

# SEB Trading Room Survey November

63% expects another 25bps in November

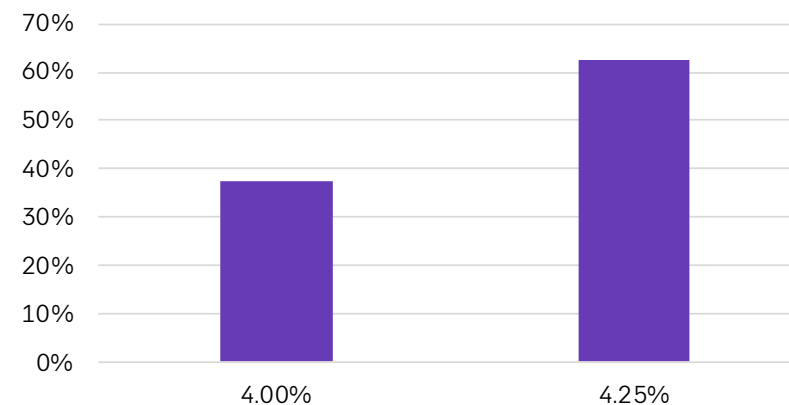


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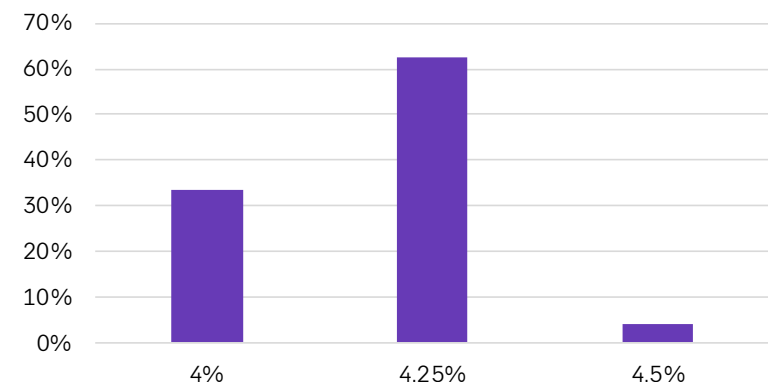
## Diverging expectations also in our trading room survey

- 63% of the respondents expect a 25bps rate hike in November, which is slightly more than in our Investor Survey (57%). Expectations are split and 37% predict unchanged rates.
- Very few expect rates to be changed in February, but 8% predict a rate hike in February, half of which expects no hike in November but one in February while the other half expects two consecutive hikes to 4.50% in February.
- The survey was conducted on November 20-21 among SEB's FX and FI traders and sales.

Expected policy rate in November  
Share of respondents, %



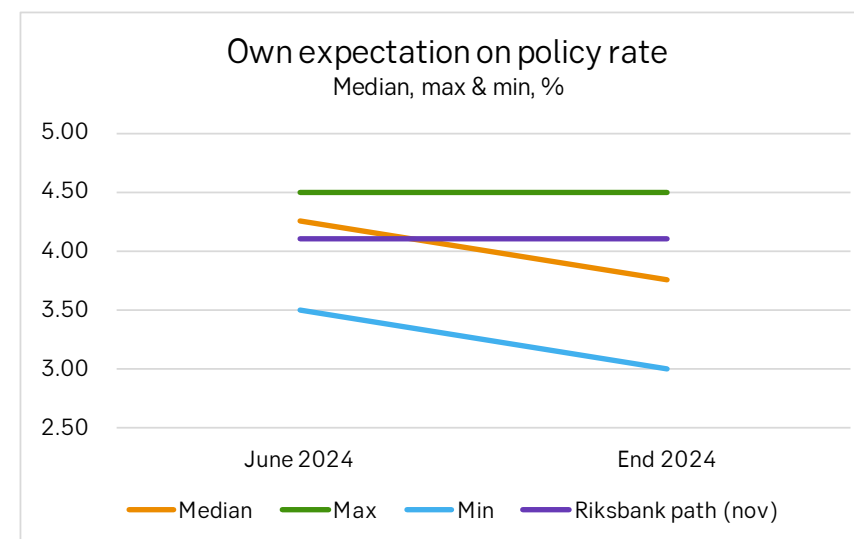
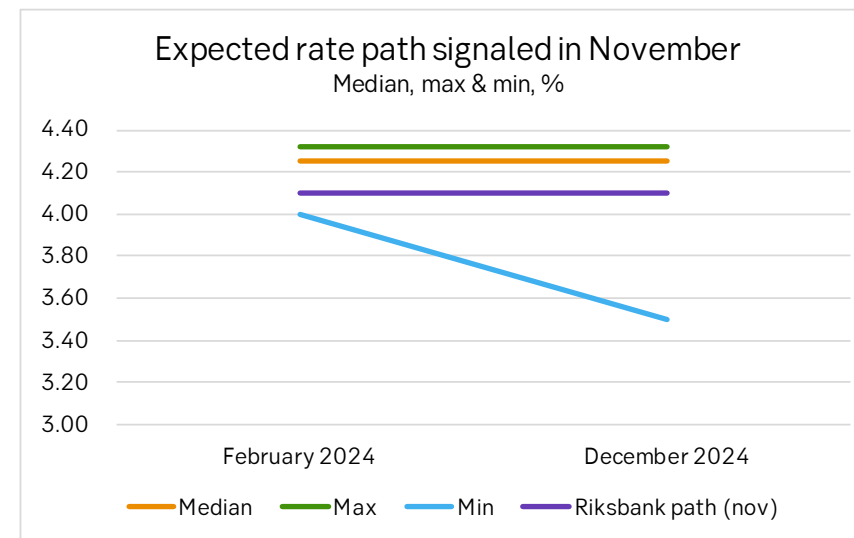
Expected policy rate in February  
Share of respondents, %



