

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 June 2020, has now been completed, the previous March 2020 was published March 11, 2020. The last survey among money market players was published May 14, 2020.

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	
	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20
Inflation CPI, %	0,4	1,5	1,1	1,6	1,8	1,8
Inflation CPIF, %	0,4	1,4	1,1	1,5	1,7	1,8
GDP, %	-2,5	1,2	2,0	1,5	2,2	2,0
Wage increase, %	1,6	2,2	2,0	2,3	2,4	2,4

Repo rate, %	3 months		12 months		24 months		60 months	
	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20
	0,0	0,0	0,0	0,0	0,2	0,2	0,9	0,8

Money Market Players' Expectations of

Repo rate, %	3 months			12 months			24 months			60 months		
	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20
Repo rate, %	0,0	-0,1	0,0	0,0	-0,1	-0,1	0,1	0,0	0,1	0,7	0,7	0,9
5 year gvt bond rate, %	-0,2	-0,3	-0,4	0,0	-0,1	-0,2	0,3	0,3	0,2	1,0	1,0	1,1
EUR	10,51	10,67	10,52	10,31	10,48	10,46	10,12	10,29	10,29	-	-	-
USD	9,58	9,82	9,48	9,31	9,54	9,37	9,10	9,29	9,16	-	-	-

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 May 27 - June 09, 2020 (previous February 24 - March 10, 2020). The last survey among money market players was carried out May 6 - May 12, 2020.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on May 27, 2020 (previous on March 4, 2020 and May 6, 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 190 (191) organisations/companies were approached for interview. 51 (53) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 73 % (72 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 44 % or more for the one year and two year assessments (71 % 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 100 purchasing managers 51 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 44 players, 42 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 June 2020 vs (May 2020) March 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		
	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20
Annual inflation CPI, %									
All interviewees	0,4		1,5	1,1		1,6	1,8		1,8
Employees' organisations	0,2		1,7	1,0		1,8	1,8		2,0
Employers' organisations	0,4		1,3	1,2		1,5	1,8		1,8
Purchase managers Manufacturing	0,2		1,5	0,8		1,6	1,8		1,8
Purchase managers Trading	0,3		1,4	1,1		1,6	1,9		1,9
Money market players	0,8	0,8	1,4	1,3	1,3	1,6	1,7	1,7	1,8
Annual inflation CPIIF, %									
All interviewees	0,4		1,4	1,1		1,5	1,7		1,8
Employees' organisations	0,3		1,5	1,1		1,7	1,7		1,9
Employers' organisations	0,4		1,3	1,2		1,4	1,6		1,8
Purchase managers Manufacturing	0,2		1,5	0,8		1,4	1,6		1,8
Purchase managers Trading	0,1		1,5	1,0		1,6	1,8		1,9
Money market players	0,8	0,8	1,4	1,3	1,3	1,5	1,7	1,6	1,7
GDP, %									
All interviewees	-2,5		1,2	2,0		1,5	2,2		2,0
Employees' organisations	-3,3		1,4	2,7		1,7	2,9		2,1
Employers' organisations	-2,9		1,0	2,8		1,4	2,2		1,9
Purchase managers Manufacturing	-1,5		1,3	1,0		1,4	2,1		1,9
Purchase managers Trading	-2,7		1,1	1,3		1,5	2,1		2,0
Money market players	-2,5	-4,5	1,1	3,0	3,2	1,6	2,0	2,0	1,9
Annual wage increase, %									
All interviewees	1,6		2,2	2,0		2,3	2,4		2,4
Employees' organisations	2,2		2,6	2,3		2,6	2,8		2,9
Employers' organisations	1,6		2,3	2,0		2,3	2,4		2,5
Purchase managers Manufacturing	1,4		2,2	1,9		2,1	2,3		2,2
Purchase managers Trading	1,4		2,1	1,9		2,2	2,3		2,3

