

Press Release

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 Sifo Prospera as the source.

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 2019, has now been completed, the previous September 2019 was published September 10, 2019. The last survey among money market players was published November 12, 2019.

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 19	Sep 19	Dec 19	Sep 19	Dec 19	Sep 19
Annual						
Inflation CPI, %	1,6	1,7	1,7	1,7	1,9	1,9
Inflation CPIF, %	1,6	1,7	1,6	1,7	1,8	1,9
GDP, %	1,4	1,5	1,5	1,5	1,9	2,0
Wage increase, %	2,3	2,3	2,3	2,2	2,4	2,4

	3 months		12 months		24 months		60 months	
	Dec 19	Sep 19	Dec 19	Sep 19	Dec 19	Sep 19	Dec 19	Sep 19
Repo rate, %	-0,1	-0,3	0,0	-0,2	0,2	0,0	0,8	0,7

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19
Repo rate, %	0,0	-0,2	-0,3	0,0	-0,2	-0,3	0,1	0,0	-0,1	0,8	0,8	0,7
5 year gvt bond rate, %	-0,1	-0,4	-0,5	0,1	-0,3	-0,4	0,4	0,2	0,0	1,3	1,1	1,1
EUR	10,54	10,73	10,76	10,43	10,61	10,60	10,26	10,42	10,41	-	-	-
USD	9,55	9,68	9,68	9,35	9,46	9,45	9,11	9,10	9,18	-	-	-

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 25 - December 9, 2019 (previous August 26 - September 09, 2019). The last survey among money market players was carried out October 23 - November 8, 2019.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on November 27, 2019 (previous August 28, 2019 and October 23, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 8,9 years.

About the Interviewees & Response Rate

All Interviewees

In all 198 (197) 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 71 % (74 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 39 % 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 106 purchasing managers 54 represent the trading industry and 52 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 2019 vs (November 2019) September 2019

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 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19
Annual inflation CPI, %									
All interviewees	1,6		1,7	1,7		1,7	1,9		1,9
Employees' organisations	1,7		1,8	1,8		1,9	2,0		2,0
Employers' organisations	1,5		1,7	1,6		1,7	1,9		2,0
Purchase managers Manufacturing	1,7		1,7	1,7		1,8	1,8		2,0
Purchase managers Trading	1,6		1,7	1,6		1,7	1,8		1,9
Money market players	1,7	1,6	1,7	1,7	1,6	1,7	1,8	1,8	1,9
Annual inflation CPIIF, %									
All interviewees	1,6		1,7	1,6		1,7	1,8		1,9
Employees' organisations	1,7		1,7	1,7		1,8	1,9		1,9
Employers' organisations	1,5		1,5	1,5		1,6	1,8		2,0
Purchase managers Manufacturing	1,6		1,8	1,6		1,8	1,7		2,0
Purchase managers Trading	1,7		1,7	1,8		1,8	2,0		2,0
Money market players	1,6	1,5	1,6	1,6	1,6	1,6	1,8	1,7	1,8
GDP, %									
All interviewees	1,4		1,5	1,5		1,5	1,9		2,0
Employees' organisations	1,6		1,8	1,7		1,8	2,2		2,1
Employers' organisations	1,2		1,4	1,3		1,3	1,8		2,1
Purchase managers Manufacturing	1,4		1,4	1,5		1,5	1,8		1,9
Purchase managers Trading	1,3		1,4	1,6		1,4	2,0		2,0
Money market players	1,3	1,3	1,4	1,6	1,5	1,5	1,9	1,9	1,9
Annual wage increase, %									
All interviewees	2,3		2,3	2,3		2,2	2,4		2,4
Employees' organisations	2,7		2,7	2,7		2,7	2,9		2,9
Employers' organisations	2,5		2,3	2,5		2,3	2,5		2,5
Purchase managers Manufacturing	2,1		2,1	2,1		2,1	2,2		2,4
Purchase managers Trading	2,2		2,2	2,2		2,2	2,3		2,3

