

Interview Period & Method

Prospera's inflationary expectation surveys are carried out over telephone. The part of the survey that encompasses inflationary and wage increase expectations was carried out September 13 - September 27, 2004 (previous survey April 26 - May 6, 2004). The part of the survey regarding money market players' expectations of future repo rates, TCW, EUR and USD rates took place on September 15, 2004 (previous survey April 28, 2004).

About the Interviewees & Response Rate

In all 292(296) organisations/companies were approached for interview. 6(11) of the persons in the panel could not be reached, which means that there is an overall response rate of 98(96) per cent. The response rate for individual questions regarding inflation and wage increase expectations is 94 per cent or more for the one year and two years assessments, except for the employers' organisations. For the three, four and five years assessments (Table 1) as well as the questions regarding repo, TCW, EUR and USD rates the response rate is generally lower (Table 2).

Of the 172 purchasing managers 85 represent the trading industry and 87 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.

The money market category includes 63 players, 49 Swedish and 14 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 part of the survey comprising expected repo rates, TCW, EUR and USD rates.

57 Swedish labour market organisations, of which 26 on the employers' side and 31 on the employees' side have been approached.

Earlier Prospera inflationary expectations surveys

Earlier (starting in 1995) Prospera inflation reports, releases and tables can be downloaded from the site address below.

TABLE 1 - Inflationary and Wage Increase Expectations

Expected annual increase in CPI and expected annual wage increase the coming 1-5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate (%)
ALL									
Inflation Year 1	1,917	1,900	0,500	4,000	0,650	0,038	286	6	98
Inflation Year 2	2,105	2,000	0,500	6,500	0,639	0,038	285	7	98
Inflation Year 3	2,127	2,000	-0,500	4,000	0,569	0,034	275	17	94
Inflation Year 4	2,172	2,000	1,000	5,000	0,558	0,035	260	32	89
Inflation Year 5	2,177	2,000	0,500	4,000	0,546	0,034	260	32	89
Wage Increase Year 1	2,696	2,600	1,000	5,000	0,592	0,040	223	6	97
Wage Increase Year 2	2,768	2,850	1,000	4,500	0,598	0,040	222	7	97
Wage Increase Year 3	2,754	3,000	0,000	4,500	0,607	0,041	216	13	94
Wage Increase Year 4	2,753	3,000	1,000	5,000	0,623	0,044	202	27	88
Wage Increase Year 5	2,738	3,000	1,000	5,000	0,644	0,045	202	27	88
EMPLOYEES' ORGANISATIONS									
Inflation Year 1	1,707	1,800	0,800	2,500	0,507	0,094	29	2	94
Inflation Year 2	1,890	2,000	0,500	2,500	0,533	0,099	29	2	94
Inflation Year 3	1,993	2,000	1,000	3,000	0,441	0,083	28	3	90
Inflation Year 4	2,102	2,100	1,000	3,000	0,542	0,106	26	5	84
Inflation Year 5	2,117	2,200	0,500	3,000	0,622	0,122	26	5	84
Wage Increase Year 1	2,790	2,700	1,200	4,000	0,583	0,108	29	2	94
Wage Increase Year 2	2,910	3,000	1,000	4,100	0,689	0,128	29	2	94
Wage Increase Year 3	2,946	3,000	1,000	4,000	0,650	0,123	28	3	90
Wage Increase Year 4	3,015	3,000	1,200	4,000	0,689	0,135	26	5	84
Wage Increase Year 5	3,042	3,000	1,000	4,000	0,753	0,148	26	5	84
EMPLOYERS' ORGANISATIONS									
Inflation Year 1	1,583	1,500	0,700	2,200	0,431	0,090	23	3	88
Inflation Year 2	1,800	2,000	1,000	2,500	0,394	0,082	23	3	88
Inflation Year 3	2,017	2,000	1,300	3,000	0,491	0,102	23	3	88
Inflation Year 4	2,024	2,000	1,200	3,000	0,534	0,116	21	5	81
Inflation Year 5	2,000	2,000	1,200	3,000	0,524	0,114	21	5	81
Wage Increase Year 1	2,722	2,700	1,600	3,600	0,521	0,109	23	3	88
Wage Increase Year 2	2,948	3,000	2,000	4,500	0,640	0,133	23	3	88
Wage Increase Year 3	2,976	3,000	2,000	4,500	0,608	0,127	23	3	88
Wage Increase Year 4	2,825	2,850	2,000	4,000	0,564	0,126	20	6	77
Wage Increase Year 5	2,790	2,950	1,500	3,500	0,588	0,131	20	6	77

