

Press Release

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Kantar Sifo 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 future repo rates 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.

The latest survey in the all categories series September 2020, has now been completed, the previous June 2020 was published June 10, 2020. The last survey among money market players was published August 13, 2020.

A comparison of the results of the surveys can be summarised as follows (rounded off figures):

All Interviewees' Expectations of

Annual	Year 1		Year 2		Year 5	
	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20
Inflation CPI, %	0,8	0,4	1,3	1,1	1,8	1,8
Inflation CPIF, %	0,8	0,4	1,2	1,1	1,7	1,7
GDP, %	-0,4	-2,5	2,3	2,0	2,4	2,2
Wage increase, %	1,6	1,6	2,0	2,0	2,3	2,4

Repo rate, %	3 months		12 months		24 months		60 months	
	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20
	0,0	0,0	0,0	0,0	0,3	0,2	0,9	0,9

Money Market Players' Expectations of

Repo rate, %	3 months			12 months			24 months			60 months		
	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20
Repo rate, %	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,1	0,6	0,6	0,7
5 year gvt bond rate, %	-0,2	-0,3	-0,2	0,0	-0,1	0,0	0,2	0,2	0,3	0,8	1,0	1,0
EUR	10,26	10,24	10,51	10,07	10,05	10,31	9,92	9,91	10,12	-	-	-
USD	8,64	8,68	9,58	8,48	8,53	9,31	8,33	8,43	9,10	-	-	-

September 2020: September 9, 2020
2 (7)

Interview Period & Method

Kantar Sifo Prospera's survey that encompasses inflation, GDP and wage increase expectations as well as all but money market players' expectations of repo rates, was carried out August 24 - September 08, 2020 (previous May 27 - June 09, 2020). The last survey among money market players was carried out August 5 - August 11, 2020.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 26, 2020 (previous on May 27, 2020 and August 5, 2020).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 11,7 years.

About the Interviewees & Response Rate

All Interviewees

In all 192 (190) organisations/companies were approached for interview. 57 (51) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 70 % (73 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 44 % or more for the one year and two year assessments (68 % exclusive of CPIF). 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 2-8)

Labour Market Organisations

46 Swedish labour market organisations, of which 21 on the employers' side and 25 on the employees' side have been approached.

Purchase Managers

Of the 102 purchasing managers 52 represent the trading industry and 50 the manufacturing industry. 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.

Money Market Players

The money market category includes 44 players, 42 Swedish and 2 international, active in the Swedish fixed income market. The money market players were not asked to assess the expected wage increases. Only the money market players have participated in the survey covering expected 5 year government bond rates, EUR and USD rates.

Definitions

Inflation, the percentage increase in Consumer Price Index (CPI) and Consumer Price Index with a fixed interest rate (CPIF)

GDP, Gross Domestic Product, the value of all goods and services produced (by Swedish agents) in one year.

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.

Repo rate, the Riksbank's borrowing/lending rate from/to banks for seven days' money.

Previous Kantar Sifo Prospera Inflation Expectations Surveys

Kantar Sifo Prospera inflation reports and tables, from 2000 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

TABLE 1 - Comparison September 2020 vs (August 2020) June 2020

A comparison of the results of the two surveys in all interviewee categories is summarised as follows (rounded off figures):

Expectations of	Year 1			Year 2			Year 5		
	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20
Annual inflation CPI, %									
All interviewees	0,8		0,4	1,3		1,1	1,8		1,8
Employees' organisations	0,9		0,2	1,2		1,0	1,7		1,8
Employers' organisations	0,6		0,4	1,1		1,2	1,8		1,8
Purchase managers Manufacturing	0,7		0,2	1,1		0,8	1,8		1,8
Purchase managers Trading	0,7		0,3	1,3		1,1	1,8		1,9
Money market players	1,1	1,0	0,8	1,4	1,4	1,3	1,7	1,7	1,7
Annual inflation CPIIF, %									
All interviewees	0,8		0,4	1,2		1,1	1,7		1,7
Employees' organisations	0,8		0,3	1,2		1,1	1,7		1,7
Employers' organisations	0,6		0,4	1,2		1,2	1,9		1,6
Purchase managers Manufacturing	0,6		0,2	1,0		0,8	1,6		1,6
Purchase managers Trading	0,6		0,1	1,2		1,0	1,7		1,8
Money market players	1,0	1,0	0,8	1,4	1,4	1,3	1,7	1,7	1,7
GDP, %									
All interviewees	-0,4		-2,5	2,3		2,0	2,4		2,2
Employees' organisations	-0,2		-3,3	2,4		2,7	2,7		2,9
Employers' organisations	-0,1		-2,9	2,3		2,8	2,5		2,2
Purchase managers Manufacturing	-1,8		-1,5	1,8		1,0	2,4		2,1
Purchase managers Trading	-0,2		-2,7	2,3		1,3	2,4		2,1
Money market players	0,3	-0,6	-2,5	2,7	2,7	3,0	2,1	1,9	2,0
Annual wage increase, %									
All interviewees	1,6		1,6	2,0		2,0	2,3		2,4
Employees' organisations	1,9		2,2	2,4		2,3	2,8		2,8
Employers' organisations	1,6		1,6	1,9		2,0	2,4		2,4
Purchase managers Manufacturing	1,5		1,4	1,9		1,9	2,2		2,3
Purchase managers Trading	1,4		1,4	1,9		1,9	2,2		2,3

