



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 March 2016, has now been completed, the previous December 2015 was published December 9, 2015. The last survey among money market players was published February 17, 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	
	Mar 16	Dec 15	Mar 16	Dec 15	Mar 16	Dec 15
Annual						
Inflation, %	1,0	0,9	1,4	1,3	1,8	1,8
GDP, %	3,2	2,8	3,0	2,8	2,8	2,7
Wage increase, %	2,2	2,2	2,3	2,3	2,5	2,5

	3 months		12 months		24 months		60 months	
	Mar 16	Dec 15	Mar 16	Dec 15	Mar 16	Dec 15	Mar 16	Dec 15
Repo rate, %	-0,5	-0,3	-0,2	-0,1	0,4	0,5	1,4	1,6

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15
Repo rate, %	-0,5	(-0,4)	-0,4	-0,3	(-0,3)	-0,3	0,4	(0,2)	0,3	1,9	(1,6)	1,8
5 year gvt bond rate, %	0,0	(0,0)	0,1	0,3	(0,3)	0,5	1,1	(1,0)	1,1	2,3	(2,2)	2,2
EUR	9,23	(9,25)	9,22	9,05	(9,05)	9,04	8,95	(8,91)	8,90	-	(-)	-
USD	8,49	(8,54)	8,76	8,48	(8,53)	8,63	8,24	(8,38)	8,41	-	(-)	-



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 29 – March 15, 2016 (previous November 23 – December 8, 2015 (February 3 – February 16, 2016)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 9, 2016 (December 2, 2015 (February 3, 2016)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 6,7 years.

About the Interviewees & Response Rate

All Interviewees

In all 231 (232) organisations/companies were approached for interview. 33 (34) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 86 % (85 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 83 % 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 131 purchasing managers 65 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 March 2016 vs (February 2016) December 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		
	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15
Annual inflation, %									
All interviewees	1,0		0,9	1,4		1,3	1,8		1,8
Employees' organisations	1,0		0,8	1,4		1,2	1,9		1,8
Employers' organisations	0,9		0,8	1,3		1,2	1,7		1,9
Purchase managers Manufacturing	0,9		0,7	1,2		1,1	1,6		1,6
Purchase managers Trading	1,1		0,9	1,4		1,2	1,9		1,8
Money market players	1,1	(1,0)	1,2	1,6	(1,5)	1,6	1,9	(1,9)	1,8
GDP, %									
All interviewees	3,2		2,8	3,0		2,8	2,8		2,7
Employees' organisations	3,7		2,8	3,5		3,0	3,3		3,2
Employers' organisations	3,5		2,6	2,9		2,7	2,8		2,8
Purchase managers Manufacturing	3,1		2,6	3,0		2,6	2,9		2,8
Purchase managers Trading	3,1		2,9	3,0		3,0	2,8		2,9
Money market players	3,2	(3,1)	3,0	2,6	(2,7)	2,6	2,3	(2,3)	2,3
Annual wage increase, %									
All interviewees	2,2		2,2	2,3		2,3	2,5		2,5
Employees' organisations	2,7		2,6	2,8		2,8	3,0		3,0
Employers' organisations	2,1		2,0	2,1		2,1	2,5		2,6
Purchase managers Manufacturing	2,1		2,0	2,2		2,2	2,4		2,3
Purchase managers Trading	2,2		2,1	2,3		2,3	2,5		2,5

	3 months			12 months			24 months			60 months		
	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15	Mar 16	(Feb 16)	Dec 15
Repo rate, %												
All interviewees	-0,5		-0,3	-0,2		-0,1	0,4		0,5	1,4		1,6
Employees' organisations	-0,5		-0,4	-0,2		-0,1	0,4		0,7	1,3		1,5
Employers' organisations	-0,5		-0,4	-0,2		0,0	0,4		1,0	1,8		2,0
Purchase managers Manufacturing	-0,4		-0,3	-0,2		0,0	0,3		0,4	1,2		1,4
Purchase managers Trading	-0,5		-0,3	-0,2		0,0	0,4		0,6	1,3		1,6
Money market players	-0,5	(-0,4)	-0,4	-0,3	(-0,3)	-0,3	0,4	(0,2)	0,3	1,9	(1,6)	1,8

