



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, July 2013, has now been completed. The previous survey, June 2013, was published June 12, 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	
	July 13	Jun 13	July 13	Jun 13	July 13	Jun 13
Annual						
Inflation, %	1,0	1,0	1,6	1,5	1,9	2,0
GDP, %	1,7	1,6	2,2	2,1	2,4	2,3

	3 months		12 months		24 months		60 months	
	July 13	Jun 13	July 13	Jun 13	July 13	Jun 13	July 13	Jun 13
Repo rate, %	1,0	0,9	1,0	0,9	1,6	1,4	2,7	2,5
5 year gvt bond rate, %	1,7	1,4	1,9	1,6	2,4	2,1	3,2	3,0
EUR	8,56	8,49	8,40	8,36	8,36	8,33	-	-
USD	6,71	6,68	6,79	6,84	6,91	6,97	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out June 26 – July 8, 2013 (previous survey May 27 – June 10, 2013).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on June 26, 2013 (previous survey May 29, 2013).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 12,8 years.

About the Interviewees & Response Rate

In all 55 (55) organisations were approached for interview. 7 (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 87 % (95 %). 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	1,003	1,000	0,000	2,000	0,449	0,065	48	7	87%
Year 2	1,572	1,500	0,500	2,500	0,485	0,070	48	7	87%
Year 5	1,895	2,000	1,000	3,000	0,357	0,056	41	14	75%

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	0,429	0,500	-1,000	1,750	0,538	0,084	41	14	75%
Upper bound	1,529	1,500	0,500	2,500	0,451	0,070	41	14	75%
Year 2									
Lower bound	0,856	1,000	-1,000	2,000	0,661	0,103	41	14	75%
Upper bound	2,210	2,000	1,000	3,700	0,665	0,104	41	14	75%
Year 5									
Lower bound	0,938	1,000	-2,000	2,000	0,749	0,121	38	17	69%
Upper bound	2,829	2,625	1,500	5,500	0,755	0,122	38	17	69%

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	1,725	1,700	0,500	3,400	0,621	0,090	48	7	87%
Year 2	2,157	2,250	1,000	3,000	0,484	0,071	47	8	85%
Year 5	2,388	2,500	1,500	3,500	0,499	0,078	41	14	75%

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	0,964	1,000	0,750	1,000	0,087	0,014	37	18	67%
12 months	1,011	1,000	0,500	1,500	0,177	0,029	37	18	67%
24 months	1,572	1,500	0,500	3,000	0,562	0,092	37	18	67%
60 months	2,733	3,000	1,250	4,250	0,810	0,150	29	26	53%



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	0,764	0,750	0,300	1,000	0,145	0,026	32	23	58%
Upper bound	1,089	1,000	1,000	1,750	0,174	0,031	32	23	58%
12 months									
Lower bound	0,689	0,750	0,250	1,000	0,217	0,038	32	23	58%
Upper bound	1,336	1,250	1,000	2,000	0,266	0,047	32	23	58%
24 months									
Lower bound	1,000	1,000	0,250	2,500	0,550	0,097	32	23	58%
Upper bound	2,102	2,000	1,000	4,500	0,754	0,133	32	23	58%
60 months									
Lower bound	1,536	1,500	0,000	3,250	0,719	0,136	28	27	51%
Upper bound	3,670	4,000	1,750	8,000	1,319	0,249	28	27	51%

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									
	1,656	1,700	1,350	2,000	0,179	0,031	33	22	60%
12 months									
	1,936	1,800	1,400	3,000	0,341	0,059	33	22	60%
24 months									
	2,423	2,300	1,500	4,000	0,628	0,111	32	23	58%
60 months									
	3,241	3,500	1,500	5,000	0,779	0,145	29	26	53%
EUR/SEK									
3 months									
	8,564	8,525	8,200	8,850	0,133	0,023	34	21	62%
12 months									
	8,400	8,400	8,000	8,900	0,212	0,036	34	21	62%
24 months									
	8,355	8,400	7,800	9,000	0,266	0,046	33	22	60%
USD/SEK									
3 months									
	6,709	6,730	5,990	7,300	0,220	0,038	34	21	62%
12 months									
	6,786	6,840	5,860	7,500	0,337	0,058	34	21	62%
24 months									
	6,913	7,000	5,710	7,750	0,415	0,072	33	22	60%