

SEB Fixed Income Survey March

Everyone expects unchanged policy rate until June



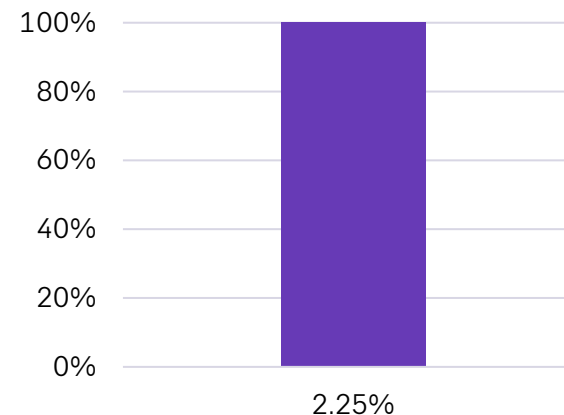
SEB Fixed Income Survey

No rate cuts expected at the upcoming two meetings

- All respondents expect the policy rate to remain unchanged at 2.25% in both in March and May.
- Expectations for the policy rate in June are more mixed, but a solid majority (80%) expect the policy rate to remain flat at 2.25%. Some respondents (17%) expect another rate cut to 2.00%, while a small minority expects a rate hike to 2.50%.
- The survey was conducted between March 11 – 14 among large Swedish Fixed Income investors.

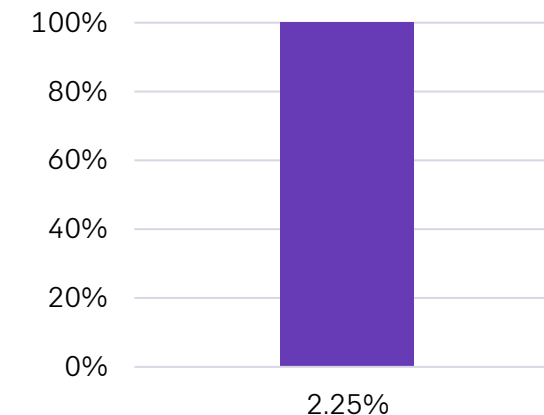
What will the Riksbank's policy rate be in March 2025?

Share of respondents, %



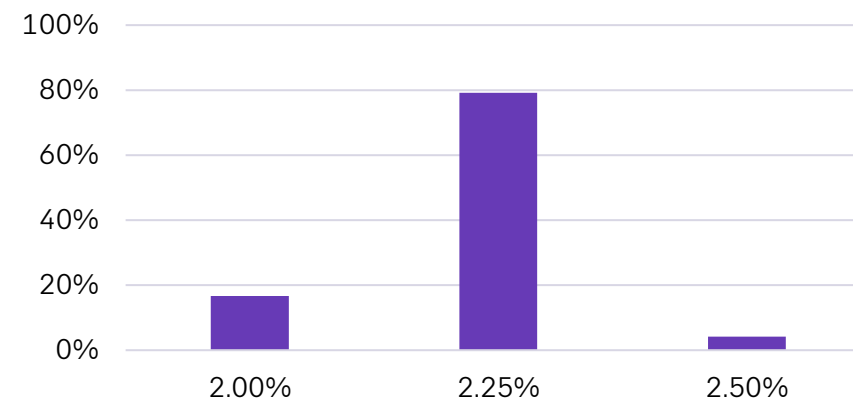
What will the Riksbank's policy rate be in May 2025?

Share of respondents, %



What will the Riksbank's policy rate be in June 2025?

