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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 September 2016, has now been completed, the previous June 2016 was published June 15, 2016. The last survey among money market players was published August 10, 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	
	Sep 16	Jun 16	Sep 16	Jun 16	Sep 16	Jun 16
<b>Annual</b>						
<b>Inflation, %</b>	1,3	1,1	1,6	1,4	2,0	1,9
<b>GDP, %</b>	2,9	3,3	2,7	3,0	2,7	2,9
<b>Wage increase, %</b>	2,3	2,3	2,4	2,4	2,6	2,5

	3 months		12 months		24 months		60 months	
	Sep 16	Jun 16	Sep 16	Jun 16	Sep 16	Jun 16	Sep 16	Jun 16
<b>Repo rate, %</b>	-0,5	-0,5	-0,2	-0,2	0,3	0,4	1,3	1,5

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sep 16	(Aug 16)	Jun 16	Sep 16	(Aug 16)	Jun 16	Sep 16	(Aug 16)	Jun 16	Sep 16	(Aug 16)	Jun 16
<b>Repo rate, %</b>	-0,5	(-0,5)	-0,5	-0,4	(-0,4)	-0,4	0,1	(0,0)	0,3	1,7	(1,5)	1,9
<b>5 year gvt bond rate, %</b>	-0,3	(-0,3)	-0,1	0,0	(0,0)	0,3	0,8	(0,5)	0,9	2,2	(1,7)	2,4
<b>EUR</b>	9,33	(9,34)	9,19	9,10	(9,07)	9,00	8,93	(8,94)	8,87	-	(-)	-
<b>USD</b>	8,45	(8,53)	8,29	8,39	(8,43)	8,28	8,24	(8,30)	8,16	-	(-)	-



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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 August 29 – September 13, 2016 (previous May 30 – June 14, 2016 (July 27 – August 8, 2016)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 31, 2016 (June 1, 2016 (July 27, 2016)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 7,1 years.

### About the Interviewees & Response Rate

#### *All Interviewees*

In all 222 (227) organisations/companies were approached for interview. 23 (26) 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 % (89 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 87 % 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 122 purchasing managers 59 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 51 players, 45 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>

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**TABLE 1 – Comparison September 2016 vs (August 2016) June 2016**

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

	<b>3 months</b>			<b>12 months</b>			<b>24 months</b>			<b>60 months</b>		
	<b>Sep 16</b>	<b>(Aug 16)</b>	<b>Jun 16</b>	<b>Sep 16</b>	<b>(Aug 16)</b>	<b>Jun 16</b>	<b>Sep 16</b>	<b>(Aug 16)</b>	<b>Jun 16</b>	<b>Sep 16</b>	<b>(Aug 16)</b>	<b>Jun 16</b>
<b>Repo rate, %</b>												
All interviewees	-0,5		-0,5	-0,2		-0,2	0,3		0,4	1,3		1,5
Employees' organisations	-0,4		-0,5	-0,3		-0,2	0,2		0,4	1,3		1,3
Employers' organisations	-0,5		-0,5	-0,2		-0,1	0,4		0,6	1,3		1,6
Purchase managers Manufacturing	-0,5		-0,4	-0,2		-0,1	0,3		0,5	1,2		1,4
Purchase managers Trading	-0,5		-0,4	-0,2		-0,1	0,4		0,5	1,2		1,3
Money market players	-0,5	(-0,5)	-0,5	-0,4	(-0,4)	-0,4	0,1	(0,0)	0,3	1,7	(1,5)	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
<b>All</b>									
<b>Year 1</b>	1,295	1,300	0,000	2,500	0,399	0,028	198	24	89%
<b>Year 2</b>	1,611	1,550	0,400	3,000	0,454	0,032	198	24	89%
<b>Year 5</b>	1,997	2,000	0,500	6,000	0,571	0,041	191	31	86%
<b>Employees' organisations</b>									
<b>Year 1</b>	1,216	1,200	0,500	1,800	0,362	0,072	25	2	93%
<b>Year 2</b>	1,584	1,500	0,800	2,300	0,415	0,083	25	2	93%
<b>Year 5</b>	2,096	2,000	1,000	3,000	0,426	0,085	25	2	93%
<b>Employers' organisations</b>									
<b>Year 1</b>	1,320	1,300	0,700	2,000	0,322	0,072	20	2	91%
<b>Year 2</b>	1,655	1,700	1,000	3,000	0,473	0,106	20	2	91%
<b>Year 5</b>	2,225	2,000	1,000	6,000	1,111	0,278	16	6	73%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	1,339	1,500	0,200	2,500	0,431	0,057	57	6	90%
<b>Year 2</b>	1,560	1,500	0,400	2,500	0,467	0,062	57	6	90%
<b>Year 5</b>	1,916	2,000	0,500	3,000	0,549	0,073	56	7	89%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	1,250	1,200	0,000	2,200	0,452	0,064	50	9	85%
<b>Year 2</b>	1,561	1,500	0,500	2,800	0,498	0,070	50	9	85%
<b>Year 5</b>	1,996	2,000	1,000	4,000	0,598	0,085	49	10	83%
<b>Money Market Players</b>									
<b>Year 1</b>	1,321	1,350	0,500	2,100	0,347	0,051	46	5	90%
<b>Year 2</b>	1,726	1,750	0,800	2,500	0,392	0,058	46	5	90%
<b>Year 5</b>	1,963	2,000	1,300	2,600	0,295	0,044	45	6	88%

