

November 2019: November 12, 2019

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Press Release

Questions regarding the survey will be answered by Saga Andreasson, +46 (0)76 536 22 25.

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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 2019, has now been completed. The previous survey, October 2019, was published October 9, 2019.

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 19	Oct 19	Nov 19	Oct 19	Nov 19	Oct 19
Annual						
Inflation CPI, %	1,6	1,6	1,6	1,6	1,8	1,8
Inflation CPIF, %	1,5	1,5	1,6	1,6	1,7	1,7
GDP, %	1,3	1,4	1,5	1,5	1,9	1,9

	3 months		12 months		24 months		60 months	
	Nov 19	Oct 19	Nov 19	Oct 19	Nov 19	Oct 19	Nov 19	Oct 19
Repo rate, %	-0,2	-0,2	-0,2	-0,2	0,0	0,0	0,8	0,8
5 year gvt bond rate, %	-0,4	-0,5	-0,3	-0,3	0,2	0,1	1,1	1,1
EUR	10,73	10,72	10,61	10,61	10,42	10,42	-	-
USD	9,68	9,68	9,46	9,49	9,10	9,14	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out October 23 - November 8, 2019 (previous survey September 25 - October 8, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on October 23, 2019 (previous survey September 25, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 11,2 years.

About the Interviewees & Response Rate

In all 46 (46) organisations were approached for interview. 10 (11) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 78 % (76 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 72 % 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 43 Swedish and 3 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
Money Market Players									
Year 1	1,599	1,600	0,900	2,300	0,284	0,047	36	10	78%
Year 2	1,644	1,600	1,000	2,500	0,285	0,048	36	10	78%
Year 5	1,837	1,900	1,000	2,300	0,328	0,056	35	11	76%

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
Money Market Players									
Year 1	1,541	1,600	0,800	2,100	0,248	0,043	33	13	72%
Year 2	1,568	1,600	0,800	2,100	0,258	0,045	33	13	72%
Year 5	1,741	1,750	1,000	2,200	0,284	0,049	33	13	72%

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
Money Market Players									
Year 1									
Lower bound	1,165	1,200	0,000	1,800	0,395	0,076	27	19	59%
Upper bound	2,048	1,900	1,600	3,000	0,418	0,080	27	19	59%
Year 2									
Lower bound	0,994	1,200	-1,000	1,900	0,667	0,128	27	19	59%
Upper bound	2,241	2,100	1,600	4,000	0,551	0,106	27	19	59%
Year 5									
Lower bound	1,041	1,400	-1,000	1,900	0,773	0,149	27	19	59%
Upper bound	2,776	2,500	1,800	6,000	0,932	0,179	27	19	59%

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	1,269	1,300	0,700	2,100	0,310	0,052	35	11	76%
Year 2	1,520	1,500	0,800	2,200	0,304	0,051	35	11	76%
Year 5	1,897	1,900	1,500	2,800	0,280	0,048	34	12	74%



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	-0,173	-0,250	-0,500	0,000	0,137	0,027	26	20	57%
12 months	-0,163	-0,250	-0,500	0,250	0,211	0,041	26	20	57%
24 months	-0,019	0,000	-0,500	0,750	0,353	0,069	26	20	57%
60 months	0,750	0,625	-0,500	2,000	0,722	0,147	24	22	52%

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	-0,343	-0,250	-0,890	0,000	0,180	0,038	22	24	48%
Upper bound	-0,055	0,000	-0,250	0,290	0,137	0,029	22	24	48%
12 months									
Lower bound	-0,531	-0,500	-1,640	0,000	0,386	0,082	22	24	48%
Upper bound	0,202	0,000	-0,250	1,300	0,393	0,084	22	24	48%
24 months									
Lower bound	-0,513	-0,500	-2,420	0,500	0,648	0,141	21	25	46%
Upper bound	0,690	0,500	-0,250	2,400	0,671	0,146	21	25	46%
60 months									
Lower bound	-0,241	0,000	-2,320	1,250	0,902	0,202	20	26	43%
Upper bound	1,898	1,500	0,250	6,000	1,346	0,301	20	26	43%

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	-0,385	-0,400	-1,000	0,150	0,220	0,045	24	22	52%
12 months	-0,258	-0,275	-1,500	0,300	0,390	0,080	24	22	52%
24 months	0,177	0,200	-1,000	1,250	0,488	0,102	23	23	50%
60 months	1,063	1,000	-0,500	2,500	0,765	0,159	23	23	50%
EUR/SEK									
3 months	10,733	10,700	10,400	11,300	0,199	0,039	26	20	57%
12 months	10,613	10,575	10,000	11,300	0,348	0,068	26	20	57%
24 months	10,418	10,500	9,500	11,500	0,435	0,087	25	21	54%
USD/SEK									
3 months	9,676	9,625	9,400	10,270	0,215	0,042	26	20	57%
12 months	9,460	9,400	8,700	10,280	0,372	0,073	26	20	57%
24 months	9,102	9,000	8,200	10,200	0,482	0,096	25	21	54%