



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 June 2015, has now been completed, the previous March 2015 was published March 11, 2015. The last survey among money market players was published May 13, 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	
	Jun 15	Mar 15	Jun 15	Mar 15	Jun 15	Mar 15
Annual						
Inflation, %	0,7	0,5	1,1	1,1	1,8	1,7
GDP, %	2,3	2,1	2,4	2,3	2,6	2,5
Wage increase, %	2,0	2,1	2,2	2,1	2,5	2,5

	3 months		12 months		24 months		60 months	
	Jun 15	Mar 15	Jun 15	Mar 15	Jun 15	Mar 15	Jun 15	Mar 15
Repo rate, %	-0,3	-0,1	0,0	0,1	0,6	0,6	1,6	1,7

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Jun 15	(May 15)	Mar 15	Jun 15	(May 15)	Mar 15	Jun 15	(May 15)	Mar 15	Jun 15	(May 15)	Mar 15
Repo rate, %	-0,3	(-0,3)	-0,1	-0,2	(-0,2)	-0,1	0,5	(0,3)	0,5	2,0	(1,9)	2,2
5 year gvt bond rate, %	0,3	(0,2)	0,3	0,6	(0,4)	0,6	1,2	(1,0)	1,2	2,4	(2,4)	2,4
EUR	9,30	(9,31)	9,28	9,08	(9,11)	9,09	8,89	(8,95)	8,88	-	(-)	-
USD	8,54	(8,26)	8,36	8,53	(8,58)	8,39	8,36	(8,37)	8,30	-	(-)	-



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 May 25 – June 9, 2015 (previous February 23 – March 10, 2015 (May 6 – May 12, 2015)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on June 3, 2015 (March 4, 2015 (May 6, 2015)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 5,9 years.

About the Interviewees & Response Rate

All Interviewees

In all 236 (235) organisations/companies were approached for interview. 20 (24) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 92 % (90 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 89 % 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

51 Swedish labour market organisations, of which 24 on the employers' side and 27 on the employees' side have been approached.

Purchase Managers

Of the 132 purchasing managers 65 represent the trading industry and 67 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 53 players, 47 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 June 2015 vs (May 2015) March 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		
	Jun 15	(May 15)	Mar 15	Jun 15	(May 15)	Mar 15	Jun 15	(May 15)	Mar 15
Annual inflation, %									
All interviewees	0,7		0,5	1,1		1,1	1,8		1,7
Employees' organisations	0,6		0,5	1,1		1,1	1,8		1,7
Employers' organisations	0,5		0,3	1,0		0,9	1,9		1,8
Purchase managers Manufacturing	0,6		0,4	1,1		0,9	1,7		1,5
Purchase managers Trading	0,6		0,5	1,0		1,0	1,7		1,8
Money market players	0,9	(0,9)	0,7	1,5	(1,4)	1,4	1,8	(1,8)	1,9
GDP, %									
All interviewees	2,3		2,1	2,4		2,3	2,6		2,5
Employees' organisations	2,3		1,9	2,5		2,2	2,9		2,7
Employers' organisations	2,3		2,2	2,4		2,4	2,7		2,7
Purchase managers Manufacturing	2,2		1,9	2,4		2,1	2,5		2,3
Purchase managers Trading	2,3		2,0	2,4		2,3	2,7		2,6
Money market players	2,5	(2,5)	2,4	2,4	(2,4)	2,5	2,4	(2,4)	2,3
Annual wage increase, %									
All interviewees	2,0		2,1	2,2		2,1	2,5		2,5
Employees' organisations	2,4		2,3	2,6		2,4	2,9		2,9
Employers' organisations	2,0		2,4	1,8		2,1	2,4		2,4
Purchase managers Manufacturing	2,0		1,9	2,1		1,9	2,5		2,4
Purchase managers Trading	2,0		2,0	2,1		2,0	2,5		2,4