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	1,008	1,000	-0,500	2,200	0,458	0,033	196	35	85%
Year 2	1,400	1,500	0,000	3,000	0,528	0,038	195	36	84%
Year 5	1,797	2,000	0,200	3,500	0,533	0,039	188	43	81%
Employees' organisations									
Year 1	0,975	1,000	0,300	2,200	0,458	0,093	24	3	89%
Year 2	1,408	1,250	0,700	2,600	0,491	0,100	24	3	89%
Year 5	1,874	2,000	1,000	3,300	0,439	0,092	23	4	85%
Employers' organisations									
Year 1	0,944	0,950	0,500	2,000	0,446	0,111	16	7	70%
Year 2	1,344	1,500	0,300	2,300	0,578	0,145	16	7	70%
Year 5	1,733	2,000	0,300	2,500	0,602	0,155	15	8	65%
Purchasing Managers, Manufacturing									
Year 1	0,888	1,000	-0,500	2,000	0,484	0,063	60	6	91%
Year 2	1,212	1,200	0,000	2,000	0,521	0,067	60	6	91%
Year 5	1,641	1,700	0,200	3,000	0,587	0,076	59	7	89%
Purchasing Managers, Trading									
Year 1	1,098	1,000	0,000	2,000	0,455	0,061	56	9	86%
Year 2	1,446	1,500	0,400	3,000	0,550	0,074	55	10	85%
Year 5	1,870	2,000	0,500	3,500	0,584	0,079	54	11	83%
Money Market Players									
Year 1	1,110	1,100	0,400	1,800	0,395	0,062	40	10	80%
Year 2	1,636	1,650	0,500	2,300	0,416	0,066	40	10	80%
Year 5	1,915	1,900	1,300	2,600	0,301	0,050	37	13	74%

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	0,591	0,500	0,000	1,700	0,444	0,072	38	12	76%
Upper bound	1,530	1,500	0,500	2,900	0,507	0,082	38	12	76%
Year 2									
Lower bound	0,987	1,000	0,000	1,800	0,486	0,079	38	12	76%
Upper bound	2,171	2,000	0,800	4,300	0,684	0,111	38	12	76%
Year 5									
Lower bound	1,173	1,000	0,000	1,900	0,495	0,084	35	15	70%
Upper bound	2,670	2,500	1,700	5,500	0,888	0,150	35	15	70%

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	3,228	3,500	0,500	5,000	0,769	0,055	193	38	84%
Year 2	2,968	3,000	0,500	5,000	0,792	0,057	191	40	83%
Year 5	2,805	2,950	-0,500	6,000	0,913	0,067	186	45	81%
Employees' organisations									
Year 1	3,723	3,600	1,200	5,000	0,839	0,179	22	5	81%
Year 2	3,527	3,300	1,900	5,000	0,846	0,180	22	5	81%
Year 5	3,345	3,200	1,900	6,000	0,833	0,177	22	5	81%
Employers' organisations									
Year 1	3,519	3,500	3,000	4,500	0,459	0,115	16	7	70%
Year 2	2,863	3,000	1,800	4,000	0,687	0,172	16	7	70%
Year 5	2,767	2,800	2,000	5,000	0,793	0,205	15	8	65%
Purchasing Managers, Manufacturing									
Year 1	3,093	3,500	0,500	4,300	0,860	0,111	60	6	91%
Year 2	3,017	3,000	0,500	4,500	0,824	0,107	59	7	89%
Year 5	2,895	3,000	-0,500	5,000	0,969	0,126	59	7	89%
Purchasing Managers, Trading									
Year 1	3,101	3,500	1,000	4,500	0,809	0,109	55	10	85%
Year 2	2,965	3,000	1,000	5,000	0,764	0,104	54	11	83%
Year 5	2,839	3,000	1,000	5,000	0,885	0,122	53	12	82%
Money Market Players									
Year 1	3,219	3,100	2,200	4,200	0,451	0,071	40	10	80%
Year 2	2,636	2,700	1,000	4,500	0,622	0,098	40	10	80%
Year 5	2,309	2,400	0,000	4,000	0,737	0,121	37	13	74%

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	2,207	2,200	0,000	3,200	0,559	0,045	155	26	86%
Year 2	2,319	2,300	1,000	3,500	0,543	0,044	154	27	85%
Year 5	2,507	2,500	1,000	3,600	0,550	0,045	150	31	83%
Employees' organisations									
Year 1	2,679	2,700	1,800	3,200	0,382	0,078	24	3	89%
Year 2	2,813	2,900	1,800	3,500	0,473	0,097	24	3	89%
Year 5	2,957	3,000	2,000	3,600	0,470	0,098	23	4	85%
Employers' organisations									
Year 1	2,113	2,100	1,200	3,000	0,601	0,155	15	8	65%
Year 2	2,133	2,200	1,000	3,300	0,695	0,179	15	8	65%
Year 5	2,454	2,500	1,200	3,500	0,741	0,206	13	10	57%
Purchasing Managers, Manufacturing									
Year 1	2,080	2,000	1,000	3,000	0,463	0,060	60	6	91%
Year 2	2,169	2,000	1,000	3,000	0,430	0,055	60	6	91%
Year 5	2,395	2,500	1,500	3,200	0,434	0,056	60	6	91%
Purchasing Managers, Trading									
Year 1	2,167	2,200	0,000	3,100	0,611	0,082	56	9	86%
Year 2	2,318	2,300	1,500	3,300	0,520	0,070	55	10	85%
Year 5	2,454	2,500	1,000	3,500	0,566	0,077	54	11	83%

