

March 2021 report

Expectations among Labour Market Parties, Purchasing Managers and Money Market Players

Mar 16, 2021

Kantar Prospera has been commissioned by Sveriges Riksbank (Central Bank of Sweden) to undertake a series of surveys aiming at mapping expectations of inflation, wage increase, GDP and repo rate in Sweden among Labour Market Parties, Purchasing Managers and Money Market Players. The survey also includes Money Market Players' expectations of the Swedish 5 year government bond rate, EUR and USD rates.

The Money Market Player survey is conducted every month. The survey also including Labour Market Parties and Purchasing Managers is published quarterly.

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

This release, or parts thereof, may be published immediately. Please state Kantar Prospera as the source.

As of February 2021, Kantar Prospera also maps expectations on the Riksbank's bond purchases.

(%)	Year 1		Year 2		Year 5	
	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20
All Interviewees						
Annual inflation CPI	1,4	0,8	1,6	1,2	1,9	1,7
Annual inflation CPIX	1,3	0,8	1,5	1,2	1,8	1,7
Annual GDP	2,4	1,4	2,6	2,4	2,4	2,4
Annual wage increase	2,3	2,2	2,3	2,1	2,4	2,4

	3 months			12 months			24 months			60 months		
	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20
All interviewees												
Repo rate (%)	0,0	-	0,0	0,0	-	0,0	0,2	-	0,2	0,7	-	0,8
Money Market Players												
Repo rate (%)	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,1	0,1	0,7	0,8	0,8
5 year gvt bond rate (%)	-0,1	-0,2	-0,3	0,1	-0,1	-0,2	0,3	0,2	0,1	0,9	0,8	0,9
EUR/SEK	10,10	10,04	10,13	9,95	9,93	9,93	9,88	9,83	9,78	-	-	-
USD/SEK	8,40	8,25	8,53	8,29	8,13	8,33	8,23	8,07	8,14	-	-	-

	Current quarter			Following 3 quarters		
	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20
Money Market Players						
The Riksbank's bond purchases (SEK bn)	195	112	-	289	268	-
Distribution (%)						
Government bonds	23	26	-	24	27	-
Municipal bonds	19	17	-	17	15	-
Covered bonds	54	53	-	54	54	-
Corporate bonds	4	4	-	4	4	-

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Overview of subgroups

(%)	Year 1			Year 2			Year 5		
	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20
Annual inflation CPI									
All Interviewees	1,4	-	0,8	1,6	-	1,2	1,9	-	1,7
Employees' Organisations	1,4	-	0,8	1,6	-	1,2	1,8	-	1,7
Employers' Organisations	1,4	-	0,7	1,5	-	1,1	1,9	-	1,8
Purchasing Managers, Manufacturing	1,5	-	0,8	1,7	-	1,2	2,0	-	1,7
Purchasing Managers, Trading	1,5	-	0,8	1,9	-	1,2	1,9	-	1,7
Money Market Players	1,3	1,1	1,0	1,5	1,4	1,4	1,8	1,8	1,7
Annual inflation CPIF									
All Interviewees	1,3	-	0,8	1,5	-	1,2	1,8	-	1,7
Employees' Organisations	1,3	-	0,8	1,5	-	1,3	1,8	-	1,7
Employers' Organisations	1,3	-	0,8	1,5	-	1,2	1,9	-	2,0
Purchasing Managers, Manufacturing	1,4	-	0,5	1,7	-	0,9	2,0	-	1,5
Purchasing Managers, Trading	1,1	-	0,8	1,4	-	1,3	1,9	-	2,0
Money Market Players	1,3	1,1	1,0	1,4	1,4	1,4	1,7	1,8	1,7
Annual GDP									
All Interviewees	2,4	-	1,4	2,6	-	2,4	2,4	-	2,4
Employees' Organisations	2,4	-	0,4	3,1	-	2,2	2,8	-	2,6
Employers' Organisations	2,5	-	2,1	2,8	-	3,0	2,2	-	2,7
Purchasing Managers, Manufacturing	1,4	-	0,2	2,0	-	1,8	2,4	-	2,4
Purchasing Managers, Trading	2,1	-	1,5	2,5	-	2,5	2,4	-	2,4
Money Market Players	3,4	3,0	2,6	2,7	2,7	2,6	2,3	2,4	2,2
Annual wage increase									
All Interviewees	2,3	-	2,2	2,3	-	2,1	2,4	-	2,4
Employees' Organisations	2,5	-	2,5	2,4	-	2,3	2,8	-	2,8
Employers' Organisations	2,3	-	2,3	2,4	-	2,2	2,6	-	2,4
Purchasing Managers, Manufacturing	2,2	-	2,1	2,2	-	2,0	2,2	-	2,3
Purchasing Managers, Trading	2,3	-	2,1	2,2	-	2,1	2,2	-	2,3

