



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 2018, has now been completed, the previous September 2018 was published September 12, 2018. The last survey among money market players was published November 7, 2018.

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	
	Dec 18	Sep 18	Dec 18	Sep 18	Dec 18	Sep 18
Inflation CPI, %	2,0	2,0	2,1	2,1	2,1	2,1
Inflation CPIF, %	2,0	2,0	2,0	2,0	2,0	2,0
GDP, %	2,1	2,7	2,0	2,4	2,2	2,3
Wage increase, %	2,4	2,4	2,5	2,4	2,5	2,4

Repo rate, %	3 months		12 months		24 months		60 months	
	Dec 18	Sep 18	Dec 18	Sep 18	Dec 18	Sep 18	Dec 18	Sep 18
	-0,3	-0,4	0,0	-0,1	0,5	0,4	1,3	1,3

Money Market Players' Expectations of

Repo rate, %	3 months			12 months			24 months			60 months		
	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18
Repo rate, %	-0,3	-0,3	-0,5	0,1	0,1	-0,1	0,6	0,6	0,7	1,6	1,5	1,7
5 year gvt bond rate, %	0,2	0,2	0,0	0,6	0,6	0,4	1,2	1,0	1,1	2,0	1,8	1,9
EUR	10,17	10,24	10,42	9,88	9,95	10,00	9,64	9,68	9,68	-	-	-
USD	8,98	8,91	9,01	8,57	8,50	8,66	8,17	8,20	8,23	-	-	-

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 26 - December 11, 2018 (previous August 27 - September 11, 2018). The last survey among money market players was carried out October 24 - November 6, 2018.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on November 28, 2018 (previous August 29, 2018 and October 24, 2018).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 7,9 years.

About the Interviewees & Response Rate

All Interviewees

In all 201 (201) organisations/companies were approached for interview. 56 (48) 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 % (76 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 34 % 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 109 purchasing managers 55 represent the trading industry and 54 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 46 players, 43 Swedish and 3 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 2018 vs (November 2018) September 2018

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 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18
Annual inflation CPI, %									
All interviewees	2,0		2,0	2,1		2,1	2,1		2,1
Employees' organisations	2,1		2,0	2,1		2,1	2,2		2,2
Employers' organisations	2,0		1,9	2,2		2,1	2,1		2,2
Purchase managers Manufacturing	2,0		2,1	2,1		2,1	2,1		2,2
Purchase managers Trading	2,0		2,0	2,0		2,0	2,2		2,0
Money market players	2,1	2,1	2,0	2,1	2,1	2,1	2,0	2,0	2,0
Annual inflation CPIIF, %									
All interviewees	2,0		2,0	2,0		2,0	2,0		2,0
Employees' organisations	2,2		2,1	2,1		2,1	2,1		2,2
Employers' organisations	2,1		2,0	2,2		2,1	2,2		2,1
Purchase managers Manufacturing	2,0		2,1	1,8		2,1	2,0		2,1
Purchase managers Trading	2,1		2,2	2,0		2,1	2,0		2,1
Money market players	1,9	2,0	2,0	1,9	1,9	2,0	1,9	1,9	1,9
GDP, %									
All interviewees	2,1		2,7	2,0		2,4	2,2		2,3
Employees' organisations	2,1		2,7	2,1		2,5	2,4		2,4
Employers' organisations	1,8		2,6	1,7		2,3	1,9		2,3
Purchase managers Manufacturing	2,3		2,7	2,3		2,5	2,3		2,4
Purchase managers Trading	1,9		2,9	1,8		2,6	2,1		2,5
Money market players	2,0	2,2	2,5	1,9	2,1	2,2	2,0	2,0	2,0
Annual wage increase, %									
All interviewees	2,4		2,4	2,5		2,4	2,5		2,4
Employees' organisations	2,7		2,6	2,8		2,6	3,0		2,7
Employers' organisations	2,4		2,5	2,5		2,6	2,5		2,5
Purchase managers Manufacturing	2,3		2,3	2,3		2,3	2,3		2,2
Purchase managers Trading	2,3		2,3	2,4		2,3	2,3		2,3

