

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 September 2019, has now been completed, the previous June 2019 was published June 12, 2019. The last survey among money market players was published August 15, 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	
	Sep 19	Jun 19	Sep 19	Jun 19	Sep 19	Jun 19
Annual						
Inflation CPI, %	1,7	1,9	1,7	1,9	1,9	2,0
Inflation CPIF, %	1,7	1,8	1,7	1,8	1,9	1,9
GDP, %	1,5	1,9	1,5	1,9	2,0	2,1
Wage increase, %	2,3	2,4	2,2	2,3	2,4	2,4

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

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19
Repo rate, %	-0,3	-0,3	-0,3	-0,3	-0,2	0,0	-0,1	0,0	0,2	0,7	0,9	1,3
5 year gvt bond rate, %	-0,5	-0,4	-0,2	-0,4	-0,2	0,0	0,0	0,1	0,4	1,1	1,1	1,5
EUR	10,76	10,68	10,70	10,60	10,59	10,52	10,41	10,34	10,28	-	-	-
USD	9,68	9,56	9,56	9,45	9,39	9,19	9,18	9,09	8,84	-	-	-

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 August 26 - September 09, 2019 (previous May 27 - June 11, 2019). The last survey among money market players was carried out August 7 - August 13, 2019.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 28, 2019 (previous May 29, 2019 and August 7, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 8,4 years.

About the Interviewees & Response Rate

All Interviewees

In all 197 (203) organisations/companies were approached for interview. 51 (67) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 74 % (67 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 40 % 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 105 purchasing managers 53 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 September 2019 vs (August 2019) June 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		
	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19
Annual inflation CPI, %									
All interviewees	1,7		1,9	1,7		1,9	1,9		2,0
Employees' organisations	1,8		2,0	1,9		2,0	2,0		2,0
Employers' organisations	1,7		1,8	1,7		1,9	2,0		2,1
Purchase managers Manufacturing	1,7		2,0	1,8		2,0	2,0		2,1
Purchase managers Trading	1,7		1,9	1,7		1,8	1,9		2,0
Money market players	1,7	1,7	1,8	1,7	1,7	1,8	1,9	1,8	1,9
Annual inflation CPIIF, %									
All interviewees	1,7		1,8	1,7		1,8	1,9		1,9
Employees' organisations	1,7		1,9	1,8		1,9	1,9		1,9
Employers' organisations	1,5		1,7	1,6		1,8	2,0		2,1
Purchase managers Manufacturing	1,8		1,9	1,8		1,9	2,0		1,9
Purchase managers Trading	1,7		1,8	1,8		1,9	2,0		2,0
Money market players	1,6	1,6	1,7	1,6	1,6	1,7	1,8	1,8	1,8
GDP, %									
All interviewees	1,5		1,9	1,5		1,9	2,0		2,1
Employees' organisations	1,8		2,0	1,8		2,2	2,1		2,3
Employers' organisations	1,4		1,7	1,3		1,8	2,1		2,3
Purchase managers Manufacturing	1,4		2,1	1,5		2,0	1,9		2,3
Purchase managers Trading	1,4		1,9	1,4		1,9	2,0		2,0
Money market players	1,4	1,5	1,7	1,5	1,5	1,7	1,9	1,9	2,0
Annual wage increase, %									
All interviewees	2,3		2,4	2,2		2,3	2,4		2,4
Employees' organisations	2,7		2,7	2,7		2,8	2,9		2,8
Employers' organisations	2,3		2,4	2,3		2,4	2,5		2,4
Purchase managers Manufacturing	2,1		2,2	2,1		2,2	2,4		2,3
Purchase managers Trading	2,2		2,3	2,2		2,3	2,3		2,3