(%)	3 months			12 months			24 months			60 months		
	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20	Mar 21	Feb 21	Dec 20
Repo rate												
All Interviewees	0,0	-	0,0	0,0	-	0,0	0,2	-	0,2	0,7	-	0,8
Employees' Organisations	0,0	-	0,0	0,0	-	0,0	0,1	-	0,2	0,6	-	0,7
Employers' Organisations	0,0	-	0,0	0,0	-	0,1	0,1	-	0,2	0,8	-	0,8
Purchasing Managers, Manufacturing	0,0	-	0,0	0,0	-	0,0	0,1	-	0,1	0,7	-	0,7
Purchasing Managers, Trading	0,0	-	0,0	0,1	-	0,1	0,3	-	0,3	0,8	-	0,9
Money Market Players	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,1	0,1	0,7	0,8	0,8

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About the survey

Mar 21

Dec 20

Method

Telephone interviews

Interview period

Questions on inflation, GDP and wage increase expectations

Mar 1-Mar 12

Nov 23-Dec 8

Questions on future repo rate, 5 year government bond rate, EUR and USD rate

Mar 9

Nov 25

Response rate

Number of organisations approached for interview

188

189

Number of organisations not reached or denied participation

62

52

Overall response rate (%)

67

72

For response rates per question please see Tables 1-9

About the interviews (numbers)

All Interviewees

188

Labour Market Organisations
Employers'

21

Employees'

25

Purchasing Managers*
Manufacturing

48

Trading

52

Money Market Players**
Swedish

40

International

2

*The group of companies interviewed is a random sample selected from a company directory at the National Statistics Office of Sweden comprising Swedish companies with more than 200 employees.

**The Money Market Players are active in the Swedish fixed income market. They were not asked to assess the expected wage increases. Only the Money Market Players have participated in the survey covering expected 5Y government bond, EUR and USD rates

About the interviewers

Average experience of the survey (years)

12,7

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

Repo rate The Riksbank's borrowing/lending rate from/to banks for seven days' money

Wage increase The percentage increase in wages/salaries as measured over all sectors in the economy, exclusive of social costs but inclusive of wage increases negotiated earlier and wage drift.

Previous reports
www.kantarsifo.se/erbjudande/prospira/inflation-expectations

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TABLE 1 - Inflation 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
All Interviewees									
Year 1	1,418	1,400	0,000	3,500	0,566	0,051	122	66	65%
Year 2	1,642	1,500	0,000	4,000	0,534	0,048	122	66	65%
Year 5	1,866	1,950	0,700	3,000	0,393	0,037	116	72	62%
Employees' Organisations									
Year 1	1,386	1,450	0,500	2,000	0,470	0,111	18	7	72%
Year 2	1,567	1,550	0,500	2,600	0,477	0,112	18	7	72%
Year 5	1,835	2,000	0,700	2,600	0,392	0,095	17	8	68%
Employers' Organisations									
Year 1	1,360	1,300	0,800	1,800	0,275	0,073	14	7	67%
Year 2	1,525	1,500	1,000	2,000	0,318	0,085	14	7	67%
Year 5	1,916	2,000	1,500	2,510	0,240	0,066	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,530	1,500	0,000	3,500	0,798	0,160	25	23	52%
Year 2	1,704	1,800	0,000	3,000	0,688	0,138	25	23	52%
Year 5	1,958	2,000	1,000	3,000	0,557	0,114	24	24	50%
Purchasing Managers, Trading									
Year 1	1,496	1,500	0,000	2,700	0,587	0,101	34	18	65%
Year 2	1,854	1,900	1,000	4,000	0,611	0,105	34	18	65%
Year 5	1,864	2,000	1,000	3,000	0,354	0,063	32	20	62%
Money Market Players									
Year 1	1,286	1,300	0,500	2,500	0,459	0,082	31	11	74%
Year 2	1,456	1,440	0,700	2,100	0,299	0,054	31	11	74%
Year 5	1,791	1,800	1,000	2,400	0,333	0,061	30	12	71%

