

## 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 March 2019, has now been completed, the previous December 2018 was published December 13, 2018. The last survey among money market players was published February 20, 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	
	Mar 19	Dec 18	Mar 19	Dec 18	Mar 19	Dec 18
<b>Annual</b>						
Inflation CPI, %	1,9	2,0	2,0	2,1	2,1	2,1
Inflation CPIF, %	1,9	2,0	1,9	2,0	1,9	2,0
GDP, %	1,8	2,1	1,9	2,0	2,2	2,2
Wage increase, %	2,4	2,4	2,4	2,5	2,4	2,5

	3 months		12 months		24 months		60 months	
	Mar 19	Dec 18	Mar 19	Dec 18	Mar 19	Dec 18	Mar 19	Dec 18
Repo rate, %	-0,2	-0,3	0,0	0,0	0,3	0,5	1,1	1,3

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18
Repo rate, %	-0,2	-0,3	-0,3	0,0	0,0	0,1	0,3	0,3	0,6	1,2	1,4	1,6
5 year gvt bond rate, %	0,0	0,1	0,2	0,4	0,3	0,6	0,8	0,8	1,2	1,6	1,7	2,0
EUR	10,45	10,32	10,17	10,26	10,13	9,88	10,03	9,92	9,64	-	-	-
USD	9,24	9,10	8,98	8,96	8,78	8,57	8,65	8,51	8,17	-	-	-

## 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 February 25 - March 11, 2019 (previous November 26 - December 11, 2018). The last survey among money market players was carried out February 6 - February 18, 2019.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 6, 2019 (previous November 28, 2018 and February 6, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,8 years.

## About the Interviewees & Response Rate

### *All Interviewees*

In all 198 (201) organisations/companies were approached for interview. 49 (56) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 75 % (72 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 36 % or more for the one year and two year assessments (72 % 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 105 purchasing managers 52 represent the trading industry and 53 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 47 players, 44 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 March 2019 vs (February 2019) December 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		
	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18
<b>Annual inflation CPI, %</b>									
All interviewees	1,9		2,0	2,0		2,1	2,1		2,1
Employees' organisations	1,9		2,1	1,9		2,1	2,1		2,2
Employers' organisations	1,9		2,0	2,0		2,2	2,1		2,1
Purchase managers Manufacturing	2,0		2,0	2,0		2,1	2,2		2,1
Purchase managers Trading	2,0		2,0	2,1		2,0	2,1		2,2
Money market players	1,9	1,9	2,1	1,9	1,9	2,1	1,9	1,9	2,0
<b>Annual inflation CPIIF, %</b>									
All interviewees	1,9		2,0	1,9		2,0	1,9		2,0
Employees' organisations	2,0		2,2	1,9		2,1	2,0		2,1
Employers' organisations	1,9		2,1	1,9		2,2	2,0		2,2
Purchase managers Manufacturing	2,0		2,0	2,0		1,8	2,1		2,0
Purchase managers Trading	2,0		2,1	2,0		2,0	2,0		2,0
Money market players	1,8	1,8	1,9	1,8	1,8	1,9	1,8	1,9	1,9
<b>GDP, %</b>									
All interviewees	1,8		2,1	1,9		2,0	2,2		2,2
Employees' organisations	1,9		2,1	1,9		2,1	2,3		2,4
Employers' organisations	1,5		1,8	1,6		1,7	2,1		1,9
Purchase managers Manufacturing	1,9		2,3	1,8		2,3	2,2		2,3
Purchase managers Trading	1,9		1,9	2,0		1,8	2,3		2,1
Money market players	1,8	1,7	2,0	1,8	1,8	1,9	2,0	2,0	2,0
<b>Annual wage increase, %</b>									
All interviewees	2,4		2,4	2,4		2,5	2,4		2,5
Employees' organisations	2,6		2,7	2,7		2,8	2,8		3,0
Employers' organisations	2,5		2,4	2,4		2,5	2,4		2,5
Purchase managers Manufacturing	2,3		2,3	2,2		2,3	2,3		2,3
Purchase managers Trading	2,3		2,3	2,3		2,4	2,4		2,3