	3 months			12 months			24 months			60 months		
	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18	Dec 18	Nov 18	Sep 18
Repo rate, %												
All interviewees	-0,3		-0,4	0,0		-0,1	0,5		0,4	1,3		1,3
Employees' organisations	-0,3		-0,4	0,0		-0,1	0,4		0,3	1,1		1,2
Employers' organisations	-0,3		-0,5	0,0		-0,1	0,6		0,6	1,7		1,7
Purchase managers Manufacturing	-0,3		-0,4	0,0		-0,1	0,5		0,3	1,1		1,1
Purchase managers Trading	-0,3		-0,5	0,0		-0,1	0,4		0,4	1,2		1,0
Money market players	-0,3	-0,3	-0,5	0,1	0,1	-0,1	0,6	0,6	0,7	1,6	1,5	1,7

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	2,041	2,000	0,400	3,200	0,375	0,032	141	60	70%
Year 2	2,081	2,000	0,300	3,500	0,439	0,037	141	60	70%
Year 5	2,103	2,000	1,000	4,000	0,410	0,035	136	65	68%
Employees' organisations									
Year 1	2,064	2,000	1,000	2,500	0,306	0,065	22	3	88%
Year 2	2,109	2,050	1,500	2,500	0,252	0,054	22	3	88%
Year 5	2,164	2,100	1,000	3,000	0,377	0,080	22	3	88%
Employers' organisations									
Year 1	2,043	2,050	1,000	2,600	0,388	0,104	14	7	67%
Year 2	2,171	2,200	1,500	2,600	0,324	0,087	14	7	67%
Year 5	2,131	2,000	1,800	2,800	0,259	0,072	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,032	2,000	1,000	3,200	0,442	0,073	37	17	69%
Year 2	2,076	2,000	0,800	3,500	0,554	0,091	37	17	69%
Year 5	2,134	2,000	1,000	4,000	0,537	0,088	37	17	69%
Purchasing Managers, Trading									
Year 1	2,009	2,000	0,400	2,700	0,438	0,077	32	23	58%
Year 2	2,005	2,000	0,300	3,000	0,511	0,090	32	23	58%
Year 5	2,191	2,000	1,500	3,000	0,337	0,063	29	26	53%
Money Market Players									
Year 1	2,063	2,100	1,300	2,500	0,279	0,046	36	10	78%
Year 2	2,102	2,100	1,300	2,720	0,369	0,062	36	10	78%
Year 5	1,950	2,000	1,000	2,500	0,347	0,059	35	11	76%

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	2,025	2,100	1,200	2,700	0,316	0,038	68	133	34%
Year 2	2,003	2,000	1,200	3,100	0,334	0,040	68	133	34%
Year 5	2,007	2,000	1,000	3,500	0,363	0,044	67	134	33%
Employees' organisations									
Year 1	2,163	2,100	1,500	2,700	0,299	0,075	16	9	64%
Year 2	2,063	2,000	1,500	2,700	0,316	0,079	16	9	64%
Year 5	2,119	2,000	1,700	3,000	0,327	0,082	16	9	64%
Employers' organisations									
Year 1	2,120	2,100	1,600	2,700	0,333	0,105	10	11	48%
Year 2	2,230	2,150	1,700	3,100	0,457	0,145	10	11	48%
Year 5	2,167	2,000	1,700	3,500	0,522	0,174	9	12	43%
Purchasing Managers, Manufacturing									
Year 1	2,040	2,100	1,200	2,500	0,513	0,229	5	49	9%
Year 2	1,840	2,000	1,200	2,000	0,358	0,160	5	49	9%
Year 5	2,020	2,000	2,000	2,100	0,045	0,020	5	49	9%
Purchasing Managers, Trading									
Year 1	2,060	2,100	2,000	2,100	0,055	0,024	5	50	9%
Year 2	2,020	2,100	1,700	2,200	0,192	0,086	5	50	9%
Year 5	2,000	2,000	1,700	2,200	0,212	0,095	5	50	9%
Money Market Players									
Year 1	1,919	1,950	1,200	2,300	0,285	0,050	32	14	70%
Year 2	1,926	1,950	1,400	2,400	0,285	0,050	32	14	70%
Year 5	1,904	2,000	1,000	2,500	0,358	0,063	32	14	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	1,526	1,500	0,500	2,200	0,381	0,072	28	18	61%
Upper bound	2,438	2,350	2,000	4,000	0,426	0,081	28	18	61%
Year 2									
Lower bound	1,349	1,500	-0,500	2,300	0,610	0,115	28	18	61%
Upper bound	2,546	2,500	1,750	3,500	0,388	0,073	28	18	61%
Year 5									
Lower bound	1,089	1,450	-2,000	2,200	0,920	0,174	28	18	61%
Upper bound	2,768	2,550	1,750	5,000	0,662	0,125	28	18	61%

