

September 2021 report

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

Sep 15, 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	
	Sep 21	Jun 21	Sep 21	Jun 21	Sep 21	Jun 21
All Interviewees						
Annual inflation CPI	1,8	1,9	1,8	1,9	1,9	2,0
Annual inflation CPIF	1,8	1,8	1,8	1,8	1,9	1,9
Annual GDP	3,3	3,1	2,8	2,8	2,4	2,4
Annual wage increase	2,5	2,4	2,5	2,4	2,5	2,5

	3 months			12 months			24 months			60 months		
	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21
All interviewees												
Repo rate (%)	0,0	-	0,0	0,1	-	0,1	0,3	-	0,3	0,9	-	0,9
Money Market Players												
Repo rate (%)	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,1	0,2	0,8	0,8	0,9
5 year gvt bond rate (%)	0,0	-0,1	0,0	0,1	0,1	0,3	0,4	0,3	0,7	1,1	0,9	1,4
EUR/SEK	10,13	10,11	10,06	10,03	10,01	10,01	9,95	9,94	9,95	-	-	-
USD/SEK	8,55	8,48	8,35	8,49	8,42	8,43	8,49	8,39	8,45	-	-	-

	Current quarter			Following 3 quarters		
	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21
Money Market Players						
The Riksbank's bond purchases (SEK bn)	213	152	171	249	201	223
Distribution (%)						
Government bonds	24	24	26	25	25	25
Municipal bonds	15	16	16	15	16	16
Covered bonds	57	57	56	57	57	57
Corporate bonds	4	3	3	3	2	3

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Overview of subgroups

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

(%)	3 months			12 months			24 months			60 months		
	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21	Sep 21	Aug 21	Jun 21
Repo rate												
All Interviewees	0,0	-	0,0	0,1	-	0,1	0,3	-	0,3	0,9	-	0,9
Employees' Organisations	0,0	-	0,0	0,0	-	0,1	0,2	-	0,3	0,8	-	0,9
Employers' Organisations	0,0	-	0,0	0,1	-	0,0	0,2	-	0,2	1,0	-	1,1
Purchasing Managers, Manufacturing	0,0	-	0,0	0,1	-	0,1	0,3	-	0,4	0,9	-	0,9
Purchasing Managers, Trading	0,0	-	0,0	0,1	-	0,1	0,4	-	0,4	0,9	-	0,9
Money Market Players	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,1	0,2	0,8	0,8	0,9

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About the survey

Sep 21

Jun 21

Method

Telephone interviews

Interview period

Questions on inflation, GDP and wage increase expectations

Aug 30-Sep 13

May 26-Jun 8

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

Sep 7

Jun 2

Response rate

Number of organisations approached for interview

180

188

Number of organisations not reached or denied participation

58

69

Overall response rate (%)

68

63

For response rates per question please see Tables 1-9

About the interviews (numbers)

All Interviewees

180

Labour Market Organisations
Employers'
Employees'

21

24

Purchasing Managers*
Manufacturing
Trading

47

47

Money Market Players**
Swedish
International

39

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	1,795	1,800	0,000	4,500	0,550	0,051	118	62	66%
Year 2	1,798	1,700	0,500	4,000	0,434	0,040	118	62	66%
Year 5	1,927	2,000	0,500	3,000	0,381	0,036	113	67	63%
Employees' Organisations									
Year 1	1,915	1,850	1,400	3,500	0,434	0,097	20	4	83%
Year 2	1,920	1,900	1,400	3,000	0,374	0,084	20	4	83%
Year 5	2,016	2,000	1,500	2,600	0,279	0,064	19	5	79%
Employers' Organisations									
Year 1	1,719	1,700	1,100	2,700	0,377	0,097	15	6	71%
Year 2	1,856	1,800	1,500	2,700	0,297	0,077	15	6	71%
Year 5	2,018	2,000	1,600	2,540	0,311	0,086	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,827	1,600	0,250	4,500	0,778	0,159	24	23	51%
Year 2	1,813	1,800	0,500	4,000	0,605	0,123	24	23	51%
Year 5	1,909	2,000	0,500	3,000	0,514	0,107	23	24	49%
Purchasing Managers, Trading									
Year 1	1,800	1,800	0,000	3,000	0,595	0,110	29	18	62%
Year 2	1,762	1,600	1,000	2,700	0,441	0,082	29	18	62%
Year 5	1,907	2,000	1,000	2,500	0,354	0,067	28	19	60%
Money Market Players									
Year 1	1,724	1,700	0,800	2,500	0,433	0,079	30	11	73%
Year 2	1,711	1,650	1,200	2,500	0,356	0,065	30	11	73%
Year 5	1,863	1,900	1,000	2,600	0,376	0,069	30	11	73%