**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	0,823	1,000	-0,350	2,100	0,515	0,080	41	10	80%
Upper bound	1,728	1,700	0,700	2,600	0,410	0,064	41	10	80%
<b>Year 2</b>									
Lower bound	1,055	1,200	-0,500	2,100	0,527	0,082	41	10	80%
Upper bound	2,277	2,200	1,250	3,750	0,572	0,089	41	10	80%
<b>Year 5</b>									
Lower bound	1,071	1,100	-1,000	2,400	0,707	0,112	40	11	78%
Upper bound	2,826	2,500	1,800	5,000	0,802	0,127	40	11	78%

**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>	2,898	3,000	1,000	4,300	0,633	0,045	194	28	87%
<b>Year 2</b>	2,651	2,600	0,700	5,500	0,724	0,052	194	28	87%
<b>Year 5</b>	2,714	2,500	1,000	5,000	0,758	0,056	185	37	83%
<b>Employees' organisations</b>									
<b>Year 1</b>	3,114	3,000	1,800	4,300	0,650	0,139	22	5	81%
<b>Year 2</b>	3,091	3,000	2,000	5,500	0,806	0,172	22	5	81%
<b>Year 5</b>	3,064	3,000	2,000	4,500	0,648	0,138	22	5	81%
<b>Employers' organisations</b>									
<b>Year 1</b>	2,858	3,000	1,700	4,000	0,631	0,145	19	3	86%
<b>Year 2</b>	2,589	2,500	1,500	4,000	0,598	0,137	19	3	86%
<b>Year 5</b>	2,740	2,800	1,500	4,000	0,695	0,179	15	7	68%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	2,900	3,000	1,500	4,000	0,582	0,077	57	6	90%
<b>Year 2</b>	2,709	2,800	1,000	4,000	0,590	0,078	57	6	90%
<b>Year 5</b>	2,784	2,800	1,500	5,000	0,712	0,096	55	8	87%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	3,047	3,050	1,000	4,200	0,685	0,097	50	9	85%
<b>Year 2</b>	2,760	2,850	0,700	5,000	0,844	0,119	50	9	85%
<b>Year 5</b>	2,924	3,000	1,500	5,000	0,797	0,114	49	10	83%
<b>Money Market Players</b>									
<b>Year 1</b>	2,646	2,600	1,400	4,000	0,563	0,083	46	5	90%
<b>Year 2</b>	2,275	2,175	1,000	4,000	0,577	0,085	46	5	90%
<b>Year 5</b>	2,210	2,150	1,000	4,000	0,612	0,092	44	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
<b>All</b>									
<b>Year 1</b>	2,280	2,200	0,750	3,500	0,457	0,037	151	20	88%
<b>Year 2</b>	2,388	2,300	1,000	4,000	0,525	0,043	151	20	88%
<b>Year 5</b>	2,582	2,500	1,000	7,000	0,676	0,056	144	27	84%
<b>Employees' organisations</b>									
<b>Year 1</b>	2,600	2,700	1,700	3,300	0,453	0,091	25	2	93%
<b>Year 2</b>	2,864	3,000	1,900	4,000	0,573	0,115	25	2	93%
<b>Year 5</b>	3,064	3,000	2,000	4,500	0,569	0,114	25	2	93%
<b>Employers' organisations</b>									
<b>Year 1</b>	2,400	2,200	1,800	3,500	0,475	0,109	19	3	86%
<b>Year 2</b>	2,416	2,200	1,500	3,200	0,511	0,117	19	3	86%
<b>Year 5</b>	2,971	2,450	1,500	7,000	1,456	0,389	14	8	64%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	2,239	2,200	1,200	3,200	0,390	0,052	57	6	90%
<b>Year 2</b>	2,312	2,200	1,500	3,000	0,406	0,054	57	6	90%
<b>Year 5</b>	2,400	2,500	1,000	3,300	0,409	0,055	56	7	89%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	2,121	2,000	0,750	3,000	0,443	0,063	50	9	85%
<b>Year 2</b>	2,226	2,200	1,000	3,300	0,498	0,070	50	9	85%
<b>Year 5</b>	2,434	2,500	1,500	3,500	0,458	0,065	49	10	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
<b>All</b>									
<b>3 months</b>	-0,466	-0,500	-0,750	0,500	0,121	0,009	185	37	83%
<b>12 months</b>	-0,233	-0,250	-0,500	1,000	0,284	0,021	185	37	83%
<b>24 months</b>	0,297	0,250	-0,500	3,000	0,539	0,040	184	38	83%
<b>60 months</b>	1,330	1,500	-0,500	4,000	0,770	0,058	176	46	79%
<b>Employees' organisations</b>									
<b>3 months</b>	-0,433	-0,500	-0,500	-0,200	0,111	0,023	24	3	89%
<b>12 months</b>	-0,252	-0,250	-0,500	0,100	0,223	0,046	24	3	89%
<b>24 months</b>	0,208	0,050	-0,250	1,000	0,286	0,058	24	3	89%
<b>60 months</b>	1,302	1,000	-0,100	2,300	0,596	0,122	24	3	89%
<b>Employers' organisations</b>									
<b>3 months</b>	-0,468	-0,500	-0,500	-0,250	0,080	0,018	20	2	91%
<b>12 months</b>	-0,245	-0,375	-0,500	1,000	0,372	0,083	20	2	91%
<b>24 months</b>	0,426	0,500	-0,500	3,000	0,738	0,169	19	3	86%
<b>60 months</b>	1,250	1,000	-0,500	4,000	1,033	0,258	16	6	73%
<b>Purchasing Managers, Manufacturing</b>									
<b>3 months</b>	-0,459	-0,500	-0,750	0,500	0,172	0,023	56	7	89%
<b>12 months</b>	-0,164	-0,200	-0,500	0,500	0,285	0,038	56	7	89%
<b>24 months</b>	0,304	0,250	-0,500	2,000	0,512	0,068	56	7	89%
<b>60 months</b>	1,218	1,000	0,000	3,000	0,722	0,097	55	8	87%
<b>Purchasing Managers, Trading</b>									
<b>3 months</b>	-0,466	-0,500	-0,500	0,000	0,112	0,016	50	9	85%
<b>12 months</b>	-0,167	-0,250	-0,500	0,750	0,285	0,040	50	9	85%
<b>24 months</b>	0,423	0,250	-0,500	3,000	0,626	0,089	50	9	85%
<b>60 months</b>	1,232	1,250	0,000	3,000	0,744	0,106	49	10	83%
<b>Money Market Players</b>									
<b>3 months</b>	-0,500	-0,500	-0,500	-0,500	0,000	0,000	35	16	69%
<b>12 months</b>	-0,417	-0,500	-0,500	0,000	0,169	0,029	35	16	69%
<b>24 months</b>	0,095	0,000	-0,500	1,000	0,387	0,065	35	16	69%
<b>60 months</b>	1,736	1,600	0,250	3,500	0,767	0,136	32	19	63%

