

February 2019: February 20, 2019

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Press Release

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

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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, February 2019, has now been completed. The previous survey, January 2019, was published January 23, 2019.

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	
	Feb 19	Jan 19	Feb 19	Jan 19	Feb 19	Jan 19
Inflation CPI, %	1,9	2,0	1,9	2,0	1,9	2,0
Inflation CPIF, %	1,8	1,9	1,8	1,9	1,9	1,9
GDP, %	1,7	1,9	1,8	1,8	2,0	2,0

	3 months		12 months		24 months		60 months	
	Feb 19	Jan 19	Feb 19	Jan 19	Feb 19	Jan 19	Feb 19	Jan 19
Repo rate, %	-0,3	-0,2	0,0	0,0	0,3	0,5	1,4	1,5
5 year gvt bond rate, %	0,1	0,1	0,3	0,4	0,8	0,8	1,7	1,8
EUR	10,32	10,20	10,13	9,98	9,92	9,76	-	-
USD	9,10	8,91	8,78	8,60	8,51	8,30	-	-



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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out February 6-February 18, 2019 (previous survey January 16 - January 22, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on February 6, 2019 (previous survey January 16, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,7 years.

About the Interviewees & Response Rate

In all 46 (46) organisations were approached for interview. 11 (9) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 76 % (80 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 72 % 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 3 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 (CPIF)

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	1,921	1,990	1,000	2,500	0,260	0,044	35	11	76%
Year 2	1,933	1,950	1,000	2,900	0,355	0,060	35	11	76%
Year 5	1,932	2,000	1,000	2,500	0,366	0,063	34	12	74%

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	1,821	1,800	1,000	2,200	0,301	0,052	33	13	72%
Year 2	1,821	1,800	1,000	2,400	0,304	0,053	33	13	72%
Year 5	1,879	2,000	1,000	2,400	0,334	0,058	33	13	72%

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	1,400	1,500	0,000	2,000	0,457	0,085	29	17	63%
Upper bound	2,286	2,300	1,700	3,000	0,337	0,063	29	17	63%
Year 2									
Lower bound	1,295	1,500	-1,000	2,300	0,639	0,119	29	17	63%
Upper bound	2,457	2,500	1,800	3,500	0,407	0,076	29	17	63%
Year 5									
Lower bound	1,093	1,400	-1,500	2,200	0,864	0,163	28	18	61%
Upper bound	2,814	2,650	1,800	4,500	0,648	0,123	28	18	61%

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	1,721	1,700	1,000	3,000	0,374	0,063	35	11	76%
Year 2	1,756	1,800	0,900	2,700	0,369	0,062	35	11	76%
Year 5	1,956	2,000	1,100	2,700	0,326	0,057	33	13	72%



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	-0,250	-0,250	-0,250	-0,250	0,000	0,000	29	17	63%
12 months	0,000	0,000	-0,250	0,250	0,134	0,025	29	17	63%
24 months	0,345	0,250	-0,250	1,250	0,356	0,066	29	17	63%
60 months	1,429	1,500	-0,250	3,000	0,655	0,128	26	20	57%

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	-0,304	-0,250	-0,750	-0,250	0,127	0,026	24	22	52%
Upper bound	-0,146	-0,250	-0,250	0,250	0,146	0,030	24	22	52%
12 months									
Lower bound	-0,313	-0,250	-0,900	0,000	0,231	0,047	24	22	52%
Upper bound	0,273	0,250	0,000	0,900	0,264	0,054	24	22	52%
24 months									
Lower bound	-0,056	0,000	-1,000	0,750	0,453	0,092	24	22	52%
Upper bound	0,977	1,000	0,000	3,000	0,663	0,135	24	22	52%
60 months									
Lower bound	0,375	0,050	-1,500	2,000	0,955	0,204	22	24	48%
Upper bound	2,652	2,375	0,250	6,500	1,455	0,310	22	24	48%

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	0,069	0,000	-0,100	1,250	0,248	0,048	27	19	59%
12 months	0,317	0,250	-0,050	0,750	0,252	0,048	27	19	59%
24 months	0,802	0,900	-0,100	1,700	0,508	0,100	26	20	57%
60 months	1,735	2,000	0,000	3,400	0,821	0,161	26	20	57%
EUR/SEK									
3 months	10,319	10,300	10,000	11,200	0,229	0,043	29	17	63%
12 months	10,128	10,000	9,500	11,300	0,359	0,067	29	17	63%
24 months	9,921	9,825	9,100	11,300	0,506	0,096	28	18	61%
USD/SEK									
3 months	9,103	9,100	8,600	10,180	0,284	0,053	29	17	63%
12 months	8,781	8,870	7,500	10,270	0,506	0,094	29	17	63%
24 months	8,508	8,500	6,800	10,270	0,722	0,139	27	19	59%