

**July 2022 report**

## Money Market Players' expectations

Jul 13, 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, policy 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	
	Jul 22	Jun 22	Jul 22	Jun 22	Jul 22	Jun 22
<b>Money Market Players</b>						
Annual inflation CPI	5,4	4,6	3,4	3,0	2,5	2,3
Annual inflation CPIF	4,6	4,2	3,1	2,8	2,5	2,3
Annual GDP	1,6	2,0	1,6	1,8	2,1	2,2

	3 months		12 months		24 months		60 months	
	Jul 22	Jun 22	Jul 22	Jun 22	Jul 22	Jun 22	Jul 22	Jun 22
<b>Money Market Players</b>								
Policy rate (%)	1,2	0,7	1,9	1,4	2,0	1,8	2,0	1,7
5 year gvt bond rate (%)	1,8	1,8	2,1	2,0	2,0	2,2	2,2	2,2
EUR/SEK	10,63	10,40	10,38	10,27	10,06	10,09	-	-
USD/SEK	10,37	9,77	10,00	9,55	9,54	9,21	-	-

	Current quarter		Following 3 quarters	
	Jul 22	Jun 22	Jul 22	Jun 22
<b>Money Market Players</b>				
The Riksbank's bond purchases (SEK bn)	99	98	102	101
<b>Distribution (%)</b>				
Government bonds	35,3	36,7	35,3	32,6
Municipal bonds	32,2	28,0	32,2	26,2
Covered bonds	31,1	33,6	31,1	30,8
Corporate bonds	1,6	1,9	1,6	1,5

<b>About the survey</b>		Jul 22	Jun 22
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<b>Method</b>	Telephone interviews		
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**Interview period**

Questions on inflation and GDP expectations	Jul 6-Jul 12	Jun 1-Jun 13
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Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Jul 6	Jun 7
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**Response rate**

Number of organisations approached for interview	48	48
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Number of organisations not reached or denied participation	23	17
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Overall response rate (%)	52	65
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For response rate per question please see Tables 1-8

**About the interviews (numbers)**

Money Market players	Swedish	46
	International	2

**About the interviewers**

Average experience of the survey (years)	4,3
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**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

Policy 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	5,369	5,500	3,500	7,000	1,180	0,241	24	24	50%
Year 2	3,394	3,200	2,000	6,500	1,155	0,236	24	24	50%
Year 5	2,463	2,200	1,500	6,000	0,924	0,189	24	24	50%
<b>CPIF</b>									
Year 1	4,636	4,400	3,000	7,500	1,317	0,275	23	25	48%
Year 2	3,063	3,000	1,700	6,000	1,103	0,230	23	25	48%
Year 5	2,459	2,000	1,500	6,000	0,988	0,206	23	25	48%

**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	3,408	3,500	1,000	6,000	1,251	0,287	19	29	40%
Upper bound	5,605	5,300	4,000	9,000	1,543	0,354	19	29	40%
<b>Year 2</b>									
Lower bound	2,137	2,000	0,900	5,000	1,050	0,241	19	29	40%
Upper bound	4,226	3,900	2,500	9,000	1,461	0,335	19	29	40%
<b>Year 5</b>									
Lower bound	1,376	1,600	0,000	3,000	0,793	0,182	19	29	40%
Upper bound	3,684	3,300	2,200	7,000	1,201	0,276	19	29	40%

**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	1,631	1,800	0,000	2,800	0,752	0,154	24	24	50%
Year 2	1,617	1,650	0,700	3,000	0,615	0,125	24	24	50%
Year 5	2,104	2,000	1,500	4,000	0,496	0,101	24	24	50%

**TABLE 4 - Policy rate expectations**

Expected policy 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	1,221	1,250	0,750	1,250	0,121	0,029	17	31	35%
12 months	1,912	2,000	1,000	2,500	0,364	0,088	17	31	35%
24 months	2,015	2,000	1,000	3,500	0,583	0,141	17	31	35%
60 months	1,991	2,000	1,000	3,500	0,570	0,138	17	31	35%

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**TABLE 5 - Policy rate expectations - 75% probability forecast uncertainty intervals**

Expected policy 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	0,875	1,000	0,250	1,000	0,214	0,057	14	34	29%
Upper bound	1,500	1,500	1,250	1,750	0,170	0,045	14	34	29%
<b>12 months</b>									
Lower bound	1,304	1,500	0,000	1,750	0,548	0,146	14	34	29%
Upper bound	2,311	2,250	1,250	3,000	0,445	0,119	14	34	29%
<b>24 months</b>									
Lower bound	1,118	1,375	-0,600	2,000	0,811	0,217	14	34	29%
Upper bound	2,757	2,750	1,000	4,000	0,810	0,217	14	34	29%
<b>60 months</b>									
Lower bound	0,989	1,375	-1,000	2,000	0,852	0,228	14	34	29%
Upper bound	2,954	3,000	1,000	4,500	1,011	0,270	14	34	29%

**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	1,838	1,800	1,500	2,400	0,274	0,069	16	32	33%
12 months	2,084	1,975	1,300	3,000	0,467	0,117	16	32	33%
24 months	2,044	2,000	1,300	3,200	0,539	0,135	16	32	33%
60 months	2,228	2,400	1,200	3,200	0,599	0,150	16	32	33%
<b>EUR/SEK</b>									
3 months	10,631	10,625	10,300	10,900	0,167	0,042	16	32	33%
12 months	10,378	10,450	9,800	10,800	0,280	0,070	16	32	33%
24 months	10,063	10,150	9,200	10,800	0,388	0,097	16	32	33%
<b>USD/SEK</b>									
3 months	10,366	10,350	10,000	10,750	0,220	0,055	16	32	33%
12 months	10,001	10,050	8,900	10,800	0,490	0,123	16	32	33%
24 months	9,543	9,550	7,800	10,800	0,688	0,172	16	32	33%

**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	98,880	9,000	6,000	900,000	281,509	89,021	10	38	21%
Following 3 quarters	102,380	9,150	2,000	900,000	280,567	88,723	10	38	21%

**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	35,250	33,000	32,000	50,000	5,663	1,791	10	38	21%
Municipal bonds	32,150	33,000	20,000	40,000	4,865	1,538	10	38	21%
Covered bonds	31,050	32,750	10,000	40,000	7,769	2,457	10	38	21%
Corporate bonds	1,611	1,000	0,000	3,000	1,054	0,351	9	39	19%
<b>Following 3 quarters</b>									
Government bonds	35,250	33,000	32,000	50,000	5,663	1,791	10	38	21%
Municipal bonds	32,150	33,000	20,000	40,000	4,865	1,538	10	38	21%
Covered bonds	31,050	32,750	10,000	40,000	7,769	2,457	10	38	21%
Corporate bonds	1,611	1,000	0,000	3,000	1,054	0,351	9	39	19%