	3 months			12 months			24 months			60 months		
	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20	Sep 20	Aug 20	Jun 20
Repo rate, %												
All interviewees	0,0		0,0	0,0		0,0	0,3		0,2	0,9		0,9
Employees' organisations	0,0		0,0	0,0		0,0	0,2		0,2	0,8		0,9
Employers' organisations	0,0		0,0	0,0		-0,1	0,2		0,2	0,9		1,1
Purchase managers Manufacturing	0,0		0,0	0,0		0,0	0,3		0,1	0,9		0,8
Purchase managers Trading	0,0		0,0	0,1		0,0	0,4		0,3	1,0		1,0
Money market players	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,1	0,6	0,6	0,7

TABLE 2 - 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									
Year 1	0,806	0,800	-2,500	3,000	0,659	0,058	131	61	68%
Year 2	1,266	1,300	0,000	3,000	0,501	0,044	131	61	68%
Year 5	1,779	1,800	0,250	5,000	0,593	0,053	125	67	65%
Employees' organisations									
Year 1	0,858	0,800	0,200	2,000	0,456	0,105	19	6	76%
Year 2	1,211	1,400	0,400	2,000	0,425	0,098	19	6	76%
Year 5	1,686	1,900	0,250	2,500	0,531	0,125	18	7	72%
Employers' organisations									
Year 1	0,571	0,500	0,300	1,300	0,249	0,067	14	7	67%
Year 2	1,136	1,200	0,400	1,750	0,401	0,107	14	7	67%
Year 5	1,754	1,800	0,800	2,600	0,412	0,114	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	0,667	0,500	-2,000	2,200	0,773	0,141	30	20	60%
Year 2	1,120	1,000	0,000	2,500	0,624	0,114	30	20	60%
Year 5	1,824	2,000	0,700	5,000	0,861	0,160	29	21	58%
Purchasing Managers, Trading									
Year 1	0,738	0,900	-2,500	2,000	0,779	0,130	36	16	69%
Year 2	1,304	1,500	0,000	2,500	0,490	0,082	36	16	69%
Year 5	1,846	2,000	0,600	4,000	0,626	0,107	34	18	65%
Money Market Players									
Year 1	1,088	1,000	0,400	3,000	0,543	0,096	32	12	73%
Year 2	1,448	1,400	0,900	3,000	0,425	0,075	32	12	73%
Year 5	1,730	1,700	1,000	2,400	0,298	0,053	31	13	70%

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									
Year 1	0,792	0,700	0,000	3,000	0,470	0,051	85	107	44%
Year 2	1,241	1,300	0,400	3,000	0,435	0,047	85	107	44%
Year 5	1,700	1,800	0,500	3,500	0,483	0,053	82	110	43%
Employees' organisations									
Year 1	0,786	0,700	0,300	1,300	0,321	0,086	14	11	56%
Year 2	1,229	1,300	0,500	2,000	0,407	0,109	14	11	56%
Year 5	1,746	1,800	1,000	2,500	0,393	0,109	13	12	52%
Employers' organisations									
Year 1	0,610	0,500	0,200	1,300	0,288	0,091	10	11	48%
Year 2	1,160	1,250	0,500	1,700	0,448	0,142	10	11	48%
Year 5	1,922	2,000	1,600	2,100	0,179	0,060	9	12	43%
Purchasing Managers, Manufacturing									
Year 1	0,641	0,500	0,000	1,500	0,403	0,101	16	34	32%
Year 2	1,013	1,000	0,500	2,000	0,475	0,119	16	34	32%
Year 5	1,609	1,750	0,500	3,500	0,750	0,187	16	34	32%
Purchasing Managers, Trading									
Year 1	0,593	0,500	0,000	1,400	0,443	0,118	14	38	27%
Year 2	1,214	1,350	0,400	1,600	0,353	0,094	14	38	27%
Year 5	1,723	1,900	0,500	3,000	0,651	0,181	13	39	25%
Money Market Players									
Year 1	1,023	1,000	0,300	3,000	0,536	0,096	31	13	70%
Year 2	1,404	1,400	0,800	3,000	0,417	0,075	31	13	70%
Year 5	1,653	1,600	1,000	2,200	0,295	0,053	31	13	70%



