

June 2017: June 14, 2017
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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 2017, has now been completed, the previous March 2017 was published March 15, 2017. The last survey among money market players was published May 10, 2017.

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 17	Mar 17	Jun 17	Mar 17	Jun 17	Mar 17
Annual						
Inflation, %	1,7	1,6	2,0	1,8	2,1	2,0
GDP, %	2,6	2,6	2,4	2,5	2,3	2,4
Wage increase, %	2,3	2,3	2,4	2,4	2,5	2,4

	3 months		12 months		24 months		60 months	
	Jun 17	Mar 17	Jun 17	Mar 17	Jun 17	Mar 17	Jun 17	Mar 17
Repo rate, %	-0,5	-0,5	-0,2	-0,2	0,3	0,3	1,3	1,4

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17
Repo rate, %	-0,5	(-0,5)	-0,5	-0,3	(-0,3)	-0,3	0,3	(0,3)	0,3	1,7	(1,7)	1,9
5 year gvt bond rate, %	0,0	(0,1)	0,1	0,5	(0,5)	0,5	1,0	(1,0)	1,0	2,2	(2,2)	2,2
EUR	9,58	(9,47)	9,45	9,33	(9,27)	9,19	9,10	(9,11)	9,03	-	(-)	-
USD	8,74	(8,78)	9,03	8,46	(8,58)	8,83	8,24	(8,37)	8,54	-	(-)	-



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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 22 – June 13, 2017 (previous February 27 – March 14, 2017 (April 26 – May 9, 2017)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on May 24, 2017 (March 8, 2017 (April 26, 2017)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 2,8 years.

About the Interviewees & Response Rate

All Interviewees

In all 216 (218) organisations/companies were approached for interview. 32 (30) 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 % (86 %). 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

47 Swedish labour market organisations, of which 22 on the employers' side and 25 on the employees' side have been approached.

Purchase Managers

Of the 120 purchasing managers 57 represent the trading industry and 63 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 49 players, 45 Swedish and 4 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 2000 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

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TABLE 1 – Comparison June 2017 vs (May 2017) March 2017

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 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17
Annual inflation, %									
All interviewees	1,7		1,6	2,0		1,8	2,1		2,0
Employees' organisations	1,8		1,7	2,0		1,9	2,2		2,0
Employers' organisations	1,7		1,5	1,9		1,7	2,0		2,1
Purchase managers Manufacturing	1,8		1,5	2,0		1,8	2,1		2,0
Purchase managers Trading	1,7		1,6	2,0		1,8	2,1		2,0
Money market players	1,7	(1,7)	1,7	1,9	(1,9)	1,9	2,0	(2,0)	2,0
GDP, %									
All interviewees	2,6		2,6	2,4		2,5	2,3		2,4
Employees' organisations	2,8		2,7	2,8		2,8	2,8		2,7
Employers' organisations	2,4		2,4	2,1		2,4	2,3		2,3
Purchase managers Manufacturing	2,5		2,4	2,4		2,4	2,3		2,5
Purchase managers Trading	2,4		2,7	2,4		2,7	2,4		2,5
Money market players	2,7	(2,8)	2,7	2,4	(2,4)	2,3	2,2	(2,3)	2,2
Annual wage increase, %									
All interviewees	2,3		2,3	2,4		2,4	2,5		2,4
Employees' organisations	2,6		2,7	2,7		2,9	2,9		2,9
Employers' organisations	2,4		2,3	2,5		2,3	2,5		2,4
Purchase managers Manufacturing	2,2		2,2	2,3		2,3	2,3		2,3
Purchase managers Trading	2,3		2,3	2,4		2,4	2,5		2,4

