



## Press Release

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

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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 March 2015, has now been completed, the previous December 2014 was published December 10, 2014. The last survey among money market players was published February 18, 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	
	Mar 15	Dec 14	Mar 15	Dec 14	Mar 15	Dec 14
<b>Annual</b>						
<b>Inflation, %</b>	0,5	0,6	1,1	1,1	1,7	1,7
<b>GDP, %</b>	2,1	2,0	2,3	2,3	2,5	2,6
<b>Wage increase, %</b>	2,1	2,2	2,1	2,2	2,5	2,6

	3 months		12 months		24 months		60 months	
	Mar 15	Dec 14	Mar 15	Dec 14	Mar 15	Dec 14	Mar 15	Dec 14
<b>Repo rate, %</b>	-0,1	0,0	0,1	0,2	0,6	0,7	1,7	1,8

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Mar 15	(Feb 15)	Dec 14	Mar 15	(Feb 15)	Dec 14	Mar 15	(Feb 15)	Dec 14	Mar 15	(Feb 15)	Dec 14
<b>Repo rate, %</b>	-0,1	(0,0)	0,0	-0,1	(0,0)	0,0	0,5	(0,5)	0,6	2,2	(2,1)	2,2
<b>5 year gvt bond rate, %</b>	0,3	(0,2)	0,3	0,6	(0,4)	0,5	1,2	(1,0)	1,1	2,4	(2,3)	2,5
<b>EUR</b>	9,28	(9,30)	9,21	9,09	(9,09)	9,02	8,88	(8,90)	8,84	-	(-)	-
<b>USD</b>	8,36	(8,21)	7,47	8,39	(8,27)	7,56	8,30	(8,24)	7,54	-	(-)	-



### 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 February 23 – March 10, 2015 (previous November 24 – December 8, 2014 (February 4 – February 17, 2015)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 4, 2015 (November 26, 2014 (February 4, 2015)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 7,0 years.

### About the Interviewees & Response Rate

#### *All Interviewees*

In all 235 (234) organisations/companies were approached for interview. 24 (20) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 90 % (91 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 88 % 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 131 purchasing managers 64 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 March 2015 vs (February 2015) December 2014**

A comparison of the results of the two surveys in all interviewee categories is summarised as follows (rounded off figures):

<b>Expectations of</b>	<b>Year 1</b>			<b>Year 2</b>			<b>Year 5</b>		
	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>
<b>Annual inflation, %</b>									
All interviewees	0,5		0,6	1,1		1,1	1,7		1,7
Employees' organisations	0,5		0,4	1,1		0,8	1,7		1,7
Employers' organisations	0,3		0,5	0,9		1,0	1,8		1,7
Purchase managers Manufacturing	0,4		0,5	0,9		0,9	1,5		1,6
Purchase managers Trading	0,5		0,6	1,0		1,1	1,8		1,8
Money market players	0,7	(0,7)	0,7	1,4	(1,3)	1,3	1,9	(1,7)	1,7
<b>GDP, %</b>									
All interviewees	2,1		2,0	2,3		2,3	2,5		2,6
Employees' organisations	1,9		2,1	2,2		2,4	2,7		2,9
Employers' organisations	2,2		2,0	2,4		2,3	2,7		2,7
Purchase managers Manufacturing	1,9		2,0	2,1		2,2	2,3		2,6
Purchase managers Trading	2,0		1,8	2,3		2,2	2,6		2,6
Money market players	2,4	(2,1)	2,2	2,5	(2,2)	2,2	2,3	(2,3)	2,3
<b>Annual wage increase, %</b>									
All interviewees	2,1		2,2	2,1		2,2	2,5		2,6
Employees' organisations	2,3		2,4	2,4		2,5	2,9		2,9
Employers' organisations	2,4		2,5	2,1		2,3	2,4		2,6
Purchase managers Manufacturing	1,9		2,0	1,9		2,1	2,4		2,5
Purchase managers Trading	2,0		2,2	2,0		2,3	2,4		2,6