	3 months			12 months			24 months			60 months		
	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19	Sep 19	Aug 19	Jun 19
Repo rate, %												
All interviewees	-0,3		-0,2	-0,2		0,0	0,0		0,2	0,7		1,0
Employees' organisations	-0,2		-0,3	-0,2		-0,1	0,0		0,1	0,8		0,9
Employers' organisations	-0,3		-0,2	-0,2		0,0	0,1		0,4	0,9		1,2
Purchase managers Manufacturing	-0,3		-0,3	-0,2		-0,1	0,0		0,2	0,7		0,9
Purchase managers Trading	-0,2		-0,2	-0,2		0,0	0,0		0,3	0,7		1,0
Money market players	-0,3	-0,3	-0,3	-0,3	-0,2	0,0	-0,1	0,0	0,2	0,7	0,9	1,3

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	1,704	1,700	0,500	3,000	0,290	0,024	141	56	72%
Year 2	1,748	1,800	0,800	2,800	0,330	0,028	141	56	72%
Year 5	1,938	2,000	1,000	3,500	0,373	0,032	134	63	68%
Employees' organisations									
Year 1	1,816	1,800	1,600	2,400	0,192	0,044	19	6	76%
Year 2	1,889	1,900	1,600	2,500	0,238	0,055	19	6	76%
Year 5	2,006	2,000	1,500	2,600	0,236	0,056	18	7	72%
Employers' organisations									
Year 1	1,653	1,750	0,500	2,050	0,376	0,094	16	5	76%
Year 2	1,722	1,800	0,800	2,250	0,348	0,087	16	5	76%
Year 5	1,980	2,000	1,000	2,500	0,347	0,090	15	6	71%
Purchasing Managers, Manufacturing									
Year 1	1,706	1,700	1,000	3,000	0,367	0,064	33	19	63%
Year 2	1,782	1,800	1,000	2,800	0,391	0,068	33	19	63%
Year 5	1,968	2,000	1,250	3,500	0,460	0,083	31	21	60%
Purchasing Managers, Trading									
Year 1	1,671	1,700	1,000	2,000	0,273	0,045	36	17	68%
Year 2	1,699	1,650	1,000	2,250	0,342	0,057	36	17	68%
Year 5	1,909	2,000	1,000	2,500	0,401	0,069	34	19	64%
Money Market Players									
Year 1	1,699	1,700	1,300	2,200	0,222	0,036	37	9	80%
Year 2	1,705	1,700	1,000	2,300	0,279	0,046	37	9	80%
Year 5	1,889	1,900	1,000	2,500	0,337	0,056	36	10	78%

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	1,652	1,700	0,500	2,100	0,244	0,027	79	118	40%
Year 2	1,693	1,700	1,000	2,500	0,266	0,030	79	118	40%
Year 5	1,897	2,000	1,000	2,500	0,306	0,035	76	121	39%
Employees' organisations									
Year 1	1,723	1,700	1,400	2,000	0,169	0,047	13	12	52%
Year 2	1,785	1,800	1,400	2,200	0,203	0,056	13	12	52%
Year 5	1,908	1,900	1,500	2,200	0,207	0,060	12	13	48%
Employers' organisations									
Year 1	1,539	1,650	0,500	2,100	0,403	0,116	12	9	57%
Year 2	1,603	1,600	1,000	2,000	0,266	0,077	12	9	57%
Year 5	1,973	2,000	1,500	2,300	0,269	0,081	11	10	52%
Purchasing Managers, Manufacturing									
Year 1	1,783	1,800	1,500	2,000	0,160	0,065	6	46	12%
Year 2	1,833	1,800	1,700	2,000	0,103	0,042	6	46	12%
Year 5	2,000	2,000	1,500	2,300	0,276	0,113	6	46	12%
Purchasing Managers, Trading									
Year 1	1,723	1,800	1,300	2,000	0,217	0,060	13	40	25%
Year 2	1,762	1,800	1,100	2,500	0,352	0,098	13	40	25%
Year 5	1,983	2,000	1,300	2,500	0,356	0,103	12	41	23%
Money Market Players									
Year 1	1,616	1,600	1,250	2,000	0,202	0,034	35	11	76%
Year 2	1,640	1,650	1,000	2,200	0,255	0,043	35	11	76%
Year 5	1,823	1,900	1,000	2,300	0,327	0,055	35	11	76%