	3 months			12 months			24 months			60 months		
	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17	Jun 17	(May 17)	Mar 17
Repo rate, %												
All interviewees	-0,5		-0,5	-0,2		-0,2	0,3		0,3	1,3		1,4
Employees' organisations	-0,5		-0,4	-0,2		-0,2	0,3		0,2	1,3		1,2
Employers' organisations	-0,5		-0,5	-0,3		-0,2	0,2		0,3	1,4		1,4
Purchase managers Manufacturing	-0,5		-0,5	-0,2		-0,1	0,3		0,4	1,1		1,3
Purchase managers Trading	-0,5		-0,5	-0,2		-0,2	0,3		0,3	1,2		1,2
Money market players	-0,5	(-0,5)	-0,5	-0,3	(-0,3)	-0,3	0,3	(0,3)	0,3	1,7	(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	1,736	1,800	0,500	3,000	0,419	0,031	183	33	85%
Year 2	1,957	2,000	1,000	3,000	0,412	0,030	183	33	85%
Year 5	2,058	2,000	1,000	3,500	0,428	0,033	173	43	80%
Employees' organisations									
Year 1	1,750	1,800	0,700	2,500	0,373	0,088	18	7	72%
Year 2	1,983	2,000	1,300	2,700	0,315	0,074	18	7	72%
Year 5	2,183	2,150	1,500	3,000	0,350	0,083	18	7	72%
Employers' organisations									
Year 1	1,700	1,800	0,800	2,100	0,361	0,083	19	3	86%
Year 2	1,889	1,900	1,000	2,600	0,400	0,092	19	3	86%
Year 5	1,987	2,000	1,400	2,500	0,362	0,094	15	7	68%
Purchasing Managers, Manufacturing									
Year 1	1,772	1,900	0,500	3,000	0,477	0,064	55	8	87%
Year 2	1,983	2,000	1,000	3,000	0,455	0,061	55	8	87%
Year 5	2,069	2,000	1,000	3,500	0,520	0,071	54	9	86%
Purchasing Managers, Trading									
Year 1	1,718	1,850	0,500	2,500	0,446	0,066	46	11	81%
Year 2	2,037	2,000	1,000	3,000	0,430	0,063	46	11	81%
Year 5	2,112	2,000	1,000	3,000	0,429	0,066	42	15	74%
Money Market Players									
Year 1	1,718	1,700	1,000	3,000	0,366	0,055	45	4	92%
Year 2	1,863	1,900	1,000	3,000	0,371	0,055	45	4	92%
Year 5	1,965	2,000	1,300	2,600	0,335	0,050	44	5	90%

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	1,309	1,400	0,500	2,750	0,470	0,073	41	8	84%
Upper bound	2,112	2,000	1,500	3,250	0,415	0,065	41	8	84%
Year 2									
Lower bound	1,272	1,300	0,000	2,750	0,579	0,090	41	8	84%
Upper bound	2,401	2,250	1,500	4,000	0,580	0,091	41	8	84%
Year 5									
Lower bound	1,179	1,400	-1,000	2,400	0,734	0,115	41	8	84%
Upper bound	2,791	2,600	1,800	6,000	0,865	0,135	41	8	84%

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	2,550	2,500	0,700	4,300	0,484	0,036	178	38	82%
Year 2	2,415	2,500	1,000	5,500	0,542	0,041	178	38	82%
Year 5	2,336	2,200	0,500	4,500	0,618	0,048	169	47	78%
Employees' organisations									
Year 1	2,819	2,700	1,700	4,300	0,671	0,168	16	9	64%
Year 2	2,838	2,500	1,800	5,500	0,949	0,237	16	9	64%
Year 5	2,831	3,000	1,800	4,500	0,654	0,163	16	9	64%
Employers' organisations									
Year 1	2,411	2,500	2,000	3,500	0,373	0,085	19	3	86%
Year 2	2,100	2,000	1,400	3,000	0,438	0,101	19	3	86%
Year 5	2,263	2,300	0,500	3,500	0,706	0,177	16	6	73%
Purchasing Managers, Manufacturing									
Year 1	2,461	2,500	0,700	3,500	0,452	0,062	54	9	86%
Year 2	2,408	2,500	1,000	3,500	0,473	0,064	54	9	86%
Year 5	2,255	2,000	0,500	3,500	0,629	0,086	53	10	84%
Purchasing Managers, Trading									
Year 1	2,437	2,500	1,000	3,600	0,470	0,070	45	12	79%
Year 2	2,426	2,500	1,500	3,800	0,432	0,064	45	12	79%
Year 5	2,398	2,200	1,500	4,000	0,551	0,085	42	15	74%
Money Market Players									
Year 1	2,738	2,800	2,000	3,500	0,420	0,063	44	5	90%
Year 2	2,397	2,450	1,500	3,500	0,486	0,073	44	5	90%
Year 5	2,214	2,200	1,000	4,000	0,544	0,084	42	7	86%

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	2,316	2,300	1,000	4,000	0,395	0,034	137	30	82%
Year 2	2,396	2,500	1,000	4,500	0,437	0,037	137	30	82%
Year 5	2,476	2,500	1,000	4,000	0,550	0,048	130	37	78%
Employees' organisations									
Year 1	2,606	2,500	2,100	3,000	0,265	0,062	18	7	72%
Year 2	2,672	2,700	2,100	3,200	0,320	0,075	18	7	72%
Year 5	2,911	2,950	2,400	3,800	0,400	0,094	18	7	72%
Employers' organisations									
Year 1	2,383	2,400	1,500	3,100	0,411	0,097	18	4	82%
Year 2	2,456	2,500	1,700	3,400	0,420	0,099	18	4	82%
Year 5	2,520	2,400	1,500	4,000	0,678	0,175	15	7	68%
Purchasing Managers, Manufacturing									
Year 1	2,175	2,100	1,000	3,000	0,342	0,046	55	8	87%
Year 2	2,264	2,200	1,500	3,000	0,356	0,048	55	8	87%
Year 5	2,322	2,450	1,000	3,500	0,542	0,074	54	9	86%
Purchasing Managers, Trading									
Year 1	2,347	2,500	1,000	4,000	0,426	0,063	46	11	81%
Year 2	2,422	2,450	1,000	4,500	0,515	0,076	46	11	81%
Year 5	2,471	2,500	1,500	3,500	0,478	0,073	43	14	75%