Share of respondents, %



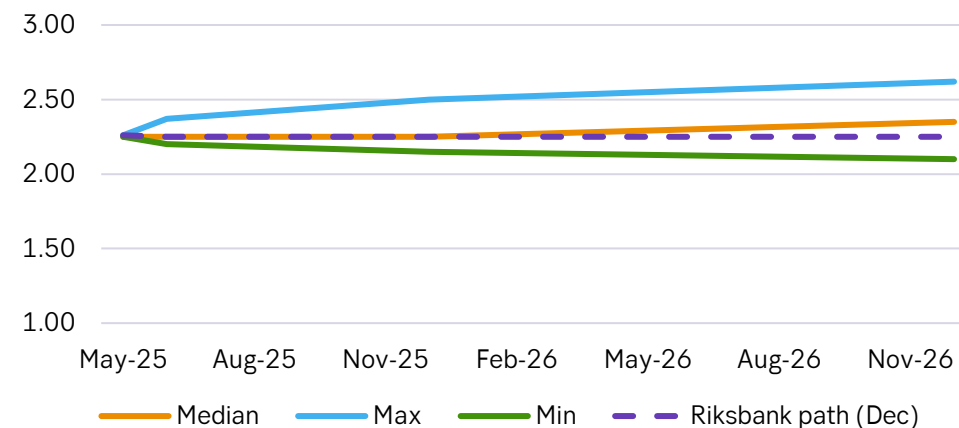
SEB Fixed Income Survey

Large variations in expectations on the policy rate outlook

- The median expectation is that the rate path will signal a flat rate throughout 2025, before tilting slightly upwards in 2026. The highest prediction is a policy path that increases gradually, starting in June, to signal a probability of one rate hike in 2025. The lowest estimate points in the other direction, indicating a high probability of a rate cut at some point during the coming two years.
- Investors' own expectations for the policy rate diverge significantly, with large outliers. Most investors expect unchanged rates at 2.25% throughout 2025, aligning with SEB's forecast and the December MPR rate path, followed by a slightly higher rate by the end of 2026. The median expectation is 2.50% in December 2026.
- However, while the minimum expectation reaches 1.00% by the end of 2026, the highest expectation is of a policy rate that reaches 3.50% by the same time, reflecting the very high degree of uncertainty surrounding the balance of risks to the policy rate outlook.

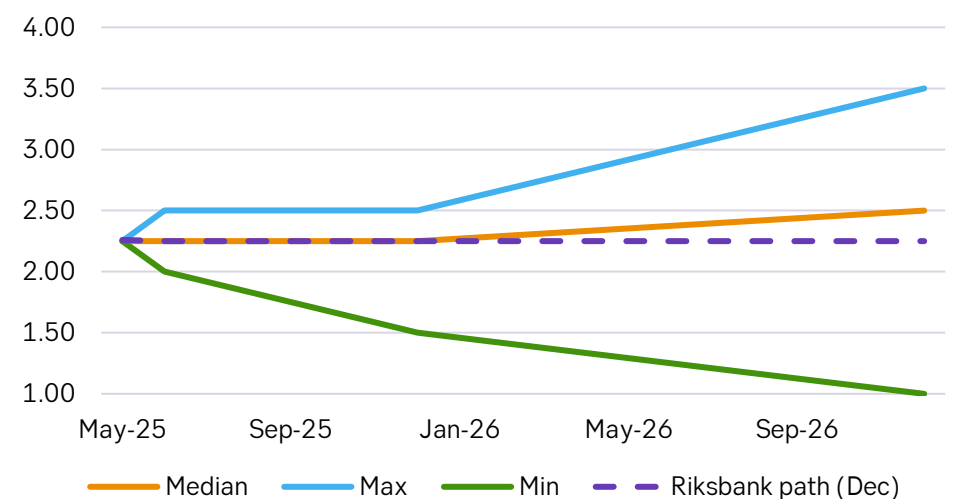
Expectations on rate path

Median, max & min (%)