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	1,825	1,800	0,000	3,500	0,482	0,051	90	90	50%
Year 2	1,819	1,800	0,000	3,000	0,427	0,045	90	90	50%
Year 5	1,925	2,000	0,700	3,500	0,369	0,040	87	93	48%
Employees' Organisations									
Year 1	1,961	1,900	1,500	3,500	0,433	0,102	18	6	75%
Year 2	1,906	2,000	1,300	3,000	0,398	0,094	18	6	75%
Year 5	1,941	2,000	1,600	2,200	0,173	0,042	17	7	71%
Employers' Organisations									
Year 1	1,872	1,800	1,300	2,700	0,350	0,097	13	8	62%
Year 2	1,915	1,800	1,500	3,000	0,406	0,113	13	8	62%
Year 5	1,891	2,000	1,500	2,000	0,164	0,049	11	10	52%
Purchasing Managers, Manufacturing									
Year 1	1,832	1,800	0,250	2,500	0,516	0,125	17	30	36%
Year 2	1,829	2,000	0,500	2,200	0,395	0,096	17	30	36%
Year 5	1,979	2,000	0,700	3,500	0,557	0,135	17	30	36%
Purchasing Managers, Trading									
Year 1	1,746	1,800	0,000	3,000	0,685	0,190	13	34	28%
Year 2	1,800	2,000	0,000	2,500	0,648	0,180	13	34	28%
Year 5	2,023	2,000	1,000	2,800	0,432	0,120	13	34	28%
Money Market Players									
Year 1	1,750	1,800	0,800	2,700	0,445	0,083	29	12	71%
Year 2	1,724	1,700	1,200	2,700	0,355	0,066	29	12	71%
Year 5	1,852	1,900	1,000	2,600	0,350	0,065	29	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	1,180	1,400	0,300	1,750	0,425	0,089	23	18	56%
Upper bound	2,148	2,000	1,300	3,500	0,546	0,114	23	18	56%
Year 2									
Lower bound	1,070	1,000	0,000	1,750	0,373	0,078	23	18	56%
Upper bound	2,198	2,100	1,600	3,300	0,483	0,101	23	18	56%
Year 5									
Lower bound	1,143	1,200	0,000	2,200	0,564	0,118	23	18	56%
Upper bound	2,602	2,500	1,800	4,000	0,559	0,116	23	18	56%

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									
	3,297	3,500	-2,000	7,000	1,271	0,117	118	62	66%
Year 2									
	2,836	2,800	-0,600	6,000	1,042	0,096	118	62	66%
Year 5									
	2,357	2,200	0,000	5,000	0,794	0,075	113	67	63%
Employees' Organisations									
Year 1									
	3,520	3,700	-1,000	7,000	1,612	0,361	20	4	83%
Year 2									
	3,205	3,150	-0,600	5,000	1,278	0,286	20	4	83%
Year 5									
	2,700	2,500	1,000	5,000	0,840	0,193	19	5	79%
Employers' Organisations									
Year 1									
	3,740	3,900	1,900	6,000	1,010	0,261	15	6	71%
Year 2									
	3,120	3,300	1,400	6,000	1,363	0,352	15	6	71%
Year 5									
	2,238	2,100	0,700	4,000	0,880	0,244	13	8	62%
Purchasing Managers, Manufacturing									
Year 1									
	2,622	3,000	-0,800	4,500	1,390	0,278	25	22	53%
Year 2									
	2,500	2,500	0,000	5,000	1,174	0,235	25	22	53%
Year 5									
	2,263	2,000	0,000	4,500	0,992	0,203	24	23	51%
Purchasing Managers, Trading									
Year 1									
	3,134	3,500	-2,000	5,000	1,322	0,245	29	18	62%
Year 2									
	2,731	2,700	1,000	4,000	0,746	0,139	29	18	62%
Year 5									
	2,375	2,200	1,000	5,000	0,792	0,150	28	19	60%
Money Market Players									
Year 1									
	3,659	3,700	2,500	4,800	0,603	0,112	29	12	71%
Year 2									
	2,828	2,700	1,500	4,100	0,715	0,133	29	12	71%
Year 5									
	2,245	2,200	1,500	3,500	0,463	0,086	29	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	2,492	2,500	1,500	4,000	0,475	0,050	91	48	65%
Year 2	2,501	2,500	1,500	3,500	0,400	0,042	91	48	65%
Year 5	2,523	2,500	1,500	3,800	0,450	0,048	86	53	62%
Employees' Organisations									
Year 1	2,670	2,500	2,000	4,000	0,447	0,100	20	4	83%
Year 2	2,675	2,550	2,000	3,500	0,377	0,084	20	4	83%
Year 5	2,884	2,800	2,300	3,800	0,407	0,093	19	5	79%
Employers' Organisations									
Year 1	2,409	2,500	1,500	3,200	0,422	0,109	15	6	71%
Year 2	2,535	2,400	2,200	3,200	0,277	0,072	15	6	71%
Year 5	2,477	2,500	2,000	3,300	0,398	0,110	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,485	2,450	1,500	3,500	0,592	0,116	26	21	55%
Year 2	2,444	2,350	1,800	3,500	0,486	0,095	26	21	55%
Year 5	2,456	2,400	1,500	3,500	0,469	0,094	25	22	53%
Purchasing Managers, Trading									
Year 1	2,420	2,450	1,500	3,500	0,386	0,071	30	17	64%
Year 2	2,417	2,500	1,500	3,000	0,364	0,066	30	17	64%
Year 5	2,366	2,300	2,000	3,200	0,363	0,067	29	18	62%

