

January 2024 report

Money Market Players' expectations

Jan 24, 2024

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.

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(%)	Year 1		Year 2		Year 5	
	Jan 24	Dec 23	Jan 24	Dec 23	Jan 24	Dec 23
Money Market Players						
Annual inflation CPI	2,4	2,9	1,8	1,9	2,1	2,1
Annual inflation CPIF	2,0	2,4	1,9	2,0	2,0	2,1
Annual GDP	0,2	0,0	1,8	1,7	2,2	2,1

	3 months		12 months		24 months		60 months	
	Jan 24	Dec 23	Jan 24	Dec 23	Jan 24	Dec 23	Jan 24	Dec 23
Money Market Players								
Policy rate (%)	4,0	4,0	2,9	3,4	2,4	2,5	2,4	2,4
5 year gvt bond rate (%)	2,3	2,5	2,3	2,4	2,3	2,5	2,6	2,7
EUR/SEK	11,31	11,27	10,98	10,96	10,58	10,65	-	-
USD/SEK	10,38	10,40	10,00	9,94	9,60	9,54	-	-

About the survey		Jan 24	Dec 23
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	Jan 17-Jan 23	Dec 6-Dec 12
Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Jan 17	Dec 6

Response rate

Number of organisations approached for interview	46	47
Number of organisations not reached or denied participation	16	15
Overall response rate (%)	65	68

For response rate per question please see Tables 1-8

About the interviews (numbers)

Money Market players	Swedish	44
	International	2

About the interviewers

Average experience of the survey (years)	13,3
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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

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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	2,397	2,400	0,000	3,800	1,071	0,195	30	16	65%
Year 2	1,810	1,950	-1,000	2,800	0,780	0,142	30	16	65%
Year 5	2,098	2,000	1,400	3,000	0,346	0,063	30	16	65%
CPIF									
Year 1	2,011	1,950	0,000	3,600	0,823	0,150	30	16	65%
Year 2	1,857	1,950	-0,500	2,800	0,622	0,114	30	16	65%
Year 5	2,023	2,000	1,400	3,000	0,332	0,061	30	16	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	1,310	1,200	-0,500	3,500	0,944	0,189	25	21	54%
Upper bound	2,940	3,000	0,500	5,000	1,047	0,209	25	21	54%
Year 2									
Lower bound	1,062	1,000	-1,500	2,200	0,793	0,159	25	21	54%
Upper bound	2,906	2,750	0,500	5,000	1,024	0,205	25	21	54%
Year 5									
Lower bound	1,028	1,000	-0,500	2,000	0,692	0,138	25	21	54%
Upper bound	3,128	3,000	1,900	5,000	0,912	0,182	25	21	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
Money Market Players									
Year 1	0,225	0,150	-2,100	2,300	1,093	0,200	30	16	65%
Year 2	1,802	1,950	-1,000	3,900	1,065	0,195	30	16	65%
Year 5	2,187	2,000	1,600	3,500	0,425	0,078	30	16	65%

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	3,991	4,000	3,750	4,000	0,047	0,009	28	18	61%
12 months	2,938	3,000	1,500	3,500	0,434	0,082	28	18	61%
24 months	2,366	2,500	1,000	3,500	0,464	0,088	28	18	61%
60 months	2,394	2,250	1,500	3,500	0,480	0,092	27	19	59%

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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	3,663	3,750	2,750	4,000	0,288	0,060	23	23	50%
Upper bound	4,054	4,000	4,000	4,500	0,130	0,027	23	23	50%
12 months									
Lower bound	2,272	2,500	0,000	3,250	0,779	0,163	23	23	50%
Upper bound	3,541	3,500	2,000	5,000	0,603	0,126	23	23	50%
24 months									
Lower bound	1,435	1,750	0,000	2,500	0,739	0,154	23	23	50%
Upper bound	3,178	3,000	2,250	5,000	0,734	0,153	23	23	50%
60 months									
Lower bound	1,330	1,375	0,000	2,750	0,661	0,141	22	24	48%
Upper bound	3,409	3,000	2,000	5,000	0,965	0,206	22	24	48%

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	2,331	2,300	2,000	3,200	0,249	0,049	26	20	57%
12 months	2,307	2,450	1,000	3,200	0,410	0,080	26	20	57%
24 months	2,343	2,500	1,000	3,000	0,423	0,085	25	21	54%
60 months	2,640	2,500	1,500	4,000	0,609	0,122	25	21	54%
EUR/SEK									
3 months	11,310	11,300	11,000	11,700	0,159	0,031	26	20	57%
12 months	10,983	11,000	10,000	11,850	0,359	0,070	26	20	57%
24 months	10,578	10,500	10,000	11,600	0,398	0,078	26	20	57%
USD/SEK									
3 months	10,381	10,400	10,000	10,800	0,194	0,038	26	20	57%
12 months	9,998	10,000	9,000	11,000	0,517	0,101	26	20	57%
24 months	9,598	9,600	8,000	11,000	0,587	0,115	26	20	57%