



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 2013, has now been completed, the previous March 2013 was published March 13, 2013. The last survey among money market players was published May 8, 2013.

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 13	Mar 13	Jun 13	Mar 13	Jun 13	Mar 13
Annual						
Inflation, %	0,9	1,0	1,4	1,5	1,9	1,9
GDP, %	1,4	1,2	1,9	1,9	2,4	2,3
Wage increase, %	2,3	2,3	2,5	2,5	2,7	2,7

	3 months		12 months		24 months		60 months	
	Jun 13	Mar 13	Jun 13	Mar 13	Jun 13	Mar 13	Jun 13	Mar 13
Repo rate, %	0,9	1,0	1,0	1,1	1,5	1,6	2,1	2,3

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13
Repo rate, %	0,9	(0,9)	1,0	0,9	(0,9)	1,0	1,4	(1,5)	1,5	2,5	(2,6)	2,6
5 year gvt bond rate, %	1,4	(1,3)	1,4	1,6	(1,6)	1,7	2,1	(2,1)	2,3	3,0	(3,0)	3,1
EUR	8,49	(8,42)	8,41	8,36	(8,28)	8,32	8,33	(8,28)	8,33	-	(-)	-
USD	6,68	(6,56)	6,42	6,84	(6,68)	6,54	6,97	(6,85)	6,74	-	(-)	-



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 27 – June 10, 2013 (previous February 27 – March 12, 2013 (April 24 – May 6, 2013)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on May 29, 2013 (February 27, 2013 (April 24, 2013)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,7 years.

About the Interviewees & Response Rate

All Interviewees

In all 248 (249) organisations/companies were approached for interview. 26 (24) 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 % (90 %). 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

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 142 purchasing managers 70 represent the trading industry and 72 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 55 players, 48 Swedish and 7 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 2013 vs (May 2013) March 2013

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 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13
Annual inflation, %									
All interviewees	0,9		1,0	1,4		1,5	1,9		1,9
Employees' organisations	0,9		1,1	1,4		1,4	1,9		2,0
Employers' organisations	0,7		0,9	1,3		1,3	2,1		2,0
Purchase managers Manufacturing	0,8		1,0	1,3		1,5	1,8		1,8
Purchase managers Trading	0,9		1,0	1,4		1,4	2,0		1,9
Money market players	1,0	(1,0)	1,0	1,5	(1,5)	1,6	2,0	(2,0)	2,0
GDP, %									
All interviewees	1,4		1,2	1,9		1,9	2,4		2,3
Employees' organisations	1,4		1,2	1,9		1,8	2,6		2,7
Employers' organisations	1,5		1,0	2,1		1,8	2,9		2,7
Purchase managers Manufacturing	1,4		1,1	1,8		1,8	2,2		2,1
Purchase managers Trading	1,3		1,1	1,7		1,7	2,3		2,3
Money market players	1,6	(1,6)	1,5	2,1	(2,1)	2,1	2,3	(2,3)	2,4
Annual wage increase, %									
All interviewees	2,3		2,3	2,5		2,5	2,7		2,7
Employees' organisations	2,6		2,5	2,7		2,7	3,2		3,1
Employers' organisations	2,3		2,3	2,5		2,5	2,8		2,8
Purchase managers Manufacturing	2,3		2,2	2,4		2,5	2,6		2,6
Purchase managers Trading	2,3		2,3	2,5		2,4	2,6		2,7

	3 months			12 months			24 months			60 months		
	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13	Jun 13	(May 13)	Mar 13
Repo rate, %												
All interviewees	0,9		1,0	1,0		1,1	1,5		1,6	2,1		2,3
Employees' organisations	0,9		0,9	1,0		1,1	1,3		1,6	2,3		2,4
Employers' organisations	0,8		1,0	1,0		1,2	1,5		1,7	2,4		2,5
Purchase managers Manufacturing	0,9		1,0	1,1		1,2	1,4		1,6	1,9		2,0
Purchase managers Trading	0,9		1,0	1,1		1,2	1,5		1,6	2,1		2,2
Money market players	0,9	(0,9)	1,0	0,9	(0,9)	1,0	1,4	(1,5)	1,5	2,5	(2,6)	2,6

