	6,300	7,200	0,183	0,030	36	17	68%
12 months									
	6,885	6,800	6,300	7,550	0,311	0,052	36	17	68%
24 months									
	7,071	7,100	6,300	8,100	0,374	0,063	35	18	66%