	3 months			12 months			24 months			60 months		
	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19	Dec 19	Nov 19	Sep 19
Repo rate, %												
All interviewees	-0,1		-0,3	0,0		-0,2	0,2		0,0	0,8		0,7
Employees' organisations	-0,1		-0,2	-0,1		-0,2	0,1		0,0	0,7		0,8
Employers' organisations	-0,1		-0,3	0,0		-0,2	0,3		0,1	1,1		0,9
Purchase managers Manufacturing	-0,2		-0,3	-0,1		-0,2	0,1		0,0	0,7		0,7
Purchase managers Trading	-0,1		-0,2	0,0		-0,2	0,3		0,0	0,9		0,7
Money market players	0,0	-0,2	-0,3	0,0	-0,2	-0,3	0,1	0,0	-0,1	0,8	0,8	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	1,632	1,600	0,500	2,500	0,299	0,026	135	63	68%
Year 2	1,654	1,600	0,000	2,500	0,348	0,030	135	63	68%
Year 5	1,859	2,000	0,000	3,000	0,379	0,033	129	69	65%
Employees' organisations									
Year 1	1,717	1,600	1,500	2,400	0,228	0,054	18	7	72%
Year 2	1,750	1,700	1,500	2,500	0,236	0,056	18	7	72%
Year 5	1,950	2,000	1,500	2,600	0,260	0,061	18	7	72%
Employers' organisations									
Year 1	1,525	1,650	0,500	1,900	0,382	0,102	14	7	67%
Year 2	1,611	1,700	1,000	2,000	0,308	0,082	14	7	67%
Year 5	1,921	2,000	0,800	2,470	0,384	0,106	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,651	1,600	1,000	2,500	0,309	0,053	34	18	65%
Year 2	1,666	1,700	0,000	2,500	0,421	0,072	34	18	65%
Year 5	1,833	2,000	0,000	3,000	0,533	0,094	32	20	62%
Purchasing Managers, Trading									
Year 1	1,585	1,600	0,500	2,000	0,347	0,060	33	21	61%
Year 2	1,597	1,600	0,500	2,200	0,399	0,069	33	21	61%
Year 5	1,829	2,000	1,000	2,400	0,348	0,062	31	23	57%
Money Market Players									
Year 1	1,657	1,600	1,100	2,300	0,227	0,038	36	10	78%
Year 2	1,665	1,600	1,100	2,400	0,281	0,047	36	10	78%
Year 5	1,841	1,900	1,300	2,300	0,287	0,048	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	1,593	1,600	0,500	2,200	0,266	0,030	78	120	39%
Year 2	1,626	1,600	0,500	2,700	0,317	0,036	78	120	39%
Year 5	1,830	1,900	0,500	3,000	0,343	0,039	77	121	39%
Employees' organisations									
Year 1	1,667	1,650	1,500	2,000	0,150	0,043	12	13	48%
Year 2	1,700	1,700	1,500	2,000	0,141	0,041	12	13	48%
Year 5	1,900	1,950	1,500	2,100	0,165	0,048	12	13	48%
Employers' organisations									
Year 1	1,528	1,600	0,500	1,900	0,377	0,109	12	9	57%
Year 2	1,538	1,550	0,750	2,000	0,363	0,105	12	9	57%
Year 5	1,845	2,000	0,800	2,200	0,401	0,121	11	10	52%
Purchasing Managers, Manufacturing									
Year 1	1,600	1,600	1,000	2,000	0,346	0,104	11	41	21%
Year 2	1,564	1,600	0,500	2,000	0,420	0,127	11	41	21%
Year 5	1,700	1,800	0,500	2,100	0,449	0,136	11	41	21%
Purchasing Managers, Trading									
Year 1	1,711	1,700	1,400	2,200	0,252	0,084	9	45	17%
Year 2	1,767	1,700	1,200	2,700	0,430	0,143	9	45	17%
Year 5	2,044	2,000	1,500	3,000	0,413	0,138	9	45	17%
Money Market Players									
Year 1	1,556	1,600	0,900	2,100	0,223	0,038	34	12	74%
Year 2	1,615	1,550	0,900	2,400	0,271	0,047	34	12	74%
Year 5	1,786	1,800	1,000	2,400	0,299	0,051	34	12	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	1,203	1,250	0,500	1,900	0,376	0,072	27	19	59%
Upper bound	2,013	1,900	1,700	3,000	0,345	0,066	27	19	59%
Year 2									
Lower bound	1,047	1,200	0,000	2,200	0,568	0,109	27	19	59%
Upper bound	2,223	2,100	1,600	3,500	0,472	0,091	27	19	59%
Year 5									
Lower bound	0,967	1,000	-1,000	1,900	0,731	0,141	27	19	59%
Upper bound	2,717	2,500	1,800	6,000	0,858	0,165	27	19	59%

