

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 December 2020, has now been completed, the previous September 2020 was published September 9, 2020. The last survey among money market players was published November 11, 2020.

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

All Interviewees' Expectations of

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

	3 months		12 months		24 months		60 months	
	Dec 20	Sep 20	Dec 20	Sep 20	Dec 20	Sep 20	Dec 20	Sep 20
Repo rate, %	0,0	0,0	0,0	0,0	0,2	0,3	0,8	0,9

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Dec 20	Nov 20	Sep 20	Dec 20	Nov 20	Sep 20	Dec 20	Nov 20	Sep 20	Dec 20	Nov 20	Sep 20
Repo rate, %	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,1	0,1	0,8	0,6	0,6
5 year gvt bond rate, %	-0,3	-0,3	-0,2	-0,2	-0,1	0,0	0,1	0,2	0,2	0,9	0,9	0,8
EUR	10,13	10,30	10,26	9,93	10,10	10,07	9,78	9,93	9,92	-	-	-
USD	8,53	8,77	8,64	8,33	8,50	8,48	8,14	8,43	8,33	-	-	-

December 2020: December 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 November 23 - December 8, 2020 (previous August 24 - September 8, 2020). The last survey among money market players was carried out November 4 - November 10, 2020.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on November 25, 2020 (previous on August 26, 2020 and November 4, 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 189 (192) organisations/companies were approached for interview. 52 (57) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 72 % (70 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 48 % or more for the one year and two year assessments (70 % 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 101 purchasing managers 52 represent the trading industry and 49 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 42 players, 40 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 December 2020 vs (November 2020) September 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		
	Dec 20	Nov 20	Sep 20	Dec 20	Nov 20	Sep 20	Dec 20	Nov 20	Sep 20
Annual inflation CPI, %									
All interviewees	0,8		0,8	1,2		1,3	1,7		1,8
Employees' organisations	0,8		0,9	1,2		1,2	1,7		1,7
Employers' organisations	0,7		0,6	1,1		1,1	1,8		1,8
Purchase managers Manufacturing	0,8		0,7	1,2		1,1	1,7		1,8
Purchase managers Trading	0,8		0,7	1,2		1,3	1,7		1,8
Money market players	1,0	1,1	1,1	1,4	1,4	1,4	1,7	1,8	1,7
Annual inflation CPIIF, %									
All interviewees	0,8		0,8	1,2		1,2	1,7		1,7
Employees' organisations	0,8		0,8	1,3		1,2	1,7		1,7
Employers' organisations	0,8		0,6	1,2		1,2	2,0		1,9
Purchase managers Manufacturing	0,5		0,6	0,9		1,0	1,5		1,6
Purchase managers Trading	0,8		0,6	1,3		1,2	2,0		1,7
Money market players	1,0	1,0	1,0	1,4	1,3	1,4	1,7	1,7	1,7
GDP, %									
All interviewees	1,4		-0,4	2,4		2,3	2,4		2,4
Employees' organisations	0,4		-0,2	2,2		2,4	2,6		2,7
Employers' organisations	2,1		-0,1	3,0		2,3	2,7		2,5
Purchase managers Manufacturing	0,2		-1,8	1,8		1,8	2,4		2,4
Purchase managers Trading	1,5		-0,2	2,5		2,3	2,4		2,4
Money market players	2,6	2,6	0,3	2,6	2,6	2,7	2,2	2,1	2,1
Annual wage increase, %									
All interviewees	2,2		1,6	2,1		2,0	2,4		2,3
Employees' organisations	2,5		1,9	2,3		2,4	2,8		2,8
Employers' organisations	2,3		1,6	2,2		1,9	2,4		2,4
Purchase managers Manufacturing	2,1		1,5	2,0		1,9	2,3		2,2
Purchase managers Trading	2,1		1,4	2,1		1,9	2,3		2,2

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



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	0,834	0,800	0,000	2,100	0,506	0,044	132	57	70%
Year 2	1,248	1,250	-0,300	3,000	0,517	0,045	132	57	70%
Year 5	1,733	1,800	0,300	4,000	0,538	0,048	126	63	67%
Employees' organisations									
Year 1	0,814	0,600	0,300	1,800	0,478	0,102	22	3	88%
Year 2	1,232	1,300	0,500	2,000	0,470	0,100	22	3	88%
Year 5	1,748	1,900	0,800	2,500	0,417	0,091	21	4	84%
Employers' organisations									
Year 1	0,650	0,600	0,300	1,300	0,290	0,078	14	7	67%
Year 2	1,125	1,100	0,400	1,750	0,356	0,095	14	7	67%
Year 5	1,815	1,800	0,600	2,600	0,500	0,139	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	0,798	0,750	0,000	2,000	0,546	0,103	28	21	57%
Year 2	1,157	1,000	-0,300	2,200	0,687	0,130	28	21	57%
Year 5	1,663	2,000	0,400	3,000	0,645	0,124	27	22	55%
Purchasing Managers, Trading									
Year 1	0,754	0,600	0,000	2,000	0,522	0,087	36	16	69%
Year 2	1,239	1,000	0,300	3,000	0,560	0,093	36	16	69%
Year 5	1,744	1,800	0,300	4,000	0,679	0,116	34	18	65%
Money Market Players									
Year 1	1,050	0,970	0,000	2,100	0,504	0,089	32	10	76%
Year 2	1,403	1,350	0,800	2,300	0,349	0,062	32	10	76%
Year 5	1,739	1,700	1,000	2,500	0,339	0,061	31	11	74%

