

October 2018: October 10, 2018

1 (4)

Press Release

Questions regarding the survey will be answered by Hanna Helgesson, +46 (0)768 98 80 00.

This release, or parts thereof, may be published immediately. Please state Kantar Sifo Prospera as the source.

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, October 2018, has now been completed. The previous survey, September 2018, was published September 12, 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	
	Oct 18	Sep 18	Oct 18	Sep 18	Oct 18	Sep 18
Annual						
Inflation CPI, %	2,1	2,0	2,1	2,1	2,0	2,0
Inflation CPIX, %	2,0	2,0	2,0	2,0	2,0	1,9
GDP, %	2,4	2,5	2,2	2,2	2,1	2,0

	3 months		12 months		24 months		60 months	
	Oct 18	Sep 18	Oct 18	Sep 18	Oct 18	Sep 18	Oct 18	Sep 18
Repo rate, %	-0,3	-0,5	0,0	-0,1	0,6	0,7	1,7	1,7
5 year gvt bond rate, %	0,2	0,0	0,7	0,4	1,3	1,1	2,1	1,9
EUR	10,22	10,42	9,90	10,00	9,63	9,68	-	-
USD	8,74	9,01	8,36	8,66	8,08	8,23	-	-



October 2018: October 10, 2018
2 (4)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation and GDP expectations was carried out September 26 - October 8, 2018 (previous survey August 27 - September 11, 2018).

The part covering expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on September 26, 2018 (previous survey August 29, 2018).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 13,3 years.

About the Interviewees & Response Rate

In all 46 (45) organisations were approached for interview. 5 (10) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 89 % (78 %). The response rate for individual questions regarding inflation and GDP increase expectations is at least 74 % for the one year and two year assessments. For the five year assessment as well as the question 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 (CPIF)

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	2,053	2,000	1,000	2,500	0,317	0,050	40	6	87%
Year 2	2,118	2,100	1,400	2,700	0,295	0,047	40	6	87%
Year 5	2,026	2,000	1,000	2,500	0,287	0,047	38	8	83%

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	1,990	2,000	1,400	2,500	0,233	0,040	34	12	74%
Year 2	1,962	2,000	1,400	2,400	0,253	0,043	34	12	74%
Year 5	1,970	2,000	1,000	2,500	0,295	0,051	33	13	72%

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	1,544	1,600	0,500	2,000	0,364	0,064	32	14	70%
Upper bound	2,394	2,400	1,800	3,500	0,357	0,063	32	14	70%
Year 2									
Lower bound	1,391	1,600	0,000	2,200	0,547	0,097	32	14	70%
Upper bound	2,545	2,500	1,800	5,000	0,592	0,105	32	14	70%
Year 5									
Lower bound	1,226	1,500	-1,000	2,400	0,838	0,151	31	15	67%
Upper bound	2,826	2,500	2,000	6,000	0,906	0,163	31	15	67%

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	2,383	2,350	1,500	3,500	0,425	0,067	40	6	87%
Year 2	2,155	2,150	1,000	3,000	0,356	0,056	40	6	87%
Year 5	2,072	2,000	1,400	3,000	0,372	0,061	37	9	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	-0,341	-0,250	-0,500	-0,250	0,116	0,021	29	17	63%
12 months	0,029	0,000	-0,500	0,500	0,221	0,041	29	17	63%
24 months	0,647	0,500	-0,250	1,500	0,363	0,067	29	17	63%
60 months	1,739	1,750	0,500	3,000	0,545	0,105	27	19	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
Money Market Players									
3 months									
Lower bound	-0,481	-0,500	-0,500	-0,250	0,068	0,013	26	20	57%
Upper bound	-0,262	-0,250	-0,500	0,000	0,082	0,016	26	20	57%
12 months									
Lower bound	-0,263	-0,250	-0,750	0,500	0,256	0,050	26	20	57%
Upper bound	0,354	0,250	-0,250	1,000	0,281	0,055	26	20	57%
24 months									
Lower bound	0,035	0,000	-1,000	1,250	0,529	0,104	26	20	57%
Upper bound	1,290	1,000	-0,250	4,000	0,779	0,153	26	20	57%
60 months									
Lower bound	0,570	0,750	-1,500	2,000	0,897	0,179	25	21	54%
Upper bound	2,928	2,500	1,250	7,500	1,472	0,294	25	21	54%

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	0,238	0,250	0,000	0,700	0,132	0,025	27	19	59%
12 months	0,720	0,600	0,150	1,500	0,358	0,069	27	19	59%
24 months	1,310	1,225	0,500	2,500	0,531	0,104	26	20	57%
60 months	2,121	2,150	0,750	3,750	0,753	0,154	24	22	52%
EUR/SEK									
3 months	10,219	10,250	9,900	10,500	0,133	0,025	29	17	63%
12 months	9,900	10,000	9,400	10,300	0,245	0,045	29	17	63%
24 months	9,631	9,600	9,000	10,200	0,294	0,055	29	17	63%
USD/SEK									
3 months	8,737	8,760	7,920	9,400	0,296	0,055	29	17	63%
12 months	8,360	8,450	7,420	9,200	0,378	0,070	29	17	63%
24 months	8,077	8,000	7,000	9,500	0,513	0,095	29	17	63%