

August 2019: August 15, 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, August 2019, has now been completed. The previous survey, July 2019, was published July 10, 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	
	Aug 19	Jul 19	Aug 19	Jul 19	Aug 19	Jul 19
Annual						
Inflation CPI, %	1,7	1,8	1,7	1,8	1,8	1,9
Inflation CPIF, %	1,6	1,8	1,6	1,7	1,8	1,8
GDP, %	1,5	1,7	1,5	1,7	1,9	2,0

	3 months		12 months		24 months		60 months	
	Aug 19	Jul 19	Aug 19	Jul 19	Aug 19	Jul 19	Aug 19	Jul 19
Repo rate, %	-0,3	-0,3	-0,2	-0,1	0,0	0,0	0,9	0,9
5 year gvt bond rate, %	-0,4	-0,3	-0,2	-0,1	0,1	0,3	1,1	1,4
EUR	10,68	10,61	10,59	10,41	10,34	10,21	-	-
USD	9,56	9,31	9,39	9,00	9,09	8,79	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out August 7 - August 13, 2019 (previous survey June 26 - July 9, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 7, 2019 (previous survey June 26, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 5 years.

About the Interviewees & Response Rate

In all 47 (47) organisations were approached for interview. 16 (14) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 66 % (70 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 60 % 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	1,723	1,750	1,300	2,400	0,240	0,044	30	17	64%
Year 2	1,650	1,700	0,500	2,300	0,354	0,065	30	17	64%
Year 5	1,810	1,900	1,000	2,400	0,337	0,063	29	18	62%

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	1,630	1,600	1,250	2,000	0,223	0,042	28	19	60%
Year 2	1,616	1,600	1,000	2,100	0,273	0,052	28	19	60%
Year 5	1,750	1,750	1,000	2,200	0,281	0,053	28	19	60%

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	1,093	1,200	-1,000	1,700	0,555	0,121	21	26	45%
Upper bound	2,093	2,000	1,500	3,000	0,423	0,092	21	26	45%
Year 2									
Lower bound	0,931	1,250	-2,000	1,600	0,797	0,174	21	26	45%
Upper bound	2,298	2,250	1,700	3,500	0,491	0,107	21	26	45%
Year 5									
Lower bound	0,874	1,000	-2,000	1,600	0,843	0,184	21	26	45%
Upper bound	2,793	2,800	1,900	6,000	0,961	0,210	21	26	45%

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	1,540	1,600	0,500	2,500	0,353	0,064	30	17	64%
Year 2	1,493	1,500	0,000	3,000	0,492	0,090	30	17	64%
Year 5	1,893	1,900	1,300	3,000	0,351	0,066	28	19	60%



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	23	24	49%
12 months	-0,196	-0,250	-0,750	0,000	0,184	0,038	23	24	49%
24 months	0,000	0,000	-1,000	1,000	0,399	0,083	23	24	49%
60 months	0,900	0,900	-0,250	2,500	0,652	0,139	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	-0,324	-0,250	-0,750	-0,250	0,141	0,032	19	28	40%
Upper bound	-0,171	-0,250	-0,250	0,000	0,119	0,027	19	28	40%
12 months									
Lower bound	-0,414	-0,350	-1,000	0,000	0,282	0,066	18	29	38%
Upper bound	0,136	0,125	-0,150	0,500	0,171	0,040	18	29	38%
24 months									
Lower bound	-0,372	-0,300	-2,000	0,500	0,579	0,136	18	29	38%
Upper bound	0,669	0,425	0,000	3,000	0,736	0,174	18	29	38%
60 months									
Lower bound	-0,200	0,000	-2,000	1,250	0,839	0,198	18	29	38%
Upper bound	2,094	1,500	0,250	6,500	1,683	0,397	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	-0,435	-0,500	-0,800	0,200	0,259	0,057	21	26	45%
12 months	-0,205	-0,200	-1,000	0,400	0,364	0,080	21	26	45%
24 months	0,143	0,200	-1,500	1,500	0,635	0,138	21	26	45%
60 months	1,133	1,200	-0,700	2,700	0,858	0,187	21	26	45%
EUR/SEK									
3 months	10,680	10,650	10,250	11,300	0,223	0,046	23	24	49%
12 months	10,587	10,500	10,000	11,300	0,321	0,067	23	24	49%
24 months	10,341	10,200	9,500	11,500	0,481	0,100	23	24	49%
USD/SEK									
3 months	9,557	9,530	8,850	10,270	0,304	0,063	23	24	49%
12 months	9,389	9,400	8,300	10,270	0,453	0,094	23	24	49%
24 months	9,088	9,100	8,000	10,500	0,728	0,152	23	24	49%