	<b>3 months</b>			<b>12 months</b>			<b>24 months</b>			<b>60 months</b>		
	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>	<b>Mar 15</b>	<b>(Feb 15)</b>	<b>Dec 14</b>
<b>Repo rate, %</b>												
All interviewees	-0,1		0,0	0,1		0,2	0,6		0,7	1,7		1,8
Employees' organisations	-0,1		0,0	0,1		0,1	0,7		0,8	1,6		1,8
Employers' organisations	0,0		0,1	0,2		0,3	0,8		0,9	2,0		2,1
Purchase managers Manufacturing	-0,1		0,0	0,1		0,2	0,6		0,7	1,4		1,6
Purchase managers Trading	-0,1		0,0	0,1		0,2	0,6		0,7	1,5		1,6
Money market players	-0,1	(0,0)	0,0	-0,1	(0,0)	0,0	0,5	(0,5)	0,6	2,2	(2,1)	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
<b>All</b>									
<b>Year 1</b>	0,493	0,500	-1,000	4,000	0,581	0,040	210	25	89%
<b>Year 2</b>	1,054	1,000	-0,100	4,000	0,645	0,045	209	26	89%
<b>Year 5</b>	1,728	2,000	0,000	4,000	0,617	0,044	199	36	85%
<b>Employees' organisations</b>									
<b>Year 1</b>	0,463	0,500	-0,200	1,500	0,473	0,097	24	3	89%
<b>Year 2</b>	1,050	1,000	0,000	2,500	0,661	0,135	24	3	89%
<b>Year 5</b>	1,717	2,000	0,500	3,000	0,641	0,134	23	4	85%
<b>Employers' organisations</b>									
<b>Year 1</b>	0,291	0,150	-0,200	1,000	0,387	0,082	22	2	92%
<b>Year 2</b>	0,919	1,000	0,000	1,900	0,519	0,113	21	3	88%
<b>Year 5</b>	1,763	2,000	0,200	3,000	0,595	0,136	19	5	79%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	0,415	0,200	-0,250	4,000	0,666	0,085	61	6	91%
<b>Year 2</b>	0,893	0,800	-0,100	4,000	0,756	0,097	61	6	91%
<b>Year 5</b>	1,541	1,500	0,200	3,000	0,684	0,089	59	8	88%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	0,475	0,500	-1,000	2,500	0,586	0,077	58	6	91%
<b>Year 2</b>	1,023	1,000	0,000	2,500	0,549	0,072	58	6	91%
<b>Year 5</b>	1,815	2,000	0,000	4,000	0,631	0,084	56	8	88%
<b>Money Market Players</b>									
<b>Year 1</b>	0,739	0,750	-0,300	2,300	0,522	0,078	45	8	85%
<b>Year 2</b>	1,379	1,300	0,400	3,300	0,541	0,081	45	8	85%
<b>Year 5</b>	1,867	1,850	1,000	3,500	0,432	0,067	42	11	79%

**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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	0,321	0,450	-0,700	1,500	0,540	0,083	42	11	79%
Upper bound	1,152	1,150	0,000	2,600	0,567	0,088	42	11	79%
<b>Year 2</b>									
Lower bound	0,712	0,750	-0,500	1,900	0,558	0,087	41	12	77%
Upper bound	1,895	1,750	0,500	4,000	0,741	0,116	41	12	77%
<b>Year 5</b>									
Lower bound	1,042	1,000	-1,500	2,000	0,678	0,110	38	15	72%
Upper bound	2,629	2,500	1,500	6,000	0,862	0,140	38	15	72%