Own expectations on policy rate

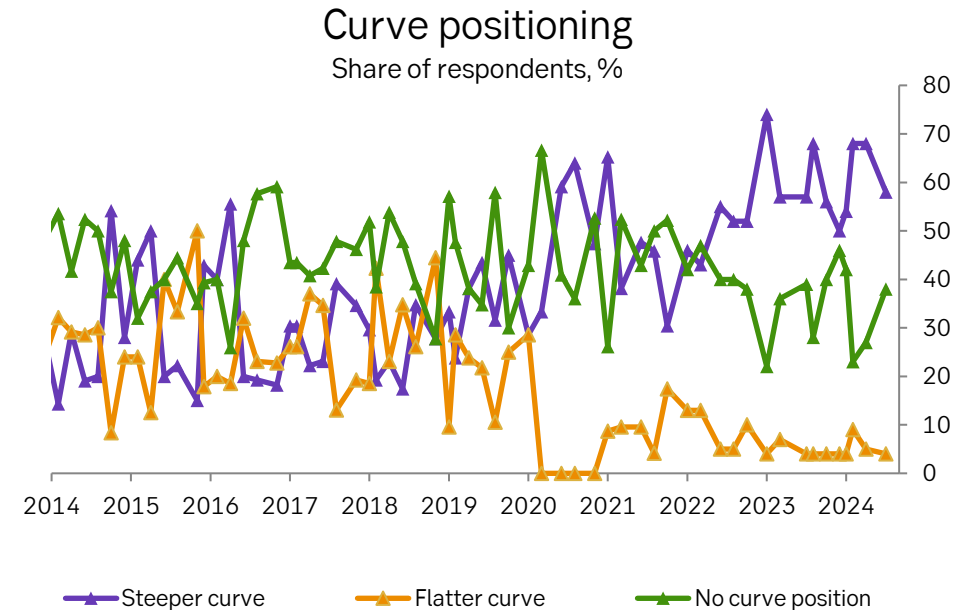
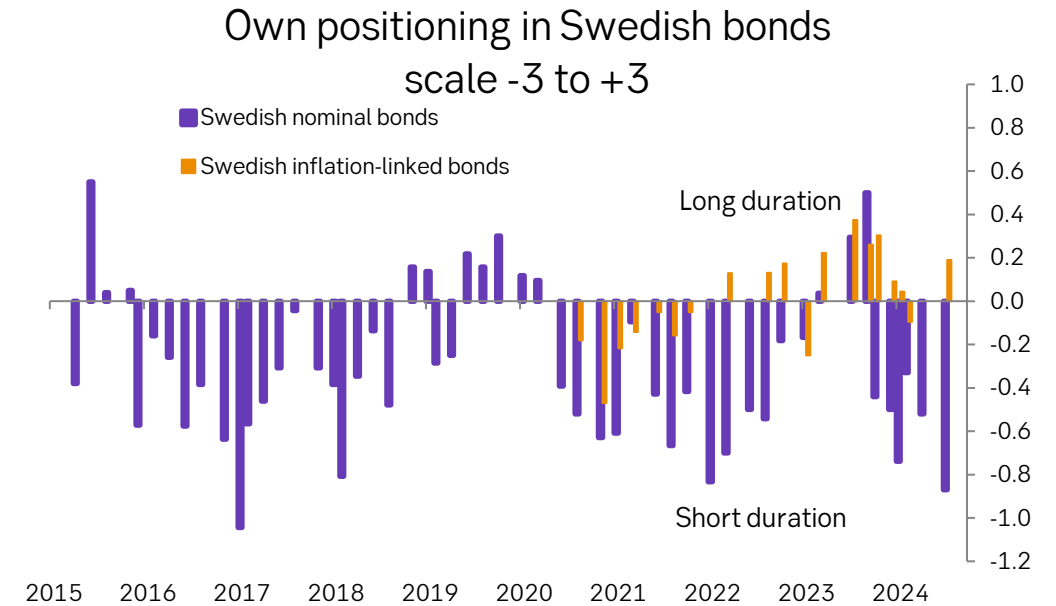
Median, max & min (%)