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	0,821	0,800	0,000	2,000	0,493	0,052	91	98	48%
Year 2	1,241	1,300	-0,200	3,000	0,507	0,053	91	98	48%
Year 5	1,731	1,800	0,400	4,000	0,536	0,057	88	101	47%
Employees' organisations									
Year 1	0,844	0,700	0,300	1,800	0,488	0,115	18	7	72%
Year 2	1,272	1,300	0,500	2,100	0,464	0,109	18	7	72%
Year 5	1,700	1,800	0,900	2,300	0,421	0,102	17	8	68%
Employers' organisations									
Year 1	0,760	0,700	0,400	1,300	0,276	0,087	10	11	48%
Year 2	1,240	1,200	0,500	1,700	0,372	0,118	10	11	48%
Year 5	1,978	2,000	1,500	3,000	0,441	0,147	9	12	43%
Purchasing Managers, Manufacturing									
Year 1	0,547	0,500	0,000	1,500	0,414	0,107	15	34	31%
Year 2	0,923	0,800	-0,200	2,000	0,648	0,167	15	34	31%
Year 5	1,523	1,750	0,400	2,500	0,741	0,191	15	34	31%
Purchasing Managers, Trading									
Year 1	0,776	0,700	0,000	2,000	0,604	0,146	17	35	33%
Year 2	1,265	1,400	0,000	3,000	0,653	0,158	17	35	33%
Year 5	1,956	2,000	1,000	4,000	0,723	0,181	16	36	31%
Money Market Players									
Year 1	0,984	0,910	0,000	2,000	0,478	0,086	31	11	74%
Year 2	1,363	1,300	0,800	2,100	0,345	0,062	31	11	74%
Year 5	1,661	1,700	1,000	2,200	0,309	0,056	31	11	74%



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	0,562	0,500	-0,500	1,700	0,508	0,100	26	16	62%
Upper bound	1,371	1,300	0,300	3,000	0,537	0,105	26	16	62%
Year 2									
Lower bound	0,837	0,800	0,000	2,000	0,493	0,097	26	16	62%
Upper bound	1,877	1,700	1,000	3,500	0,568	0,111	26	16	62%
Year 5									
Lower bound	0,979	1,000	0,000	2,000	0,598	0,117	26	16	62%
Upper bound	2,362	2,250	1,300	4,000	0,591	0,116	26	16	62%

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	1,363	2,000	-8,000	6,500	2,534	0,220	133	56	70%
Year 2									
Year 2	2,377	2,500	-2,000	8,000	1,276	0,111	133	56	70%
Year 5									
Year 5	2,431	2,150	0,000	6,000	0,887	0,079	126	63	67%
Employees' organisations									
Year 1									
Year 1	0,441	0,550	-8,000	4,100	2,839	0,605	22	3	88%
Year 2									
Year 2	2,218	2,000	-0,500	5,000	1,457	0,311	22	3	88%
Year 5									
Year 5	2,557	2,100	0,500	5,500	1,217	0,266	21	4	84%
Employers' organisations									
Year 1									
Year 1	2,143	2,250	-3,000	4,000	1,747	0,467	14	7	67%
Year 2									
Year 2	3,007	3,000	2,500	4,000	0,467	0,125	14	7	67%
Year 5									
Year 5	2,692	2,200	1,500	6,000	1,359	0,377	13	8	62%
Purchasing Managers, Manufacturing									
Year 1									
Year 1	0,214	0,000	-4,000	4,000	2,128	0,395	29	20	59%
Year 2									
Year 2	1,817	2,000	-2,000	5,000	1,370	0,254	29	20	59%
Year 5									
Year 5	2,418	2,250	0,000	4,000	0,850	0,161	28	21	57%
Purchasing Managers, Trading									
Year 1									
Year 1	1,475	2,000	-5,000	5,000	2,415	0,402	36	16	69%
Year 2									
Year 2	2,500	2,500	0,000	8,000	1,493	0,249	36	16	69%
Year 5									
Year 5	2,448	2,500	1,000	4,000	0,716	0,125	33	19	63%
Money Market Players									
Year 1									
Year 1	2,572	3,000	-4,500	6,500	2,507	0,443	32	10	76%
Year 2									
Year 2	2,581	2,500	1,000	4,500	0,801	0,142	32	10	76%
Year 5									
Year 5	2,231	2,100	1,300	3,500	0,520	0,093	31	11	74%



