

February 2023 report

Money Market Players' expectations

Feb 21, 2023

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	
	Feb 23	Jan 23	Feb 23	Jan 23	Feb 23	Jan 23
Money Market Players						
Annual inflation CPI	5,2	5,4	2,3	2,5	2,1	2,3
Annual inflation CPIF	4,0	4,2	2,2	2,3	2,1	2,3
Annual GDP	-0,7	-0,6	1,2	1,5	2,1	2,1

	3 months		12 months		24 months		60 months	
	Feb 23	Jan 23	Feb 23	Jan 23	Feb 23	Jan 23	Feb 23	Jan 23
Money Market Players								
Policy rate (%)	3,3	3,0	3,0	3,0	2,5	2,3	2,4	2,2
5 year gvt bond rate (%)	2,6	2,3	2,6	2,5	2,6	2,3	2,7	2,3
EUR/SEK	11,08	11,14	10,79	10,83	10,51	10,49	-	-
USD/SEK	10,26	10,41	9,93	10,01	9,39	9,63	-	-

About the survey

		Feb 23	Jan 23
Method	Telephone interviews		
Interview period			
Questions on inflation and GDP expectations		Feb 14-Feb 17	Jan 17-Jan 23
Questions on future policy rate, 5 year government bond rate, EUR and USD rate		Feb 14	Jan 17
Response rate			
Number of organisations approached for interview		48	48
Number of organisations not reached or denied participation		18	16
Overall response rate (%)		63	67
For response rate per question please see Tables 1-8			
About the interviews (numbers)			
Money Market players	Swedish	46	
	International	2	
About the interviewers			
Average experience of the survey (years)		12,3	

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	5,181	5,000	1,500	9,000	1,621	0,296	30	18	63%
Year 2	2,294	2,200	0,500	4,000	0,937	0,171	30	18	63%
Year 5	2,137	2,100	1,400	3,000	0,393	0,072	30	18	63%
CPIF									
Year 1	4,003	4,000	1,500	7,000	1,582	0,294	29	19	60%
Year 2	2,169	2,000	1,000	4,000	0,799	0,148	29	19	60%
Year 5	2,134	2,000	1,100	3,000	0,418	0,078	29	19	60%

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	3,108	3,600	0,000	6,000	1,754	0,358	24	24	50%
Upper bound	5,398	5,350	2,500	10,000	1,894	0,387	24	24	50%
Year 2									
Lower bound	1,333	1,250	-2,000	3,500	1,156	0,236	24	24	50%
Upper bound	3,404	3,150	1,800	5,500	1,042	0,213	24	24	50%
Year 5									
Lower bound	1,156	1,500	-1,000	2,300	0,896	0,183	24	24	50%
Upper bound	3,394	3,300	1,900	6,000	0,971	0,198	24	24	50%

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	-0,693	-0,850	-2,300	1,200	0,966	0,176	30	18	63%
Year 2	1,217	1,200	-1,500	3,000	0,920	0,168	30	18	63%
Year 5	2,073	2,000	1,000	3,000	0,403	0,074	30	18	63%

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	3,348	3,250	2,750	3,500	0,181	0,038	23	25	48%
12 months	3,043	3,250	1,000	3,750	0,660	0,138	23	25	48%
24 months	2,533	2,500	1,000	3,750	0,580	0,121	23	25	48%
60 months	2,364	2,375	1,000	4,000	0,718	0,153	22	26	46%

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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	3,013	3,000	2,000	3,500	0,298	0,067	20	28	42%
Upper bound	3,550	3,500	3,000	4,000	0,251	0,056	20	28	42%
12 months									
Lower bound	2,250	2,625	0,000	3,250	1,003	0,224	20	28	42%
Upper bound	3,738	3,625	3,000	5,000	0,490	0,110	20	28	42%
24 months									
Lower bound	1,498	1,750	-0,500	3,000	0,981	0,219	20	28	42%
Upper bound	3,700	3,625	2,000	7,000	1,009	0,226	20	28	42%
60 months									
Lower bound	1,118	1,500	-2,000	2,500	1,183	0,271	19	29	40%
Upper bound	3,868	3,500	2,000	10,000	1,717	0,394	19	29	40%

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	2,612	2,500	2,300	3,000	0,209	0,046	21	27	44%
12 months	2,580	2,500	1,500	3,400	0,450	0,098	21	27	44%
24 months	2,578	2,480	1,500	3,900	0,582	0,130	20	28	42%
60 months	2,661	2,625	1,500	5,000	0,792	0,177	20	28	42%
EUR/SEK									
3 months	11,076	11,000	10,900	11,500	0,181	0,039	21	27	44%
12 months	10,793	10,800	10,000	11,800	0,410	0,089	21	27	44%
24 months	10,507	10,500	9,750	11,200	0,425	0,093	21	27	44%
USD/SEK									
3 months	10,256	10,300	9,910	10,600	0,213	0,047	21	27	44%
12 months	9,931	9,900	9,000	11,000	0,465	0,102	21	27	44%
24 months	9,393	9,500	8,000	11,000	0,679	0,148	21	27	44%