TABLE 3 - 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	0,497	0,500	-1,000	2,000	0,571	0,119	23	21	52%
Upper bound	1,431	1,200	0,500	4,000	0,780	0,163	23	21	52%
Year 2									
Lower bound	0,775	1,000	-1,000	1,500	0,523	0,109	23	21	52%
Upper bound	2,073	2,000	1,000	5,000	0,836	0,174	23	21	52%
Year 5									
Lower bound	0,884	1,000	-1,000	2,000	0,640	0,133	23	21	52%
Upper bound	2,595	2,300	1,500	6,000	1,049	0,219	23	21	52%

TABLE 4 - 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									
Year 1									
Year 1	-0,414	0,000	-10,000	7,600	3,503	0,307	130	62	68%
Year 2									
Year 2	2,270	2,500	-6,000	8,000	1,595	0,140	130	62	68%
Year 5									
Year 5	2,399	2,200	0,500	5,000	0,840	0,075	125	67	65%
Employees' organisations									
Year 1									
Year 1	-0,189	0,000	-5,000	5,000	3,354	0,791	18	7	72%
Year 2									
Year 2	2,361	2,750	0,000	4,000	1,433	0,338	18	7	72%
Year 5									
Year 5	2,694	2,750	0,500	4,000	1,006	0,237	18	7	72%
Employers' organisations									
Year 1									
Year 1	-0,079	0,600	-5,500	5,800	3,382	0,904	14	7	67%
Year 2									
Year 2	2,271	2,750	0,000	3,900	1,510	0,403	14	7	67%
Year 5									
Year 5	2,538	2,500	1,500	4,000	0,762	0,211	13	8	62%
Purchasing Managers, Manufacturing									
Year 1									
Year 1	-1,803	-2,000	-10,000	3,000	3,536	0,657	29	21	58%
Year 2									
Year 2	1,752	2,000	-6,000	8,000	2,338	0,434	29	21	58%
Year 5									
Year 5	2,418	2,250	0,500	5,000	1,054	0,199	28	22	56%
Purchasing Managers, Trading									
Year 1									
Year 1	-0,208	0,000	-5,500	5,000	2,879	0,480	36	16	69%
Year 2									
Year 2	2,292	2,400	0,000	6,000	1,400	0,233	36	16	69%
Year 5									
Year 5	2,415	2,200	1,000	4,000	0,781	0,134	34	18	65%
Money Market Players									
Year 1									
Year 1	0,318	0,500	-7,500	7,600	4,049	0,705	33	11	75%
Year 2									
Year 2	2,653	2,500	1,000	4,800	0,956	0,166	33	11	75%
Year 5									
Year 5	2,144	2,050	1,000	3,500	0,545	0,096	32	12	73%



TABLE 5 - 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									
Year 1	1,567	1,500	0,000	3,000	0,627	0,063	100	48	68%
Year 2	1,966	2,000	0,700	3,200	0,558	0,056	100	48	68%
Year 5	2,343	2,300	1,250	3,500	0,483	0,050	94	54	64%
Employees' organisations									
Year 1	1,939	2,000	1,000	3,000	0,536	0,126	18	7	72%
Year 2	2,367	2,450	1,800	3,200	0,356	0,084	18	7	72%
Year 5	2,776	2,900	2,000	3,500	0,363	0,088	17	8	68%
Employers' organisations									
Year 1	1,564	1,500	0,500	2,300	0,577	0,154	14	7	67%
Year 2	1,886	2,000	1,000	2,600	0,501	0,134	14	7	67%
Year 5	2,438	2,300	1,500	3,500	0,504	0,140	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,517	1,500	0,000	3,000	0,701	0,126	31	19	62%
Year 2	1,881	2,000	0,700	3,000	0,613	0,110	31	19	62%
Year 5	2,183	2,000	1,500	3,000	0,439	0,080	30	20	60%
Purchasing Managers, Trading									
Year 1	1,428	1,500	0,250	2,200	0,571	0,094	37	15	71%
Year 2	1,873	2,000	0,750	2,500	0,542	0,089	37	15	71%
Year 5	2,231	2,200	1,250	3,500	0,443	0,076	34	18	65%

