

**May 2021 report**

## Money Market Players' expectations

May 11, 2021

Kantar 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 Swedish inflation, GDP, repo rate, Swedish 5 year government bond rate, EUR and USD rates.

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

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

**As of February 2021, Kantar Prospera also maps expectations on the Riksbank's bond purchases.**

(%)	Year 1		Year 2		Year 5	
	May 21	Apr 21	May 21	Apr 21	May 21	Apr 21
<b>Money Market Players</b>						
Annual inflation CPI	1,5	1,4	1,6	1,5	1,8	1,8
Annual inflation CPIF	1,5	1,4	1,5	1,4	1,8	1,8
Annual GDP	3,6	3,2	2,9	2,8	2,3	2,3

	3 months		12 months		24 months		60 months	
	May 21	Apr 21	May 21	Apr 21	May 21	Apr 21	May 21	Apr 21
<b>Money Market Players</b>								
Repo rate (%)	0,0	0,0	0,0	0,0	0,1	0,1	0,7	0,8
5 year gvt bond rate (%)	0,0	-0,1	0,1	0,1	0,4	0,4	0,9	1,1
EUR/SEK	10,06	10,12	9,96	10,00	9,87	9,89	-	-
USD/SEK	8,44	8,52	8,43	8,39	8,32	8,29	-	-

	Current quarter		Following 3 quarters	
	May 21	Apr 21	May 21	Apr 21
<b>Money Market Players</b>				
The Riksbank's bond purchases (SEK bn)	152	225	276	291
<b>Distribution (%)</b>				
Government bonds	19	27	18	27
Municipal bonds	16	17	16	16
Covered bonds	60	52	62	53
Corporate bonds	4	4	4	4

**About the survey**

		May 21	Apr 21
<b>Method</b>	Telephone interviews		
<b>Interview period</b>			
Questions on inflation and GDP expectations		May 4-May 10	Apr 7-Apr 13
Questions on future repo rate, 5 year government bond rate, EUR and USD rate		May 4	Apr 7
<b>Response rate</b>			
Number of organisations approached for interview		41	41
Number of organisations not reached or denied participation		12	11
Overall response rate (%)		71	73
For response rate per question please see Tables 1-8			
<b>About the interviews (numbers)</b>			
Money Market players	Swedish	39	
	International	2	
<b>About the interviewers</b>			
Average experience of the survey (years)		6,5	

**Definitions**

Inflation CPI	The percentage increase in Consumer Price Index
Inflation CPIF	The percentage increase in Consumer Price Index with a fixed interest rate
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 reports**

[www.kantarsifo.se/erbjudande/prospira/inflation-expectations](http://www.kantarsifo.se/erbjudande/prospira/inflation-expectations)

**May 2021 report**

Money Market Players' expectations

May 11, 2021

**TABLE 1 - Inflation expectations**

Expected annual increase in CPI and CPIF the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>CPI</b>									
Year 1	1,493	1,400	0,700	3,000	0,466	0,087	29	12	71%
Year 2	1,582	1,500	1,100	2,300	0,281	0,052	29	12	71%
Year 5	1,811	1,850	1,000	2,500	0,349	0,066	28	13	68%
<b>CPIF</b>									
Year 1	1,491	1,500	0,700	3,000	0,453	0,086	28	13	68%
Year 2	1,542	1,500	1,100	2,000	0,264	0,050	28	13	68%
Year 5	1,789	1,800	1,000	2,500	0,324	0,061	28	13	68%

**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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	1,093	1,000	0,200	2,000	0,512	0,107	23	18	56%
Upper bound	1,998	2,000	1,200	4,000	0,625	0,130	23	18	56%
<b>Year 2</b>									
Lower bound	1,017	1,000	0,000	2,000	0,486	0,101	23	18	56%
Upper bound	2,096	2,000	1,300	3,500	0,536	0,112	23	18	56%
<b>Year 5</b>									
Lower bound	1,217	1,300	0,000	2,100	0,550	0,115	23	18	56%
Upper bound	2,520	2,500	1,600	4,500	0,662	0,138	23	18	56%