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	0,859	1,000	-0,500	3,000	0,659	0,044	221	27	89%
Year 2	1,379	1,500	-0,600	3,000	0,626	0,042	220	28	89%
Year 5	1,926	2,000	0,000	3,800	0,694	0,048	207	41	83%
Employees' organisations									
Year 1	0,867	1,000	0,000	2,000	0,577	0,120	23	4	85%
Year 2	1,393	1,500	0,500	2,000	0,561	0,117	23	4	85%
Year 5	1,886	2,000	0,000	3,500	0,751	0,160	22	5	81%
Employers' organisations									
Year 1	0,709	0,800	-0,500	1,600	0,537	0,115	22	2	92%
Year 2	1,320	1,500	0,000	2,500	0,581	0,124	22	2	92%
Year 5	2,060	2,000	0,500	3,500	0,644	0,144	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	0,800	1,000	-0,500	3,000	0,753	0,093	65	7	90%
Year 2	1,297	1,500	-0,600	3,000	0,721	0,090	64	8	89%
Year 5	1,813	2,000	0,000	3,500	0,835	0,105	63	9	88%
Purchasing Managers, Trading									
Year 1	0,858	1,000	-0,500	2,000	0,733	0,095	59	11	84%
Year 2	1,353	1,500	0,000	2,500	0,670	0,087	59	11	84%
Year 5	1,971	2,000	0,300	3,500	0,690	0,092	56	14	80%
Money Market Players									
Year 1	0,994	1,000	0,000	2,000	0,505	0,070	52	3	95%
Year 2	1,528	1,500	0,500	2,600	0,472	0,065	52	3	95%
Year 5	1,987	2,000	1,300	3,800	0,436	0,064	46	9	84%

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	0,471	0,500	-1,000	1,600	0,595	0,089	45	10	82%
Upper bound	1,396	1,500	0,100	2,500	0,511	0,076	45	10	82%
Year 2									
Lower bound	0,893	1,000	-1,000	2,400	0,620	0,092	45	10	82%
Upper bound	2,063	2,000	1,000	3,700	0,655	0,098	45	10	82%
Year 5									
Lower bound	1,141	1,200	-1,500	3,200	0,752	0,115	43	12	78%
Upper bound	2,814	2,500	1,700	6,000	0,811	0,124	43	12	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
All									
Year 1	1,428	1,500	0,000	3,600	0,592	0,040	219	29	88%
Year 2	1,896	2,000	0,000	3,500	0,586	0,040	219	29	88%
Year 5	2,370	2,300	0,000	6,000	0,735	0,051	206	42	83%
Employees' organisations									
Year 1	1,375	1,450	0,500	3,000	0,605	0,129	22	5	81%
Year 2	1,943	2,000	0,700	3,000	0,527	0,112	22	5	81%
Year 5	2,624	2,500	1,000	4,500	0,835	0,182	21	6	78%
Employers' organisations									
Year 1	1,491	1,500	0,500	3,000	0,582	0,124	22	2	92%
Year 2	2,082	2,000	1,000	3,500	0,647	0,138	22	2	92%
Year 5	2,898	3,000	1,000	6,000	1,023	0,229	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	1,445	1,500	0,000	3,500	0,640	0,079	65	7	90%
Year 2	1,831	2,000	0,500	3,500	0,602	0,075	65	7	90%
Year 5	2,245	2,000	0,750	4,000	0,674	0,084	64	8	89%
Purchasing Managers, Trading									
Year 1	1,263	1,200	0,500	2,500	0,447	0,058	59	11	84%
Year 2	1,742	1,700	0,000	3,000	0,565	0,074	59	11	84%
Year 5	2,299	2,250	0,000	5,000	0,720	0,097	55	15	79%
Money Market Players									
Year 1	1,591	1,500	0,500	3,600	0,644	0,090	51	4	93%
Year 2	2,057	2,000	0,500	3,100	0,541	0,076	51	4	93%
Year 5	2,285	2,275	1,000	3,500	0,515	0,076	46	9	84%

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	2,338	2,500	0,750	3,500	0,466	0,036	168	25	87%
Year 2	2,464	2,500	1,000	3,800	0,483	0,038	166	27	86%
Year 5	2,698	2,800	0,500	4,000	0,552	0,044	159	34	82%
Employees' organisations									
Year 1	2,622	2,500	2,100	3,500	0,345	0,072	23	4	85%
Year 2	2,652	2,600	2,000	3,100	0,304	0,063	23	4	85%
Year 5	3,170	3,000	2,500	4,000	0,406	0,085	23	4	85%
Employers' organisations									
Year 1	2,336	2,300	1,700	3,500	0,414	0,090	21	3	88%
Year 2	2,464	2,500	1,800	3,800	0,432	0,094	21	3	88%
Year 5	2,847	3,000	2,000	3,500	0,394	0,090	19	5	79%
Purchasing Managers, Manufacturing									
Year 1	2,256	2,300	1,000	3,000	0,460	0,057	66	6	92%
Year 2	2,396	2,500	1,000	3,500	0,525	0,066	64	8	89%
Year 5	2,556	2,500	1,000	3,500	0,486	0,061	63	9	88%
Purchasing Managers, Trading									
Year 1	2,318	2,500	0,750	3,000	0,498	0,065	58	12	83%
Year 2	2,463	2,500	1,000	3,500	0,501	0,066	58	12	83%
Year 5	2,611	2,750	0,500	3,500	0,612	0,083	54	16	77%

