

## 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 2020, has now been completed, the previous December 2019 was published December 10, 2019. The last survey among money market players was published February 20, 2020.

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 20	Dec 19	Mar 20	Dec 19	Mar 20	Dec 19
<b>Annual</b>						
Inflation CPI, %	1,5	1,6	1,6	1,7	1,8	1,9
Inflation CPIX, %	1,4	1,6	1,5	1,6	1,8	1,8
GDP, %	1,2	1,4	1,5	1,5	2,0	1,9
Wage increase, %	2,2	2,3	2,3	2,3	2,4	2,4

	3 months		12 months		24 months		60 months	
	Mar 20	Dec 19	Mar 20	Dec 19	Mar 20	Dec 19	Mar 20	Dec 19
Repo rate, %	0,0	-0,1	0,0	0,0	0,2	0,2	0,8	0,8

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19
Repo rate, %	0,0	0,0	0,0	-0,1	0,0	0,0	0,1	0,1	0,1	0,9	0,8	0,8
5 year gvt bond rate, %	-0,4	-0,1	-0,1	-0,2	0,1	0,1	0,2	0,4	0,4	1,1	1,1	1,3
EUR	10,52	10,53	10,54	10,46	10,42	10,43	10,29	10,22	10,26	-	-	-
USD	9,48	9,51	9,55	9,37	9,30	9,35	9,16	9,00	9,11	-	-	-

## 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 24 - March 10, 2020 (previous November 25 - December 9, 2019). The last survey among money market players was carried out February 5 - February 18, 2020.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 4, 2020 (previous November 27, 2019 and February 5, 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 191 (198) organisations/companies were approached for interview. 53 (57) 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 % (71 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 42 % or more for the one year and two year assessments (69 % 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 101 purchasing managers 51 represent the trading industry and 50 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 March 2020 vs (February 2020) December 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		
	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19
<b>Annual inflation CPI, %</b>									
All interviewees	1,5		1,6	1,6		1,7	1,8		1,9
Employees' organisations	1,7		1,7	1,8		1,8	2,0		2,0
Employers' organisations	1,3		1,5	1,5		1,6	1,8		1,9
Purchase managers Manufacturing	1,5		1,7	1,6		1,7	1,8		1,8
Purchase managers Trading	1,4		1,6	1,6		1,6	1,9		1,8
Money market players	1,4	1,6	1,7	1,6	1,7	1,7	1,8	1,8	1,8
<b>Annual inflation CPIIF, %</b>									
All interviewees	1,4		1,6	1,5		1,6	1,8		1,8
Employees' organisations	1,5		1,7	1,7		1,7	1,9		1,9
Employers' organisations	1,3		1,5	1,4		1,5	1,8		1,8
Purchase managers Manufacturing	1,5		1,6	1,4		1,6	1,8		1,7
Purchase managers Trading	1,5		1,7	1,6		1,8	1,9		2,0
Money market players	1,4	1,5	1,6	1,5	1,6	1,6	1,7	1,8	1,8
<b>GDP, %</b>									
All interviewees	1,2		1,4	1,5		1,5	2,0		1,9
Employees' organisations	1,4		1,6	1,7		1,7	2,1		2,2
Employers' organisations	1,0		1,2	1,4		1,3	1,9		1,8
Purchase managers Manufacturing	1,3		1,4	1,4		1,5	1,9		1,8
Purchase managers Trading	1,1		1,3	1,5		1,6	2,0		2,0
Money market players	1,1	1,3	1,3	1,6	1,6	1,6	1,9	1,9	1,9
<b>Annual wage increase, %</b>									
All interviewees	2,2		2,3	2,3		2,3	2,4		2,4
Employees' organisations	2,6		2,7	2,6		2,7	2,9		2,9
Employers' organisations	2,3		2,5	2,3		2,5	2,5		2,5
Purchase managers Manufacturing	2,2		2,1	2,1		2,1	2,2		2,2
Purchase managers Trading	2,1		2,2	2,2		2,2	2,3		2,3

