



Press Release

Questions regarding the survey will be answered by Hanna Helgesson, +46 (0)768 98 80 00.

This release, or parts thereof, may be published immediately. Please state Kantar Sifo Prospera as the source.

Kantar 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 2018, has now been completed. The previous survey, June 2018, was published June 13, 2018.

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

Annual	Year 1		Year 2		Year 5	
	Jul 18	Jun 18	Jul 18	Jun 18	Jul 18	Jun 18
Inflation CPI, %	2,0	2,0	2,1	2,0	2,0	2,0
Inflation CPIX, %	2,0	1,9	2,0	1,9	1,9	1,9
GDP, %	2,4	2,4	2,2	2,1	2,0	2,1

	3 months		12 months		24 months		60 months	
	Jul 18	Jun 18	Jul 18	Jun 18	Jul 18	Jun 18	Jul 18	Jun 18
Repo rate, %	-0,5	-0,5	-0,2	-0,2	0,4	0,4	1,5	1,6
5 year gvt bond rate, %	0,0	0,1	0,3	0,5	0,9	1,1	1,6	1,8
EUR	10,18	10,15	9,91	9,85	9,64	9,50	-	-
USD	8,74	8,71	8,39	8,39	8,18	8,13	-	-



July 2018: July 11, 2018
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out June 27 - July 10, 2018 (previous survey May 28 - June 12, 2018).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on June 27, 2018 (previous survey May 30, 2018).

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

About the Interviewees & Response Rate

In all 45 (45) organisations were approached for interview. 8 (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 82 % (84 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 69% for the one year and two year assessments. For the five year assessment as well as the question 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 43 Swedish and 2 international players active in the Swedish fixed income market.

Definitions

Inflation, the percentage increase in Consumer Price Index (CPI) and Consumer Price Index with a fixed interest rate (CPIFI)

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 Kantar Sifo Prospera Inflation Expectations Surveys

Kantar 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	2,008	2,000	1,400	2,800	0,265	0,044	37	8	82%
Year 2	2,051	2,000	1,400	2,800	0,329	0,054	37	8	82%
Year 5	1,989	2,000	1,400	2,400	0,271	0,045	36	9	80%

Expected annual increase in CPIF 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	1,971	2,000	1,400	2,500	0,248	0,045	31	14	69%
Year 2	1,958	1,900	1,400	2,500	0,299	0,054	31	14	69%
Year 5	1,913	2,000	1,000	2,500	0,310	0,056	31	14	69%

TABLE 2 - Inflation Expectations - 75% probability forecast uncertainty intervals

Expected annual increase intervals in CPIF 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	1,539	1,550	0,900	2,100	0,296	0,056	28	17	62%
Upper bound	2,343	2,300	1,600	3,000	0,374	0,071	28	17	62%
Year 2									
Lower bound	1,396	1,500	0,000	2,300	0,550	0,104	28	17	62%
Upper bound	2,514	2,500	1,800	3,500	0,447	0,084	28	17	62%
Year 5									
Lower bound	1,261	1,500	-0,500	2,400	0,729	0,138	28	17	62%
Upper bound	2,711	2,500	1,900	6,000	0,791	0,149	28	17	62%

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	2,381	2,300	1,500	3,500	0,507	0,083	37	8	82%
Year 2	2,186	2,200	1,000	3,500	0,545	0,090	37	8	82%
Year 5	2,044	2,000	1,500	3,500	0,478	0,080	36	9	80%



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	22	23	49%
12 months	-0,211	-0,250	-0,500	0,000	0,188	0,040	22	23	49%
24 months	0,443	0,500	-0,250	2,000	0,494	0,105	22	23	49%
60 months	1,463	1,750	0,000	2,750	0,796	0,178	20	25	44%

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	-0,505	-0,500	-0,600	-0,500	0,023	0,005	19	26	42%
Upper bound	-0,395	-0,500	-0,500	0,000	0,149	0,034	19	26	42%
12 months									
Lower bound	-0,513	-0,500	-1,000	-0,250	0,176	0,040	19	26	42%
Upper bound	0,200	0,000	-0,400	1,000	0,354	0,081	19	26	42%
24 months									
Lower bound	-0,184	0,000	-1,000	0,500	0,485	0,111	19	26	42%
Upper bound	1,239	1,000	0,000	4,000	0,966	0,222	19	26	42%
60 months									
Lower bound	0,292	0,250	-1,500	1,500	0,904	0,213	18	27	40%
Upper bound	3,056	2,625	1,000	7,000	1,655	0,390	18	27	40%

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	0,038	0,000	-0,200	0,400	0,149	0,033	20	25	44%
12 months	0,340	0,275	-0,100	1,200	0,305	0,068	20	25	44%
24 months	0,937	0,900	0,200	2,000	0,532	0,122	19	26	42%
60 months	1,639	1,900	0,300	2,750	0,801	0,184	19	26	42%
EUR/SEK									
3 months	10,175	10,200	9,700	10,500	0,196	0,042	22	23	49%
12 months	9,913	9,950	9,400	10,500	0,305	0,065	22	23	49%
24 months	9,640	9,500	9,000	10,500	0,349	0,076	21	24	47%
USD/SEK									
3 months	8,740	8,795	7,700	9,000	0,320	0,068	22	23	49%
12 months	8,390	8,475	7,420	9,500	0,496	0,106	22	23	49%
24 months	8,180	8,000	7,300	10,000	0,650	0,142	21	24	47%