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## Press Release

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TNS Sifo 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 inflation, GDP and future repo rates in Sweden as well as expectations of the Swedish 5 year government bond rate, EUR and USD rates.

The latest survey in the series, January 2017, has now been completed. The previous survey, December 2016, was published December 14, 2016.

A comparison of the results of the two surveys covering money market players can be summarised as follows (rounded off figures):

### Money Market Players' Expectations of

	Year 1		Year 2		Year 5			
	Jan 17	Dec 16	Jan 17	Dec 16	Jan 17	Dec 16		
<b>Annual</b>								
<b>Inflation, %</b>	1,6	1,5	1,9	1,8	2,0	1,9		
<b>GDP, %</b>	2,5	2,5	2,2	2,2	2,2	2,1		
	3 months		12 months		24 months		60 months	
	Jan 17	Dec 16	Jan 17	Dec 16	Jan 17	Dec 16	Jan 17	Dec 16
<b>Repo rate, %</b>	-0,5	-0,5	-0,3	-0,4	0,3	0,1	1,8	1,8
<b>5 year gvt bond rate, %</b>	0,0	-0,1	0,4	0,2	1,1	0,9	2,2	2,3
<b>EUR</b>	9,45	9,61	9,17	9,31	8,98	9,09	-	-
<b>USD</b>	9,01	9,19	8,75	8,96	8,47	8,60	-	-



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### Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 12 – January 23, 2017 (previous survey November 28 – December 13, 2016).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 12, 2017 (previous survey November 30, 2016).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 8,6 years.

### About the Interviewees & Response Rate

In all 51 (51) organisations were approached for interview. 5 (5) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 90 % (90 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 86 % for the one year and two year assessments. For the five year assessment as well as the questions regarding repo rates, 5 year government bond rates, EUR and USD rates the response rate is generally lower. (Tables 1-6)

The money market category includes 45 Swedish and 6 international players active in the Swedish fixed income market.

### Definitions

*Inflation*, the percentage increase in Consumer Price Index (CPI).

*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 TNS Sifo Prospera Inflation Expectations Surveys

TNS Sifo Prospera inflation reports and tables, from 2000 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

**TABLE 1 - Inflation Expectations**

Expected annual increase in CPI 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>Year 1</b>	1,624	1,600	1,000	2,400	0,303	0,045	45	6	88%
<b>Year 2</b>	1,863	1,800	1,000	2,600	0,381	0,057	45	6	88%
<b>Year 5</b>	2,008	2,000	1,300	3,000	0,342	0,053	42	9	82%

**TABLE 2 - Inflation Expectations - 75% probability forecast uncertainty intervals**

Expected annual increase intervals in CPI 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	1,114	1,100	0,000	2,200	0,424	0,070	37	14	73%
Upper bound	2,003	1,900	1,400	2,700	0,336	0,055	37	14	73%
<b>Year 2</b>									
Lower bound	1,212	1,255	0,000	2,400	0,559	0,091	38	13	75%
Upper bound	2,515	2,350	1,500	4,000	0,715	0,116	38	13	75%
<b>Year 5</b>									
Lower bound	1,149	1,500	-1,000	2,400	0,779	0,128	37	14	73%
Upper bound	2,870	2,500	1,600	5,500	0,979	0,161	37	14	73%

**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>									
<b>Year 1</b>	2,543	2,500	1,500	3,800	0,467	0,070	44	7	86%
<b>Year 2</b>	2,232	2,100	1,300	3,500	0,499	0,075	44	7	86%
<b>Year 5</b>	2,175	2,150	1,000	3,500	0,542	0,086	40	11	78%

**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>									
<b>3 months</b>	-0,500	-0,500	-0,500	-0,500	0,000	0,000	34	17	67%
<b>12 months</b>	-0,346	-0,500	-0,500	0,000	0,194	0,033	34	17	67%
<b>24 months</b>	0,257	0,250	-0,500	1,500	0,432	0,074	34	17	67%
<b>60 months</b>	1,835	1,775	0,000	3,500	0,910	0,166	30	21	59%

**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	-0,539	-0,500	-1,000	-0,500	0,105	0,018	33	18	65%
Upper bound	-0,394	-0,500	-0,500	0,500	0,224	0,039	33	18	65%
<b>12 months</b>									
Lower bound	-0,505	-0,500	-0,750	0,000	0,151	0,027	32	19	63%
Upper bound	-0,056	0,000	-0,500	0,750	0,300	0,053	32	19	63%
<b>24 months</b>									
Lower bound	-0,207	-0,250	-1,000	1,000	0,417	0,076	30	21	59%
Upper bound	0,735	0,625	-0,250	2,000	0,587	0,107	30	21	59%
<b>60 months</b>									
Lower bound	0,641	1,000	-1,000	2,500	0,893	0,169	28	23	55%
Upper bound	2,904	2,500	0,250	6,000	1,443	0,273	28	23	55%

**TABLE 6 - 5 year Government Bond Rate, EUR and USD rates**

Expected 5 year government bond rate, EUR and USD rates the coming 3-24 months

Money Market Players

	Mean	Median	Lowest	Highest	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>									
	-0,011	0,000	-0,500	0,400	0,160	0,028	32	19	63%
<b>12 months</b>									
	0,391	0,350	0,000	1,200	0,291	0,051	32	19	63%
<b>24 months</b>									
	1,061	1,000	0,100	2,500	0,605	0,109	31	20	61%
<b>60 months</b>									
	2,218	2,275	0,650	4,000	0,914	0,167	30	21	59%
<b>EUR/SEK</b>									
<b>3 months</b>									
	9,447	9,400	9,000	10,550	0,235	0,040	34	17	67%
<b>12 months</b>									
	9,166	9,200	8,500	9,800	0,215	0,037	34	17	67%
<b>24 months</b>									
	8,976	9,000	8,500	9,800	0,246	0,042	34	17	67%
<b>USD/SEK</b>									
<b>3 months</b>									
	9,011	9,000	8,700	9,500	0,184	0,031	34	17	67%
<b>12 months</b>									
	8,745	8,700	7,800	9,700	0,429	0,074	34	17	67%
<b>24 months</b>									
	8,473	8,450	7,600	10,000	0,515	0,088	34	17	67%