



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, April, has now been completed. The previous survey, March 2015, was published March 11, 2015.

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			
	Apr 15	Mar 15	Apr 15	Mar 15	Apr 15	Mar 15		
Annual								
Inflation, %	0,8	0,7	1,3	1,4	1,9	1,9		
GDP, %	2,5	2,4	2,4	2,5	2,4	2,3		
	3 months		12 months		24 months		60 months	
	Apr 15	Mar 15	Apr 15	Mar 15	Apr 15	Mar 15	Apr 15	Mar 15
Repo rate, %	-0,3	-0,1	-0,2	-0,1	0,4	0,5	1,9	2,2
5 year gvt bond rate, %	0,0	0,3	0,3	0,6	1,0	1,2	2,3	2,4
EUR	9,32	9,28	9,16	9,09	8,98	8,88	-	-
USD	8,72	8,36	8,76	8,39	8,74	8,30	-	-



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out April 8 – April 14, 2015 (previous survey February 23 – March 10, 2015).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on April 8, 2015 (previous survey March 4, 2015).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 6,8 years.

About the Interviewees & Response Rate

In all 53 (53) organisations were approached for interview. 5 (7) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 91 % (87 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 87 % 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	0,846	0,800	0,000	2,200	0,491	0,072	47	6	89%
Year 2	1,347	1,300	0,400	3,000	0,481	0,070	47	6	89%
Year 5	1,859	1,825	1,000	3,200	0,425	0,064	44	9	83%

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	0,367	0,400	-0,500	1,700	0,532	0,079	45	8	85%
Upper bound	1,251	1,250	0,400	2,700	0,492	0,073	45	8	85%
Year 2									
Lower bound	0,694	0,700	-1,000	2,000	0,624	0,093	45	8	85%
Upper bound	1,889	2,000	0,700	4,000	0,633	0,094	45	8	85%
Year 5									
Lower bound	0,962	1,000	-1,000	2,000	0,694	0,106	43	10	81%
Upper bound	2,612	2,500	1,600	5,000	0,739	0,113	43	10	81%

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	2,464	2,500	1,000	3,800	0,627	0,092	46	7	87%
Year 2	2,412	2,500	1,000	4,000	0,590	0,087	46	7	87%
Year 5	2,394	2,300	1,000	4,000	0,585	0,089	43	10	81%

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	-0,316	-0,250	-0,500	-0,250	0,091	0,015	35	18	66%
12 months	-0,181	-0,250	-0,500	0,500	0,221	0,037	35	18	66%
24 months	0,446	0,500	-0,500	2,000	0,538	0,091	35	18	66%
60 months	1,924	2,000	0,000	4,250	0,980	0,173	32	21	60%

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	-0,476	-0,500	-1,000	-0,250	0,132	0,023	34	19	64%
Upper bound	-0,215	-0,250	-0,300	0,000	0,086	0,015	34	19	64%
12 months									
Lower bound	-0,434	-0,500	-1,000	0,000	0,225	0,039	34	19	64%
Upper bound	0,106	0,000	-0,300	1,000	0,312	0,054	34	19	64%
24 months									
Lower bound	-0,085	0,000	-1,000	1,500	0,485	0,083	34	19	64%
Upper bound	0,899	0,875	-0,300	2,500	0,641	0,110	34	19	64%
60 months									
Lower bound	0,871	1,000	-0,750	3,000	0,896	0,161	31	22	58%
Upper bound	2,839	3,000	0,500	7,000	1,271	0,228	31	22	58%

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									
	0,026	0,000	-0,100	0,250	0,086	0,016	31	22	58%
12 months									
	0,265	0,250	-0,100	0,800	0,227	0,041	31	22	58%
24 months									
	0,952	0,950	0,000	3,750	0,699	0,128	30	23	57%
60 months									
	2,292	2,450	0,500	4,450	1,064	0,194	30	23	57%
EUR/SEK									
3 months									
	9,321	9,300	9,000	9,500	0,126	0,022	34	19	64%
12 months									
	9,163	9,175	8,650	9,500	0,214	0,037	34	19	64%
24 months									
	8,983	9,000	8,200	9,600	0,313	0,054	34	19	64%
USD/SEK									
3 months									
	8,720	8,750	8,400	9,160	0,178	0,030	34	19	64%
12 months									
	8,758	8,775	8,000	9,290	0,320	0,055	34	19	64%
24 months									
	8,735	8,750	7,600	9,750	0,550	0,094	34	19	64%