



Press Release

Questions will be answered by Emelie Alm, +46 (0)765 36 21 19.

This release, or parts thereof, may be published immediately. Please state TNS Sifo Prospera as the source.

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 2016, has now been completed, the previous March 2016 was published March 16, 2016. The last survey among money market players was published May 11, 2016.

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 16	Mar 16	Jun 16	Mar 16	Jun 16	Mar 16
Annual						
Inflation, %	1,1	1,0	1,4	1,4	1,9	1,8
GDP, %	3,3	3,2	3,0	3,0	2,9	2,8
Wage increase, %	2,3	2,2	2,4	2,3	2,5	2,5

	3 months		12 months		24 months		60 months	
	Jun 16	Mar 16	Jun 16	Mar 16	Jun 16	Mar 16	Jun 16	Mar 16
Repo rate, %	-0,5	-0,5	-0,2	-0,2	0,4	0,4	1,5	1,4

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16
Repo rate, %	-0,5	(-0,5)	-0,5	-0,4	(-0,3)	-0,3	0,3	(0,2)	0,4	1,9	(1,7)	1,9
5 year gvt bond rate, %	-0,1	(0,0)	0,0	0,3	(0,3)	0,3	0,9	(1,0)	1,1	2,4	(2,0)	2,3
EUR	9,19	(9,11)	9,23	9,00	(8,94)	9,05	8,87	(8,83)	8,95	-	(-)	-
USD	8,29	(8,16)	8,49	8,28	(8,17)	8,48	8,16	(8,02)	8,24	-	(-)	-



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 30 – June 14, 2016 (previous February 29 – March 15, 2016 (April 27 – May 9, 2016)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on June 1, 2016 (March 9, 2016 (April 27, 2016)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 6,9 years.

About the Interviewees & Response Rate

All Interviewees

In all 227 (231) organisations/companies were approached for interview. 26 (33) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 89 % (86 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 86 % 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

49 Swedish labour market organisations, of which 22 on the employers' side and 27 on the employees' side have been approached.

Purchase Managers

Of the 126 purchasing managers 61 represent the trading industry and 65 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 52 players, 46 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 2016 vs (May 2016) March 2016

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 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16
Annual inflation, %									
All interviewees	1,1		1,0	1,4		1,4	1,9		1,8
Employees' organisations	1,1		1,0	1,5		1,4	2,0		1,9
Employers' organisations	1,0		0,9	1,3		1,3	1,8		1,7
Purchase managers Manufacturing	1,0		0,9	1,3		1,2	1,7		1,6
Purchase managers Trading	1,0		1,1	1,3		1,4	1,9		1,9
Money market players	1,3	(1,2)	1,1	1,7	(1,7)	1,6	2,0	(2,0)	1,9
GDP, %									
All interviewees	3,3		3,2	3,0		3,0	2,9		2,8
Employees' organisations	3,7		3,7	3,4		3,5	3,2		3,3
Employers' organisations	3,2		3,5	2,8		2,9	2,9		2,8
Purchase managers Manufacturing	3,4		3,1	3,2		3,0	3,1		2,9
Purchase managers Trading	3,2		3,1	3,1		3,0	2,9		2,8
Money market players	3,2	(3,1)	3,2	2,5	(2,5)	2,6	2,3	(2,3)	2,3
Annual wage increase, %									
All interviewees	2,3		2,2	2,4		2,3	2,5		2,5
Employees' organisations	2,6		2,7	2,8		2,8	3,0		3,0
Employers' organisations	2,3		2,1	2,3		2,1	2,4		2,5
Purchase managers Manufacturing	2,3		2,1	2,4		2,2	2,5		2,4
Purchase managers Trading	2,2		2,2	2,3		2,3	2,4		2,5