TABLE 1 (continued) - Inflationary and Wage Increase Expectations

Expected annual increase in CPI and expected annual wage increase the coming 1-5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate (%)
PURCHASING MANAGERS, Manufacturing									
Inflation Year 1	2,245	2,100	0,500	4,000	0,669	0,072	86	1	99
Inflation Year 2	2,328	2,200	0,500	6,500	0,768	0,083	86	1	99
Inflation Year 3	2,242	2,000	-0,500	4,000	0,656	0,071	85	2	98
Inflation Year 4	2,336	2,250	1,000	4,000	0,554	0,062	79	8	91
Inflation Year 5	2,345	2,200	1,000	4,000	0,561	0,063	79	8	91
Wage Increase Year 1	2,751	3,000	1,000	4,000	0,588	0,063	86	1	99
Wage Increase Year 2	2,792	3,000	1,500	4,000	0,566	0,061	86	1	99
Wage Increase Year 3	2,701	2,700	0,000	4,070	0,633	0,069	85	2	98
Wage Increase Year 4	2,755	2,800	1,000	4,500	0,624	0,070	79	8	91
Wage Increase Year 5	2,703	2,600	1,000	4,070	0,605	0,068	79	8	91
PURCHASING MANAGERS, Trading									
Inflation Year 1	2,010	2,000	0,800	4,000	0,681	0,074	85	0	100
Inflation Year 2	2,140	2,000	0,800	4,000	0,643	0,070	84	1	99
Inflation Year 3	2,174	2,000	0,000	4,000	0,648	0,072	80	5	94
Inflation Year 4	2,206	2,000	1,000	5,000	0,668	0,076	77	8	91
Inflation Year 5	2,213	2,000	1,000	4,000	0,616	0,070	77	8	91
Wage Increase Year 1	2,602	2,500	1,200	5,000	0,613	0,067	85	0	100
Wage Increase Year 2	2,644	2,500	1,000	4,000	0,568	0,062	84	1	99
Wage Increase Year 3	2,678	2,850	1,500	4,000	0,542	0,061	80	5	94
Wage Increase Year 4	2,642	2,800	1,500	5,000	0,595	0,068	77	8	91
Wage Increase Year 5	2,658	2,800	1,000	5,000	0,639	0,073	77	8	91
MONEY MARKET PLAYERS									
Inflation Year 1	1,565	1,500	0,500	3,000	0,411	0,052	63	0	100
Inflation Year 2	1,965	2,000	1,000	3,500	0,421	0,053	63	0	100
Inflation Year 3	2,003	2,000	1,000	3,000	0,314	0,041	59	4	94
Inflation Year 4	1,985	2,000	1,000	2,750	0,294	0,039	57	6	90
Inflation Year 5	1,989	2,000	1,000	2,500	0,250	0,033	57	6	90

TABLE 2 - Repo, TCW, EUR and USD rates

Expected Repo, TCW, 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 (%)
REPO RATE									
3 months	2,104	2,000	2,000	2,500	0,134	0,018	53	10	84
12 months	2,792	2,750	2,000	3,500	0,321	0,044	53	10	84
24 months	3,351	3,500	2,000	4,500	0,538	0,075	52	11	83
TCW									
3 months	125,020	125,250	122,000	127,000	1,331	0,205	42	21	67
12 months	123,527	124,000	117,000	128,000	2,727	0,426	41	22	65
24 months	123,471	124,000	117,000	130,000	3,415	0,533	41	22	65
EUR									
3 months	9,052	9,050	8,800	9,200	0,077	0,011	52	11	83
12 months	8,942	8,950	8,500	9,200	0,176	0,024	52	11	83
24 months	8,930	8,900	8,500	9,500	0,234	0,033	51	12	81
USD									
3 months	7,406	7,400	6,800	7,800	0,194	0,027	52	11	83
12 months	7,281	7,250	6,200	8,200	0,425	0,059	52	11	83
24 months	7,292	7,300	6,030	8,500	0,510	0,071	51	12	81

TABLE 3 - Confidence Indicator

The figures in the columns below display the percentages of interviewees believing that the inflation rate, the second year from now, will fall within/outside the Riksbank's inflationary tolerance band (not less than 1, not more than 3 per cent inflation). The percentage within this band is defined as the Confidence Indicator.

	Less than 1%		Confidence Indicator		More than 3%		No response	
	3/04	2/04	3/04	2/04	3/04	2/04	3/04	2/04
All	2	n	92	93	3	3	2	4
Employees' organisations	6	0	87	94	0	0	6	6
Employers' organisations	0	0	88	81	0	4	12	15
Purchase M	1	0	92	92	6	7	1	1
Purchase T	2	0	93	94	4	2	1	3
Money Market Players	0	2	97	95	3	0	0	3