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	1,218	1,200	0,500	1,900	0,384	0,070	30	16	65%
Upper bound	2,015	1,900	1,500	3,000	0,366	0,067	30	16	65%
Year 2									
Lower bound	1,088	1,250	-1,000	1,900	0,656	0,120	30	16	65%
Upper bound	2,180	2,000	1,600	3,500	0,457	0,083	30	16	65%
Year 5									
Lower bound	1,027	1,400	-2,000	2,000	0,867	0,158	30	16	65%
Upper bound	2,693	2,500	1,700	6,000	0,843	0,154	30	16	65%

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	1,485	1,500	0,300	3,500	0,411	0,035	139	58	71%
Year 2									
Year 2	1,490	1,500	0,000	3,000	0,438	0,037	139	58	71%
Year 5									
Year 5	1,981	2,000	0,300	3,500	0,501	0,044	132	65	67%
Employees' organisations									
Year 1									
Year 1	1,826	1,500	1,300	3,500	0,644	0,148	19	6	76%
Year 2									
Year 2	1,805	1,800	1,200	3,000	0,541	0,124	19	6	76%
Year 5									
Year 5	2,083	2,000	1,300	3,500	0,590	0,139	18	7	72%
Employers' organisations									
Year 1									
Year 1	1,419	1,350	1,000	2,000	0,295	0,074	16	5	76%
Year 2									
Year 2	1,300	1,250	0,700	2,000	0,327	0,082	16	5	76%
Year 5									
Year 5	2,053	2,000	0,300	3,000	0,702	0,181	15	6	71%
Purchasing Managers, Manufacturing									
Year 1									
Year 1	1,431	1,450	0,300	2,300	0,438	0,077	32	20	62%
Year 2									
Year 2	1,458	1,500	0,000	2,200	0,508	0,090	32	20	62%
Year 5									
Year 5	1,948	2,000	0,300	2,500	0,556	0,100	31	21	60%
Purchasing Managers, Trading									
Year 1									
Year 1	1,429	1,400	0,900	2,000	0,289	0,048	36	17	68%
Year 2									
Year 2	1,419	1,500	0,500	2,000	0,324	0,054	36	17	68%
Year 5									
Year 5	1,982	2,000	1,000	3,000	0,457	0,079	33	20	62%
Money Market Players									
Year 1									
Year 1	1,438	1,500	0,800	2,100	0,296	0,049	36	10	78%
Year 2									
Year 2	1,508	1,450	0,500	2,100	0,384	0,064	36	10	78%
Year 5									
Year 5	1,924	2,000	1,000	2,500	0,331	0,056	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	2,268	2,200	1,500	3,600	0,385	0,037	107	44	71%
Year 2	2,240	2,200	0,700	3,500	0,429	0,041	107	44	71%
Year 5	2,442	2,500	1,500	3,700	0,447	0,044	101	50	67%
Employees' organisations									
Year 1	2,658	2,600	2,200	3,600	0,382	0,088	19	6	76%
Year 2	2,700	2,700	2,000	3,500	0,384	0,088	19	6	76%
Year 5	2,883	2,850	2,200	3,700	0,355	0,084	18	7	72%
Employers' organisations									
Year 1	2,306	2,300	1,500	3,100	0,366	0,092	16	5	76%
Year 2	2,300	2,300	1,500	3,200	0,423	0,106	16	5	76%
Year 5	2,473	2,300	2,000	3,500	0,479	0,124	15	6	71%
Purchasing Managers, Manufacturing									
Year 1	2,126	2,000	1,500	3,000	0,357	0,061	34	18	65%
Year 2	2,051	2,000	1,500	3,000	0,297	0,051	34	18	65%
Year 5	2,373	2,400	1,500	3,000	0,411	0,072	33	19	63%
Purchasing Managers, Trading									
Year 1	2,184	2,100	1,500	2,800	0,286	0,046	38	15	72%
Year 2	2,153	2,000	0,700	2,800	0,391	0,063	38	15	72%
Year 5	2,266	2,200	1,500	3,000	0,362	0,061	35	18	66%