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	2,212	2,100	0,800	3,300	0,522	0,051	104	43	71%
Year 2	2,118	2,200	0,700	3,000	0,432	0,042	104	43	71%
Year 5	2,413	2,500	1,500	4,000	0,467	0,047	98	49	67%
Employees' organisations									
Year 1	2,491	2,500	1,700	3,200	0,455	0,095	23	2	92%
Year 2	2,296	2,300	0,700	3,000	0,510	0,106	23	2	92%
Year 5	2,759	2,900	2,000	3,900	0,428	0,091	22	3	88%
Employers' organisations									
Year 1	2,336	2,150	1,800	3,200	0,458	0,123	14	7	67%
Year 2	2,164	2,250	1,800	2,400	0,206	0,055	14	7	67%
Year 5	2,446	2,400	2,000	3,300	0,422	0,117	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,120	2,000	0,800	3,000	0,472	0,086	30	19	61%
Year 2	2,003	2,000	1,000	3,000	0,476	0,087	30	19	61%
Year 5	2,275	2,000	1,500	4,000	0,535	0,101	28	21	57%
Purchasing Managers, Trading									
Year 1	2,066	2,000	1,000	3,300	0,559	0,092	37	15	71%
Year 2	2,084	2,000	1,000	2,500	0,379	0,062	37	15	71%
Year 5	2,293	2,300	1,500	3,000	0,333	0,056	35	17	67%

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	0,000	0,000	-0,250	0,100	0,026	0,002	127	62	67%
12 months	0,038	0,000	-0,500	1,000	0,157	0,014	127	62	67%
24 months	0,173	0,000	0,000	1,500	0,278	0,025	127	62	67%
60 months	0,796	0,500	0,000	3,000	0,611	0,056	121	68	64%
Employees' organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	22	3	88%
12 months	0,032	0,000	0,000	0,500	0,113	0,024	22	3	88%
24 months	0,164	0,000	0,000	1,000	0,260	0,055	22	3	88%
60 months	0,743	0,500	0,000	2,500	0,654	0,143	21	4	84%
Employers' organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	14	7	67%
12 months	0,086	0,000	0,000	1,000	0,268	0,072	14	7	67%
24 months	0,207	0,000	0,000	1,500	0,402	0,108	14	7	67%
60 months	0,836	1,000	0,000	2,000	0,681	0,189	13	8	62%
Purchasing Managers, Manufacturing									
3 months	-0,005	0,000	-0,250	0,100	0,052	0,010	28	21	57%
12 months	0,013	0,000	-0,250	0,500	0,109	0,021	28	21	57%
24 months	0,148	0,000	0,000	0,750	0,195	0,037	28	21	57%
60 months	0,746	0,500	0,000	3,000	0,630	0,119	28	21	57%
Purchasing Managers, Trading									
3 months	0,003	0,000	0,000	0,100	0,017	0,003	36	16	69%
12 months	0,072	0,000	-0,500	0,500	0,203	0,034	36	16	69%
24 months	0,253	0,000	0,000	1,000	0,337	0,056	36	16	69%
60 months	0,890	1,000	0,000	2,500	0,561	0,096	34	18	65%
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	27	15	64%
12 months	0,000	0,000	0,000	0,000	0,000	0,000	27	15	64%
24 months	0,083	0,000	0,000	0,500	0,170	0,033	27	15	64%
60 months	0,750	0,500	0,000	2,500	0,612	0,122	25	17	60%



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	-0,050	-0,500	0,000	0,162	0,035	22	20	52%
Upper bound	0,036	0,000	0,000	0,500	0,114	0,024	22	20	52%
12 months									
Lower bound	-0,268	-0,250	-1,000	0,000	0,258	0,055	22	20	52%
Upper bound	0,116	0,000	0,000	1,000	0,238	0,051	22	20	52%
24 months									
Lower bound	-0,391	-0,425	-2,000	0,250	0,479	0,102	22	20	52%
Upper bound	0,566	0,500	0,000	2,000	0,569	0,121	22	20	52%
60 months									
Lower bound	-0,119	0,000	-1,500	1,500	0,692	0,151	21	21	50%
Upper bound	1,702	1,250	0,000	5,000	1,308	0,285	21	21	50%

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	-0,310	-0,300	-0,500	-0,200	0,071	0,014	24	18	57%
12 months	-0,171	-0,150	-0,500	0,000	0,156	0,032	24	18	57%
24 months	0,146	0,150	-0,250	0,500	0,213	0,044	23	19	55%
60 months	0,880	0,900	0,000	2,750	0,695	0,145	23	19	55%
EUR/SEK									
3 months	10,130	10,100	9,800	10,500	0,136	0,026	27	15	64%
12 months	9,933	9,900	9,500	10,200	0,152	0,029	27	15	64%
24 months	9,779	9,800	9,400	10,200	0,205	0,040	26	16	62%
USD/SEK									
3 months	8,530	8,500	8,200	9,550	0,261	0,050	27	15	64%
12 months	8,329	8,300	7,500	9,090	0,328	0,063	27	15	64%
24 months	8,138	8,125	7,500	9,500	0,421	0,083	26	16	62%