	3 months			12 months			24 months			60 months		
	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18	Mar 19	Feb 19	Dec 18
<b>Repo rate, %</b>												
All interviewees	-0,2		-0,3	0,0		0,0	0,3		0,5	1,1		1,3
Employees' organisations	-0,3		-0,3	-0,1		0,0	0,2		0,4	1,1		1,1
Employers' organisations	-0,3		-0,3	0,0		0,0	0,3		0,6	1,4		1,7
Purchase managers Manufacturing	-0,2		-0,3	-0,1		0,0	0,3		0,5	1,1		1,1
Purchase managers Trading	-0,2		-0,3	0,0		0,0	0,4		0,4	1,1		1,2
Money market players	-0,2	-0,3	-0,3	0,0	0,0	0,1	0,3	0,3	0,6	1,2	1,4	1,6

**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
<b>All</b>									
Year 1	1,948	2,000	0,700	2,700	0,316	0,026	145	53	73%
Year 2	1,991	2,000	0,500	3,000	0,357	0,030	145	53	73%
Year 5	2,080	2,000	0,500	3,500	0,441	0,037	140	58	71%
<b>Employees' organisations</b>									
Year 1	1,914	2,000	0,700	2,400	0,328	0,071	21	4	84%
Year 2	1,938	2,000	0,700	2,500	0,375	0,082	21	4	84%
Year 5	2,148	2,100	1,500	3,000	0,397	0,087	21	4	84%
<b>Employers' organisations</b>									
Year 1	1,889	1,950	1,000	2,700	0,453	0,121	14	7	67%
Year 2	2,036	2,000	1,500	2,600	0,348	0,093	14	7	67%
Year 5	2,121	2,000	1,500	3,000	0,347	0,093	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	1,976	2,000	1,000	2,700	0,376	0,062	37	16	70%
Year 2	2,027	2,000	0,500	3,000	0,432	0,071	37	16	70%
Year 5	2,176	2,000	0,500	3,500	0,601	0,099	37	16	70%
<b>Purchasing Managers, Trading</b>									
Year 1	1,968	2,000	1,500	2,500	0,259	0,044	34	18	65%
Year 2	2,088	2,000	1,500	2,700	0,308	0,053	34	18	65%
Year 5	2,098	2,000	1,500	2,800	0,304	0,055	30	22	58%
<b>Money Market Players</b>									
Year 1	1,945	1,900	1,500	2,400	0,236	0,038	39	8	83%
Year 2	1,886	1,900	1,000	2,600	0,290	0,047	39	8	83%
Year 5	1,921	2,000	1,000	2,500	0,375	0,061	38	9	81%

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
<b>All</b>									
Year 1	1,898	1,900	1,300	2,500	0,222	0,026	71	127	36%
Year 2	1,863	1,900	1,000	2,700	0,297	0,035	71	127	36%
Year 5	1,926	2,000	1,000	2,800	0,344	0,041	70	128	35%
<b>Employees' organisations</b>									
Year 1	1,958	1,950	1,700	2,200	0,156	0,045	12	13	48%
Year 2	1,883	1,950	1,500	2,300	0,212	0,061	12	13	48%
Year 5	2,042	2,000	1,500	2,500	0,264	0,076	12	13	48%
<b>Employers' organisations</b>									
Year 1	1,943	1,900	1,700	2,200	0,190	0,072	7	14	33%
Year 2	1,886	1,900	1,700	2,100	0,157	0,059	7	14	33%
Year 5	2,000	2,000	1,700	2,300	0,173	0,065	7	14	33%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	2,000	2,000	1,500	2,500	0,273	0,096	8	45	15%
Year 2	1,988	2,000	1,000	2,500	0,452	0,160	8	45	15%
Year 5	2,063	2,100	1,000	2,800	0,573	0,203	8	45	15%
<b>Purchasing Managers, Trading</b>									
Year 1	2,029	2,000	1,800	2,500	0,229	0,087	7	45	13%
Year 2	2,043	2,000	1,600	2,700	0,331	0,125	7	45	13%
Year 5	1,950	2,000	1,800	2,100	0,122	0,050	6	46	12%
<b>Money Market Players</b>									
Year 1	1,823	1,900	1,300	2,200	0,215	0,035	37	10	79%
Year 2	1,792	1,800	1,000	2,400	0,283	0,047	37	10	79%
Year 5	1,841	2,000	1,000	2,400	0,343	0,056	37	10	79%