**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
<b>All</b>									
<b>Year 1</b>	2,074	2,100	0,000	5,000	0,717	0,050	206	29	88%
<b>Year 2</b>	2,277	2,300	0,000	4,000	0,658	0,046	206	29	88%
<b>Year 5</b>	2,455	2,500	0,000	4,000	0,615	0,044	197	38	84%
<b>Employees' organisations</b>									
<b>Year 1</b>	1,895	2,050	0,400	2,800	0,681	0,145	22	5	81%
<b>Year 2</b>	2,245	2,500	0,900	3,100	0,669	0,143	22	5	81%
<b>Year 5</b>	2,662	2,800	1,500	3,500	0,523	0,114	21	6	78%
<b>Employers' organisations</b>									
<b>Year 1</b>	2,164	2,250	0,500	3,000	0,681	0,145	22	2	92%
<b>Year 2</b>	2,382	2,500	0,700	3,000	0,631	0,135	22	2	92%
<b>Year 5</b>	2,665	3,000	0,800	4,000	0,652	0,146	20	4	83%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	1,899	2,000	0,000	5,000	0,789	0,103	59	8	88%
<b>Year 2</b>	2,054	2,000	0,000	3,500	0,692	0,090	59	8	88%
<b>Year 5</b>	2,321	2,350	0,500	4,000	0,612	0,080	58	9	87%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	2,001	2,000	0,000	3,000	0,612	0,080	58	6	91%
<b>Year 2</b>	2,333	2,500	0,500	4,000	0,658	0,086	58	6	91%
<b>Year 5</b>	2,552	2,500	0,000	4,000	0,675	0,090	56	8	88%
<b>Money Market Players</b>									
<b>Year 1</b>	2,440	2,500	1,000	4,500	0,664	0,099	45	8	85%
<b>Year 2</b>	2,462	2,500	1,000	4,000	0,555	0,083	45	8	85%
<b>Year 5</b>	2,306	2,300	1,300	4,000	0,494	0,076	42	11	79%

**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
<b>All</b>									
<b>Year 1</b>	2,052	2,000	0,500	3,500	0,609	0,048	163	19	90%
<b>Year 2</b>	2,057	2,000	0,400	3,300	0,613	0,048	163	19	90%
<b>Year 5</b>	2,475	2,500	0,000	4,000	0,619	0,050	155	27	85%
<b>Employees' organisations</b>									
<b>Year 1</b>	2,265	2,500	0,500	3,500	0,764	0,159	23	4	85%
<b>Year 2</b>	2,404	2,500	1,000	3,200	0,575	0,120	23	4	85%
<b>Year 5</b>	2,864	3,000	2,000	4,000	0,500	0,107	22	5	81%
<b>Employers' organisations</b>									
<b>Year 1</b>	2,381	2,500	1,000	3,000	0,551	0,120	21	3	88%
<b>Year 2</b>	2,100	2,000	0,900	3,000	0,701	0,153	21	3	88%
<b>Year 5</b>	2,447	2,200	1,000	4,000	0,790	0,181	19	5	79%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	1,889	2,000	0,500	3,000	0,518	0,066	61	6	91%
<b>Year 2</b>	1,949	2,000	0,700	3,000	0,544	0,070	61	6	91%
<b>Year 5</b>	2,376	2,500	0,500	4,000	0,559	0,073	58	9	87%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	2,022	2,000	0,500	3,500	0,594	0,078	58	6	91%
<b>Year 2</b>	2,017	2,000	0,400	3,300	0,627	0,082	58	6	91%
<b>Year 5</b>	2,435	2,500	0,000	3,500	0,615	0,082	56	8	88%