	3 months			12 months			24 months			60 months		
	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16	Jun 16	(May 16)	Mar 16
Repo rate, %												
All interviewees	-0,5		-0,5	-0,2		-0,2	0,4		0,4	1,5		1,4
Employees' organisations	-0,5		-0,5	-0,2		-0,2	0,4		0,4	1,3		1,3
Employers' organisations	-0,5		-0,5	-0,1		-0,2	0,6		0,4	1,6		1,8
Purchase managers Manufacturing	-0,4		-0,4	-0,1		-0,2	0,5		0,3	1,4		1,2
Purchase managers Trading	-0,4		-0,5	-0,1		-0,2	0,5		0,4	1,3		1,3
Money market players	-0,5	(-0,5)	-0,5	-0,4	(-0,3)	-0,3	0,3	(0,2)	0,4	1,9	(1,7)	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	1,094	1,000	0,000	3,000	0,468	0,033	199	28	88%
Year 2	1,445	1,500	0,200	3,000	0,493	0,035	199	28	88%
Year 5	1,857	2,000	0,000	3,500	0,551	0,040	189	38	83%
Employees' organisations									
Year 1	1,050	1,000	0,000	2,000	0,454	0,089	26	1	96%
Year 2	1,465	1,500	0,500	2,100	0,379	0,074	26	1	96%
Year 5	2,046	2,000	1,000	3,300	0,386	0,076	26	1	96%
Employers' organisations									
Year 1	1,029	1,000	0,500	2,000	0,347	0,080	19	3	86%
Year 2	1,332	1,200	0,700	2,500	0,462	0,106	19	3	86%
Year 5	1,780	2,000	1,000	3,000	0,638	0,165	15	7	68%
Purchasing Managers, Manufacturing									
Year 1	1,016	1,000	0,000	2,500	0,425	0,057	55	10	85%
Year 2	1,340	1,300	0,300	3,000	0,511	0,069	55	10	85%
Year 5	1,657	1,550	0,000	3,000	0,585	0,080	54	11	83%
Purchasing Managers, Trading									
Year 1	1,032	1,000	0,000	3,000	0,554	0,077	52	9	85%
Year 2	1,316	1,300	0,200	2,500	0,484	0,067	52	9	85%
Year 5	1,887	2,000	0,500	3,500	0,644	0,091	50	11	82%
Money Market Players									
Year 1	1,305	1,300	0,500	2,100	0,416	0,061	47	5	90%
Year 2	1,745	1,750	0,600	2,500	0,435	0,063	47	5	90%
Year 5	1,982	2,000	1,000	3,000	0,348	0,052	44	8	85%

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	0,799	0,800	0,000	1,900	0,473	0,072	43	9	83%
Upper bound	1,650	1,600	0,500	3,000	0,498	0,076	43	9	83%
Year 2									
Lower bound	1,124	1,250	-0,500	1,900	0,580	0,088	43	9	83%
Upper bound	2,195	2,100	1,200	3,500	0,552	0,084	43	9	83%
Year 5									
Lower bound	1,213	1,500	-1,000	2,100	0,694	0,108	41	11	79%
Upper bound	2,780	2,500	1,800	6,000	0,803	0,125	41	11	79%

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	3,286	3,500	0,500	5,000	0,772	0,055	197	30	87%
Year 2	2,997	3,000	1,000	5,500	0,828	0,059	197	30	87%
Year 5	2,854	3,000	0,000	5,500	0,868	0,063	187	40	82%
Employees' organisations									
Year 1	3,667	3,750	2,000	4,900	0,652	0,133	24	3	89%
Year 2	3,442	3,350	2,400	5,500	0,746	0,152	24	3	89%
Year 5	3,225	3,000	2,100	4,400	0,667	0,136	24	3	89%
Employers' organisations									
Year 1	3,237	3,300	0,800	4,500	0,899	0,206	19	3	86%
Year 2	2,842	3,000	1,500	4,500	0,871	0,200	19	3	86%
Year 5	2,875	2,850	2,000	4,500	0,775	0,194	16	6	73%
Purchasing Managers, Manufacturing									
Year 1	3,351	3,500	0,500	5,000	0,887	0,120	55	10	85%
Year 2	3,169	3,000	1,000	5,000	0,914	0,123	55	10	85%
Year 5	3,100	3,000	1,000	5,000	0,979	0,135	53	12	82%
Purchasing Managers, Trading									
Year 1	3,172	3,000	2,000	4,500	0,679	0,093	53	8	87%
Year 2	3,099	3,000	1,500	5,000	0,738	0,101	53	8	87%
Year 5	2,914	3,000	1,000	5,500	0,805	0,113	51	10	84%
Money Market Players									
Year 1	3,161	3,200	1,500	4,200	0,681	0,100	46	6	88%
Year 2	2,505	2,500	1,000	4,000	0,595	0,088	46	6	88%
Year 5	2,264	2,200	0,000	4,000	0,636	0,097	43	9	83%

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	2,300	2,250	0,500	3,500	0,412	0,033	151	24	86%
Year 2	2,422	2,500	0,700	3,500	0,485	0,039	151	24	86%
Year 5	2,535	2,500	0,800	4,000	0,589	0,049	145	30	83%
Employees' organisations									
Year 1	2,558	2,500	2,000	3,500	0,384	0,075	26	1	96%
Year 2	2,846	2,900	2,000	3,500	0,424	0,083	26	1	96%
Year 5	2,977	3,000	2,000	4,000	0,534	0,105	26	1	96%
Employers' organisations									
Year 1	2,311	2,350	1,000	3,000	0,460	0,108	18	4	82%
Year 2	2,339	2,300	1,000	3,100	0,541	0,128	18	4	82%
Year 5	2,413	2,500	1,000	3,500	0,617	0,159	15	7	68%
Purchasing Managers, Manufacturing									
Year 1	2,260	2,200	1,500	3,000	0,330	0,045	55	10	85%
Year 2	2,383	2,500	1,500	3,000	0,363	0,049	55	10	85%
Year 5	2,476	2,500	1,000	3,500	0,483	0,066	54	11	83%
Purchasing Managers, Trading									
Year 1	2,211	2,200	0,500	3,000	0,443	0,061	52	9	85%
Year 2	2,281	2,400	0,700	3,400	0,502	0,070	52	9	85%
Year 5	2,405	2,500	0,800	3,500	0,618	0,087	50	11	82%