	3 months			12 months			24 months			60 months		
	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19	Mar 20	Feb 20	Dec 19
<b>Repo rate, %</b>												
All interviewees	0,0		-0,1	0,0		0,0	0,2		0,2	0,8		0,8
Employees' organisations	0,1		-0,1	0,1		-0,1	0,4		0,1	0,9		0,7
Employers' organisations	0,0		-0,1	0,0		0,0	0,2		0,3	1,1		1,1
Purchase managers Manufacturing	0,0		-0,2	0,0		-0,1	0,2		0,1	0,7		0,7
Purchase managers Trading	0,0		-0,1	0,0		0,0	0,3		0,3	0,8		0,9
Money market players	0,0	0,0	0,0	-0,1	0,0	0,0	0,1	0,1	0,1	0,9	0,8	0,8

**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	1,458	1,500	0,000	2,300	0,334	0,029	135	56	71%
Year 2	1,597	1,600	0,000	2,700	0,366	0,032	135	56	71%
Year 5	1,844	1,900	0,000	2,800	0,361	0,032	128	63	67%
<b>Employees' organisations</b>									
Year 1	1,655	1,600	1,300	2,300	0,265	0,059	20	5	80%
Year 2	1,810	1,800	1,400	2,700	0,335	0,075	20	5	80%
Year 5	1,974	2,000	1,500	2,700	0,296	0,068	19	6	76%
<b>Employers' organisations</b>									
Year 1	1,326	1,300	0,800	1,600	0,231	0,060	15	6	71%
Year 2	1,487	1,500	1,000	1,810	0,243	0,063	15	6	71%
Year 5	1,792	1,800	1,200	2,590	0,334	0,089	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	1,485	1,500	0,000	2,100	0,410	0,070	34	16	68%
Year 2	1,563	1,600	0,000	2,500	0,508	0,087	34	16	68%
Year 5	1,842	2,000	0,000	2,800	0,499	0,088	32	18	64%
<b>Purchasing Managers, Trading</b>									
Year 1	1,394	1,500	0,500	2,000	0,315	0,054	34	17	67%
Year 2	1,562	1,500	1,000	2,100	0,317	0,054	34	17	67%
Year 5	1,861	2,000	1,300	2,300	0,265	0,047	32	19	63%
<b>Money Market Players</b>									
Year 1	1,434	1,450	0,700	2,100	0,304	0,054	32	12	73%
Year 2	1,590	1,500	1,200	2,300	0,254	0,045	32	12	73%
Year 5	1,773	1,800	1,000	2,500	0,323	0,058	31	13	70%

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	1,418	1,400	0,700	2,100	0,290	0,032	81	110	42%
Year 2	1,548	1,500	0,500	2,300	0,279	0,031	81	110	42%
Year 5	1,781	1,800	0,500	3,000	0,337	0,038	79	112	41%
<b>Employees' organisations</b>									
Year 1	1,531	1,500	1,200	1,900	0,230	0,058	16	9	64%
Year 2	1,694	1,700	1,300	2,100	0,229	0,057	16	9	64%
Year 5	1,887	1,900	1,600	2,100	0,160	0,041	15	10	60%
<b>Employers' organisations</b>									
Year 1	1,280	1,300	0,900	1,600	0,215	0,065	11	10	52%
Year 2	1,446	1,500	1,100	1,810	0,218	0,066	11	10	52%
Year 5	1,790	1,800	1,500	2,200	0,256	0,081	10	11	48%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	1,454	1,500	1,000	2,000	0,318	0,088	13	37	26%
Year 2	1,446	1,500	0,500	2,000	0,382	0,106	13	37	26%
Year 5	1,769	1,800	0,500	3,000	0,547	0,152	13	37	26%
<b>Purchasing Managers, Trading</b>									
Year 1	1,491	1,500	1,000	2,100	0,302	0,091	11	40	22%
Year 2	1,609	1,700	1,000	2,000	0,314	0,095	11	40	22%
Year 5	1,864	2,000	1,300	2,200	0,291	0,088	11	40	22%
<b>Money Market Players</b>									
Year 1	1,366	1,400	0,700	2,100	0,309	0,056	30	14	68%
Year 2	1,528	1,500	1,200	2,300	0,233	0,043	30	14	68%
Year 5	1,700	1,700	1,000	2,700	0,325	0,059	30	14	68%