	3 months			12 months			24 months			60 months		
	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20	Jun 20	May 20	Mar 20
Repo rate, %												
All interviewees	0,0		0,0	0,0		0,0	0,2		0,2	0,9		0,8
Employees' organisations	0,0		0,1	0,0		0,1	0,2		0,4	0,9		0,9
Employers' organisations	0,0		0,0	-0,1		0,0	0,2		0,2	1,1		1,1
Purchase managers Manufacturing	0,0		0,0	0,0		0,0	0,1		0,2	0,8		0,7
Purchase managers Trading	0,0		0,0	0,0		0,0	0,3		0,3	1,0		0,8
Money market players	0,0	-0,1	0,0	0,0	-0,1	-0,1	0,1	0,0	0,1	0,7	0,7	0,9



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	0,394	0,400	-3,000	3,000	0,821	0,071	135	55	71%
Year 2	1,053	1,000	-1,500	2,500	0,628	0,054	135	55	71%
Year 5	1,808	1,900	-1,000	3,000	0,556	0,049	131	59	69%
Employees' organisations									
Year 1	0,232	0,300	-1,000	1,300	0,558	0,128	19	6	76%
Year 2	0,989	1,000	-0,400	2,000	0,677	0,155	19	6	76%
Year 5	1,832	2,000	0,300	2,500	0,481	0,110	19	6	76%
Employers' organisations									
Year 1	0,405	0,470	-0,600	2,000	0,686	0,177	15	6	71%
Year 2	1,177	1,200	-0,200	2,000	0,532	0,137	15	6	71%
Year 5	1,762	1,750	1,000	2,580	0,354	0,092	15	6	71%
Purchasing Managers, Manufacturing									
Year 1	0,169	0,000	-3,000	2,000	1,070	0,189	32	17	65%
Year 2	0,764	1,000	-1,500	2,000	0,797	0,141	32	17	65%
Year 5	1,823	2,000	-1,000	3,000	0,807	0,145	31	18	63%
Purchasing Managers, Trading									
Year 1	0,300	0,000	-1,000	3,000	0,834	0,141	35	16	69%
Year 2	1,069	1,000	-0,200	2,500	0,637	0,108	35	16	69%
Year 5	1,891	2,000	1,000	3,000	0,501	0,087	33	18	65%
Money Market Players									
Year 1	0,788	0,700	0,000	2,300	0,583	0,100	34	10	77%
Year 2	1,288	1,200	0,800	2,000	0,266	0,046	34	10	77%
Year 5	1,720	1,560	1,000	3,000	0,439	0,076	33	11	75%

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	0,444	0,500	-4,000	2,100	0,863	0,094	84	106	44%
Year 2	1,106	1,200	-1,000	3,000	0,617	0,067	84	106	44%
Year 5	1,683	1,800	-1,000	3,000	0,600	0,066	82	108	43%
Employees' organisations									
Year 1	0,300	0,400	-0,500	0,900	0,414	0,115	13	12	52%
Year 2	1,100	1,400	-0,400	1,800	0,660	0,183	13	12	52%
Year 5	1,685	1,800	0,400	2,100	0,481	0,133	13	12	52%
Employers' organisations									
Year 1	0,440	0,500	-0,500	1,800	0,640	0,193	11	10	52%
Year 2	1,190	1,000	0,700	1,800	0,317	0,095	11	10	52%
Year 5	1,618	1,700	1,000	2,000	0,346	0,104	11	10	52%
Purchasing Managers, Manufacturing									
Year 1	0,153	0,000	-2,000	2,000	1,091	0,282	15	34	31%
Year 2	0,793	1,000	-1,000	3,000	1,039	0,268	15	34	31%
Year 5	1,580	2,000	-1,000	3,000	1,131	0,292	15	34	31%
Purchasing Managers, Trading									
Year 1	0,115	0,400	-4,000	1,700	1,392	0,386	13	38	25%
Year 2	1,000	1,000	-0,200	2,200	0,663	0,184	13	38	25%
Year 5	1,791	1,900	1,000	2,200	0,339	0,102	11	40	22%
Money Market Players									
Year 1	0,773	0,750	0,000	2,100	0,548	0,097	32	12	73%
Year 2	1,269	1,200	0,700	2,000	0,282	0,050	32	12	73%
Year 5	1,716	1,600	1,000	3,000	0,433	0,077	32	12	73%