**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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	1,376	1,500	0,500	1,900	0,382	0,069	31	16	66%
Upper bound	2,218	2,200	1,700	3,000	0,301	0,054	31	16	66%
<b>Year 2</b>									
Lower bound	1,213	1,400	-1,000	1,800	0,608	0,109	31	16	66%
Upper bound	2,374	2,300	1,900	3,500	0,398	0,071	31	16	66%
<b>Year 5</b>									
Lower bound	1,053	1,500	-2,000	1,900	0,870	0,156	31	16	66%
Upper bound	2,687	2,500	1,800	4,000	0,607	0,109	31	16	66%

**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
<b>All</b>									
<b>Year 1</b>									
Year 1	1,827	1,800	1,000	3,700	0,469	0,039	144	54	73%
<b>Year 2</b>									
Year 2	1,850	1,900	0,500	3,500	0,520	0,043	144	54	73%
<b>Year 5</b>									
Year 5	2,151	2,000	0,500	3,500	0,505	0,043	139	59	70%
<b>Employees' organisations</b>									
<b>Year 1</b>									
Year 1	1,920	1,900	1,000	3,500	0,634	0,142	20	5	80%
<b>Year 2</b>									
Year 2	1,935	1,950	1,000	3,200	0,574	0,128	20	5	80%
<b>Year 5</b>									
Year 5	2,285	2,000	1,500	3,500	0,520	0,116	20	5	80%
<b>Employers' organisations</b>									
<b>Year 1</b>									
Year 1	1,536	1,500	1,200	2,000	0,276	0,074	14	7	67%
<b>Year 2</b>									
Year 2	1,607	1,500	1,000	3,000	0,553	0,148	14	7	67%
<b>Year 5</b>									
Year 5	2,100	2,100	0,500	3,000	0,620	0,166	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>									
Year 1	1,876	1,900	1,000	3,700	0,558	0,092	37	16	70%
<b>Year 2</b>									
Year 2	1,830	1,900	0,500	3,500	0,629	0,103	37	16	70%
<b>Year 5</b>									
Year 5	2,157	2,000	1,000	3,500	0,597	0,098	37	16	70%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>									
Year 1	1,900	2,000	1,000	2,600	0,388	0,066	34	18	65%
<b>Year 2</b>									
Year 2	1,968	1,950	1,200	3,000	0,454	0,078	34	18	65%
<b>Year 5</b>									
Year 5	2,263	2,000	1,300	3,500	0,505	0,092	30	22	58%
<b>Money Market Players</b>									
<b>Year 1</b>									
Year 1	1,776	1,800	1,000	2,700	0,361	0,058	39	8	83%
<b>Year 2</b>									
Year 2	1,810	1,900	0,900	3,000	0,395	0,063	39	8	83%
<b>Year 5</b>									
Year 5	2,005	2,000	1,500	3,000	0,297	0,048	38	9	81%



**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
<b>All</b>									
Year 1	2,355	2,350	1,000	3,500	0,383	0,037	108	43	72%
Year 2	2,384	2,450	1,000	3,500	0,445	0,043	108	43	72%
Year 5	2,441	2,400	1,500	3,500	0,470	0,046	104	47	69%
<b>Employees' organisations</b>									
Year 1	2,557	2,500	2,100	3,000	0,252	0,055	21	4	84%
Year 2	2,714	2,700	2,100	3,100	0,261	0,057	21	4	84%
Year 5	2,843	3,000	2,500	3,400	0,258	0,056	21	4	84%
<b>Employers' organisations</b>									
Year 1	2,457	2,500	1,800	3,300	0,365	0,098	14	7	67%
Year 2	2,429	2,400	1,800	3,400	0,450	0,120	14	7	67%
Year 5	2,386	2,350	1,900	3,500	0,459	0,123	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	2,251	2,275	1,000	3,500	0,452	0,073	38	15	72%
Year 2	2,237	2,150	1,000	3,500	0,444	0,072	38	15	72%
Year 5	2,301	2,000	1,500	3,500	0,493	0,080	38	15	72%
<b>Purchasing Managers, Trading</b>									
Year 1	2,304	2,300	1,500	3,000	0,328	0,055	35	17	67%
Year 2	2,327	2,300	1,000	3,200	0,444	0,075	35	17	67%
Year 5	2,366	2,250	1,900	3,500	0,422	0,076	31	21	60%