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## Dovish hike or hawkish pause

- The median expectation for the rate path is 4.25% in both February and December 2024. Those expecting a rate hike predict that the rate path will signal only 1bps higher policy rate in February, while those predicting an unchanged rate predict the rate path to signal 9bps higher rate. In sum, just as in our Investor Survey, respondents generally predict the Riksbank to deliver a dovish hike or a hawkish pause.
- Expectations for the rate path in December 2024 are slightly more split with a few outliers on the downside.
- In line with our Investor Survey, respondents own expectations for the policy rate next year diverge significantly with a majority predicting at least 2 rate cuts by December next year.
- 21% of the respondents predict the Riksbank to expand the QT programme. The average expectation is that the Riksbank will raise the monthly volumes to SEK 7.3bn (from SEK 5bn).

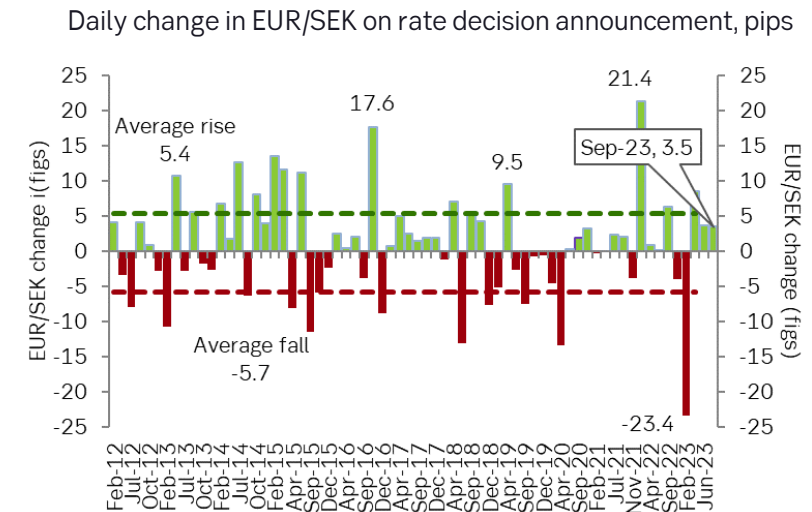


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## Muted market movements on average but very diverging expectations

- In the SEB research main scenario, bond yields are expected to decline slightly while EUR/SEK will increase by around 6figs. This is very much in line with the average impact on EUR/SEK in a historical context. Expectations for EUR/SEK are clearly divided and diverge significantly, with the predicted movement in the range -10 to +25 figs.
- In a scenario where the policy rate is raised, and the rate path signals a low probability for another hike (Risk scenario 1, which a majority of respondents in this survey expect), participants expect yields to rise slightly and EUR/SEK to decline. In a more hawkish scenario with a rate hike and a rate path continuing to signal a relatively high probability for a hike (Risk scenario 2), these movements will be slightly larger. Like in the main scenario, expectations diverge significantly, especially for EUR/SEK. In Risk scenario 1, the range for EUR/SEK is -15 to +25; in Risk scenario 2, the range is -20 to +33.

	SEB main scenario: The policy rate is unchanged in November and the the policy rate forecast predicts another 10 bps higher rate in February.	Risk scenario 1: The policy rate is raised by 25 bps in November. and the policy rate forecast predicts 3bps higher rate in February 2024.	Risk scenario 2:The policy rate is raised by 25 bps in November and the policy rate forecast predicts 10bps higher rate in February 2024.
<b>2 year yield</b>	-2.6bps	5.5bps	9.9bps
<b>10 year yield</b>	-0.8bps	2.1bps	5bps
<b>EUR/SEK</b>	5.9figs	-3.9figs	-7.2figs



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