Expected annual increase in CPIF the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No resp. (numbers)	Response Rate
All Interviewees									
Year 1	1,302	1,320	0,000	2,500	0,501	0,056	81	107	43%
Year 2	1,502	1,500	0,000	2,500	0,480	0,053	81	107	43%
Year 5	1,845	1,900	0,500	3,000	0,462	0,052	79	109	42%
Employees' Organisations									
Year 1	1,323	1,400	0,500	2,000	0,492	0,136	13	12	52%
Year 2	1,538	1,500	0,500	2,400	0,479	0,133	13	12	52%
Year 5	1,808	1,950	0,700	2,200	0,392	0,113	12	13	48%
Employers' Organisations									
Year 1	1,329	1,300	0,900	1,800	0,276	0,083	11	10	52%
Year 2	1,521	1,500	1,100	2,200	0,288	0,087	11	10	52%
Year 5	1,930	2,000	1,500	2,100	0,183	0,058	10	11	48%
Purchasing Managers, Manufacturing									
Year 1	1,356	1,500	0,000	2,300	0,652	0,163	16	32	33%
Year 2	1,678	1,950	0,250	2,500	0,698	0,174	16	32	33%
Year 5	2,013	2,000	0,500	3,000	0,767	0,192	16	32	33%
Purchasing Managers, Trading									
Year 1	1,145	1,100	0,000	2,000	0,530	0,160	11	41	21%
Year 2	1,364	1,400	0,000	2,400	0,582	0,175	11	41	21%
Year 5	1,864	1,900	1,000	2,500	0,385	0,116	11	41	21%
Money Market Players									
Year 1	1,313	1,400	0,300	2,500	0,488	0,089	30	12	71%
Year 2	1,437	1,400	0,700	2,300	0,336	0,061	30	12	71%
Year 5	1,736	1,735	1,000	2,500	0,346	0,063	30	12	71%

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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	0,864	0,900	-0,100	1,900	0,540	0,108	25	17	60%
Upper bound	1,808	1,700	0,500	3,500	0,648	0,130	25	17	60%
Year 2									
Lower bound	0,858	0,900	0,000	1,900	0,458	0,092	25	17	60%
Upper bound	1,996	2,000	1,200	3,500	0,560	0,112	25	17	60%
Year 5									
Lower bound	1,134	1,100	0,000	2,100	0,518	0,104	25	17	60%
Upper bound	2,466	2,400	1,700	3,500	0,490	0,098	25	17	60%

