

October 2022 report

Money Market Players' expectations

Oct 12, 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 Jannica Westling, +46 (0)76 536 24 03.

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	
	Oct 22	Sep 22	Oct 22	Sep 22	Oct 22	Sep 22
Money Market Players						
Annual inflation CPI	5,6	5,6	2,9	3,1	2,3	2,4
Annual inflation CPIF	4,7	4,6	2,8	2,8	2,3	2,3
Annual GDP	0,4	0,9	1,3	1,5	2,0	2,1

	3 months		12 months		24 months		60 months	
	Oct 22	Sep 22	Oct 22	Sep 22	Oct 22	Sep 22	Oct 22	Sep 22
Money Market Players								
Policy rate (%)	2,3	2,0	2,6	2,4	2,2	2,0	2,0	1,9
5 year gvt bond rate (%)	2,5	2,3	2,5	2,4	2,4	2,4	2,3	2,3
EUR/SEK	10,81	10,66	10,61	10,52	10,36	10,29	-	-
USD/SEK	10,96	10,83	10,49	10,49	10,01	10,14	-	-

	Current quarter		Following 3 quarters	
	Oct 22	Sep 22	Oct 22	Sep 22
Money Market Players				
The Riksbank's bond purchases (SEK bn)	14	77	92	97
Distribution (%)				
Government bonds	34,5	34,7	32,5	34,1
Municipal bonds	31,2	30,5	27,5	32,4
Covered bonds	30,7	32,7	22,5	30,6
Corporate bonds	3,6	2,1	17,5	2,9

About the survey		Oct 22	Sep 22
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	Oct 5-Oct 11	Sep 1-Sep 13
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Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Oct 5	Sep 6
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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	16	17
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Overall response rate (%)	67	65
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For response rate per question please see Tables 1-8

About the interviews (numbers)

Money Market players	Swedish	46
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	International	2
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About the interviewers

Average experience of the survey (years)	11,6
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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

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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
Money Market Players									
CPI									
Year 1	5,564	6,000	2,000	10,200	1,845	0,326	32	16	67%
Year 2	2,878	3,000	0,000	6,000	1,247	0,220	32	16	67%
Year 5	2,288	2,000	1,000	7,000	1,032	0,182	32	16	67%
CPIF									
Year 1	4,704	4,100	1,100	8,000	1,888	0,339	31	17	65%
Year 2	2,781	2,500	0,000	6,200	1,325	0,238	31	17	65%
Year 5	2,284	2,000	1,000	7,000	1,044	0,188	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
Money Market Players									
Year 1									
Lower bound	3,450	3,700	0,000	7,000	2,148	0,430	25	23	52%
Upper bound	6,050	6,000	1,600	11,000	2,177	0,435	25	23	52%
Year 2									
Lower bound	1,710	1,900	-2,000	4,000	1,564	0,313	25	23	52%
Upper bound	4,140	4,000	1,900	8,000	1,613	0,323	25	23	52%
Year 5									
Lower bound	1,254	1,500	-1,000	2,500	0,926	0,185	25	23	52%
Upper bound	3,494	3,100	2,000	5,500	1,135	0,227	25	23	52%

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	0,388	0,000	-2,000	4,000	1,280	0,226	32	16	67%
Year 2	1,317	1,500	-1,000	3,500	0,858	0,152	32	16	67%
Year 5	2,044	2,000	0,500	3,000	0,435	0,077	32	16	67%

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
Money Market Players									
3 months	2,336	2,250	2,000	2,500	0,142	0,030	22	26	46%
12 months	2,591	2,750	1,500	3,500	0,440	0,094	22	26	46%
24 months	2,205	2,250	0,000	3,500	0,758	0,162	22	26	46%
60 months	2,043	2,000	0,500	3,000	0,540	0,121	20	28	42%

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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
Money Market Players									
3 months									
Lower bound	1,953	2,000	0,750	2,500	0,422	0,102	17	31	35%
Upper bound	2,691	2,750	2,250	3,000	0,188	0,046	17	31	35%
12 months									
Lower bound	1,647	2,250	0,000	2,500	1,016	0,246	17	31	35%
Upper bound	3,456	3,250	2,500	7,000	0,997	0,242	17	31	35%
24 months									
Lower bound	1,250	1,750	-0,500	2,500	1,008	0,244	17	31	35%
Upper bound	3,456	3,000	2,000	7,000	1,238	0,300	17	31	35%
60 months									
Lower bound	1,000	1,375	-1,000	2,000	0,827	0,207	16	32	33%
Upper bound	3,403	3,000	1,750	6,000	1,220	0,305	16	32	33%

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
Money Market Players									
5 year gvt bond rate									
3 months	2,494	2,500	2,000	3,090	0,297	0,068	19	29	40%
12 months	2,482	2,500	1,000	3,500	0,559	0,128	19	29	40%
24 months	2,389	2,450	0,500	3,500	0,824	0,194	18	30	38%
60 months	2,334	2,435	1,500	3,250	0,478	0,113	18	30	38%
EUR/SEK									
3 months	10,809	10,800	10,500	11,050	0,122	0,027	20	28	42%
12 months	10,609	10,550	10,000	11,200	0,277	0,062	20	28	42%
24 months	10,363	10,500	9,500	11,200	0,409	0,091	20	28	42%
USD/SEK									
3 months	10,957	10,940	10,700	11,510	0,229	0,051	20	28	42%
12 months	10,491	10,500	9,200	11,800	0,595	0,133	20	28	42%
24 months	10,008	10,225	7,800	11,800	0,923	0,206	20	28	42%

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
Money Market Players									
The Riksbank's bond purchases									
Current quarter	14,308	9,000	0,000	90,000	23,038	6,389	13	35	27%
Following 3 quarters	91,818	0,000	0,000	1000,000	301,225	90,823	11	37	23%

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
Money Market Players									
Current quarter									
Government bonds	34,455	33,000	24,000	40,000	5,126	1,545	11	37	23%
Municipal bonds	31,182	32,000	10,000	49,000	8,864	2,672	11	37	23%
Covered bonds	30,727	32,000	20,000	50,000	8,186	2,468	11	37	23%
Corporate bonds	3,636	1,000	0,000	10,000	4,202	1,267	11	37	23%
Following 3 quarters									
Government bonds	32,500	32,500	25,000	40,000	10,607	7,500	2	46	4%
Municipal bonds	27,500	27,500	25,000	30,000	3,536	2,500	2	46	4%
Covered bonds	22,500	22,500	20,000	25,000	3,536	2,500	2	46	4%
Corporate bonds	17,500	17,500	10,000	25,000	10,607	7,500	2	46	4%