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	-0,454	-0,500	-0,750	0,450	0,135	0,010	190	37	84%
12 months	-0,172	-0,250	-0,750	1,500	0,321	0,023	190	37	84%
24 months	0,442	0,500	-0,700	2,500	0,558	0,040	190	37	84%
60 months	1,490	1,500	0,000	4,000	0,817	0,061	180	47	79%
Employees' organisations									
3 months	-0,460	-0,500	-0,500	0,000	0,119	0,024	25	2	93%
12 months	-0,158	-0,250	-0,500	1,000	0,318	0,064	25	2	93%
24 months	0,398	0,250	-0,100	1,500	0,493	0,099	25	2	93%
60 months	1,328	1,500	0,500	2,500	0,655	0,131	25	2	93%
Employers' organisations									
3 months	-0,476	-0,500	-0,750	0,000	0,134	0,031	19	3	86%
12 months	-0,087	-0,250	-0,500	1,500	0,499	0,114	19	3	86%
24 months	0,579	0,500	-0,300	2,500	0,695	0,159	19	3	86%
60 months	1,575	1,500	0,000	4,000	1,041	0,260	16	6	73%
Purchasing Managers, Manufacturing									
3 months	-0,428	-0,500	-0,500	0,450	0,178	0,024	54	11	83%
12 months	-0,117	-0,225	-0,500	1,000	0,277	0,038	54	11	83%
24 months	0,507	0,500	-0,300	2,500	0,604	0,082	54	11	83%
60 months	1,375	1,250	0,000	3,000	0,778	0,107	53	12	82%
Purchasing Managers, Trading									
3 months	-0,442	-0,500	-0,500	0,000	0,134	0,018	53	8	87%
12 months	-0,119	-0,200	-0,500	0,750	0,305	0,042	53	8	87%
24 months	0,466	0,500	0,000	1,500	0,387	0,053	53	8	87%
60 months	1,348	1,250	0,000	3,300	0,819	0,115	51	10	84%
Money Market Players									
3 months	-0,494	-0,500	-0,500	-0,250	0,040	0,006	39	13	75%
12 months	-0,372	-0,500	-0,750	0,250	0,211	0,034	39	13	75%
24 months	0,282	0,000	-0,700	2,000	0,637	0,102	39	13	75%
60 months	1,947	2,000	0,250	3,500	0,729	0,123	35	17	67%

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	-0,570	-0,500	-1,000	-0,500	0,141	0,025	33	19	63%
Upper bound	-0,464	-0,500	-0,500	0,000	0,108	0,019	33	19	63%
12 months									
Lower bound	-0,600	-0,500	-1,500	0,000	0,255	0,044	34	18	65%
Upper bound	-0,060	0,000	-0,500	0,500	0,277	0,048	34	18	65%
24 months									
Lower bound	-0,234	-0,275	-1,250	1,250	0,575	0,099	34	18	65%
Upper bound	0,754	0,500	-0,500	3,000	0,740	0,127	34	18	65%
60 months									
Lower bound	0,710	1,000	-1,000	2,500	0,837	0,150	31	21	60%
Upper bound	2,892	3,000	0,500	7,000	1,240	0,223	31	21	60%

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	-0,059	-0,100	-0,250	0,300	0,132	0,022	35	17	67%
12 months	0,286	0,250	-0,200	1,200	0,317	0,054	35	17	67%
24 months	0,939	1,000	-0,100	2,500	0,580	0,098	35	17	67%
60 months	2,365	2,500	0,750	3,750	0,778	0,135	33	19	63%
EUR/SEK									
3 months	9,194	9,200	8,990	9,500	0,106	0,017	37	15	71%
12 months	8,997	9,000	8,500	9,600	0,202	0,033	37	15	71%
24 months	8,867	8,800	8,200	9,600	0,262	0,043	37	15	71%
USD/SEK									
3 months	8,289	8,270	8,000	8,730	0,160	0,026	37	15	71%
12 months	8,283	8,200	7,500	9,400	0,392	0,064	37	15	71%
24 months	8,155	8,000	7,500	9,500	0,498	0,082	37	15	71%