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	0,158	0,100	-1,000	1,000	0,568	0,121	22	22	50%
Upper bound	1,176	1,000	0,250	3,000	0,627	0,134	22	22	50%
Year 2									
Lower bound	0,367	0,550	-2,000	1,200	0,791	0,169	22	22	50%
Upper bound	1,928	1,850	1,000	3,500	0,591	0,126	22	22	50%
Year 5									
Lower bound	0,727	1,000	-2,000	1,750	0,856	0,182	22	22	50%
Upper bound	2,842	2,200	1,500	9,000	1,624	0,346	22	22	50%

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	-2,473	-3,000	-12,000	8,000	3,263	0,281	135	55	71%
Year 2									
Year 2	2,014	2,000	-3,000	6,300	1,731	0,148	136	54	72%
Year 5									
Year 5	2,207	2,000	0,500	5,000	0,819	0,072	130	60	68%
Employees' organisations									
Year 1									
Year 1	-3,347	-4,000	-8,500	1,000	2,940	0,674	19	6	76%
Year 2									
Year 2	2,674	2,800	-2,000	5,000	1,724	0,396	19	6	76%
Year 5									
Year 5	2,889	2,500	1,800	5,000	1,035	0,237	19	6	76%
Employers' organisations									
Year 1									
Year 1	-2,875	-4,500	-8,000	3,400	3,737	0,934	16	5	76%
Year 2									
Year 2	2,763	2,750	0,800	5,500	1,426	0,357	16	5	76%
Year 5									
Year 5	2,187	2,000	1,000	4,000	0,858	0,222	15	6	71%
Purchasing Managers, Manufacturing									
Year 1									
Year 1	-1,466	-0,750	-5,000	1,400	2,032	0,359	32	17	65%
Year 2									
Year 2	1,000	1,000	-2,000	4,000	1,237	0,219	32	17	65%
Year 5									
Year 5	2,103	2,000	0,500	4,000	0,898	0,161	31	18	63%
Purchasing Managers, Trading									
Year 1									
Year 1	-2,735	-3,000	-12,000	5,000	3,370	0,578	34	17	67%
Year 2									
Year 2	1,331	1,600	-3,000	5,000	1,762	0,298	35	16	69%
Year 5									
Year 5	2,094	2,000	0,800	4,000	0,714	0,126	32	19	63%
Money Market Players									
Year 1									
Year 1	-2,479	-3,500	-8,000	8,000	3,920	0,672	34	10	77%
Year 2									
Year 2	2,950	3,000	0,500	6,300	1,467	0,252	34	10	77%
Year 5									
Year 5	2,030	2,000	1,000	3,000	0,448	0,078	33	11	75%



