



July 2017: July 12, 2017

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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, July 2017, has now been completed. The previous survey, June 2017, was published June 14, 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			
	Jul 17	Jun 17	Jul 17	Jun 17	Jul 17	Jun 17		
Annual								
Inflation, %	1,7	1,7	1,9	1,9	2,0	2,0		
GDP, %	2,7	2,7	2,3	2,4	2,2	2,2		
	3 months		12 months		24 months		60 months	
	Jul 17	Jun 17	Jul 17	Jun 17	Jul 17	Jun 17	Jul 17	Jun 17
Repo rate, %	-0,5	-0,5	-0,3	-0,3	0,3	0,3	1,7	1,7
5 year gvt bond rate, %	0,0	0,0	0,4	0,5	1,0	1,0	2,1	2,2
EUR	9,61	9,58	9,40	9,33	9,16	9,10	-	-
USD	8,65	8,74	8,43	8,46	8,22	8,24	-	-



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Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out June 28 – July 10, 2017 (previous survey May 22 – June 13, 2017).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on June 28, 2017 (previous survey May 24, 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. 6 (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 88 % (94 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 84 % 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	1,745	1,700	1,000	3,000	0,326	0,051	41	8	84%
Year 2	1,895	2,000	0,700	3,000	0,431	0,067	41	8	84%
Year 5	1,990	2,000	1,300	3,000	0,361	0,057	40	9	82%

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	1,301	1,300	0,500	2,750	0,431	0,071	37	12	76%
Upper bound	2,201	2,100	1,500	3,250	0,374	0,061	37	12	76%
Year 2									
Lower bound	1,307	1,450	-0,500	2,750	0,611	0,102	36	13	73%
Upper bound	2,533	2,500	1,500	3,700	0,477	0,080	36	13	73%
Year 5									
Lower bound	1,126	1,300	-1,500	2,750	0,825	0,136	37	12	76%
Upper bound	2,855	2,700	1,800	4,500	0,673	0,111	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	2,673	2,600	1,500	3,500	0,439	0,069	41	8	84%
Year 2	2,344	2,400	1,000	3,500	0,569	0,089	41	8	84%
Year 5	2,178	2,000	1,000	3,500	0,532	0,084	40	9	82%

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	-0,493	-0,500	-0,500	-0,250	0,043	0,007	34	15	69%
12 months	-0,293	-0,250	-0,500	0,500	0,243	0,042	34	15	69%
24 months	0,340	0,250	-0,500	1,750	0,568	0,099	33	16	67%
60 months	1,693	1,500	0,000	3,500	0,888	0,157	32	17	65%

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	-0,578	-0,500	-1,250	-0,500	0,170	0,032	29	20	59%
Upper bound	-0,390	-0,500	-0,500	0,500	0,225	0,042	29	20	59%
12 months									
Lower bound	-0,520	-0,500	-1,750	0,000	0,297	0,054	30	19	61%
Upper bound	0,033	0,000	-0,500	0,500	0,294	0,054	30	19	61%
24 months									
Lower bound	-0,073	-0,100	-1,500	1,000	0,553	0,101	30	19	61%
Upper bound	0,862	1,000	0,000	2,250	0,610	0,111	30	19	61%
60 months									
Lower bound	0,617	0,250	-0,600	2,500	0,836	0,155	29	20	59%
Upper bound	2,676	2,500	0,600	5,000	1,274	0,237	29	20	59%

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									
	-0,007	0,000	-0,500	0,250	0,143	0,026	31	18	63%
12 months									
	0,382	0,400	-0,150	1,000	0,290	0,052	31	18	63%
24 months									
	1,010	1,000	0,000	2,200	0,610	0,111	30	19	61%
60 months									
	2,098	2,200	0,300	4,000	0,915	0,167	30	19	61%
EUR/SEK									
3 months									
	9,608	9,620	8,500	9,850	0,231	0,040	33	16	67%
12 months									
	9,395	9,400	8,400	9,800	0,256	0,045	33	16	67%
24 months									
	9,160	9,150	8,200	9,800	0,357	0,062	33	16	67%
USD/SEK									
3 months									
	8,654	8,600	8,400	9,360	0,180	0,031	33	16	67%
12 months									
	8,431	8,400	7,900	9,200	0,309	0,054	33	16	67%
24 months									
	8,215	8,200	7,300	10,000	0,485	0,084	33	16	67%