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	2,061	2,000	0,000	3,600	0,618	0,053	137	64	68%
Year 2	1,997	2,000	0,200	4,000	0,589	0,050	137	64	68%
Year 5	2,154	2,000	0,700	4,000	0,552	0,048	132	69	66%
Employees' organisations									
Year 1	2,095	2,050	0,500	3,100	0,639	0,143	20	5	80%
Year 2	2,060	2,000	0,700	3,500	0,689	0,154	20	5	80%
Year 5	2,360	2,250	1,200	3,500	0,648	0,145	20	5	80%
Employers' organisations									
Year 1	1,843	1,900	0,500	3,000	0,616	0,165	14	7	67%
Year 2	1,714	1,650	1,000	2,500	0,392	0,105	14	7	67%
Year 5	1,854	2,000	0,700	2,600	0,493	0,137	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,294	2,500	0,500	3,600	0,621	0,104	36	18	67%
Year 2	2,278	2,200	1,000	4,000	0,685	0,114	36	18	67%
Year 5	2,315	2,100	1,000	4,000	0,658	0,110	36	18	67%
Purchasing Managers, Trading									
Year 1	1,889	2,000	0,000	3,000	0,646	0,114	32	23	58%
Year 2	1,845	1,950	0,200	2,500	0,499	0,088	32	23	58%
Year 5	2,138	2,000	1,400	3,000	0,354	0,066	29	26	53%
Money Market Players									
Year 1	2,044	2,200	0,500	3,100	0,519	0,088	35	11	76%
Year 2	1,926	2,000	1,000	3,000	0,457	0,077	35	11	76%
Year 5	1,991	2,000	1,000	3,500	0,445	0,076	34	12	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	2,390	2,500	1,500	3,500	0,367	0,036	105	50	68%
Year 2	2,457	2,500	1,500	3,500	0,406	0,040	105	50	68%
Year 5	2,495	2,500	1,000	4,000	0,551	0,055	101	54	65%
Employees' organisations									
Year 1	2,659	2,700	2,000	3,500	0,333	0,071	22	3	88%
Year 2	2,755	2,750	2,100	3,500	0,331	0,070	22	3	88%
Year 5	2,964	3,000	1,500	4,000	0,558	0,119	22	3	88%
Employers' organisations									
Year 1	2,400	2,450	2,000	2,900	0,283	0,076	14	7	67%
Year 2	2,514	2,550	2,000	3,200	0,374	0,100	14	7	67%
Year 5	2,469	2,500	1,500	3,500	0,612	0,170	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,275	2,300	1,800	3,000	0,313	0,052	36	18	67%
Year 2	2,338	2,225	1,500	3,200	0,418	0,070	36	18	67%
Year 5	2,340	2,450	1,500	3,500	0,459	0,076	36	18	67%
Purchasing Managers, Trading									
Year 1	2,333	2,500	1,500	3,000	0,397	0,069	33	22	60%
Year 2	2,364	2,300	1,900	3,000	0,360	0,063	33	22	60%
Year 5	2,347	2,400	1,000	3,300	0,440	0,080	30	25	55%