**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
<b>All</b>									
<b>3 months</b>	-0,089	-0,100	-0,500	1,000	0,115	0,008	198	37	84%
<b>12 months</b>	0,079	0,000	-0,500	2,000	0,292	0,021	199	36	85%
<b>24 months</b>	0,626	0,500	-0,400	3,500	0,565	0,040	198	37	84%
<b>60 months</b>	1,657	1,500	0,000	4,000	0,879	0,064	186	49	79%
<b>Employees' organisations</b>									
<b>3 months</b>	-0,059	-0,100	-0,250	0,300	0,123	0,026	23	4	85%
<b>12 months</b>	0,076	0,000	-0,500	0,500	0,233	0,049	23	4	85%
<b>24 months</b>	0,661	0,500	0,000	2,000	0,388	0,081	23	4	85%
<b>60 months</b>	1,636	1,650	0,500	3,000	0,646	0,138	22	5	81%
<b>Employers' organisations</b>									
<b>3 months</b>	-0,025	-0,100	-0,500	1,000	0,280	0,060	22	2	92%
<b>12 months</b>	0,191	0,000	-0,200	1,500	0,415	0,088	22	2	92%
<b>24 months</b>	0,814	0,500	-0,100	2,000	0,706	0,151	22	2	92%
<b>60 months</b>	2,045	2,000	1,000	4,000	0,843	0,188	20	4	83%
<b>Purchasing Managers, Manufacturing</b>									
<b>3 months</b>	-0,098	-0,100	-0,300	0,000	0,060	0,008	60	7	90%
<b>12 months</b>	0,141	0,000	-0,500	2,000	0,370	0,048	60	7	90%
<b>24 months</b>	0,623	0,500	-0,100	3,500	0,662	0,086	59	8	88%
<b>60 months</b>	1,372	1,500	0,000	4,000	0,897	0,120	56	11	84%
<b>Purchasing Managers, Trading</b>									
<b>3 months</b>	-0,098	-0,100	-0,300	0,100	0,057	0,007	58	6	91%
<b>12 months</b>	0,076	0,000	-0,250	0,500	0,189	0,025	58	6	91%
<b>24 months</b>	0,595	0,500	0,000	2,000	0,489	0,064	58	6	91%
<b>60 months</b>	1,517	1,500	0,000	3,000	0,798	0,107	56	8	88%
<b>Money Market Players</b>									
<b>3 months</b>	-0,116	-0,100	-0,250	0,000	0,047	0,008	35	18	66%
<b>12 months</b>	-0,084	-0,100	-0,400	0,250	0,116	0,019	36	17	68%
<b>24 months</b>	0,544	0,500	-0,400	1,500	0,505	0,084	36	17	68%
<b>60 months</b>	2,171	2,000	0,500	3,500	0,886	0,157	32	21	60%

**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
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,232	-0,250	-0,500	0,000	0,102	0,018	33	20	62%
Upper bound	-0,026	-0,100	-0,100	0,750	0,167	0,029	33	20	62%
<b>12 months</b>									
Lower bound	-0,259	-0,250	-0,700	0,050	0,173	0,030	33	20	62%
Upper bound	0,212	0,100	-0,200	1,000	0,304	0,053	33	20	62%
<b>24 months</b>									
Lower bound	0,083	0,000	-1,000	1,000	0,462	0,080	33	20	62%
Upper bound	1,091	1,000	0,000	2,150	0,650	0,113	33	20	62%
<b>60 months</b>									
Lower bound	1,103	1,000	-1,000	3,000	0,917	0,170	29	24	55%
Upper bound	3,043	3,500	1,000	6,000	1,148	0,213	29	24	55%

**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
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>	0,265	0,290	-0,150	0,500	0,143	0,026	30	23	57%
<b>12 months</b>	0,553	0,500	0,000	1,500	0,341	0,062	30	23	57%
<b>24 months</b>	1,233	1,200	0,250	3,000	0,647	0,118	30	23	57%
<b>60 months</b>	2,434	2,500	0,800	4,500	1,049	0,195	29	24	55%
<b>EUR/SEK</b>									
<b>3 months</b>	9,280	9,300	9,000	9,500	0,133	0,023	33	20	62%
<b>12 months</b>	9,094	9,100	8,600	9,630	0,246	0,042	34	19	64%
<b>24 months</b>	8,883	9,000	8,300	9,500	0,264	0,046	33	20	62%
<b>USD/SEK</b>									
<b>3 months</b>	8,358	8,400	7,560	8,750	0,196	0,034	33	20	62%
<b>12 months</b>	8,391	8,400	7,500	9,200	0,402	0,069	34	19	64%
<b>24 months</b>	8,301	8,200	7,200	9,680	0,593	0,103	33	20	62%