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
All Interviewees									
Year 1	2,386	2,850	-2,000	5,800	1,670	0,151	122	66	65%
Year 2	2,565	2,700	-1,500	5,000	1,189	0,108	122	66	65%
Year 5	2,393	2,275	0,400	5,000	0,860	0,080	116	72	62%
Employees' Organisations									
Year 1	2,400	3,000	0,000	4,000	1,349	0,318	18	7	72%
Year 2	3,056	3,000	1,000	4,900	0,999	0,235	18	7	72%
Year 5	2,800	2,500	1,500	5,000	1,039	0,252	17	8	68%
Employers' Organisations									
Year 1	2,493	2,800	0,000	4,500	1,371	0,366	14	7	67%
Year 2	2,793	3,000	0,000	5,000	1,266	0,338	14	7	67%
Year 5	2,154	2,000	0,500	3,500	0,828	0,230	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,408	2,000	-2,000	4,000	1,692	0,338	25	23	52%
Year 2	2,008	2,000	-1,500	4,000	1,387	0,277	25	23	52%
Year 5	2,438	2,650	0,400	5,000	1,045	0,213	24	24	50%
Purchasing Managers, Trading									
Year 1	2,144	2,600	-2,000	5,000	1,834	0,315	34	18	65%
Year 2	2,503	2,550	0,000	4,600	1,267	0,217	34	18	65%
Year 5	2,372	2,450	0,500	4,000	0,820	0,145	32	20	62%
Money Market Players									
Year 1	3,384	3,000	0,300	5,800	1,229	0,221	31	11	74%
Year 2	2,695	2,700	0,300	5,000	0,828	0,149	31	11	74%
Year 5	2,252	2,200	0,600	3,500	0,570	0,104	30	12	71%

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TABLE 4 - Wage increase expectations

Expected annual wage increase the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No resp. (numbers)	Response Rate
All Interviewees									
Year 1	2,306	2,300	0,600	3,200	0,497	0,051	94	52	64%
Year 2	2,270	2,300	1,000	3,500	0,392	0,040	94	52	64%
Year 5	2,392	2,300	1,000	3,500	0,477	0,051	89	57	61%
Employees' Organisations									
Year 1	2,463	2,600	1,500	3,200	0,524	0,120	19	6	76%
Year 2	2,421	2,400	2,000	3,100	0,314	0,072	19	6	76%
Year 5	2,828	3,000	2,000	3,500	0,488	0,115	18	7	72%
Employers' Organisations									
Year 1	2,254	2,380	0,600	3,100	0,707	0,189	14	7	67%
Year 2	2,371	2,400	2,000	2,800	0,223	0,060	14	7	67%
Year 5	2,554	2,500	1,900	3,000	0,456	0,126	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,192	2,200	0,800	3,000	0,522	0,102	26	22	54%
Year 2	2,152	2,050	1,000	3,000	0,472	0,093	26	22	54%
Year 5	2,244	2,300	1,500	3,000	0,342	0,068	25	23	52%
Purchasing Managers, Trading									
Year 1	2,326	2,200	1,800	3,200	0,336	0,057	35	17	67%
Year 2	2,236	2,250	1,200	3,500	0,395	0,067	35	17	67%
Year 5	2,202	2,200	1,000	3,000	0,401	0,070	33	19	63%

TABLE 5 - 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
All Interviewees									
3 months	0,001	0,000	-0,250	0,250	0,034	0,003	115	73	61%
12 months	0,040	0,000	-0,100	0,500	0,118	0,011	115	73	61%
24 months	0,158	0,000	0,000	1,000	0,254	0,024	115	73	61%
60 months	0,709	0,500	0,000	2,500	0,542	0,052	109	79	58%
Employees' Organisations									
3 months	0,006	0,000	0,000	0,100	0,024	0,006	18	7	72%
12 months	0,039	0,000	0,000	0,500	0,124	0,029	18	7	72%
24 months	0,117	0,000	0,000	0,500	0,185	0,044	18	7	72%
60 months	0,550	0,500	0,000	1,500	0,419	0,102	17	8	68%
Employers' Organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	14	7	67%
12 months	0,000	0,000	0,000	0,000	0,000	0,000	14	7	67%
24 months	0,121	0,000	0,000	0,500	0,193	0,052	14	7	67%
60 months	0,764	1,000	0,000	1,500	0,558	0,155	13	8	62%
Purchasing Managers, Manufacturing									
3 months	0,010	0,000	0,000	0,250	0,051	0,010	24	24	50%
12 months	0,013	0,000	0,000	0,250	0,052	0,011	24	24	50%
24 months	0,113	0,000	0,000	0,500	0,176	0,036	24	24	50%
60 months	0,675	0,500	0,000	2,500	0,598	0,122	24	24	50%
Purchasing Managers, Trading									
3 months	-0,007	0,000	-0,250	0,000	0,043	0,007	34	18	65%
12 months	0,107	0,000	0,000	0,500	0,176	0,030	34	18	65%
24 months	0,284	0,200	0,000	1,000	0,356	0,061	34	18	65%
60 months	0,805	0,750	0,000	2,000	0,534	0,094	32	20	62%
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	25	17	60%
12 months	-0,004	0,000	-0,100	0,000	0,020	0,004	25	17	60%
24 months	0,080	0,000	0,000	0,500	0,157	0,031	25	17	60%
60 months	0,696	0,500	0,000	2,500	0,579	0,121	23	19	55%