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	-0,476	-0,500	-0,500	0,500	0,106	0,008	164	52	76%
12 months	-0,216	-0,250	-0,500	0,700	0,245	0,019	164	52	76%
24 months	0,290	0,250	-0,500	2,000	0,456	0,036	165	51	76%
60 months	1,279	1,225	-0,300	4,000	0,848	0,068	156	60	72%
Employees' organisations									
3 months	-0,475	-0,500	-0,500	-0,250	0,073	0,017	18	7	72%
12 months	-0,178	-0,250	-0,500	0,700	0,282	0,066	18	7	72%
24 months	0,322	0,125	-0,400	1,200	0,476	0,112	18	7	72%
60 months	1,339	1,500	0,000	2,500	0,790	0,186	18	7	72%
Employers' organisations									
3 months	-0,487	-0,500	-0,500	-0,250	0,057	0,013	19	3	86%
12 months	-0,266	-0,250	-0,500	0,250	0,239	0,055	19	3	86%
24 months	0,229	0,000	-0,300	2,000	0,534	0,122	19	3	86%
60 months	1,359	1,250	0,000	4,000	0,949	0,237	16	6	73%
Purchasing Managers, Manufacturing									
3 months	-0,455	-0,500	-0,500	0,500	0,168	0,023	54	9	86%
12 months	-0,161	-0,100	-0,500	0,700	0,282	0,038	54	9	86%
24 months	0,294	0,250	-0,500	1,500	0,469	0,064	54	9	86%
60 months	1,089	1,000	-0,300	3,000	0,850	0,117	53	10	84%
Purchasing Managers, Trading									
3 months	-0,482	-0,500	-0,500	-0,250	0,061	0,009	44	13	77%
12 months	-0,222	-0,250	-0,500	0,250	0,200	0,030	44	13	77%
24 months	0,276	0,250	-0,500	2,000	0,470	0,070	45	12	79%
60 months	1,179	1,000	-0,200	3,500	0,755	0,115	43	14	75%
Money Market Players									
3 months	-0,500	-0,500	-0,500	-0,500	0,000	0,000	29	20	59%
12 months	-0,298	-0,250	-0,500	0,000	0,191	0,035	29	20	59%
24 months	0,326	0,300	-0,500	1,000	0,361	0,067	29	20	59%
60 months	1,741	1,625	0,250	3,500	0,845	0,166	26	23	53%

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	-0,569	-0,500	-1,250	-0,500	0,162	0,032	26	23	53%
Upper bound	-0,454	-0,500	-0,500	-0,250	0,093	0,018	26	23	53%
12 months									
Lower bound	-0,513	-0,500	-1,750	0,000	0,298	0,058	26	23	53%
Upper bound	-0,062	0,000	-0,500	0,250	0,204	0,040	26	23	53%
24 months									
Lower bound	-0,181	0,000	-1,500	0,750	0,439	0,086	26	23	53%
Upper bound	0,763	0,750	-0,500	1,500	0,449	0,088	26	23	53%
60 months									
Lower bound	0,779	1,000	-0,500	2,000	0,762	0,156	24	25	49%
Upper bound	2,475	2,250	0,500	5,000	1,215	0,248	24	25	49%



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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	0,006	0,000	-0,200	0,300	0,108	0,021	27	22	55%
12 months	0,450	0,500	0,050	1,000	0,252	0,048	27	22	55%
24 months	1,023	1,000	0,400	2,000	0,429	0,084	26	23	53%
60 months	2,180	2,200	0,700	4,000	0,837	0,167	25	24	51%
EUR/SEK									
3 months	9,578	9,600	9,300	9,800	0,124	0,023	28	21	57%
12 months	9,329	9,300	9,100	9,800	0,151	0,029	28	21	57%
24 months	9,102	9,075	8,300	9,800	0,252	0,048	28	21	57%
USD/SEK									
3 months	8,744	8,735	8,500	9,360	0,203	0,038	28	21	57%
12 months	8,461	8,455	8,000	9,000	0,280	0,053	28	21	57%
24 months	8,242	8,200	7,200	9,500	0,481	0,091	28	21	57%