

July 2019: July 10, 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, July 2019, has now been completed. The previous survey, June 2019, was published June 12, 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

	Year 1		Year 2		Year 5	
	Jul 19	Jun 19	Jul 19	Jun 19	Jul 19	Jun 19
Annual						
Inflation CPI, %	1,8	1,8	1,8	1,8	1,9	1,9
Inflation CPIF, %	1,8	1,7	1,7	1,7	1,8	1,8
GDP, %	1,7	1,7	1,7	1,7	2,0	2,0

	3 months		12 months		24 months		60 months	
	Jul 19	Jun 19	Jul 19	Jun 19	Jul 19	Jun 19	Jul 19	Jun 19
Repo rate, %	-0,3	-0,3	-0,1	0,0	0,0	0,2	0,9	1,3
5 year gvt bond rate, %	-0,3	-0,2	-0,1	0,0	0,3	0,4	1,4	1,5
EUR	10,61	10,70	10,41	10,52	10,21	10,28	-	-
USD	9,31	9,56	9,00	9,19	8,79	8,84	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out June 26 – July 9, 2019 (previous survey May 27 - June 11, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on June 26, 2019 (previous survey May 29, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 12,2 years.

About the Interviewees & Response Rate

In all 47 (47) organisations were approached for interview. 14 (11) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 70 % (77 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 66 % 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 44 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	1,827	1,900	1,300	2,200	0,258	0,045	33	14	70%
Year 2	1,803	1,800	1,000	2,400	0,305	0,053	33	14	70%
Year 5	1,888	2,000	1,000	2,400	0,341	0,060	32	15	68%

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	1,752	1,800	1,200	2,200	0,255	0,046	31	16	66%
Year 2	1,747	1,800	1,000	2,100	0,285	0,051	31	16	66%
Year 5	1,823	1,900	1,000	2,200	0,305	0,055	31	16	66%

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	1,362	1,400	0,800	2,000	0,355	0,071	25	22	53%
Upper bound	2,202	2,100	1,500	3,000	0,392	0,078	25	22	53%
Year 2									
Lower bound	1,128	1,300	0,000	1,900	0,591	0,118	25	22	53%
Upper bound	2,392	2,300	1,400	4,000	0,559	0,112	25	22	53%
Year 5									
Lower bound	1,032	1,500	-1,000	1,900	0,862	0,172	25	22	53%
Upper bound	2,892	2,500	1,900	6,000	1,044	0,209	25	22	53%

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	1,723	1,775	1,000	2,800	0,408	0,072	32	15	68%
Year 2	1,722	1,700	0,900	2,500	0,392	0,069	32	15	68%
Year 5	2,005	2,000	1,500	3,500	0,375	0,067	31	16	66%



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	24	23	51%
12 months	-0,104	0,000	-0,500	0,250	0,179	0,037	24	23	51%
24 months	0,042	0,000	-1,000	0,750	0,381	0,078	24	23	51%
60 months	0,939	1,000	-1,000	2,000	0,700	0,149	22	25	47%

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	-0,330	-0,250	-0,500	-0,250	0,109	0,024	20	27	43%
Upper bound	-0,165	-0,250	-0,250	0,000	0,115	0,026	20	27	43%
12 months									
Lower bound	-0,385	-0,250	-1,000	0,000	0,310	0,069	20	27	43%
Upper bound	0,200	0,250	-0,250	0,500	0,238	0,053	20	27	43%
24 months									
Lower bound	-0,315	-0,250	-1,300	0,500	0,449	0,100	20	27	43%
Upper bound	0,660	0,500	0,000	1,500	0,460	0,103	20	27	43%
60 months									
Lower bound	0,042	0,000	-1,500	2,000	0,869	0,205	18	29	38%
Upper bound	2,336	2,050	0,750	5,500	1,414	0,333	18	29	38%

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	-0,300	-0,300	-0,600	0,100	0,197	0,043	21	26	45%
12 months	-0,124	-0,200	-0,600	0,500	0,306	0,067	21	26	45%
24 months	0,308	0,300	-0,750	1,500	0,511	0,114	20	27	43%
60 months	1,353	1,500	-1,000	2,750	0,867	0,199	19	28	40%
EUR/SEK									
3 months	10,613	10,500	10,300	11,200	0,230	0,047	24	23	51%
12 months	10,413	10,300	9,900	11,300	0,341	0,070	24	23	51%
24 months	10,213	10,000	9,500	11,300	0,437	0,089	24	23	51%
USD/SEK									
3 months	9,313	9,300	8,400	10,180	0,313	0,064	24	23	51%
12 months	9,003	9,000	7,500	10,270	0,477	0,097	24	23	51%
24 months	8,790	8,800	7,500	10,270	0,659	0,135	24	23	51%