**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	0,920	1,000	-0,500	1,500	0,539	0,112	23	21	52%
Upper bound	1,861	1,800	1,300	2,850	0,358	0,075	23	21	52%
<b>Year 2</b>									
Lower bound	0,912	1,100	0,000	1,500	0,535	0,112	23	21	52%
Upper bound	2,106	2,000	1,500	3,000	0,449	0,094	23	21	52%
<b>Year 5</b>									
Lower bound	0,867	1,200	-1,000	1,800	0,806	0,168	23	21	52%
Upper bound	2,678	2,500	1,600	6,000	0,946	0,197	23	21	52%

**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	1,195	1,200	-1,000	2,200	0,439	0,038	132	59	69%
<b>Year 2</b>									
Year 2	1,528	1,500	0,000	2,500	0,400	0,035	132	59	69%
<b>Year 5</b>									
Year 5	1,957	2,000	0,300	3,000	0,501	0,045	125	66	65%
<b>Employees' organisations</b>									
<b>Year 1</b>									
Year 1	1,411	1,500	0,500	1,900	0,343	0,079	19	6	76%
<b>Year 2</b>									
Year 2	1,658	1,700	0,700	2,500	0,372	0,085	19	6	76%
<b>Year 5</b>									
Year 5	2,094	2,000	1,300	3,000	0,419	0,099	18	7	72%
<b>Employers' organisations</b>									
<b>Year 1</b>									
Year 1	0,973	0,900	0,500	1,600	0,271	0,070	15	6	71%
<b>Year 2</b>									
Year 2	1,400	1,400	0,500	1,800	0,305	0,079	15	6	71%
<b>Year 5</b>									
Year 5	1,864	1,950	0,300	2,500	0,527	0,141	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>									
Year 1	1,335	1,400	0,000	2,200	0,505	0,087	34	16	68%
<b>Year 2</b>									
Year 2	1,424	1,500	0,000	2,500	0,560	0,096	34	16	68%
<b>Year 5</b>									
Year 5	1,902	2,000	0,400	3,000	0,704	0,124	32	18	64%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>									
Year 1	1,147	1,200	-1,000	1,600	0,459	0,081	32	19	63%
<b>Year 2</b>									
Year 2	1,547	1,500	1,000	2,000	0,325	0,057	32	19	63%
<b>Year 5</b>									
Year 5	2,038	2,000	1,300	3,000	0,465	0,085	30	21	59%
<b>Money Market Players</b>									
<b>Year 1</b>									
Year 1	1,070	1,100	0,100	2,000	0,370	0,065	32	12	73%
<b>Year 2</b>									
Year 2	1,605	1,550	1,000	2,000	0,280	0,049	32	12	73%
<b>Year 5</b>									
Year 5	1,896	1,900	1,200	2,500	0,264	0,047	31	13	70%



**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	2,246	2,200	1,250	3,500	0,402	0,039	104	43	71%
Year 2	2,267	2,200	1,500	3,500	0,392	0,038	104	43	71%
Year 5	2,415	2,400	1,500	3,700	0,482	0,049	98	49	67%
<b>Employees' organisations</b>									
Year 1	2,590	2,550	2,100	3,500	0,328	0,073	20	5	80%
Year 2	2,645	2,550	2,100	3,500	0,319	0,071	20	5	80%
Year 5	2,879	3,000	2,400	3,700	0,397	0,091	19	6	76%
<b>Employers' organisations</b>									
Year 1	2,307	2,100	2,000	2,900	0,308	0,080	15	6	71%
Year 2	2,333	2,200	2,000	3,000	0,339	0,088	15	6	71%
Year 5	2,536	2,450	2,000	3,500	0,418	0,112	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	2,154	2,000	1,500	3,000	0,353	0,060	35	15	70%
Year 2	2,103	2,000	1,500	2,800	0,329	0,056	35	15	70%
Year 5	2,221	2,000	1,500	3,000	0,441	0,077	33	17	66%
<b>Purchasing Managers, Trading</b>									
Year 1	2,110	2,050	1,250	2,900	0,416	0,071	34	17	67%
Year 2	2,184	2,150	1,500	3,000	0,369	0,063	34	17	67%
Year 5	2,286	2,200	1,500	3,000	0,409	0,072	32	19	63%