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

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	0,661	0,500	-0,300	3,000	0,614	0,042	214	22	91%
Year 2	1,137	1,000	-0,200	5,000	0,715	0,049	211	25	89%
Year 5	1,778	2,000	0,000	4,000	0,662	0,047	200	36	85%
Employees' organisations									
Year 1	0,616	0,500	-0,200	2,000	0,617	0,123	25	2	93%
Year 2	1,076	1,000	-0,200	2,000	0,653	0,131	25	2	93%
Year 5	1,813	2,000	0,000	4,000	0,735	0,150	24	3	89%
Employers' organisations									
Year 1	0,491	0,350	-0,200	1,500	0,484	0,103	22	2	92%
Year 2	0,981	1,000	0,000	2,000	0,550	0,120	21	3	88%
Year 5	1,888	2,000	0,500	4,000	0,724	0,162	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	0,618	0,500	-0,300	3,000	0,748	0,097	60	7	90%
Year 2	1,081	1,000	0,000	5,000	0,865	0,113	59	8	88%
Year 5	1,732	2,000	0,200	3,500	0,823	0,109	57	10	85%
Purchasing Managers, Trading									
Year 1	0,602	0,500	-0,200	2,000	0,619	0,081	59	6	91%
Year 2	1,017	1,000	-0,200	2,500	0,712	0,093	58	7	89%
Year 5	1,719	2,000	0,400	3,000	0,604	0,081	56	9	86%
Money Market Players									
Year 1	0,888	0,900	0,000	1,800	0,399	0,058	48	5	91%
Year 2	1,451	1,500	0,400	2,500	0,512	0,074	48	5	91%
Year 5	1,847	1,900	1,000	2,600	0,380	0,058	43	10	81%

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	0,377	0,500	-0,500	1,300	0,454	0,068	45	8	85%
Upper bound	1,321	1,250	0,500	2,800	0,496	0,074	45	8	85%
Year 2									
Lower bound	0,800	1,000	-1,000	1,800	0,612	0,092	44	9	83%
Upper bound	1,983	2,000	1,000	4,000	0,703	0,106	44	9	83%
Year 5									
Lower bound	1,044	1,400	-1,000	2,000	0,718	0,112	41	12	77%
Upper bound	2,604	2,500	1,400	5,000	0,701	0,109	41	12	77%

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	2,314	2,500	0,000	3,800	0,696	0,048	214	22	91%
Year 2	2,425	2,500	0,200	3,500	0,629	0,043	212	24	90%
Year 5	2,596	2,500	-0,250	5,000	0,726	0,051	202	34	86%
Employees' organisations									
Year 1	2,344	2,500	0,400	3,200	0,764	0,153	25	2	93%
Year 2	2,532	2,700	0,600	3,500	0,683	0,137	25	2	93%
Year 5	2,900	3,000	1,300	4,000	0,749	0,153	24	3	89%
Employers' organisations									
Year 1	2,341	2,500	0,500	3,100	0,733	0,156	22	2	92%
Year 2	2,400	2,500	0,500	3,500	0,730	0,156	22	2	92%
Year 5	2,695	2,500	0,500	5,000	0,924	0,202	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	2,198	2,500	0,000	3,500	0,765	0,098	61	6	91%
Year 2	2,366	2,400	0,200	3,500	0,659	0,085	60	7	90%
Year 5	2,523	2,500	-0,250	4,000	0,847	0,110	59	8	88%
Purchasing Managers, Trading									
Year 1	2,253	2,500	0,500	3,100	0,647	0,085	58	7	89%
Year 2	2,442	2,500	1,000	3,500	0,580	0,077	57	8	88%
Year 5	2,681	2,700	1,000	4,000	0,552	0,074	55	10	85%
Money Market Players									
Year 1	2,506	2,550	1,000	3,800	0,583	0,084	48	5	91%
Year 2	2,435	2,500	1,000	3,500	0,584	0,084	48	5	91%
Year 5	2,367	2,500	1,300	3,500	0,544	0,083	43	10	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
All									
Year 1	2,047	2,000	0,500	3,500	0,577	0,045	166	17	91%
Year 2	2,153	2,000	0,750	3,500	0,603	0,047	164	19	90%
Year 5	2,528	2,500	1,000	4,000	0,614	0,049	158	25	86%
Employees' organisations									
Year 1	2,372	2,300	1,000	3,500	0,550	0,110	25	2	93%
Year 2	2,552	2,500	1,500	3,500	0,597	0,119	25	2	93%
Year 5	2,942	3,000	1,000	4,000	0,651	0,133	24	3	89%
Employers' organisations									
Year 1	1,971	2,000	0,900	3,000	0,683	0,149	21	3	88%
Year 2	1,828	1,800	1,000	3,000	0,594	0,130	21	3	88%
Year 5	2,410	2,400	1,000	4,000	0,668	0,149	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	1,955	2,000	0,500	3,000	0,506	0,065	61	6	91%
Year 2	2,135	2,000	1,000	3,500	0,574	0,074	60	7	90%
Year 5	2,464	2,500	1,000	4,000	0,591	0,078	58	9	87%
Purchasing Managers, Trading									
Year 1	2,031	2,000	0,500	3,200	0,583	0,076	59	6	91%
Year 2	2,116	2,100	0,750	3,400	0,562	0,074	58	7	89%
Year 5	2,459	2,500	1,000	3,500	0,541	0,072	56	9	86%

