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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, August 2017, has now been completed. The previous survey, July 2017, was published July 12, 2017.

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			
	Aug 17	Jul 17	Aug 17	Jul 17	Aug 17	Jul 17		
Annual								
Inflation, %	1,8	1,7	2,0	1,9	2,1	2,0		
GDP, %	2,8	2,7	2,5	2,3	2,2	2,2		
	3 months		12 months		24 months		60 months	
	Aug 17	Jul 17	Aug 17	Jul 17	Aug 17	Jul 17	Aug 17	Jul 17
Repo rate, %	-0,5	-0,5	-0,2	-0,3	0,4	0,3	1,8	1,7
5 year gvt bond rate, %	0,1	0,0	0,4	0,4	0,9	1,0	2,0	2,1
EUR	9,50	9,61	9,31	9,40	9,10	9,16	-	-
USD	8,18	8,65	8,09	8,43	7,96	8,22	-	-



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Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out August 2 – August 15, 2017 (previous survey June 28 – July 10, 2017).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 2, 2017 (previous survey June 28, 2017).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 2,9 years.

About the Interviewees & Response Rate

In all 49 (49) organisations were approached for interview. 7 (6) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 86 % (88 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 86 % 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 45 Swedish and 4 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 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	1,843	1,800	1,500	3,000	0,288	0,044	42	7	86%
Year 2	1,960	1,900	1,000	3,000	0,341	0,053	42	7	86%
Year 5	2,061	2,000	1,500	3,000	0,315	0,049	41	8	84%

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	1,430	1,400	0,500	2,750	0,445	0,073	37	12	76%
Upper bound	2,284	2,200	1,800	3,250	0,390	0,064	37	12	76%
Year 2									
Lower bound	1,425	1,500	0,000	2,750	0,508	0,082	38	11	78%
Upper bound	2,520	2,500	1,850	4,000	0,526	0,085	38	11	78%
Year 5									
Lower bound	1,231	1,500	-0,500	2,400	0,758	0,125	37	12	76%
Upper bound	2,945	2,750	2,000	6,000	0,850	0,140	37	12	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	2,804	2,850	1,900	3,600	0,466	0,072	42	7	86%
Year 2	2,461	2,500	1,200	3,300	0,422	0,065	42	7	86%
Year 5	2,245	2,200	1,500	3,500	0,373	0,058	41	8	84%

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	-0,462	-0,500	-0,500	0,500	0,196	0,038	26	23	53%
12 months	-0,192	-0,250	-0,500	0,500	0,227	0,045	26	23	53%
24 months	0,434	0,500	0,000	1,500	0,355	0,071	25	24	51%
60 months	1,781	1,500	0,500	3,000	0,691	0,138	25	24	51%

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	-0,548	-0,500	-1,250	-0,500	0,163	0,034	23	26	47%
Upper bound	-0,409	-0,500	-0,500	0,000	0,178	0,037	23	26	47%
12 months									
Lower bound	-0,441	-0,500	-1,500	0,000	0,291	0,061	23	26	47%
Upper bound	0,133	0,000	-0,300	1,000	0,382	0,080	23	26	47%
24 months									
Lower bound	-0,074	0,000	-1,750	1,000	0,518	0,108	23	26	47%
Upper bound	0,954	1,000	0,250	2,000	0,405	0,084	23	26	47%
60 months									
Lower bound	0,761	1,000	-1,000	2,500	0,884	0,184	23	26	47%
Upper bound	2,726	2,750	0,500	4,000	1,032	0,215	23	26	47%

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	0,060	0,045	-0,100	0,300	0,098	0,021	22	27	45%
12 months	0,373	0,400	0,000	0,700	0,186	0,040	22	27	45%
24 months	0,911	1,000	0,000	2,000	0,408	0,087	22	27	45%
60 months	2,043	2,000	0,500	3,500	0,699	0,149	22	27	45%
EUR/SEK									
3 months	9,505	9,500	9,400	9,800	0,092	0,018	26	23	53%
12 months	9,307	9,290	9,000	9,800	0,174	0,034	26	23	53%
24 months	9,104	9,000	8,800	9,800	0,218	0,043	26	23	53%
USD/SEK									
3 months	8,181	8,150	7,900	8,800	0,197	0,039	26	23	53%
12 months	8,087	8,125	7,500	8,700	0,321	0,063	26	23	53%
24 months	7,958	8,000	7,000	9,000	0,477	0,094	26	23	53%