**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
<b>All</b>									
3 months	-0,239	-0,250	-0,500	0,000	0,062	0,005	132	66	67%
12 months	-0,040	0,000	-0,500	0,600	0,189	0,016	132	66	67%
24 months	0,303	0,250	-0,500	1,500	0,389	0,034	132	66	67%
60 months	1,126	1,000	-0,500	3,000	0,706	0,063	127	71	64%
<b>Employees' organisations</b>									
3 months	-0,250	-0,250	-0,500	0,000	0,079	0,017	21	4	84%
12 months	-0,071	0,000	-0,500	0,250	0,164	0,036	21	4	84%
24 months	0,193	0,250	-0,150	0,500	0,213	0,046	21	4	84%
60 months	1,088	1,000	0,100	2,000	0,504	0,110	21	4	84%
<b>Employers' organisations</b>									
3 months	-0,250	-0,250	-0,250	-0,250	0,000	0,000	14	7	67%
12 months	0,018	0,000	-0,250	0,500	0,229	0,061	14	7	67%
24 months	0,304	0,125	-0,250	1,000	0,418	0,112	14	7	67%
60 months	1,375	1,375	0,000	3,000	0,887	0,237	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
3 months	-0,229	-0,250	-0,250	0,000	0,070	0,012	36	17	68%
12 months	-0,057	0,000	-0,250	0,250	0,133	0,022	36	17	68%
24 months	0,271	0,250	-0,250	1,000	0,337	0,056	36	17	68%
60 months	1,061	1,000	-0,500	3,000	0,755	0,126	36	17	68%
<b>Purchasing Managers, Trading</b>									
3 months	-0,235	-0,250	-0,300	0,000	0,063	0,011	34	18	65%
12 months	-0,035	0,000	-0,400	0,600	0,251	0,043	34	18	65%
24 months	0,390	0,275	-0,500	1,500	0,490	0,084	34	18	65%
60 months	1,084	1,000	-0,250	2,500	0,726	0,130	31	21	60%
<b>Money Market Players</b>									
3 months	-0,241	-0,250	-0,250	0,000	0,048	0,009	27	20	57%
12 months	-0,028	0,000	-0,250	0,250	0,160	0,031	27	20	57%
24 months	0,324	0,250	-0,500	1,000	0,403	0,078	27	20	57%
60 months	1,162	1,250	-0,500	2,500	0,665	0,133	25	22	53%



**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
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,281	-0,250	-0,500	-0,250	0,081	0,016	26	21	55%
Upper bound	-0,163	-0,250	-0,250	0,250	0,140	0,028	26	21	55%
<b>12 months</b>									
Lower bound	-0,330	-0,250	-1,000	0,000	0,267	0,053	25	22	53%
Upper bound	0,236	0,250	0,000	0,500	0,185	0,037	25	22	53%
<b>24 months</b>									
Lower bound	-0,140	0,000	-1,000	0,750	0,427	0,085	25	22	53%
Upper bound	0,994	1,000	0,000	3,000	0,667	0,133	25	22	53%
<b>60 months</b>									
Lower bound	0,085	0,000	-1,500	1,500	0,865	0,180	23	24	49%
Upper bound	2,472	2,250	0,500	7,000	1,448	0,302	23	24	49%

**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
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>	0,038	0,000	-0,100	0,250	0,081	0,016	25	22	53%
<b>12 months</b>	0,352	0,300	0,000	1,000	0,244	0,049	25	22	53%
<b>24 months</b>	0,773	0,850	0,100	1,500	0,415	0,085	24	23	51%
<b>60 months</b>	1,592	1,500	0,300	3,000	0,655	0,134	24	23	51%
<b>EUR/SEK</b>									
<b>3 months</b>	10,448	10,400	10,200	11,200	0,215	0,041	27	20	57%
<b>12 months</b>	10,257	10,200	9,700	11,300	0,327	0,063	27	20	57%
<b>24 months</b>	10,031	10,000	9,200	11,300	0,416	0,080	27	20	57%
<b>USD/SEK</b>									
<b>3 months</b>	9,240	9,200	8,700	10,180	0,283	0,054	27	20	57%
<b>12 months</b>	8,962	8,900	8,160	10,270	0,443	0,085	27	20	57%
<b>24 months</b>	8,654	8,600	7,500	10,270	0,564	0,109	27	20	57%