

February 2024 report

Money Market Players' expectations

Feb 20, 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	
	Feb 24	Jan 24	Feb 24	Jan 24	Feb 24	Jan 24
Money Market Players						
Annual inflation CPI	2,1	2,4	1,9	1,8	2,1	2,1
Annual inflation CPIF	1,9	2,0	1,9	1,9	2,1	2,0
Annual GDP	0,6	0,2	2,0	1,8	2,2	2,2

	3 months		12 months		24 months		60 months	
	Feb 24	Jan 24	Feb 24	Jan 24	Feb 24	Jan 24	Feb 24	Jan 24
Money Market Players								
Policy rate (%)	4,0	4,0	3,0	2,9	2,3	2,4	2,4	2,4
5 year gvt bond rate (%)	2,4	2,3	2,3	2,3	2,4	2,3	2,6	2,6
EUR/SEK	11,22	11,31	10,92	10,98	10,58	10,58	-	-
USD/SEK	10,37	10,38	9,91	10,00	9,48	9,60	-	-

About the survey		Feb 24	Jan 24
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Method	Telephone interviews		
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Interview period

Questions on inflation and GDP expectations	Feb 13-Feb 16	Jan 17-Jan 23
Questions on future policy rate, 5 year government bond rate, EUR and USD rate	Feb 13	Jan 17

Response rate

Number of organisations approached for interview	46	46
Number of organisations not reached or denied participation	18	16
Overall response rate (%)	61	65

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)	6,0
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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	2,129	2,150	0,300	4,000	0,940	0,178	28	18	61%
Year 2	1,870	1,900	0,700	2,800	0,491	0,093	28	18	61%
Year 5	2,130	2,000	1,500	3,000	0,307	0,058	28	18	61%
CPIF									
Year 1	1,925	2,000	0,000	3,300	0,662	0,125	28	18	61%
Year 2	1,945	1,900	1,000	2,800	0,411	0,078	28	18	61%
Year 5	2,068	2,000	1,500	3,000	0,312	0,059	28	18	61%

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	1,267	1,200	-1,000	2,600	0,822	0,168	24	22	52%
Upper bound	2,829	2,800	1,000	5,000	0,977	0,199	24	22	52%
Year 2									
Lower bound	1,125	1,000	0,000	2,000	0,540	0,110	24	22	52%
Upper bound	2,971	2,900	1,900	5,000	0,870	0,178	24	22	52%
Year 5									
Lower bound	1,013	1,000	-0,500	1,800	0,696	0,142	24	22	52%
Upper bound	3,300	3,100	2,000	5,000	0,950	0,194	24	22	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	0,559	0,300	-1,500	2,400	1,010	0,191	28	18	61%
Year 2	1,957	2,250	-1,800	3,900	1,156	0,219	28	18	61%
Year 5	2,202	2,000	1,500	3,200	0,461	0,087	28	18	61%

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	3,957	4,000	3,750	4,000	0,097	0,020	23	23	50%
12 months	3,033	3,000	2,500	3,500	0,304	0,063	23	23	50%
24 months	2,348	2,250	1,750	3,500	0,382	0,080	23	23	50%
60 months	2,375	2,250	1,750	3,500	0,435	0,093	22	24	48%

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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	3,683	3,750	2,750	4,000	0,297	0,067	20	26	43%
Upper bound	4,043	4,000	3,750	4,500	0,147	0,033	20	26	43%
12 months									
Lower bound	2,350	2,625	1,000	3,250	0,676	0,151	20	26	43%
Upper bound	3,688	3,500	3,000	5,000	0,579	0,129	20	26	43%
24 months									
Lower bound	1,375	1,625	0,000	2,500	0,754	0,169	20	26	43%
Upper bound	3,363	3,000	2,250	5,000	0,875	0,196	20	26	43%
60 months									
Lower bound	1,145	1,250	0,000	2,250	0,704	0,161	19	27	41%
Upper bound	3,658	3,250	2,000	5,000	1,028	0,236	19	27	41%

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	2,382	2,400	2,000	2,800	0,168	0,036	22	24	48%
12 months	2,316	2,250	1,750	3,000	0,300	0,064	22	24	48%
24 months	2,415	2,300	1,800	3,800	0,452	0,099	21	25	46%
60 months	2,573	2,500	1,700	3,800	0,429	0,094	21	25	46%
EUR/SEK									
3 months	11,220	11,230	10,800	11,500	0,180	0,039	21	25	46%
12 months	10,924	11,000	10,000	11,600	0,363	0,079	21	25	46%
24 months	10,579	10,600	9,500	11,400	0,453	0,099	21	25	46%
USD/SEK									
3 months	10,370	10,400	10,000	10,750	0,194	0,042	21	25	46%
12 months	9,906	10,000	9,000	10,500	0,396	0,086	21	25	46%
24 months	9,479	9,600	8,000	10,300	0,576	0,126	21	25	46%