



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 2016, has now been completed. The previous survey, March 2016, was published March 16, 2016.

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 16 | Mar 16 | Apr 16 | Mar 16 | Apr 16 | Mar 16 |
| Annual | | | | | | |
| Inflation, % | 1,1 | 1,1 | 1,6 | 1,6 | 1,9 | 1,9 |
| GDP, % | 3,1 | 3,2 | 2,5 | 2,6 | 2,3 | 2,3 |

| | 3 months | | 12 months | | 24 months | | 60 months | |
|--------------------------------|----------|--------|-----------|--------|-----------|--------|-----------|--------|
| | Apr 16 | Mar 16 | Apr 16 | Mar 16 | Apr 16 | Mar 16 | Apr 16 | Mar 16 |
| Repo rate, % | -0,5 | -0,5 | -0,3 | -0,3 | 0,3 | 0,4 | 1,9 | 1,9 |
| 5 year gvt bond rate, % | -0,1 | 0,0 | 0,3 | 0,3 | 1,0 | 1,1 | 2,1 | 2,3 |
| EUR | 9,20 | 9,23 | 9,01 | 9,05 | 8,86 | 8,95 | - | - |
| USD | 8,30 | 8,49 | 8,31 | 8,48 | 8,16 | 8,24 | - | - |



Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out March 30 – April 11, 2016 (previous survey February 29 – March 15, 2016).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 30, 2016 (previous survey March 9, 2016).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 1,6 years.

About the Interviewees & Response Rate

In all 52 (50) organisations were approached for interview. 5 (8) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 90 % (85 %). 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 46 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 | 1,126 | 1,100 | 0,500 | 2,000 | 0,401 | 0,059 | 46 | 6 | 88% |
| Year 2 | 1,647 | 1,700 | 0,600 | 2,400 | 0,407 | 0,060 | 46 | 6 | 88% |
| Year 5 | 1,936 | 2,000 | 1,000 | 2,800 | 0,328 | 0,049 | 44 | 8 | 85% |

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 | 0,629 | 0,600 | -0,500 | 1,800 | 0,508 | 0,077 | 43 | 9 | 83% |
| Upper bound | 1,566 | 1,500 | 1,000 | 3,000 | 0,447 | 0,068 | 43 | 9 | 83% |
| Year 2 | | | | | | | | | |
| Lower bound | 0,998 | 1,000 | -0,500 | 1,800 | 0,550 | 0,084 | 43 | 9 | 83% |
| Upper bound | 2,152 | 2,000 | 1,000 | 3,500 | 0,585 | 0,089 | 43 | 9 | 83% |
| Year 5 | | | | | | | | | |
| Lower bound | 1,078 | 1,350 | -2,000 | 2,000 | 0,803 | 0,127 | 40 | 12 | 77% |
| Upper bound | 2,740 | 2,500 | 1,600 | 5,500 | 0,782 | 0,124 | 40 | 12 | 77% |

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 | 3,111 | 3,200 | 1,500 | 4,200 | 0,601 | 0,090 | 45 | 7 | 87% |
| Year 2 | 2,539 | 2,500 | 1,500 | 4,000 | 0,562 | 0,084 | 45 | 7 | 87% |
| Year 5 | 2,301 | 2,250 | 0,000 | 4,500 | 0,719 | 0,110 | 43 | 9 | 83% |

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 | -0,500 | -0,500 | -0,500 | -0,500 | 0,000 | 0,000 | 38 | 14 | 73% |
| 12 months | -0,337 | -0,500 | -0,750 | 0,100 | 0,214 | 0,035 | 38 | 14 | 73% |
| 24 months | 0,341 | 0,250 | -0,500 | 1,500 | 0,604 | 0,098 | 38 | 14 | 73% |
| 60 months | 1,893 | 2,000 | 0,000 | 3,250 | 0,791 | 0,134 | 35 | 17 | 67% |



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 | -0,564 | -0,500 | -1,000 | -0,500 | 0,114 | 0,019 | 36 | 16 | 69% |
| Upper bound | -0,450 | -0,500 | -0,500 | -0,250 | 0,096 | 0,016 | 36 | 16 | 69% |
| 12 months | | | | | | | | | |
| Lower bound | -0,600 | -0,500 | -1,500 | 0,000 | 0,230 | 0,038 | 36 | 16 | 69% |
| Upper bound | -0,031 | 0,000 | -0,500 | 1,000 | 0,397 | 0,066 | 36 | 16 | 69% |
| 24 months | | | | | | | | | |
| Lower bound | -0,176 | -0,250 | -1,250 | 1,250 | 0,554 | 0,094 | 35 | 17 | 67% |
| Upper bound | 0,871 | 0,750 | -0,500 | 3,000 | 0,775 | 0,131 | 35 | 17 | 67% |
| 60 months | | | | | | | | | |
| Lower bound | 0,774 | 1,000 | -1,000 | 2,000 | 0,770 | 0,134 | 33 | 19 | 63% |
| Upper bound | 2,905 | 3,000 | 1,000 | 7,000 | 1,183 | 0,206 | 33 | 19 | 63% |

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 | | | | | | | | | |
| | -0,062 | -0,100 | -0,500 | 0,250 | 0,141 | 0,025 | 33 | 19 | 63% |
| 12 months | | | | | | | | | |
| | 0,255 | 0,250 | -0,400 | 1,100 | 0,335 | 0,058 | 33 | 19 | 63% |
| 24 months | | | | | | | | | |
| | 0,986 | 1,000 | 0,000 | 3,000 | 0,670 | 0,118 | 32 | 20 | 62% |
| 60 months | | | | | | | | | |
| | 2,134 | 2,375 | 0,250 | 3,750 | 0,922 | 0,163 | 32 | 20 | 62% |
| EUR/SEK | | | | | | | | | |
| 3 months | | | | | | | | | |
| | 9,198 | 9,200 | 8,990 | 9,500 | 0,106 | 0,018 | 36 | 16 | 69% |
| 12 months | | | | | | | | | |
| | 9,008 | 9,000 | 8,500 | 9,600 | 0,221 | 0,037 | 36 | 16 | 69% |
| 24 months | | | | | | | | | |
| | 8,864 | 8,875 | 8,200 | 9,600 | 0,276 | 0,046 | 36 | 16 | 69% |
| USD/SEK | | | | | | | | | |
| 3 months | | | | | | | | | |
| | 8,302 | 8,300 | 8,000 | 8,900 | 0,217 | 0,036 | 36 | 16 | 69% |
| 12 months | | | | | | | | | |
| | 8,313 | 8,310 | 7,500 | 9,400 | 0,403 | 0,067 | 36 | 16 | 69% |
| 24 months | | | | | | | | | |
| | 8,160 | 8,200 | 6,500 | 9,500 | 0,574 | 0,096 | 36 | 16 | 69% |