

**February 2022 report**

## Money Market Players' expectations

Feb 17, 2022

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	
	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22
<b>Money Market Players</b>						
Annual inflation CPI	2,5	2,3	2,2	2,1	2,1	2,0
Annual inflation CPIF	2,4	2,3	2,1	2,0	2,1	2,0
Annual GDP	3,4	3,3	2,5	2,6	2,2	2,3

	3 months		12 months		24 months		60 months	
	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22
<b>Money Market Players</b>								
Repo rate (%)	0,0	0,0	0,2	0,1	0,5	0,4	1,1	1,1
5 year gvt bond rate (%)	0,5	0,2	0,7	0,4	1,0	0,8	1,5	1,4
EUR/SEK	10,39	10,24	10,17	10,09	9,99	9,90	-	-
USD/SEK	9,18	9,06	9,09	9,07	8,82	8,80	-	-

	Current quarter		Following 3 quarters	
	Feb 22	Jan 22	Feb 22	Jan 22
<b>Money Market Players</b>				
The Riksbank's bond purchases (SEK bn)	95	91	119	109
<b>Distribution (%)</b>				
Government bonds	36,9	39,5	39,1	43,6
Municipal bonds	28,4	25,7	27,5	24,8
Covered bonds	31,9	32,1	33,9	30,1
Corporate bonds	3,0	2,6	2,1	1,6

**About the survey**

		Feb 22	Jan 22
<b>Method</b>	Telephone interviews		
<b>Interview period</b>			
Questions on inflation and GDP expectations		Feb 10-Feb 16	Jan 18-Jan 24
Questions on future repo rate, 5 year government bond rate, EUR and USD rate		Feb 10	Jan 18
<b>Response rate</b>			
Number of organisations approached for interview		48	48
Number of organisations not reached or denied participation		16	17
Overall response rate (%)		67	65
For response rate per question please see Tables 1-8			
<b>About the interviews (numbers)</b>			
Money Market players	Swedish	46	
	International	2	
<b>About the interviewers</b>			
Average experience of the survey (years)		11,1	

**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)

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**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	2,473	2,500	0,900	5,300	0,953	0,168	32	16	67%
Year 2	2,206	2,050	1,300	3,500	0,491	0,087	32	16	67%
Year 5	2,116	2,000	1,300	5,000	0,623	0,110	32	16	67%
<b>CPIF</b>									
Year 1	2,400	2,500	0,900	4,100	0,865	0,155	31	17	65%
Year 2	2,084	2,000	1,300	3,300	0,473	0,085	31	17	65%
Year 5	2,074	2,000	1,500	4,500	0,567	0,102	31	17	65%

**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	1,883	2,000	0,000	3,700	0,985	0,193	26	22	54%
Upper bound	3,152	3,000	1,400	4,800	0,867	0,170	26	22	54%
<b>Year 2</b>									
Lower bound	1,510	1,500	0,500	3,000	0,666	0,131	26	22	54%
Upper bound	2,842	2,600	1,800	5,200	0,746	0,146	26	22	54%
<b>Year 5</b>									
Lower bound	1,306	1,450	-0,500	2,400	0,637	0,125	26	22	54%
Upper bound	2,754	2,675	2,000	3,500	0,471	0,092	26	22	54%

**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	3,388	3,500	2,300	5,000	0,564	0,100	32	16	67%
Year 2	2,488	2,450	1,000	4,000	0,650	0,115	32	16	67%
Year 5	2,227	2,175	1,500	3,000	0,390	0,069	32	16	67%

**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	25	23	52%
12 months	0,160	0,000	0,000	0,500	0,189	0,038	25	23	52%
24 months	0,492	0,500	0,000	1,000	0,362	0,072	25	23	52%
60 months	1,115	1,000	0,250	3,000	0,680	0,139	24	24	50%

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**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	-0,011	0,000	-0,250	0,000	0,053	0,011	22	26	46%
Upper bound	0,102	0,000	0,000	0,500	0,148	0,031	22	26	46%
<b>12 months</b>									
Lower bound	0,011	0,000	-0,250	0,250	0,144	0,031	22	26	46%
Upper bound	0,364	0,375	0,000	0,750	0,241	0,051	22	26	46%
<b>24 months</b>									
Lower bound	0,136	0,000	-0,750	0,750	0,351	0,075	22	26	46%
Upper bound	0,855	0,875	0,250	2,250	0,495	0,106	22	26	46%
<b>60 months</b>									
Lower bound	0,450	0,500	-0,750	1,500	0,597	0,130	21	27	44%
Upper bound	1,819	1,750	0,250	4,000	0,993	0,217	21	27	44%

**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	0,470	0,475	0,100	0,750	0,165	0,034	24	24	50%
12 months	0,675	0,620	0,300	1,250	0,245	0,050	24	24	50%
24 months	1,022	0,900	0,500	2,000	0,416	0,087	23	25	48%
60 months	1,513	1,300	0,600	3,500	0,724	0,151	23	25	48%
<b>EUR/SEK</b>									
3 months	10,387	10,400	10,000	10,750	0,160	0,033	24	24	50%
12 months	10,167	10,200	9,500	10,500	0,222	0,045	24	24	50%
24 months	9,989	10,000	9,000	10,500	0,289	0,059	24	24	50%
<b>USD/SEK</b>									
3 months	9,183	9,160	8,900	9,800	0,189	0,039	24	24	50%
12 months	9,094	9,100	8,500	9,700	0,293	0,060	24	24	50%
24 months	8,820	8,875	7,800	9,700	0,384	0,078	24	24	50%

**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	94,800	37,000	30,000	900,000	222,776	57,521	15	33	31%
Following 3 quarters	119,333	78,000	7,000	900,000	218,478	56,411	15	33	31%

**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	36,900	33,000	30,000	60,000	8,557	2,209	15	33	31%
Municipal bonds	28,433	32,000	10,000	40,000	8,508	2,197	15	33	31%
Covered bonds	31,900	32,000	10,000	55,000	9,142	2,360	15	33	31%
Corporate bonds	2,964	3,250	1,000	5,000	1,623	0,434	14	34	29%
<b>Following 3 quarters</b>									
Government bonds	39,133	33,000	20,000	60,000	12,106	3,126	15	33	31%
Municipal bonds	27,533	29,000	10,000	49,000	11,357	2,932	15	33	31%
Covered bonds	33,929	32,000	10,000	60,000	14,918	3,987	14	34	29%
Corporate bonds	2,083	1,500	0,000	5,000	1,782	0,514	12	36	25%