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	1,556	1,700	0,000	5,000	0,785	0,077	103	43	71%
Year 2	1,981	2,000	-0,500	3,000	0,577	0,057	104	42	71%
Year 5	2,407	2,500	1,500	3,500	0,465	0,047	99	47	68%
Employees' organisations									
Year 1	2,158	2,000	1,000	5,000	0,804	0,185	19	6	76%
Year 2	2,289	2,400	-0,500	3,000	0,748	0,172	19	6	76%
Year 5	2,789	2,900	2,000	3,500	0,404	0,093	19	6	76%
Employers' organisations									
Year 1	1,597	1,625	0,000	3,000	0,748	0,187	16	5	76%
Year 2	1,994	2,000	0,000	3,000	0,681	0,170	16	5	76%
Year 5	2,433	2,400	2,000	3,400	0,432	0,112	15	6	71%
Purchasing Managers, Manufacturing									
Year 1	1,403	1,800	0,000	2,500	0,808	0,141	33	16	67%
Year 2	1,894	2,000	1,000	2,500	0,444	0,077	33	16	67%
Year 5	2,290	2,000	1,500	3,500	0,496	0,089	31	18	63%
Purchasing Managers, Trading									
Year 1	1,354	1,500	0,000	2,500	0,616	0,104	35	16	69%
Year 2	1,893	2,000	1,000	2,800	0,496	0,083	36	15	71%
Year 5	2,288	2,200	1,500	3,300	0,372	0,064	34	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	-0,029	0,000	-0,750	0,000	0,106	0,009	127	63	67%
12 months	-0,022	0,000	-0,500	1,000	0,186	0,016	127	63	67%
24 months	0,174	0,000	-0,500	2,000	0,334	0,030	127	63	67%
60 months	0,881	0,750	-0,250	4,000	0,695	0,063	121	69	64%
Employees' organisations									
3 months	-0,013	0,000	-0,250	0,000	0,057	0,013	19	6	76%
12 months	-0,008	0,000	-0,500	0,250	0,157	0,036	19	6	76%
24 months	0,211	0,200	-0,250	1,000	0,281	0,064	19	6	76%
60 months	0,858	1,000	-0,250	1,500	0,499	0,114	19	6	76%
Employers' organisations									
3 months	-0,038	0,000	-0,250	0,000	0,087	0,022	16	5	76%
12 months	-0,053	0,000	-0,500	0,000	0,136	0,034	16	5	76%
24 months	0,181	0,000	-0,500	1,000	0,381	0,095	16	5	76%
60 months	1,107	1,000	0,000	4,000	0,976	0,252	15	6	71%
Purchasing Managers, Manufacturing									
3 months	-0,044	0,000	-0,500	0,000	0,114	0,020	31	18	63%
12 months	-0,048	0,000	-0,500	0,500	0,198	0,036	31	18	63%
24 months	0,113	0,000	-0,250	0,750	0,240	0,043	31	18	63%
60 months	0,840	0,500	0,000	3,000	0,613	0,110	31	18	63%
Purchasing Managers, Trading									
3 months	-0,043	0,000	-0,750	0,000	0,154	0,026	35	16	69%
12 months	0,004	0,000	-0,500	1,000	0,251	0,042	35	16	69%
24 months	0,286	0,250	-0,250	2,000	0,450	0,076	35	16	69%
60 months	0,983	1,000	0,000	4,000	0,765	0,135	32	19	63%
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	26	18	59%
12 months	-0,019	0,000	-0,500	0,000	0,098	0,019	26	18	59%
24 months	0,067	0,000	-0,500	0,500	0,194	0,038	26	18	59%
60 months	0,677	0,500	0,000	2,500	0,610	0,125	24	20	55%



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	-0,176	-0,250	-0,500	0,000	0,171	0,039	19	25	43%
Upper bound	0,021	0,000	0,000	0,400	0,092	0,021	19	25	43%
12 months									
Lower bound	-0,368	-0,250	-1,200	0,000	0,254	0,058	19	25	43%
Upper bound	0,089	0,000	0,000	1,200	0,280	0,064	19	25	43%
24 months									
Lower bound	-0,408	-0,250	-2,300	0,000	0,519	0,119	19	25	43%
Upper bound	0,350	0,250	0,000	2,300	0,542	0,124	19	25	43%
60 months									
Lower bound	-0,264	0,000	-3,000	1,000	0,909	0,214	18	26	41%
Upper bound	1,542	1,125	0,000	4,000	1,132	0,267	18	26	41%

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	-0,200	-0,500	0,000	0,118	0,025	23	21	52%
12 months	-0,009	0,000	-0,500	0,500	0,240	0,050	23	21	52%
24 months	0,301	0,200	-0,500	1,500	0,456	0,097	22	22	50%
60 months	1,030	0,925	-0,300	3,000	0,819	0,175	22	22	50%
EUR/SEK									
3 months	10,513	10,500	10,200	10,830	0,126	0,025	26	18	59%
12 months	10,311	10,300	9,800	10,800	0,245	0,048	26	18	59%
24 months	10,120	10,150	9,500	10,800	0,326	0,064	26	18	59%
USD/SEK									
3 months	9,578	9,525	9,200	9,910	0,157	0,031	26	18	59%
12 months	9,310	9,300	8,700	10,100	0,315	0,062	26	18	59%
24 months	9,103	9,000	8,200	10,400	0,483	0,095	26	18	59%