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	0,905	1,000	0,500	1,500	0,146	0,010	207	41	83%
12 months	1,019	1,000	0,500	2,000	0,273	0,019	207	41	83%
24 months	1,451	1,500	0,500	3,000	0,465	0,032	207	41	83%
60 months	2,147	2,000	0,000	5,000	0,721	0,051	197	51	79%
Employees' organisations									
3 months	0,868	0,850	0,500	1,400	0,200	0,043	22	5	81%
12 months	0,955	1,000	0,500	1,400	0,189	0,040	22	5	81%
24 months	1,325	1,250	0,800	2,000	0,324	0,069	22	5	81%
60 months	2,252	2,000	1,300	3,500	0,737	0,157	22	5	81%
Employers' organisations									
3 months	0,843	0,750	0,750	1,000	0,122	0,026	22	2	92%
12 months	0,982	1,000	0,500	1,500	0,244	0,052	22	2	92%
24 months	1,523	1,500	0,500	2,500	0,462	0,099	22	2	92%
60 months	2,385	2,500	1,250	3,500	0,680	0,152	20	4	83%
Purchasing Managers, Manufacturing									
3 months	0,937	1,000	0,700	1,500	0,140	0,017	64	8	89%
12 months	1,071	1,000	0,750	2,000	0,280	0,035	64	8	89%
24 months	1,430	1,500	0,750	3,000	0,420	0,053	64	8	89%
60 months	1,894	2,000	1,000	3,000	0,564	0,071	63	9	88%
Purchasing Managers, Trading									
3 months	0,920	1,000	0,500	1,250	0,144	0,019	57	13	81%
12 months	1,067	1,000	0,500	1,750	0,300	0,040	57	13	81%
24 months	1,518	1,500	0,500	3,000	0,493	0,065	57	13	81%
60 months	2,086	2,000	0,000	5,000	0,758	0,103	54	16	77%
Money Market Players									
3 months	0,887	1,000	0,750	1,000	0,126	0,019	42	13	76%
12 months	0,929	1,000	0,500	1,500	0,255	0,039	42	13	76%
24 months	1,423	1,500	0,500	2,500	0,551	0,085	42	13	76%
60 months	2,470	2,500	1,000	4,250	0,770	0,125	38	17	69%

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	0,655	0,750	0,300	1,000	0,155	0,025	39	16	71%
Upper bound	1,056	1,000	0,750	1,700	0,161	0,026	39	16	71%
12 months									
Lower bound	0,597	0,500	0,000	1,250	0,294	0,047	39	16	71%
Upper bound	1,300	1,250	0,750	2,000	0,297	0,048	39	16	71%
24 months									
Lower bound	0,836	0,750	0,000	2,000	0,486	0,078	39	16	71%
Upper bound	1,951	2,000	1,000	4,000	0,671	0,108	39	16	71%
60 months									
Lower bound	1,395	1,500	0,000	3,500	0,838	0,136	38	17	69%
Upper bound	3,296	3,500	1,000	5,000	0,993	0,161	38	17	69%

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	1,356	1,400	0,700	1,750	0,187	0,030	39	16	71%
12 months	1,619	1,600	0,950	2,250	0,327	0,052	39	16	71%
24 months	2,136	2,000	1,000	3,500	0,600	0,096	39	16	71%
60 months	2,963	3,000	1,500	4,500	0,796	0,129	38	17	69%
EUR/SEK									
3 months	8,490	8,500	8,200	8,800	0,141	0,021	43	12	78%
12 months	8,356	8,300	7,800	9,000	0,241	0,037	43	12	78%
24 months	8,331	8,300	7,600	9,000	0,323	0,050	42	13	76%
USD/SEK									
3 months	6,683	6,680	6,190	7,300	0,205	0,031	43	12	78%
12 months	6,837	6,850	5,860	7,500	0,353	0,054	43	12	78%
24 months	6,973	7,000	5,710	8,100	0,483	0,075	42	13	76%