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TABLE 6 - Repo rate expectations - 75% probability forecast uncertainty intervals

Expected repo 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	-0,114	0,000	-0,500	0,000	0,161	0,035	21	21	50%
Upper bound	0,017	0,000	0,000	0,250	0,058	0,013	21	21	50%
12 months									
Lower bound	-0,238	-0,200	-1,250	0,000	0,296	0,065	21	21	50%
Upper bound	0,093	0,000	0,000	1,250	0,278	0,061	21	21	50%
24 months									
Lower bound	-0,290	-0,200	-2,000	0,250	0,473	0,103	21	21	50%
Upper bound	0,517	0,250	0,000	2,000	0,504	0,110	21	21	50%
60 months									
Lower bound	-0,071	0,000	-1,750	1,000	0,720	0,165	19	23	45%
Upper bound	1,521	1,250	0,150	3,250	0,986	0,226	19	23	45%

TABLE 7 - 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	-0,054	0,000	-0,300	0,150	0,142	0,031	21	21	50%
12 months	0,102	0,100	-0,300	0,500	0,241	0,053	21	21	50%
24 months	0,330	0,300	-0,150	0,900	0,303	0,068	20	22	48%
60 months	0,853	0,750	0,000	2,750	0,691	0,159	19	23	45%
EUR/SEK									
3 months	10,100	10,100	10,000	10,300	0,075	0,015	25	17	60%
12 months	9,950	9,950	9,700	10,300	0,145	0,029	25	17	60%
24 months	9,880	9,800	9,500	10,500	0,227	0,045	25	17	60%
USD/SEK									
3 months	8,396	8,400	8,000	8,600	0,135	0,027	25	17	60%
12 months	8,290	8,250	7,940	9,000	0,279	0,056	25	17	60%
24 months	8,231	8,100	7,500	9,100	0,405	0,081	25	17	60%

TABLE 8 - Expectations of the Riksbank's bond purchases

Estimated nominal value of SEK bond purchases (incl reinvestments) the current and following 3 quarters

	Mean (SEK bn)	Median (SEK bn)	Lowest (SEK bn)	Highest (SEK bn)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
The Riksbank's bond purchases									
Current quarter	194,688	120,000	85,000	800,000	220,867	55,217	16	26	38%
Following 3 quarters	288,719	243,750	60,000	927,000	208,246	52,062	16	26	38%

TABLE 9 - Expectations of the distribution of the Riksbank's bond purchases

Expected distribution on government, municipal, covered and corporate bonds

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Current quarter									
Government bonds	23,300	20,000	12,000	75,000	15,045	3,885	15	27	36%
Municipal bonds	19,200	20,000	0,000	58,000	12,474	3,221	15	27	36%
Covered bonds	53,933	58,000	10,000	70,000	16,735	4,321	15	27	36%
Corporate bonds	3,567	3,000	1,000	10,000	2,145	0,554	15	27	36%
Following 3 quarters									
Government bonds	24,400	20,000	13,000	75,000	14,827	3,828	15	27	36%
Municipal bonds	17,467	15,000	0,000	58,000	12,535	3,236	15	27	36%
Covered bonds	54,400	59,000	10,000	70,000	17,041	4,400	15	27	36%
Corporate bonds	3,733	3,000	1,000	10,000	2,120	0,547	15	27	36%