

October 2024 report

Money Market Players' expectations

Oct 7, 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	
	Oct 24	Sep 24	Oct 24	Sep 24	Oct 24	Sep 24
Money Market Players						
Annual inflation CPI	1,3	1,4	1,7	1,6	2,1	2,0
Annual inflation CPIF	1,7	1,7	1,8	1,8	2,1	2,0
Annual GDP	1,7	1,6	2,3	2,3	2,2	2,1

	3 months		12 months		24 months		60 months	
	Oct 24	Sep 24	Oct 24	Sep 24	Oct 24	Sep 24	Oct 24	Sep 24
Money Market Players								
Policy rate (%)	2,7	3,0	2,0	2,1	1,9	2,0	2,3	2,2
5 year gvt bond rate (%)	1,7	1,9	1,9	2,0	2,0	2,2	2,5	2,4
EUR/SEK	11,20	11,28	10,88	11,06	10,71	10,69	-	-
USD/SEK	10,01	10,11	9,74	9,88	9,57	9,64	-	-

About the survey		Oct 24	Sep 24
Method	Telephone interviews		
Interview period			
Questions on inflation and GDP expectations		Sep 30-Oct 3	Aug 27-Sep 2
Questions on future policy rate, 5 year government bond rate, EUR and USD rate		Sep 30	Aug 27
Response rate			
Number of organisations approached for interview		45	46
Number of organisations not reached or denied participation		19	16
Overall response rate (%)		58	65
For response rate per question please see Tables 1-8			
About the interviews (numbers)			
Money Market players	Swedish	43	
	International	2	
About the interviewers			
Average experience of the survey (years)		5,3	
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	1,260	1,315	0,250	2,920	0,672	0,132	26	19	58%
Year 2	1,729	1,800	1,100	2,500	0,332	0,065	26	19	58%
Year 5	2,096	2,000	1,500	3,500	0,399	0,078	26	19	58%
CPIF									
Year 1	1,705	1,700	0,500	2,500	0,453	0,089	26	19	58%
Year 2	1,812	1,800	1,300	2,400	0,272	0,053	26	19	58%
Year 5	2,058	2,000	1,500	3,500	0,422	0,083	26	19	58%

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	1,124	1,250	0,000	1,800	0,476	0,099	23	22	51%
Upper bound	2,400	2,300	1,500	4,000	0,654	0,136	23	22	51%
Year 2									
Lower bound	1,035	1,000	0,000	1,600	0,440	0,092	23	22	51%
Upper bound	2,661	2,500	1,500	5,000	0,862	0,180	23	22	51%
Year 5									
Lower bound	1,057	1,000	0,000	1,700	0,561	0,117	23	22	51%
Upper bound	3,041	3,000	1,800	5,000	0,944	0,197	23	22	51%

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	1,654	1,450	-1,000	3,500	1,112	0,218	26	19	58%
Year 2	2,288	2,500	1,000	3,000	0,658	0,129	26	19	58%
Year 5	2,162	2,000	1,200	3,000	0,482	0,094	26	19	58%

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	2,667	2,750	2,250	3,000	0,183	0,040	21	24	47%
12 months	1,964	2,000	1,250	2,500	0,288	0,063	21	24	47%
24 months	1,905	2,000	1,000	2,500	0,321	0,070	21	24	47%
60 months	2,300	2,125	1,500	3,500	0,484	0,108	20	25	44%

October 2024 report

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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	2,389	2,500	1,750	2,750	0,274	0,065	18	27	40%
Upper bound	2,986	3,000	2,750	4,000	0,303	0,071	18	27	40%
12 months									
Lower bound	1,292	1,500	0,000	2,000	0,577	0,136	18	27	40%
Upper bound	2,736	2,625	2,000	5,000	0,715	0,168	18	27	40%
24 months									
Lower bound	1,000	1,250	-0,500	1,750	0,681	0,160	18	27	40%
Upper bound	2,986	2,625	2,000	5,000	0,893	0,211	18	27	40%
60 months									
Lower bound	1,000	1,000	0,000	2,000	0,679	0,165	17	28	38%
Upper bound	3,441	3,250	2,250	5,000	0,954	0,231	17	28	38%

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	1,697	1,730	1,000	2,100	0,266	0,061	19	26	42%
12 months	1,864	2,000	1,000	2,400	0,369	0,085	19	26	42%
24 months	2,027	2,050	1,250	2,700	0,373	0,088	18	27	40%
60 months	2,453	2,300	1,500	4,000	0,656	0,155	18	27	40%
EUR/SEK									
3 months	11,204	11,200	11,000	11,500	0,134	0,032	18	27	40%
12 months	10,878	11,000	10,150	11,200	0,288	0,068	18	27	40%
24 months	10,706	10,750	9,950	12,000	0,431	0,102	18	27	40%
USD/SEK									
3 months	10,008	10,000	9,750	10,400	0,140	0,033	18	27	40%
12 months	9,744	9,775	9,000	10,300	0,332	0,078	18	27	40%
24 months	9,567	9,500	8,500	11,000	0,542	0,128	18	27	40%