SEB Fixed Income Survey

Short positioning in nominal SGBs has increased further

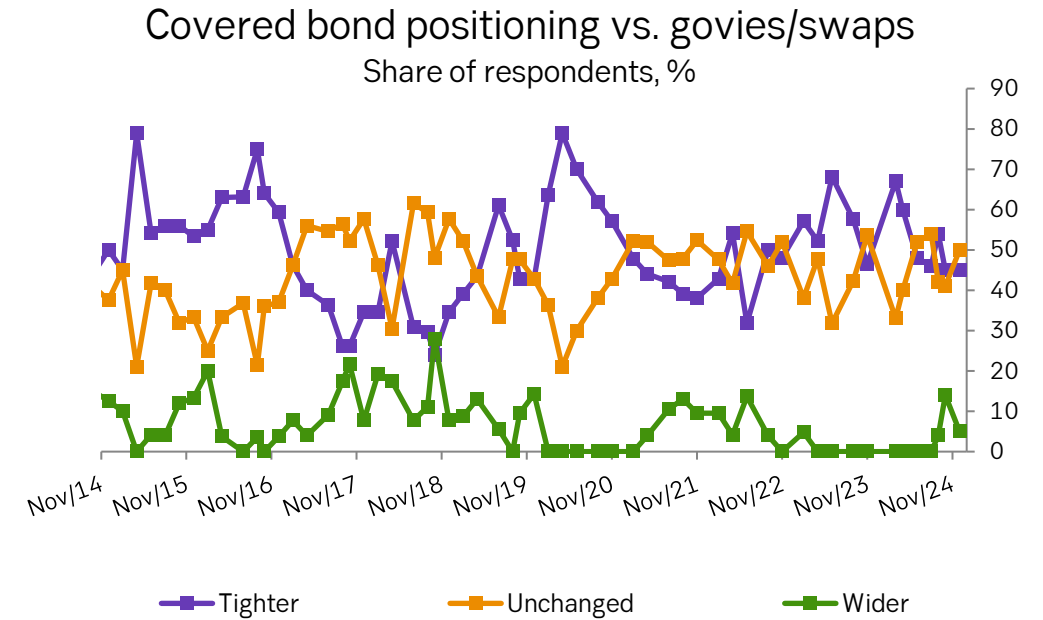
- Investors' positioning in nominal government bonds continues to be short duration and the score declined to -0.9.
- In contrast, investors' duration in inflation-linked bonds rose from neutral (0.0) to long (0.2).
- Positioning for a steeper curve declined but remains at high levels. The positioning for a steeper curve has been at historically high levels over the last two years.
- Positioning for a flatter curve continues to be very low, and investors instead, to a larger degree, answer that they have no curve position.



SEB Fixed Income Survey

Many continue to expect tighter covered bond spreads

- Many investors continue to expect covered bonds to perform well, and the share is largely unchanged compared to January.
- The share that are positioned for wider spreads is low and has declined after rising temporarily in November.



Disclaimer:

The material in this presentation has been prepared by Skandinaviska Enskilda Banken AB (publ) ("SEB") for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. Opinions contained in the report represent the authors' present opinion only and may be subject to change.

All information, including statements of fact, contained the material in this presentation has been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability whatsoever is accepted by SEB for any direct or consequential loss arising from the use of the material on this website.

SEB, its affiliates or employees may buy or sell, hold long or short positions in, or act as principal in, the financial instruments referred to on this website or may from time to time perform or seek to perform investment banking or other services to the companies mentioned on this website.

The material in this presentation is intended only for residents of EEA member states and the UK. The material may only be distributed in the US by SEB Securities Inc. to recipients which are deemed Qualified Institutional Buyers.

Furthermore, material must not be sent to Canada, Japan or Australia and may not be distributed in jurisdictions where to do so would be unlawful. As a recipient you are confirming that you are resident in an EEA member state, the UK or a Qualified Institutional Buyer in the US.