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	1,362	1,350	0,000	3,000	0,458	0,039	136	62	69%
Year 2	1,530	1,500	0,200	3,500	0,468	0,040	136	62	69%
Year 5	1,920	2,000	0,000	3,500	0,555	0,049	129	69	65%
Employees' organisations									
Year 1	1,600	1,400	0,900	3,000	0,648	0,153	18	7	72%
Year 2	1,706	1,700	0,800	2,900	0,549	0,129	18	7	72%
Year 5	2,167	2,100	0,700	3,500	0,700	0,165	18	7	72%
Employers' organisations									
Year 1	1,207	1,200	0,500	2,000	0,350	0,093	14	7	67%
Year 2	1,293	1,400	0,200	1,800	0,395	0,106	14	7	67%
Year 5	1,815	1,900	0,000	3,000	0,659	0,183	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,357	1,250	0,500	2,700	0,513	0,085	36	16	69%
Year 2	1,458	1,400	0,500	2,400	0,510	0,085	36	16	69%
Year 5	1,810	2,000	0,500	3,000	0,662	0,114	34	18	65%
Purchasing Managers, Trading									
Year 1	1,342	1,450	0,000	2,500	0,411	0,073	32	22	59%
Year 2	1,592	1,500	0,900	3,500	0,507	0,090	32	22	59%
Year 5	1,962	2,000	1,000	3,000	0,452	0,084	29	25	54%
Money Market Players									
Year 1	1,325	1,350	0,500	2,100	0,329	0,055	36	10	78%
Year 2	1,551	1,550	0,800	2,500	0,325	0,054	36	10	78%
Year 5	1,903	1,800	1,300	3,000	0,341	0,058	35	11	76%



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	2,305	2,300	1,000	3,300	0,407	0,040	103	49	68%
Year 2	2,287	2,300	1,000	3,200	0,426	0,042	103	49	68%
Year 5	2,380	2,300	1,500	3,500	0,438	0,044	98	54	64%
Employees' organisations									
Year 1	2,706	2,800	2,300	3,300	0,246	0,058	18	7	72%
Year 2	2,739	2,800	2,400	3,200	0,223	0,052	18	7	72%
Year 5	2,883	2,900	2,500	3,500	0,285	0,067	18	7	72%
Employers' organisations									
Year 1	2,471	2,550	2,000	3,100	0,267	0,071	14	7	67%
Year 2	2,457	2,400	2,000	3,200	0,320	0,086	14	7	67%
Year 5	2,454	2,300	2,000	3,500	0,491	0,136	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,116	2,000	1,500	3,000	0,393	0,065	37	15	71%
Year 2	2,086	2,000	1,500	3,000	0,357	0,059	37	15	71%
Year 5	2,211	2,050	1,500	3,000	0,355	0,059	36	16	69%
Purchasing Managers, Trading									
Year 1	2,229	2,200	1,000	2,800	0,375	0,064	34	20	63%
Year 2	2,197	2,200	1,000	3,000	0,422	0,072	34	20	63%
Year 5	2,252	2,200	1,500	3,000	0,355	0,064	31	23	57%

