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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, May 2017, has now been completed. The previous survey, April 2017, was published April 12, 2017.

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	
	May 17	Apr 17	May 17	Apr 17	May 17	Apr 17
Annual						
Inflation, %	1,7	1,7	1,9	1,9	2,0	2,0
GDP, %	2,8	2,7	2,4	2,4	2,3	2,3

	3 months		12 months		24 months		60 months	
	May 17	Apr 17	May 17	Apr 17	May 17	Apr 17	May 17	Apr 17
Repo rate, %	-0,5	-0,5	-0,3	-0,3	0,3	0,3	1,7	1,8
5 year gvt bond rate, %	0,1	0,1	0,5	0,4	1,0	1,0	2,2	2,2
EUR	9,47	9,46	9,27	9,25	9,11	9,05	-	-
USD	8,78	8,92	8,58	8,69	8,37	8,41	-	-



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Interview Period & Method

TNS Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out April 26 – May 9, 2017 (previous survey March 29 – April 10, 2017).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on April 26, 2017 (previous survey March 29, 2017).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 2,6 years.

About the Interviewees & Response Rate

In all 50 (50) 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 5 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
Money Market Players									
Year 1	1,708	1,700	1,200	2,500	0,305	0,046	44	6	88%
Year 2	1,899	1,900	1,000	3,000	0,392	0,059	44	6	88%
Year 5	2,038	2,000	1,300	3,000	0,370	0,057	42	8	84%

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
Money Market Players									
Year 1									
Lower bound	1,248	1,250	0,500	2,300	0,437	0,069	40	10	80%
Upper bound	2,160	2,000	1,600	3,500	0,411	0,065	40	10	80%
Year 2									
Lower bound	1,241	1,400	0,000	2,750	0,599	0,095	40	10	80%
Upper bound	2,551	2,500	1,500	4,500	0,657	0,104	40	10	80%
Year 5									
Lower bound	1,117	1,500	-1,000	2,750	0,884	0,142	39	11	78%
Upper bound	2,965	2,700	1,800	6,000	0,898	0,144	39	11	78%

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	2,818	2,800	2,000	6,000	0,639	0,097	43	7	86%
Year 2	2,386	2,500	1,400	4,000	0,542	0,083	43	7	86%
Year 5	2,275	2,250	1,000	4,500	0,602	0,095	40	10	80%

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
Money Market Players									
3 months	-0,480	-0,500	-0,500	0,000	0,091	0,015	37	13	74%
12 months	-0,253	-0,250	-0,500	0,500	0,259	0,043	37	13	74%
24 months	0,344	0,500	-0,500	2,000	0,501	0,082	37	13	74%
60 months	1,718	1,750	0,000	3,250	0,868	0,151	33	17	66%

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
Money Market Players									
3 months									
Lower bound	-0,547	-0,500	-1,250	-0,250	0,158	0,029	30	20	60%
Upper bound	-0,393	-0,500	-0,500	0,250	0,184	0,034	30	20	60%
12 months									
Lower bound	-0,528	-0,500	-1,750	0,000	0,283	0,052	30	20	60%
Upper bound	-0,028	0,000	-0,500	1,000	0,301	0,055	30	20	60%
24 months									
Lower bound	-0,223	-0,250	-1,500	1,500	0,523	0,095	30	20	60%
Upper bound	0,950	1,000	-0,500	3,000	0,730	0,133	30	20	60%
60 months									
Lower bound	0,564	0,400	-1,000	2,500	0,899	0,170	28	22	56%
Upper bound	2,902	3,000	0,600	6,000	1,314	0,248	28	22	56%

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
5 YEAR GOVERNMENT BOND RATE									
3 months	0,099	0,100	-0,220	0,300	0,119	0,021	32	18	64%
12 months	0,489	0,500	0,000	1,000	0,254	0,045	32	18	64%
24 months	1,047	1,000	0,150	2,200	0,462	0,083	31	19	62%
60 months	2,188	2,200	0,500	3,800	0,829	0,154	29	21	58%
EUR/SEK									
3 months	9,471	9,500	9,150	9,800	0,123	0,021	35	15	70%
12 months	9,273	9,300	8,800	9,800	0,192	0,033	35	15	70%
24 months	9,106	9,025	8,750	9,800	0,246	0,042	34	16	68%
USD/SEK									
3 months	8,783	8,750	8,400	9,470	0,219	0,037	35	15	70%
12 months	8,576	8,500	7,800	9,540	0,373	0,063	35	15	70%
24 months	8,366	8,325	7,250	9,500	0,574	0,098	34	16	68%