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	-0,277	-0,250	-0,500	0,500	0,165	0,014	131	70	65%
12 months	0,042	0,000	-0,500	2,000	0,346	0,030	131	70	65%
24 months	0,491	0,500	-0,500	2,000	0,505	0,044	130	71	65%
60 months	1,281	1,500	-1,000	3,000	0,746	0,067	125	76	62%
Employees' organisations									
3 months	-0,279	-0,250	-0,500	0,500	0,221	0,048	21	4	84%
12 months	0,002	0,000	-0,500	0,750	0,288	0,063	21	4	84%
24 months	0,362	0,250	-0,200	1,250	0,358	0,078	21	4	84%
60 months	1,090	1,000	0,000	2,000	0,647	0,141	21	4	84%
Employers' organisations									
3 months	-0,275	-0,250	-0,500	0,000	0,154	0,041	14	7	67%
12 months	0,046	0,000	-0,300	1,000	0,359	0,096	14	7	67%
24 months	0,571	0,500	0,000	2,000	0,584	0,156	14	7	67%
60 months	1,654	1,500	0,000	3,000	0,875	0,243	13	8	62%
Purchasing Managers, Manufacturing									
3 months	-0,280	-0,250	-0,500	0,500	0,202	0,033	37	17	69%
12 months	0,030	0,000	-0,500	2,000	0,465	0,076	37	17	69%
24 months	0,480	0,500	-0,400	2,000	0,556	0,091	37	17	69%
60 months	1,132	1,000	0,000	2,500	0,690	0,113	37	17	69%
Purchasing Managers, Trading									
3 months	-0,289	-0,250	-0,500	0,250	0,153	0,027	32	23	58%
12 months	0,047	0,000	-0,400	1,200	0,329	0,058	32	23	58%
24 months	0,445	0,400	-0,500	2,000	0,526	0,093	32	23	58%
60 months	1,176	1,250	0,000	3,000	0,696	0,129	29	26	53%
Money Market Players									
3 months	-0,259	-0,250	-0,500	-0,250	0,048	0,009	27	19	59%
12 months	0,080	0,000	-0,250	0,500	0,194	0,037	27	19	59%
24 months	0,625	0,500	0,000	2,000	0,454	0,089	26	20	57%
60 months	1,588	1,750	-1,000	3,000	0,780	0,156	25	21	54%



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	-0,469	-0,500	-0,750	-0,250	0,112	0,023	24	22	52%
Upper bound	-0,250	-0,250	-0,500	0,000	0,074	0,015	24	22	52%
12 months									
Lower bound	-0,322	-0,250	-1,000	0,000	0,278	0,058	23	23	50%
Upper bound	0,339	0,250	0,000	0,800	0,238	0,050	23	23	50%
24 months									
Lower bound	-0,048	0,000	-1,000	1,000	0,532	0,111	23	23	50%
Upper bound	1,170	1,000	0,000	2,300	0,520	0,108	23	23	50%
60 months									
Lower bound	0,357	0,500	-1,500	1,500	0,900	0,196	21	25	46%
Upper bound	2,881	2,500	1,000	6,500	1,259	0,275	21	25	46%

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	0,192	0,150	0,000	0,500	0,127	0,025	25	21	54%
12 months	0,604	0,550	0,100	1,500	0,343	0,069	25	21	54%
24 months	1,206	1,200	0,100	2,300	0,594	0,121	24	22	52%
60 months	1,994	2,075	-0,200	3,500	0,822	0,168	24	22	52%
EUR/SEK									
3 months	10,171	10,150	9,900	10,800	0,177	0,035	26	20	57%
12 months	9,879	9,800	9,500	11,300	0,349	0,069	26	20	57%
24 months	9,644	9,500	9,000	11,800	0,514	0,101	26	20	57%
USD/SEK									
3 months	8,980	8,950	8,500	9,560	0,197	0,039	26	20	57%
12 months	8,573	8,600	7,500	10,270	0,577	0,113	26	20	57%
24 months	8,165	8,225	6,800	10,270	0,787	0,154	26	20	57%