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	-0,111	0,000	-0,500	0,250	0,132	0,012	131	67	66%
12 months	-0,026	0,000	-0,500	1,000	0,197	0,017	131	67	66%
24 months	0,188	0,000	-0,500	2,000	0,440	0,038	131	67	66%
60 months	0,816	0,750	-0,500	3,000	0,649	0,058	126	72	64%
Employees' organisations									
3 months	-0,139	-0,250	-0,500	0,250	0,176	0,042	18	7	72%
12 months	-0,094	0,000	-0,500	0,250	0,172	0,041	18	7	72%
24 months	0,108	0,000	-0,500	0,500	0,283	0,067	18	7	72%
60 months	0,653	0,500	-0,500	2,000	0,601	0,142	18	7	72%
Employers' organisations									
3 months	-0,132	-0,175	-0,250	0,000	0,125	0,033	14	7	67%
12 months	0,011	0,000	-0,250	1,000	0,303	0,081	14	7	67%
24 months	0,304	0,000	-0,250	2,000	0,614	0,164	14	7	67%
60 months	1,050	1,000	0,100	3,000	0,732	0,203	13	8	62%
Purchasing Managers, Manufacturing									
3 months	-0,169	-0,250	-0,250	0,000	0,119	0,020	34	18	65%
12 months	-0,057	0,000	-0,250	0,750	0,202	0,035	34	18	65%
24 months	0,147	0,000	-0,500	2,000	0,436	0,075	34	18	65%
60 months	0,740	0,675	0,000	2,250	0,623	0,107	34	18	65%
Purchasing Managers, Trading									
3 months	-0,121	0,000	-0,250	0,000	0,127	0,022	33	21	61%
12 months	-0,005	0,000	-0,250	0,500	0,224	0,039	33	21	61%
24 months	0,270	0,000	-0,500	2,000	0,519	0,090	33	21	61%
60 months	0,903	1,000	0,000	2,500	0,639	0,115	31	23	57%
Money Market Players									
3 months	-0,016	0,000	-0,250	0,000	0,061	0,011	32	14	70%
12 months	0,008	0,000	-0,250	0,250	0,077	0,014	32	14	70%
24 months	0,141	0,000	-0,500	1,250	0,330	0,058	32	14	70%
60 months	0,808	0,625	-0,500	2,500	0,681	0,124	30	16	65%



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	-0,159	-0,250	-0,500	0,000	0,159	0,029	29	17	63%
Upper bound	0,038	0,000	0,000	0,350	0,098	0,018	29	17	63%
12 months									
Lower bound	-0,264	-0,250	-1,160	0,250	0,288	0,053	29	17	63%
Upper bound	0,221	0,250	0,000	1,160	0,275	0,051	29	17	63%
24 months									
Lower bound	-0,271	-0,250	-2,000	0,750	0,516	0,096	29	17	63%
Upper bound	0,757	0,500	0,000	3,000	0,747	0,139	29	17	63%
60 months									
Lower bound	-0,128	-0,125	-1,820	1,750	0,803	0,158	26	20	57%
Upper bound	1,733	1,375	0,250	5,000	1,206	0,236	26	20	57%

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	-0,134	-0,200	-0,350	0,250	0,143	0,027	29	17	63%
12 months	0,055	0,000	-0,350	0,500	0,235	0,044	29	17	63%
24 months	0,439	0,325	-0,300	1,500	0,489	0,092	28	18	61%
60 months	1,261	1,175	0,000	2,750	0,740	0,140	28	18	61%
EUR/SEK									
3 months	10,535	10,500	10,200	11,200	0,203	0,036	32	14	70%
12 months	10,428	10,400	9,800	11,300	0,335	0,059	32	14	70%
24 months	10,261	10,150	9,500	11,500	0,456	0,081	32	14	70%
USD/SEK									
3 months	9,546	9,500	9,000	10,180	0,209	0,037	32	14	70%
12 months	9,355	9,345	8,500	10,270	0,378	0,067	32	14	70%
24 months	9,111	9,075	8,000	10,500	0,603	0,107	32	14	70%