**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	-0,002	0,000	-0,500	2,000	0,197	0,017	130	61	68%
12 months	0,024	0,000	-0,500	2,000	0,251	0,022	130	61	68%
24 months	0,228	0,125	-0,500	2,300	0,417	0,037	130	61	68%
60 months	0,834	0,750	-0,500	2,750	0,596	0,054	122	69	64%
<b>Employees' organisations</b>									
3 months	0,088	0,000	-0,250	2,000	0,461	0,103	20	5	80%
12 months	0,145	0,000	-0,500	2,000	0,495	0,111	20	5	80%
24 months	0,395	0,250	-0,500	2,300	0,570	0,127	20	5	80%
60 months	0,858	0,750	-0,500	2,500	0,704	0,162	19	6	76%
<b>Employers' organisations</b>									
3 months	-0,017	0,000	-0,250	0,000	0,065	0,017	15	6	71%
12 months	0,033	0,000	0,000	0,500	0,129	0,033	15	6	71%
24 months	0,183	0,000	0,000	1,000	0,320	0,083	15	6	71%
60 months	1,121	1,375	0,200	2,000	0,559	0,149	14	7	67%
<b>Purchasing Managers, Manufacturing</b>									
3 months	-0,023	0,000	-0,500	0,250	0,115	0,020	33	17	66%
12 months	0,027	0,000	-0,500	0,500	0,158	0,028	33	17	66%
24 months	0,177	0,100	-0,250	0,750	0,225	0,039	33	17	66%
60 months	0,708	0,500	0,000	2,750	0,595	0,105	32	18	64%
<b>Purchasing Managers, Trading</b>									
3 months	-0,012	0,000	-0,250	0,200	0,072	0,012	34	17	67%
12 months	0,012	0,000	-0,500	0,500	0,217	0,037	34	17	67%
24 months	0,299	0,250	-0,500	2,000	0,542	0,093	34	17	67%
60 months	0,795	0,750	0,000	2,000	0,508	0,091	31	20	61%
<b>Money Market Players</b>									
3 months	-0,021	0,000	-0,250	0,000	0,067	0,013	28	16	64%
12 months	-0,057	0,000	-0,500	0,000	0,125	0,024	28	16	64%
24 months	0,107	0,000	-0,500	1,000	0,292	0,055	28	16	64%
60 months	0,865	0,750	0,000	2,500	0,617	0,121	26	18	59%



**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	-0,206	-0,250	-0,500	0,000	0,145	0,030	24	20	55%
Upper bound	0,035	0,000	0,000	0,350	0,097	0,020	24	20	55%
<b>12 months</b>									
Lower bound	-0,380	-0,375	-1,160	0,000	0,273	0,056	24	20	55%
Upper bound	0,167	0,000	-0,250	1,160	0,295	0,060	24	20	55%
<b>24 months</b>									
Lower bound	-0,359	-0,250	-1,750	0,250	0,425	0,089	23	21	52%
Upper bound	0,717	0,500	0,000	4,000	0,864	0,180	23	21	52%
<b>60 months</b>									
Lower bound	-0,185	0,000	-1,820	1,000	0,703	0,150	22	22	50%
Upper bound	1,969	1,625	0,250	6,000	1,449	0,309	22	22	50%

**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>	-0,365	-0,325	-0,700	0,000	0,169	0,033	26	18	59%
<b>12 months</b>	-0,158	-0,250	-0,550	0,300	0,248	0,049	26	18	59%
<b>24 months</b>	0,242	0,000	-0,450	1,500	0,474	0,095	25	19	57%
<b>60 months</b>	1,098	1,000	-0,400	3,000	0,844	0,169	25	19	57%
<b>EUR/SEK</b>									
<b>3 months</b>	10,521	10,500	10,200	11,300	0,202	0,038	28	16	64%
<b>12 months</b>	10,464	10,450	10,000	11,300	0,300	0,057	28	16	64%
<b>24 months</b>	10,289	10,250	9,500	11,300	0,426	0,081	28	16	64%
<b>USD/SEK</b>									
<b>3 months</b>	9,476	9,450	9,000	10,270	0,228	0,043	28	16	64%
<b>12 months</b>	9,369	9,275	8,700	10,270	0,394	0,074	28	16	64%
<b>24 months</b>	9,162	9,100	8,000	10,270	0,561	0,106	28	16	64%