



Press Release

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TNS 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 2015, has now been completed, the previous September 2015 was published September 9, 2015. The last survey among money market players was published November 11, 2015.

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 15	Sep 15	Dec 15	Sep 15	Dec 15	Sep 15
Annual						
Inflation, %	0,9	0,7	1,3	1,1	1,8	1,7
GDP, %	2,8	2,4	2,8	2,5	2,7	2,6
Wage increase, %	2,2	2,0	2,3	2,2	2,5	2,5

	3 months		12 months		24 months		60 months	
	Dec 15	Sep 15	Dec 15	Sep 15	Dec 15	Sep 15	Dec 15	Sep 15
Repo rate, %	-0,3	-0,3	-0,1	-0,1	0,5	0,5	1,6	1,6

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15
Repo rate, %	-0,4	(-0,4)	-0,4	-0,3	(-0,4)	-0,3	0,3	(0,2)	0,3	1,8	(1,8)	1,9
5 year gvt bond rate, %	0,1	(0,0)	0,1	0,5	(0,4)	0,4	1,1	(1,0)	1,1	2,2	(2,2)	2,3
EUR	9,22	(9,28)	9,43	9,04	(9,12)	9,19	8,90	(9,00)	9,02	-	(-)	-
USD	8,76	(8,55)	8,57	8,63	(8,41)	8,60	8,41	(8,18)	8,37	-	(-)	-



Interview Period & Method

TNS 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 23 – December 8, 2015 (previous August 24 – September 8, 2015 (October 28 – November 9, 2015)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on December 2, 2015 (September 2, 2015 (October 28, 2015)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 4,5 years.

About the Interviewees & Response Rate

All Interviewees

In all 232 (235) organisations/companies were approached for interview. 34 (21) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 85 % (91 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 82 % or more for the one year and two year assessments. 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

50 Swedish labour market organisations, of which 23 on the employers' side and 27 on the employees' side have been approached.

Purchase Managers

Of the 132 purchasing managers 66 represent the trading industry and 66 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 50 players, 44 Swedish and 6 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).

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 TNS Sifo Prospera Inflation Expectations Surveys

TNS Sifo Prospera inflation reports and tables, from 1995 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

TABLE 1 – Comparison December 2015 vs (November 2015) September 2015

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 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15
Annual inflation, %									
All interviewees	0,9		0,7	1,3		1,1	1,8		1,7
Employees' organisations	0,8		0,6	1,2		1,1	1,8		1,8
Employers' organisations	0,8		0,5	1,2		1,0	1,9		1,8
Purchase managers Manufacturing	0,7		0,5	1,1		0,9	1,6		1,5
Purchase managers Trading	0,9		0,7	1,2		1,2	1,8		1,8
Money market players	1,2	(1,1)	1,0	1,6	(1,6)	1,5	1,8	(1,8)	1,8
GDP, %									
All interviewees	2,8		2,4	2,8		2,5	2,7		2,6
Employees' organisations	2,8		2,3	3,0		2,6	3,2		2,9
Employers' organisations	2,6		2,2	2,7		2,4	2,8		2,5
Purchase managers Manufacturing	2,6		2,4	2,6		2,5	2,8		2,7
Purchase managers Trading	2,9		2,4	3,0		2,5	2,9		2,6
Money market players	3,0	(2,8)	2,6	2,6	(2,6)	2,5	2,3	(2,3)	2,3
Annual wage increase, %									
All interviewees	2,2		2,0	2,3		2,2	2,5		2,5
Employees' organisations	2,6		2,3	2,8		2,6	3,0		2,8
Employers' organisations	2,0		1,8	2,1		1,9	2,6		2,6
Purchase managers Manufacturing	2,0		2,0	2,2		2,2	2,3		2,5
Purchase managers Trading	2,1		2,0	2,3		2,2	2,5		2,4

	3 months			12 months			24 months			60 months		
	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15	Dec 15	(Nov 15)	Sep 15
Repo rate, %												
All interviewees	-0,3		-0,3	-0,1		-0,1	0,5		0,5	1,6		1,6
Employees' organisations	-0,4		-0,3	-0,1		-0,1	0,7		0,3	1,5		1,5
Employers' organisations	-0,4		-0,4	0,0		-0,1	1,0		0,6	2,0		1,9
Purchase managers Manufacturing	-0,3		-0,3	0,0		0,0	0,4		0,5	1,4		1,4
Purchase managers Trading	-0,3		-0,4	0,0		0,0	0,6		0,6	1,6		1,6
Money market players	-0,4	(-0,4)	-0,4	-0,3	(-0,4)	-0,3	0,3	(0,2)	0,3	1,8	(1,8)	1,9