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	-0,252	-0,250	-0,750	0,000	0,066	0,006	133	64	68%
12 months	-0,214	-0,250	-1,000	0,250	0,178	0,015	133	64	68%
24 months	0,013	0,000	-1,000	1,100	0,348	0,030	131	66	66%
60 months	0,743	0,750	-1,000	2,500	0,655	0,058	127	70	64%
Employees' organisations									
3 months	-0,234	-0,250	-0,250	0,000	0,058	0,013	19	6	76%
12 months	-0,195	-0,250	-0,500	0,000	0,154	0,035	19	6	76%
24 months	0,013	0,000	-0,500	0,500	0,249	0,059	18	7	72%
60 months	0,783	1,000	-0,250	1,500	0,614	0,145	18	7	72%
Employers' organisations									
3 months	-0,250	-0,250	-0,250	-0,250	0,000	0,000	16	5	76%
12 months	-0,188	-0,250	-0,250	0,250	0,144	0,036	16	5	76%
24 months	0,107	0,000	-0,250	1,000	0,350	0,088	16	5	76%
60 months	0,933	1,000	0,000	2,000	0,678	0,175	15	6	71%
Purchasing Managers, Manufacturing									
3 months	-0,273	-0,250	-0,750	-0,250	0,096	0,017	33	19	63%
12 months	-0,220	-0,250	-1,000	0,250	0,221	0,038	33	19	63%
24 months	0,003	0,000	-1,000	1,000	0,349	0,061	33	19	63%
60 months	0,670	0,500	0,000	2,000	0,601	0,105	33	19	63%
Purchasing Managers, Trading									
3 months	-0,236	-0,250	-0,300	0,000	0,059	0,010	37	16	70%
12 months	-0,191	-0,250	-0,500	0,250	0,174	0,029	37	16	70%
24 months	0,041	0,000	-0,500	1,100	0,357	0,059	37	16	70%
60 months	0,741	0,800	-0,250	2,000	0,555	0,094	35	18	66%
Money Market Players									
3 months	-0,259	-0,250	-0,500	-0,250	0,047	0,009	28	18	61%
12 months	-0,264	-0,250	-0,500	0,000	0,162	0,031	28	18	61%
24 months	-0,070	-0,250	-1,000	1,000	0,394	0,076	27	19	59%
60 months	0,700	0,500	-1,000	2,500	0,856	0,168	26	20	57%



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	-0,376	-0,250	-0,800	-0,250	0,163	0,033	25	21	54%
Upper bound	-0,130	-0,250	-0,250	1,000	0,261	0,052	25	21	54%
12 months									
Lower bound	-0,542	-0,500	-1,300	-0,250	0,291	0,058	25	21	54%
Upper bound	0,190	0,000	-0,250	2,500	0,556	0,111	25	21	54%
24 months									
Lower bound	-0,467	-0,500	-1,700	0,500	0,512	0,105	24	22	52%
Upper bound	0,675	0,500	-0,250	3,200	0,883	0,180	24	22	52%
60 months									
Lower bound	-0,215	-0,250	-1,900	2,300	0,943	0,197	23	23	50%
Upper bound	1,841	1,250	0,500	6,000	1,462	0,305	23	23	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
5 YEAR GOVERNMENT BOND RATE									
3 months	-0,549	-0,625	-1,000	0,050	0,225	0,044	26	20	57%
12 months	-0,422	-0,450	-1,500	0,300	0,378	0,074	26	20	57%
24 months	0,012	0,000	-1,000	1,300	0,545	0,109	25	21	54%
60 months	1,096	1,000	-0,500	2,800	0,939	0,188	25	21	54%
EUR/SEK									
3 months	10,755	10,725	10,500	11,200	0,165	0,031	28	18	61%
12 months	10,596	10,550	10,000	11,300	0,307	0,058	28	18	61%
24 months	10,405	10,475	9,500	11,500	0,479	0,091	28	18	61%
USD/SEK									
3 months	9,675	9,700	9,300	10,180	0,214	0,041	28	18	61%
12 months	9,447	9,475	8,500	10,500	0,455	0,086	28	18	61%
24 months	9,180	9,100	8,000	10,750	0,723	0,137	28	18	61%