**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	-0,598	-0,500	-1,000	-0,500	0,164	0,029	32	19	63%
Upper bound	-0,448	-0,500	-0,500	0,000	0,135	0,024	32	19	63%
<b>12 months</b>									
Lower bound	-0,613	-0,500	-1,500	-0,250	0,251	0,044	32	19	63%
Upper bound	-0,120	-0,125	-0,500	1,000	0,293	0,052	32	19	63%
<b>24 months</b>									
Lower bound	-0,369	-0,500	-1,250	0,500	0,403	0,071	32	19	63%
Upper bound	0,542	0,500	-0,500	1,500	0,525	0,093	32	19	63%
<b>60 months</b>									
Lower bound	0,553	0,500	-1,000	2,000	0,928	0,172	29	22	57%
Upper bound	2,726	2,500	0,500	6,000	1,254	0,233	29	22	57%

**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>	-0,303	-0,300	-0,600	0,100	0,143	0,026	31	20	61%
<b>12 months</b>	-0,023	0,000	-0,500	0,600	0,259	0,047	31	20	61%
<b>24 months</b>	0,832	0,600	-0,200	2,500	0,614	0,112	30	21	59%
<b>60 months</b>	2,164	2,000	0,000	5,500	1,046	0,194	29	22	57%
<b>EUR/SEK</b>									
<b>3 months</b>	9,334	9,400	8,700	9,500	0,164	0,028	34	17	67%
<b>12 months</b>	9,103	9,120	8,300	9,600	0,246	0,042	34	17	67%
<b>24 months</b>	8,925	9,000	8,150	9,600	0,285	0,049	34	17	67%
<b>USD/SEK</b>									
<b>3 months</b>	8,453	8,500	8,000	8,800	0,171	0,029	34	17	67%
<b>12 months</b>	8,386	8,370	7,800	9,000	0,306	0,053	34	17	67%
<b>24 months</b>	8,242	8,100	7,600	9,000	0,397	0,068	34	17	67%