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	-0,469	-0,500	-0,700	0,000	0,104	0,008	189	42	82%
12 months	-0,213	-0,250	-0,700	1,000	0,276	0,020	189	42	82%
24 months	0,360	0,250	-0,800	2,000	0,497	0,036	187	44	81%
60 months	1,407	1,500	-0,300	4,000	0,778	0,058	182	49	79%
Employees' organisations									
3 months	-0,490	-0,500	-0,600	-0,300	0,055	0,011	24	3	89%
12 months	-0,194	-0,200	-0,600	0,000	0,197	0,040	24	3	89%
24 months	0,391	0,250	-0,500	1,000	0,409	0,085	23	4	85%
60 months	1,291	1,400	0,000	2,500	0,686	0,143	23	4	85%
Employers' organisations									
3 months	-0,488	-0,500	-0,500	-0,300	0,050	0,013	16	7	70%
12 months	-0,213	-0,250	-0,500	0,000	0,213	0,053	16	7	70%
24 months	0,425	0,300	-0,800	2,000	0,725	0,181	16	7	70%
60 months	1,780	2,000	-0,300	4,000	1,037	0,268	15	8	65%
Purchasing Managers, Manufacturing									
3 months	-0,435	-0,500	-0,500	0,000	0,151	0,020	59	7	89%
12 months	-0,169	-0,250	-0,600	1,000	0,332	0,043	59	7	89%
24 months	0,316	0,250	-0,300	2,000	0,511	0,067	58	8	88%
60 months	1,216	1,000	0,000	3,000	0,745	0,098	58	8	88%
Purchasing Managers, Trading									
3 months	-0,482	-0,500	-0,700	0,000	0,086	0,011	56	9	86%
12 months	-0,187	-0,250	-0,700	0,750	0,275	0,037	56	9	86%
24 months	0,370	0,500	-0,700	2,000	0,459	0,061	56	9	86%
60 months	1,297	1,500	-0,200	3,000	0,673	0,091	55	10	85%
Money Market Players									
3 months	-0,481	-0,500	-0,500	-0,250	0,056	0,010	34	16	68%
12 months	-0,347	-0,500	-0,600	0,250	0,212	0,036	34	16	68%
24 months	0,369	0,250	-0,600	1,750	0,482	0,083	34	16	68%
60 months	1,868	2,000	0,750	3,000	0,735	0,132	31	19	62%

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	-0,591	-0,500	-1,000	-0,500	0,152	0,027	32	18	64%
Upper bound	-0,400	-0,500	-0,500	1,000	0,288	0,051	32	18	64%
12 months									
Lower bound	-0,589	-0,500	-1,500	0,000	0,264	0,048	31	19	62%
Upper bound	-0,039	0,000	-0,500	1,000	0,344	0,062	31	19	62%
24 months									
Lower bound	-0,198	-0,250	-1,500	1,000	0,527	0,095	31	19	62%
Upper bound	0,827	0,750	-0,500	2,250	0,621	0,112	31	19	62%
60 months									
Lower bound	0,870	1,000	-0,500	2,500	0,723	0,137	28	22	56%
Upper bound	2,895	3,000	1,000	7,000	1,270	0,240	28	22	56%

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	-0,015	0,000	-0,350	0,200	0,125	0,023	29	21	58%
12 months	0,279	0,250	-0,200	0,700	0,225	0,042	29	21	58%
24 months	1,064	1,000	0,200	2,250	0,528	0,100	28	22	56%
60 months	2,337	2,500	0,900	4,000	0,876	0,169	27	23	54%
EUR/SEK									
3 months	9,232	9,250	8,900	9,500	0,110	0,019	33	17	66%
12 months	9,048	9,000	8,700	9,600	0,205	0,036	33	17	66%
24 months	8,951	8,975	8,450	9,750	0,296	0,052	32	18	64%
USD/SEK									
3 months	8,491	8,500	8,190	8,760	0,140	0,024	33	17	66%
12 months	8,480	8,500	7,750	9,370	0,413	0,072	33	17	66%
24 months	8,244	8,200	6,750	9,500	0,548	0,097	32	18	64%