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	0,882	1,000	0,000	3,000	0,605	0,043	197	35	85%
Year 2	1,283	1,300	0,000	4,000	0,699	0,050	197	35	85%
Year 5	1,774	2,000	0,000	5,000	0,705	0,051	188	44	81%
Employees' organisations									
Year 1	0,782	0,850	0,100	2,000	0,490	0,104	22	5	81%
Year 2	1,214	1,225	0,150	2,200	0,554	0,118	22	5	81%
Year 5	1,786	2,000	0,200	3,000	0,522	0,114	21	6	78%
Employers' organisations									
Year 1	0,753	0,500	0,000	2,000	0,592	0,144	17	6	74%
Year 2	1,235	1,200	0,500	2,300	0,531	0,129	17	6	74%
Year 5	1,925	2,000	1,000	3,000	0,574	0,144	16	7	70%
Purchasing Managers, Manufacturing									
Year 1	0,749	0,625	0,000	2,600	0,627	0,082	58	8	88%
Year 2	1,127	1,000	0,000	4,000	0,813	0,107	58	8	88%
Year 5	1,638	2,000	0,000	5,000	0,928	0,124	56	10	85%
Purchasing Managers, Trading									
Year 1	0,874	1,000	0,000	3,000	0,681	0,093	54	12	82%
Year 2	1,210	1,000	0,000	3,500	0,721	0,098	54	12	82%
Year 5	1,812	2,000	0,300	4,000	0,734	0,101	53	13	80%
Money Market Players									
Year 1	1,156	1,200	0,000	2,000	0,451	0,067	46	4	92%
Year 2	1,617	1,650	0,400	3,000	0,529	0,078	46	4	92%
Year 5	1,844	1,900	1,000	2,800	0,369	0,057	42	8	84%

TABLE 3 - Inflation Expectations - 75% probability forecast uncertainty intervals

Expected annual increase intervals in CPI 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	0,677	0,800	-1,000	1,500	0,555	0,085	43	7	86%
Upper bound	1,563	1,500	0,700	3,000	0,491	0,075	43	7	86%
Year 2									
Lower bound	0,978	1,200	-1,000	1,800	0,628	0,096	43	7	86%
Upper bound	2,128	2,000	1,000	4,000	0,639	0,097	43	7	86%
Year 5									
Lower bound	1,053	1,000	-1,000	2,000	0,663	0,105	40	10	80%
Upper bound	2,699	2,500	1,500	5,000	0,787	0,124	40	10	80%

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	2,791	3,000	0,000	4,000	0,800	0,057	194	38	84%
Year 2	2,765	2,800	0,000	5,100	0,793	0,057	194	38	84%
Year 5	2,746	3,000	0,000	5,000	0,855	0,063	184	48	79%
Employees' organisations									
Year 1	2,820	3,000	1,200	4,000	0,851	0,190	20	7	74%
Year 2	2,955	2,950	1,500	4,500	0,788	0,176	20	7	74%
Year 5	3,200	3,000	1,800	5,000	0,806	0,185	19	8	70%
Employers' organisations									
Year 1	2,641	2,800	1,500	3,600	0,712	0,173	17	6	74%
Year 2	2,729	2,900	1,500	3,500	0,553	0,134	17	6	74%
Year 5	2,756	3,000	0,000	5,000	1,058	0,265	16	7	70%
Purchasing Managers, Manufacturing									
Year 1	2,590	2,900	0,000	4,000	0,974	0,128	58	8	88%
Year 2	2,645	2,500	0,000	4,500	0,910	0,119	58	8	88%
Year 5	2,764	3,000	0,000	4,500	0,881	0,118	56	10	85%
Purchasing Managers, Trading									
Year 1	2,853	3,000	1,000	4,000	0,717	0,098	54	12	82%
Year 2	2,958	3,000	1,500	4,500	0,695	0,095	54	12	82%
Year 5	2,902	3,000	1,000	4,500	0,747	0,104	52	14	79%
Money Market Players									
Year 1	3,022	3,000	1,000	4,000	0,581	0,087	45	5	90%
Year 2	2,616	2,500	0,500	5,100	0,787	0,117	45	5	90%
Year 5	2,309	2,400	0,000	4,000	0,728	0,114	41	9	82%

