

November 2020: November 11, 2020

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## Press Release

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

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Kantar 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 2020, has now been completed. The previous survey, October 2020, was published October 14, 2020.

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	
	Nov 20	Oct 20	Nov 20	Oct 20	Nov 20	Oct 20
<b>Annual</b>						
Inflation CPI, %	1,1	1,1	1,4	1,4	1,8	1,8
Inflation CPIF, %	1,0	1,0	1,3	1,4	1,7	1,7
GDP, %	2,6	1,4	2,6	2,5	2,1	2,1

	3 months		12 months		24 months		60 months	
	Nov 20	Oct 20	Nov 20	Oct 20	Nov 20	Oct 20	Nov 20	Oct 20
Repo rate, %	0,0	0,0	0,0	0,0	0,1	0,0	0,6	0,6
5 year gvt bond rate, %	-0,3	-0,3	-0,1	-0,1	0,2	0,1	0,9	0,7
EUR	10,30	10,45	10,10	10,18	9,93	9,99	-	-
USD	8,77	8,91	8,50	8,60	8,43	8,39	-	-

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## Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out November 4 - November 10, 2020 (previous survey September 30 - October 12, 2020).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on November 4, 2020 (previous survey on September 30, 2020).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 5,5 years.

## About the Interviewees & Response Rate

In all 43 (44) organisations were approached for interview. 15 (13) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 65 % (70 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 63 % for the one year and two year assessments. For the five year assessment as well as the question 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 41 Swedish and 2 international players active in the Swedish fixed income market.

## Definitions

*Inflation*, the percentage increase in Consumer Price Index (CPI) and Consumer Price Index with a fixed interest rate (CPIF)

*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 Kantar Sifo Prospera Inflation Expectations Surveys

Kantar Sifo Prospera inflation reports and tables, from 2000 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>									
Year 1	1,054	1,000	0,000	2,500	0,538	0,102	28	15	65%
Year 2	1,392	1,350	0,800	2,250	0,343	0,065	28	15	65%
Year 5	1,761	1,700	1,000	2,750	0,378	0,073	27	16	63%

Expected annual increase in CPIF 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>									
Year 1	0,982	1,000	0,000	2,500	0,479	0,092	27	16	63%
Year 2	1,339	1,300	0,800	2,100	0,343	0,066	27	16	63%
Year 5	1,683	1,600	1,000	2,750	0,381	0,073	27	16	63%

**TABLE 2 - Inflation Expectations - 75% probability forecast uncertainty intervals**

Expected annual increase intervals in CPIF 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	0,531	0,500	-1,000	1,500	0,541	0,118	21	22	49%
Upper bound	1,383	1,300	0,300	3,500	0,651	0,142	21	22	49%
<b>Year 2</b>									
Lower bound	0,714	0,800	-1,000	1,800	0,616	0,134	21	22	49%
Upper bound	1,914	1,600	1,000	3,500	0,619	0,135	21	22	49%
<b>Year 5</b>									
Lower bound	0,957	1,000	-0,500	2,250	0,706	0,154	21	22	49%
Upper bound	2,617	2,300	1,300	8,000	1,377	0,301	21	22	49%

**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>									
Year 1	2,557	3,000	-4,300	5,500	2,195	0,415	28	15	65%
Year 2	2,550	2,500	1,000	4,500	0,741	0,140	28	15	65%
Year 5	2,133	2,200	1,300	3,000	0,431	0,083	27	16	63%



**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>	0,000	0,000	0,000	0,000	0,000	0,000	26	17	60%
<b>12 months</b>	0,000	0,000	0,000	0,000	0,000	0,000	26	17	60%
<b>24 months</b>	0,058	0,000	0,000	0,500	0,129	0,025	26	17	60%
<b>60 months</b>	0,620	0,500	0,000	2,500	0,646	0,129	25	18	58%

**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	-0,117	0,000	-0,500	0,000	0,165	0,036	21	22	49%
Upper bound	0,012	0,000	0,000	0,250	0,055	0,012	21	22	49%
<b>12 months</b>									
Lower bound	-0,283	-0,250	-1,000	0,000	0,276	0,060	21	22	49%
Upper bound	0,138	0,000	0,000	1,000	0,256	0,056	21	22	49%
<b>24 months</b>									
Lower bound	-0,326	-0,250	-1,500	0,000	0,377	0,082	21	22	49%
Upper bound	0,564	0,500	0,000	1,750	0,516	0,113	21	22	49%
<b>60 months</b>									
Lower bound	-0,179	0,000	-1,500	1,000	0,625	0,143	19	24	44%
Upper bound	1,589	1,000	0,250	4,000	1,157	0,266	19	24	44%

**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>	-0,276	-0,300	-0,500	0,000	0,116	0,024	23	20	53%
<b>12 months</b>	-0,108	-0,100	-0,500	0,250	0,197	0,041	23	20	53%
<b>24 months</b>	0,172	0,000	-0,250	1,000	0,314	0,067	22	21	51%
<b>60 months</b>	0,930	0,750	-0,100	4,000	0,945	0,202	22	21	51%
<b>EUR/SEK</b>									
<b>3 months</b>	10,300	10,300	10,000	10,500	0,117	0,023	26	17	60%
<b>12 months</b>	10,100	10,125	9,650	10,300	0,177	0,035	26	17	60%
<b>24 months</b>	9,930	10,000	9,500	10,300	0,224	0,044	26	17	60%
<b>USD/SEK</b>									
<b>3 months</b>	8,774	8,750	8,500	9,180	0,179	0,035	26	17	60%
<b>12 months</b>	8,503	8,500	7,700	9,200	0,387	0,076	26	17	60%
<b>24 months</b>	8,435	8,325	7,500	9,500	0,532	0,104	26	17	60%