TABLE 6 - 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									
3 months	-0,012	0,000	-1,000	0,250	0,101	0,009	122	70	64%
12 months	0,037	0,000	-1,000	0,500	0,180	0,016	122	70	64%
24 months	0,255	0,000	-1,000	3,000	0,451	0,041	122	70	64%
60 months	0,874	0,750	0,000	4,000	0,715	0,067	115	77	60%
Employees' organisations									
3 months	-0,013	0,000	-0,250	0,000	0,057	0,013	19	6	76%
12 months	0,013	0,000	-0,500	0,500	0,176	0,040	19	6	76%
24 months	0,195	0,250	0,000	0,500	0,196	0,045	19	6	76%
60 months	0,803	0,750	0,000	2,000	0,536	0,126	18	7	72%
Employers' organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	14	7	67%
12 months	0,018	0,000	-0,250	0,500	0,154	0,041	14	7	67%
24 months	0,229	0,000	0,000	2,000	0,532	0,142	14	7	67%
60 months	0,917	0,500	0,000	3,000	0,816	0,226	13	8	62%
Purchasing Managers, Manufacturing									
3 months	-0,034	0,000	-1,000	0,250	0,197	0,037	29	21	58%
12 months	0,017	0,000	-1,000	0,500	0,231	0,043	29	21	58%
24 months	0,250	0,250	-1,000	1,500	0,438	0,081	29	21	58%
60 months	0,910	0,750	0,000	4,000	0,841	0,156	29	21	58%
Purchasing Managers, Trading									
3 months	-0,007	0,000	-0,250	0,000	0,042	0,007	36	16	69%
12 months	0,097	0,000	-0,250	0,500	0,198	0,033	36	16	69%
24 months	0,386	0,200	0,000	3,000	0,590	0,098	36	16	69%
60 months	1,015	1,000	0,000	3,000	0,729	0,127	33	19	63%
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	24	20	55%
12 months	0,000	0,000	0,000	0,000	0,000	0,000	24	20	55%
24 months	0,129	0,000	0,000	1,000	0,265	0,054	24	20	55%
60 months	0,648	0,500	0,000	2,500	0,565	0,120	22	22	50%



TABLE 7 - 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	-0,132	-0,100	-0,500	0,000	0,159	0,039	17	27	39%
Upper bound	0,032	0,000	0,000	0,400	0,101	0,025	17	27	39%
12 months									
Lower bound	-0,253	-0,250	-1,100	0,000	0,295	0,072	17	27	39%
Upper bound	0,124	0,000	0,000	1,100	0,269	0,065	17	27	39%
24 months									
Lower bound	-0,315	-0,250	-2,000	0,500	0,531	0,129	17	27	39%
Upper bound	0,547	0,400	0,000	2,000	0,507	0,123	17	27	39%
60 months									
Lower bound	-0,209	0,000	-2,300	1,000	0,667	0,162	17	27	39%
Upper bound	1,532	1,000	0,250	4,000	1,159	0,281	17	27	39%

TABLE 8 - 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
5 YEAR GOVERNMENT BOND RATE									
3 months	-0,215	-0,200	-0,500	0,000	0,110	0,024	21	23	48%
12 months	-0,037	0,000	-0,500	0,500	0,206	0,045	21	23	48%
24 months	0,240	0,190	-0,200	1,500	0,405	0,088	21	23	48%
60 months	0,788	0,675	0,000	2,750	0,643	0,144	20	24	45%
EUR/SEK									
3 months	10,263	10,275	10,000	10,500	0,137	0,028	24	20	55%
12 months	10,066	10,025	9,500	10,300	0,178	0,036	24	20	55%
24 months	9,921	9,950	9,500	10,500	0,253	0,053	23	21	52%
USD/SEK									
3 months	8,643	8,600	8,250	9,550	0,283	0,058	24	20	55%
12 months	8,482	8,500	7,500	9,500	0,424	0,087	24	20	55%
24 months	8,327	8,240	7,500	10,000	0,617	0,129	23	21	52%