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	2,155	2,000	1,000	4,000	0,613	0,050	150	32	82%
Year 2	2,301	2,400	0,700	4,000	0,589	0,048	150	32	82%
Year 5	2,499	2,500	0,600	4,000	0,608	0,051	143	39	79%
Employees' organisations									
Year 1	2,557	2,550	1,000	3,500	0,637	0,136	22	5	81%
Year 2	2,791	2,800	1,800	4,000	0,514	0,110	22	5	81%
Year 5	2,952	3,000	2,000	4,000	0,554	0,121	21	6	78%
Employers' organisations									
Year 1	2,044	2,300	1,000	3,000	0,638	0,159	16	7	70%
Year 2	2,144	2,250	1,000	3,000	0,544	0,136	16	7	70%
Year 5	2,600	2,500	2,000	4,000	0,678	0,175	15	8	65%
Purchasing Managers, Manufacturing									
Year 1	2,049	2,000	1,000	4,000	0,626	0,082	58	8	88%
Year 2	2,162	2,000	0,700	3,500	0,570	0,075	58	8	88%
Year 5	2,318	2,400	0,600	3,500	0,601	0,080	56	10	85%
Purchasing Managers, Trading									
Year 1	2,137	2,100	1,000	3,000	0,525	0,071	54	12	82%
Year 2	2,296	2,500	1,000	3,500	0,555	0,075	54	12	82%
Year 5	2,480	2,500	1,500	3,500	0,524	0,073	51	15	77%

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	-0,347	-0,350	-0,500	0,250	0,090	0,007	187	45	81%
12 months	-0,081	-0,100	-0,570	1,500	0,309	0,023	187	45	81%
24 months	0,525	0,500	-0,650	4,000	0,620	0,045	187	45	81%
60 months	1,598	1,500	-0,250	5,000	0,875	0,066	176	56	76%
Employees' organisations									
3 months	-0,352	-0,350	-0,500	-0,100	0,084	0,018	21	6	78%
12 months	-0,138	-0,150	-0,500	0,500	0,226	0,049	21	6	78%
24 months	0,662	0,500	-0,100	2,000	0,569	0,124	21	6	78%
60 months	1,543	1,250	-0,250	3,000	0,892	0,199	20	7	74%
Employers' organisations									
3 months	-0,350	-0,350	-0,500	0,000	0,103	0,025	17	6	74%
12 months	0,026	0,000	-0,400	1,000	0,417	0,101	17	6	74%
24 months	0,994	1,000	0,000	4,000	1,013	0,246	17	6	74%
60 months	1,969	2,000	0,500	4,000	0,903	0,226	16	7	70%
Purchasing Managers, Manufacturing									
3 months	-0,331	-0,350	-0,500	0,000	0,082	0,011	57	9	86%
12 months	-0,007	0,000	-0,500	1,500	0,351	0,047	57	9	86%
24 months	0,437	0,350	-0,500	3,000	0,600	0,079	57	9	86%
60 months	1,371	1,000	0,000	5,000	1,004	0,135	55	11	83%
Purchasing Managers, Trading									
3 months	-0,328	-0,350	-0,500	0,250	0,104	0,014	54	12	82%
12 months	-0,045	0,000	-0,500	0,500	0,249	0,034	54	12	82%
24 months	0,563	0,500	0,000	2,000	0,454	0,062	54	12	82%
60 months	1,613	1,500	0,500	3,500	0,683	0,095	52	14	79%
Money Market Players									
3 months	-0,396	-0,350	-0,500	-0,250	0,059	0,010	38	12	76%
12 months	-0,258	-0,250	-0,570	0,500	0,226	0,037	38	12	76%
24 months	0,317	0,250	-0,650	1,500	0,550	0,089	38	12	76%
60 months	1,808	1,800	0,000	3,500	0,829	0,144	33	17	66%

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	-0,466	-0,450	-0,750	-0,350	0,084	0,014	35	15	70%
Upper bound	-0,290	-0,350	-0,450	0,400	0,167	0,028	35	15	70%
12 months									
Lower bound	-0,466	-0,500	-0,900	0,250	0,213	0,036	35	15	70%
Upper bound	0,036	0,000	-0,450	0,750	0,312	0,053	35	15	70%
24 months									
Lower bound	-0,162	-0,250	-1,000	1,000	0,460	0,079	34	16	68%
Upper bound	0,762	0,875	-0,450	2,000	0,616	0,106	34	16	68%
60 months									
Lower bound	0,789	0,750	-1,000	2,000	0,887	0,159	31	19	62%
Upper bound	2,755	2,500	0,500	6,000	1,250	0,224	31	19	62%

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	0,125	0,100	-0,100	0,900	0,176	0,031	33	17	66%
12 months	0,456	0,400	0,000	1,300	0,301	0,052	33	17	66%
24 months	1,138	1,000	0,150	4,000	0,722	0,128	32	18	64%
60 months	2,235	2,000	0,500	4,500	0,935	0,168	31	19	62%
EUR/SEK									
3 months	9,215	9,200	8,830	9,600	0,147	0,024	37	13	74%
12 months	9,042	9,000	8,700	10,000	0,265	0,044	37	13	74%
24 months	8,901	8,800	8,500	10,000	0,342	0,056	37	13	74%
USD/SEK									
3 months	8,756	8,750	8,400	9,070	0,158	0,026	37	13	74%
12 months	8,628	8,600	7,700	9,720	0,419	0,069	37	13	74%
24 months	8,411	8,400	7,200	10,290	0,610	0,100	37	13	74%