**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
<b>Money Market Players</b>									
Year 1	3,648	3,500	1,800	5,000	0,788	0,146	29	12	71%
Year 2	2,919	3,000	1,500	4,000	0,707	0,131	29	12	71%
Year 5	2,335	2,215	1,500	4,000	0,559	0,106	28	13	68%

**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
<b>Money Market Players</b>									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	27	14	66%
12 months	0,009	0,000	0,000	0,250	0,048	0,009	27	14	66%
24 months	0,106	0,000	0,000	1,000	0,252	0,048	27	14	66%
60 months	0,660	0,500	0,000	2,500	0,620	0,124	25	16	61%

## May 2021 report

Money Market Players' expectations

May 11, 2021

**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
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,121	0,000	-0,500	0,000	0,181	0,040	21	20	51%
Upper bound	0,036	0,000	0,000	0,500	0,120	0,026	21	20	51%
<b>12 months</b>									
Lower bound	-0,212	-0,100	-1,250	0,000	0,307	0,067	21	20	51%
Upper bound	0,083	0,000	0,000	1,250	0,278	0,061	21	20	51%
<b>24 months</b>									
Lower bound	-0,290	-0,100	-2,000	0,000	0,467	0,102	21	20	51%
Upper bound	0,486	0,250	0,000	2,000	0,568	0,124	21	20	51%
<b>60 months</b>									
Lower bound	-0,088	0,000	-2,000	1,000	0,722	0,161	20	21	49%
Upper bound	1,398	1,000	0,000	3,000	1,016	0,227	20	21	49%

**TABLE 6 - 5 year government bond rate, EUR and USD rates expectations**

Expected 5 year government bond rate, EUR and USD rates the coming 3-24 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>5 year gvt bond rate</b>									
3 months	-0,032	-0,025	-0,250	0,250	0,115	0,023	24	17	59%
12 months	0,138	0,100	-0,150	0,500	0,181	0,037	24	17	59%
24 months	0,400	0,300	-0,100	1,500	0,356	0,074	23	18	56%
60 months	0,930	0,800	0,200	3,000	0,668	0,139	23	18	56%
<b>EUR/SEK</b>									
3 months	10,060	10,100	9,200	10,200	0,199	0,038	27	14	66%
12 months	9,956	10,000	9,000	11,000	0,331	0,064	27	14	66%
24 months	9,867	9,800	8,800	11,500	0,455	0,088	27	14	66%
<b>USD/SEK</b>									
3 months	8,440	8,450	8,100	8,700	0,134	0,026	27	14	66%
12 months	8,426	8,300	7,720	9,700	0,450	0,087	27	14	66%
24 months	8,320	8,220	7,500	10,000	0,509	0,098	27	14	66%

**TABLE 7 - Expectations of the Riksbank's bond purchases**

Estimated nominal value of SEK bond purchases (incl reinvestments) the current and following 3 quarters

	Mean (SEK bn)	Median (SEK bn)	Lowest (SEK bn)	Highest (SEK bn)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>The Riksbank's bond purchases</b>									
Current quarter	151,667	100,000	70,000	560,000	141,860	40,951	12	29	29%
Following 3 quarters	276,000	194,500	58,000	700,000	206,675	59,662	12	29	29%

**TABLE 8 - Expectations of the distribution of the Riksbank's bond purchases**

Expected distribution on government, municipal, covered and corporate bonds

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>Money Market Players</b>									
<b>Current quarter</b>									
Government bonds	19,364	20,000	11,000	30,000	5,870	1,770	11	30	27%
Municipal bonds	16,318	17,000	7,000	22,000	4,485	1,352	11	30	27%
Covered bonds	60,455	59,000	50,000	75,000	7,160	2,159	11	30	27%
Corporate bonds	3,864	3,000	1,000	10,000	2,450	0,739	11	30	27%
<b>Following 3 quarters</b>									
Government bonds	17,818	15,000	10,000	30,000	6,676	2,013	11	30	27%
Municipal bonds	16,000	15,000	10,000	21,000	2,966	0,894	11	30	27%
Covered bonds	62,455	64,000	50,000	74,000	7,634	2,302	11	30	27%
Corporate bonds	3,727	3,000	1,000	10,000	2,533	0,764	11	30	27%