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	-0,258	-0,250	-0,500	0,500	0,113	0,008	199	37	84%
12 months	-0,020	0,000	-0,500	1,250	0,305	0,022	199	37	84%
24 months	0,595	0,500	-0,500	2,000	0,523	0,037	198	38	84%
60 months	1,624	1,500	-0,250	4,000	0,764	0,056	187	49	79%
Employees' organisations									
3 months	-0,270	-0,250	-0,500	0,000	0,099	0,020	25	2	93%
12 months	0,006	0,000	-0,500	1,000	0,348	0,070	25	2	93%
24 months	0,682	0,500	-0,250	1,500	0,560	0,112	25	2	93%
60 months	1,481	1,500	-0,250	3,000	0,825	0,168	24	3	89%
Employers' organisations									
3 months	-0,252	-0,250	-0,500	0,000	0,130	0,028	22	2	92%
12 months	-0,009	0,000	-0,500	0,750	0,335	0,071	22	2	92%
24 months	0,559	0,500	-0,500	1,500	0,560	0,119	22	2	92%
60 months	1,823	1,625	0,250	4,000	0,894	0,200	20	4	83%
Purchasing Managers, Manufacturing									
3 months	-0,221	-0,250	-0,500	0,500	0,131	0,017	60	7	90%
12 months	0,054	0,000	-0,500	1,250	0,329	0,042	60	7	90%
24 months	0,658	0,500	-0,250	2,000	0,541	0,070	59	8	88%
60 months	1,507	1,500	0,000	4,000	0,804	0,106	57	10	85%
Purchasing Managers, Trading									
3 months	-0,258	-0,250	-0,500	0,250	0,086	0,011	59	6	91%
12 months	-0,008	0,000	-0,500	0,500	0,231	0,030	59	6	91%
24 months	0,565	0,500	-0,500	2,000	0,452	0,059	59	6	91%
60 months	1,543	1,500	0,500	3,000	0,614	0,081	57	8	88%
Money Market Players									
3 months	-0,320	-0,250	-0,500	-0,250	0,093	0,016	33	20	62%
12 months	-0,205	-0,250	-0,500	0,500	0,263	0,046	33	20	62%
24 months	0,491	0,500	-0,500	1,500	0,561	0,098	33	20	62%
60 months	1,992	2,000	0,500	3,250	0,709	0,132	29	24	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	-0,445	-0,500	-0,500	-0,250	0,075	0,013	31	22	58%
Upper bound	-0,181	-0,250	-0,250	0,500	0,172	0,031	31	22	58%
12 months									
Lower bound	-0,368	-0,450	-0,750	0,250	0,219	0,040	30	23	57%
Upper bound	0,122	0,000	-0,250	0,750	0,341	0,062	30	23	57%
24 months									
Lower bound	0,068	0,000	-1,000	1,250	0,580	0,106	30	23	57%
Upper bound	1,047	1,000	-0,250	3,000	0,680	0,124	30	23	57%
60 months									
Lower bound	0,975	1,000	-1,000	2,500	0,855	0,162	28	25	53%
Upper bound	2,839	3,000	0,750	5,000	0,984	0,186	28	25	53%

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	0,278	0,300	0,000	0,500	0,140	0,026	30	23	57%
12 months	0,553	0,550	0,200	1,000	0,230	0,042	30	23	57%
24 months	1,188	1,100	0,100	2,500	0,518	0,096	29	24	55%
60 months	2,414	2,450	1,000	4,000	0,814	0,154	28	25	53%
EUR/SEK									
3 months	9,303	9,300	9,000	9,400	0,089	0,015	33	20	62%
12 months	9,078	9,100	8,600	9,400	0,194	0,034	33	20	62%
24 months	8,888	8,900	8,300	9,500	0,261	0,046	32	21	60%
USD/SEK									
3 months	8,537	8,500	8,000	8,910	0,185	0,032	33	20	62%
12 months	8,526	8,500	7,700	9,200	0,378	0,066	33	20	62%
24 months	8,363	8,425	7,200	9,500	0,562	0,099	32	21	60%