

January 2020: January 23, 2020

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Press Release

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

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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, January 2020, has now been completed. The previous survey, December 2019, was published December 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	
	Jan 20	Dec 19	Jan 20	Dec 19	Jan 20	Dec 19
Annual						
Inflation CPI, %	1,7	1,7	1,7	1,7	1,9	1,8
Inflation CPIF, %	1,6	1,6	1,6	1,6	1,8	1,8
GDP, %	1,3	1,3	1,6	1,6	2,0	1,9

	3 months		12 months		24 months		60 months	
	Jan 20	Dec 19	Jan 20	Dec 19	Jan 20	Dec 19	Jan 20	Dec 19
Repo rate, %	0,0	0,0	0,0	0,0	0,1	0,1	0,9	0,8
5 year gvt bond rate, %	-0,1	-0,1	0,0	0,1	0,4	0,4	1,2	1,3
EUR	10,51	10,54	10,37	10,43	10,16	10,26	-	-
USD	9,45	9,55	9,26	9,35	9,04	9,11	-	-

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Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 16 - January 22, 2020 (previous survey November 25 - December 9, 2019).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 16, 2020 (previous survey November 27, 2019).

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

About the Interviewees & Response Rate

In all 44 (46) organisations were approached for interview. 10 (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 77 % (80 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 73 % 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 42 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 (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	1,660	1,700	1,000	2,000	0,232	0,040	34	10	77%
Year 2	1,676	1,650	1,200	2,400	0,270	0,046	34	10	77%
Year 5	1,856	1,900	1,200	2,500	0,337	0,059	33	11	75%

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	1,584	1,600	1,000	2,000	0,234	0,041	32	12	73%
Year 2	1,633	1,600	1,200	2,200	0,242	0,043	32	12	73%
Year 5	1,776	1,800	1,000	2,700	0,336	0,059	32	12	73%

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	1,186	1,300	0,000	1,900	0,422	0,084	25	19	57%
Upper bound	2,053	2,000	1,700	3,000	0,331	0,066	25	19	57%
Year 2									
Lower bound	1,012	1,200	-1,000	2,100	0,684	0,137	25	19	57%
Upper bound	2,270	2,200	1,700	3,500	0,471	0,094	25	19	57%
Year 5									
Lower bound	0,864	1,200	-2,000	2,100	0,937	0,187	25	19	57%
Upper bound	2,780	2,500	1,800	6,000	0,887	0,177	25	19	57%

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	1,329	1,400	0,800	2,300	0,351	0,060	34	10	77%
Year 2	1,590	1,600	0,800	2,400	0,361	0,062	34	10	77%
Year 5	1,971	2,000	1,400	3,000	0,326	0,057	33	11	75%



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	0,000	0,000	0,000	0,000	0,000	0,000	29	15	66%
12 months	0,000	0,000	0,000	0,000	0,000	0,000	29	15	66%
24 months	0,129	0,000	0,000	0,750	0,207	0,038	29	15	66%
60 months	0,878	0,750	0,000	2,750	0,678	0,130	27	17	61%

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	-0,102	0,000	-0,500	0,000	0,149	0,030	24	20	55%
Upper bound	0,035	0,000	0,000	0,350	0,097	0,020	24	20	55%
12 months									
Lower bound	-0,261	-0,250	-1,160	0,000	0,280	0,058	23	21	52%
Upper bound	0,181	0,250	0,000	1,160	0,258	0,054	23	21	52%
24 months									
Lower bound	-0,315	-0,250	-1,750	0,500	0,472	0,098	23	21	52%
Upper bound	0,717	0,500	0,000	3,000	0,759	0,158	23	21	52%
60 months									
Lower bound	-0,107	0,000	-1,750	2,500	0,862	0,184	22	22	50%
Upper bound	1,950	1,625	0,250	5,000	1,287	0,274	22	22	50%

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	-0,133	-0,150	-0,300	0,100	0,124	0,024	26	18	59%
12 months	0,025	0,000	-0,250	0,500	0,214	0,042	26	18	59%
24 months	0,370	0,300	-0,100	1,500	0,416	0,083	25	19	57%
60 months	1,216	1,000	0,000	3,000	0,865	0,173	25	19	57%
EUR/SEK									
3 months	10,507	10,500	10,200	11,300	0,182	0,034	29	15	66%
12 months	10,372	10,300	10,000	11,300	0,297	0,055	29	15	66%
24 months	10,164	10,200	9,500	11,300	0,399	0,074	29	15	66%
USD/SEK									
3 months	9,449	9,400	9,200	10,270	0,182	0,034	29	15	66%
12 months	9,263	9,200	8,700	10,270	0,345	0,064	29	15	66%
24 months	9,040	9,000	8,200	10,270	0,453	0,084	29	15	66%