



Press Release

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Kantar 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, February 2018, has now been completed. The previous survey, January 2018, was published January 24, 2018.

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	
	Feb 18	Jan 18	Feb 18	Jan 18	Feb 18	Jan 18
Annual						
Inflation CPI, %	2,0	2,0	2,1	2,1	2,0	2,0
Inflation CPIF, %	1,9	1,9	1,9	1,9	1,9	1,9
GDP, %	2,5	2,6	2,3	2,2	2,2	2,1

	3 months		12 months		24 months		60 months	
	Feb 18	Jan 18	Feb 18	Jan 18	Feb 18	Jan 18	Feb 18	Jan 18
Repo rate, %	-0,5	-0,5	-0,2	-0,1	0,4	0,6	1,6	1,7
5 year gvt bond rate, %	0,2	0,2	0,6	0,6	1,1	1,3	2,0	2,2
EUR	9,68	9,73	9,43	9,46	9,24	9,28	-	-
USD	7,91	8,05	7,68	7,84	7,54	7,69	-	-



February 2018: February 14, 2018
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out January 31 – February 13, 2018 (previous survey January 17 – January 23, 2018).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on January 31, 2018 (previous survey January 17, 2018).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,6 years.

About the Interviewees & Response Rate

In all 46 (47) organisations were approached for interview. 7 (8) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 85 % (83 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 83 % 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 43 Swedish and 3 international players active in the Swedish fixed income market.

Definitions

Inflation, the percentage increase in Consumer Price Index (CPI) and Consumer Price Index with a fixed interest rate (CPIFI)

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 Kantar Sifo Prospera Inflation Expectations Surveys

Kantar 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	2,020	2,000	1,400	3,200	0,377	0,061	38	8	83%
Year 2	2,089	2,100	1,400	3,000	0,350	0,057	38	8	83%
Year 5	2,019	2,000	1,500	2,600	0,318	0,052	37	9	80%

Expected annual increase in 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									
Year 1	1,866	1,800	1,400	2,800	0,320	0,057	32	14	70%
Year 2	1,892	1,850	1,400	2,600	0,274	0,048	32	14	70%
Year 5	1,919	2,000	1,400	2,700	0,303	0,054	32	14	70%

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	1,483	1,500	0,900	2,600	0,330	0,064	27	19	59%
Upper bound	2,235	2,100	1,600	3,500	0,441	0,085	27	19	59%
Year 2									
Lower bound	1,419	1,500	0,500	2,500	0,475	0,091	27	19	59%
Upper bound	2,463	2,400	1,800	4,000	0,571	0,110	27	19	59%
Year 5									
Lower bound	1,181	1,400	-1,000	2,600	0,758	0,146	27	19	59%
Upper bound	2,763	2,500	1,800	6,000	0,887	0,171	27	19	59%

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	2,521	2,600	1,200	3,100	0,399	0,065	38	8	83%
Year 2	2,250	2,300	1,500	3,100	0,372	0,060	38	8	83%
Year 5	2,163	2,050	1,500	3,300	0,351	0,058	36	10	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
Money Market Players									
3 months	-0,492	-0,500	-0,500	-0,250	0,044	0,008	32	14	70%
12 months	-0,200	-0,250	-0,500	0,250	0,205	0,036	32	14	70%
24 months	0,409	0,500	-0,500	1,000	0,345	0,061	32	14	70%
60 months	1,613	1,650	0,250	3,250	0,688	0,126	30	16	65%

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	-0,503	-0,500	-0,600	-0,500	0,018	0,003	30	16	65%
Upper bound	-0,398	-0,500	-0,500	0,250	0,169	0,031	30	16	65%
12 months									
Lower bound	-0,432	-0,500	-0,750	0,000	0,144	0,026	30	16	65%
Upper bound	0,100	0,000	-0,500	1,000	0,326	0,060	30	16	65%
24 months									
Lower bound	-0,095	0,000	-1,000	0,750	0,440	0,080	30	16	65%
Upper bound	1,020	0,875	-0,400	3,000	0,742	0,135	30	16	65%
60 months									
Lower bound	0,695	0,500	-1,500	2,500	0,984	0,183	29	17	63%
Upper bound	2,766	2,500	0,250	7,000	1,347	0,250	29	17	63%

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	0,243	0,300	-0,100	0,500	0,146	0,027	29	17	63%
12 months	0,591	0,600	-0,100	1,250	0,304	0,056	29	17	63%
24 months	1,080	1,150	0,400	2,000	0,419	0,079	28	18	61%
60 months	1,991	2,000	0,700	3,500	0,652	0,123	28	18	61%
EUR/SEK									
3 months	9,679	9,700	9,400	10,000	0,135	0,024	32	14	70%
12 months	9,431	9,500	8,800	9,900	0,199	0,035	32	14	70%
24 months	9,237	9,300	8,750	9,700	0,219	0,040	30	16	65%
USD/SEK									
3 months	7,913	7,900	7,500	8,500	0,232	0,041	32	14	70%
12 months	7,683	7,700	6,800	8,300	0,337	0,060	32	14	70%
24 months	7,542	7,500	6,480	8,500	0,457	0,084	30	16	65%