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	0,002	0,000	-0,100	0,250	0,027	0,003	112	68	62%
12 months	0,062	0,000	0,000	1,000	0,165	0,016	112	68	62%
24 months	0,273	0,200	0,000	1,500	0,367	0,035	112	68	62%
60 months	0,889	1,000	0,000	2,500	0,610	0,059	107	73	59%
Employees' Organisations									
3 months	0,000	0,000	-0,100	0,100	0,032	0,007	20	4	83%
12 months	0,015	0,000	0,000	0,200	0,049	0,011	20	4	83%
24 months	0,178	0,000	0,000	0,750	0,240	0,054	20	4	83%
60 months	0,803	0,800	0,000	2,000	0,508	0,117	19	5	79%
Employers' Organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	15	6	71%
12 months	0,050	0,000	0,000	0,500	0,140	0,036	15	6	71%
24 months	0,200	0,000	0,000	0,750	0,256	0,066	15	6	71%
60 months	1,025	1,000	0,000	2,000	0,739	0,205	13	8	62%
Purchasing Managers, Manufacturing									
3 months	0,010	0,000	0,000	0,250	0,051	0,010	24	23	51%
12 months	0,063	0,000	0,000	0,750	0,169	0,034	24	23	51%
24 months	0,306	0,250	0,000	1,000	0,300	0,061	24	23	51%
60 months	0,906	1,000	0,000	2,500	0,671	0,137	24	23	51%
Purchasing Managers, Trading									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	29	18	62%
12 months	0,124	0,000	0,000	1,000	0,236	0,044	29	18	62%
24 months	0,390	0,250	0,000	1,500	0,496	0,092	29	18	62%
60 months	0,911	1,000	0,000	2,500	0,558	0,105	28	19	60%
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	24	17	59%
12 months	0,031	0,000	0,000	0,500	0,112	0,023	24	17	59%
24 months	0,223	0,000	0,000	1,500	0,376	0,077	24	17	59%
60 months	0,837	0,750	0,000	2,500	0,638	0,133	23	18	56%

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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	-0,075	0,000	-0,500	0,000	0,143	0,032	20	21	49%
Upper bound	0,023	0,000	0,000	0,250	0,062	0,014	20	21	49%
12 months									
Lower bound	-0,150	0,000	-1,000	0,000	0,262	0,058	20	21	49%
Upper bound	0,130	0,000	0,000	1,000	0,235	0,052	20	21	49%
24 months									
Lower bound	-0,203	0,000	-2,000	0,500	0,502	0,112	20	21	49%
Upper bound	0,578	0,375	0,000	2,000	0,593	0,133	20	21	49%
60 months									
Lower bound	0,053	0,000	-2,000	2,250	0,868	0,199	19	22	46%
Upper bound	1,618	1,250	0,250	3,000	1,045	0,240	19	22	46%

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	-0,045	-0,025	-0,250	0,100	0,075	0,016	22	19	54%
12 months	0,130	0,100	-0,100	0,900	0,209	0,045	22	19	54%
24 months	0,449	0,300	0,000	1,500	0,425	0,093	21	20	51%
60 months	1,090	1,000	0,200	3,000	0,724	0,158	21	20	51%
EUR/SEK									
3 months	10,134	10,150	9,900	10,300	0,087	0,018	24	17	59%
12 months	10,033	10,000	9,800	10,500	0,178	0,036	24	17	59%
24 months	9,948	9,900	9,600	11,000	0,285	0,058	24	17	59%
USD/SEK									
3 months	8,555	8,540	8,150	9,000	0,191	0,039	24	17	59%
12 months	8,491	8,500	7,800	9,200	0,334	0,068	24	17	59%
24 months	8,490	8,410	7,800	9,500	0,416	0,085	24	17	59%

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	212,500	77,500	75,000	885,000	295,362	85,264	12	29	29%
Following 3 quarters	248,583	147,500	45,000	920,000	254,662	73,515	12	29	29%

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	23,636	18,000	11,000	70,000	16,771	5,057	11	30	27%
Municipal bonds	15,364	17,000	5,000	22,000	5,143	1,551	11	30	27%
Covered bonds	57,091	60,000	10,000	68,000	16,294	4,913	11	30	27%
Corporate bonds	3,909	3,000	2,000	10,000	2,343	0,707	11	30	27%
Following 3 quarters									
Government bonds	25,000	19,000	11,000	75,000	17,680	5,331	11	30	27%
Municipal bonds	15,455	16,000	5,000	21,000	5,184	1,563	11	30	27%
Covered bonds	56,818	60,000	15,000	68,000	14,497	4,371	11	30	27%
Corporate bonds	2,727	2,000	0,000	5,000	1,618	0,488	11	30	27%