

## Press Release

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Please state TNS SIFO Prospera as the source.

### *Main results*

Money Market Players foresee a more rapid recovery of the Swedish economy than was the case in the last survey. Inflation, GDP growth, medium and long term repo rates as well as 5 year government bond rates are all still in an upward trend and up as compared to that survey. All figures are in the black, inclusive of the previous red one year GDP growth figure.

SEK has strengthened against EUR and USD since last survey and is believed to strengthen further against these currencies.

84 (74) per cent of the Money Market Players believe that the inflation the second year from now will stay within the Riksbank's 1-3 % tolerance band.

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 expectations of inflation, GDP and future repo rates in Sweden among money market players. The survey also includes expectations of the 5 year government bond rate, EUR and USD rates. The latest survey in the series, September 09, has now been completed. The previous survey, 3/09, was published Jun 17, 2009. A comparison of the results of the two surveys concerning money market players can be summarised as follows;

### Money Market Players' Expectations of;

	Year 1		Year 2		Year 5	
	Sept 09	3/09	Sept 09	3/09	Sept 09	3/09
Annual; Inflation, %	1,1	0,8	1,9	1,6	2,3	2,2
GDP, %	1,0	-0,8	2,3	1,6	2,6	2,4

### Money Market Players' Expectations of;

	3 months		12 months		24 months		60 months	
	Sept 09	3/09	Sept 09	3/09	Sept 09	3/09	Sept 09	3/09
Repo Rate, %	0,3	0,5	1,1	0,6	2,5	1,8	3,7	3,6
5 year gvt bond rate, %	2,9	2,8	3,4	3,2	4,0	3,7	4,4	4,2
EUR	10,15	10,56	9,77	10,00	9,49	9,52	-	-
USD	7,23	7,51	7,01	7,26	6,90	7,12	-	-

## Interview Period & Method

TNS SIFO Prospera's inflation expectation surveys are carried out over the telephone. The part of the survey that encompasses inflation and GDP expectations was carried out Sep 2 – Sep 10, 2009 (previous survey Jun 1 – Jun 12, 2009). The part of the survey regarding expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on Sep 2, 2009 (previous survey Jun 3, 2009).

## About the Interviewees & Response Rate

In all 57 (57) organisations were approached for interview. 4 (2) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 93 % (96 %). The response rate for individual questions regarding inflation and GDP increase expectations is 91 % or more 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 1-5)

The money market category includes 57 players, 45 Swedish and 12 international, active in the Swedish fixed income market.

## Definitions

*Inflation* is defined as the percentage increase in Consumer Price Index (CPI). The *repo rate* is the Riksbank's borrowing/lending rate from/to banks for seven days' money and the *GDP*, Gross Domestic Product, is defined as the value of all goods and services produced (by Swedish agents) in one year.

## Previous TNS SIFO Prospera Inflation Expectations Surveys

Previous (starting in 1995) TNS SIFO Prospera inflation reports, releases and tables can be downloaded from the site address below.

### TABLE 1 - Inflationary 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 (%)
<b>Money Market Players</b>									
Year 1	1,090	1,000	-0,500	2,500	0,719	0,099	53	4	93
Year 2	1,866	2,000	0,000	4,500	0,703	0,098	52	5	91
Year 5	2,296	2,000	1,800	5,000	0,553	0,080	48	9	84

### TABLE 2 - 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 (%)
<b>Money Market Players</b>									
Year 1	1,028	1,500	-5,000	3,800	1,987	0,273	53	4	93
Year 2	2,313	2,500	0,000	4,000	0,818	0,113	52	5	91
Year 5	2,590	2,500	1,500	4,000	0,487	0,071	47	10	82

### TABLE 3 - 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 (%)
<b>Money Market Players</b>									
3 months	0,261	0,250	0,250	0,750	0,075	0,011	44	13	77
12 months	1,092	1,000	0,250	3,000	0,587	0,088	44	13	77
24 months	2,514	2,500	1,000	4,500	0,825	0,126	43	14	75
60 months	3,669	4,000	1,500	5,000	0,757	0,121	39	18	68

**TABLE 4 - 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 (%)
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>	2,861	2,900	2,500	3,500	0,208	0,034	37	20	65
<b>12 months</b>	3,431	3,400	3,000	4,000	0,295	0,048	37	20	65
<b>24 months</b>	3,957	4,000	3,200	5,000	0,440	0,073	36	21	63
<b>60 months</b>	4,375	4,450	3,500	5,500	0,615	0,102	36	21	63
<b>EUR/SEK</b>									
<b>3 months</b>	10,145	10,100	9,700	11,250	0,265	0,040	44	13	77
<b>12 months</b>	9,768	9,775	9,200	10,750	0,307	0,046	44	13	77
<b>24 months</b>	9,485	9,500	8,800	10,250	0,324	0,051	40	17	70
<b>USD/SEK</b>									
<b>3 months</b>	7,230	7,150	6,700	8,040	0,280	0,043	43	14	75
<b>12 months</b>	7,010	7,000	6,000	7,860	0,375	0,057	43	14	75
<b>24 months</b>	6,901	7,000	5,000	8,200	0,696	0,110	40	17	70

**TABLE 5 - Confidence Indicator**

The figures in the columns below display the percentages of interviewees believing that the inflation rate, the second year from now, will fall within/outside the Riksbank's inflationary tolerance band (not less than 1, not more than 3% inflation). The percentage within this band is defined as the Confidence Indicator.

	Less than 1%		Confidence Indicator		More than 3%		No respons	
	Sept 09	3/09	Sept 09	3/09	Sept 09	3/09	Sept 09	3/09
Money Market Players	4	18	84	74	4	2	9	7