



## 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 2013, has now been completed, the previous December 2012 was published December 12, 2012. The last survey among money market players was published February 20, 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	
	Mar 13	Dec 12	Mar 13	Dec 12	Mar 13	Dec 12
<b>Annual</b>						
<b>Inflation, %</b>	1,0	1,1	1,5	1,5	1,9	2,0
<b>GDP, %</b>	1,2	1,1	1,9	1,8	2,3	2,4
<b>Wage increase, %</b>	2,3	2,3	2,5	2,5	2,7	2,8

	3 months		12 months		24 months		60 months	
	Mar 13	Dec 12	Mar 13	Dec 12	Mar 13	Dec 12	Mar 13	Dec 12
<b>Repo rate, %</b>	1,0	1,1	1,1	1,1	1,6	1,5	2,3	2,4

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Mar 13	(Feb 13)	Dec 12	Mar 13	(Feb 13)	Dec 12	Mar 13	(Feb 13)	Dec 12	Mar 13	(Feb 13)	Dec 12
<b>Repo rate, %</b>	1,0	(0,8)	1,0	1,0	(0,9)	0,9	1,5	(1,5)	1,3	2,6	(2,7)	2,6
<b>5 year gvt bond rate, %</b>	1,4	(1,4)	1,0	1,7	(1,6)	1,2	2,3	(2,1)	1,8	3,1	(3,2)	3,1
<b>EUR</b>	8,41	(8,52)	8,61	8,32	(8,43)	8,55	8,33	(8,43)	8,51	-	(-)	-
<b>USD</b>	6,42	(6,39)	6,72	6,54	(6,58)	6,89	6,74	(6,75)	7,02	-	(-)	-



## 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 27 – March 12, 2013 (previous November 26 – December 10, 2012 (February 6 – February 14, 2013)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on February 27, 2013 (November 28, 2012 (February 6, 2013)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 11,0 years.

## About the Interviewees & Response Rate

### *All Interviewees*

In all 249 (252) organisations/companies were approached for interview. 24 (25) 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 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*

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 144 purchasing managers 71 represent the trading industry and 73 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 March 2013 vs (February 2013) December 2012**

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 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>	<b>Mar 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>	<b>Mar 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>
<b>Annual inflation, %</b>									
All interviewees	1,0		1,1	1,5		1,5	1,9		2,0
Employees' organisations	1,1		1,1	1,4		1,5	2,0		1,8
Employers' organisations	0,9		1,0	1,3		1,5	2,0		2,2
Purchase managers Manufacturing	1,0		1,1	1,5		1,5	1,8		2,0
Purchase managers Trading	1,0		1,2	1,4		1,4	1,9		1,9
Money market players	1,0	(1,1)	1,0	1,6	(1,7)	1,6	2,0	(2,0)	2,0
<b>GDP, %</b>									
All interviewees	1,2		1,1	1,9		1,8	2,3		2,4
Employees' organisations	1,2		1,2	1,8		1,7	2,7		2,7
Employers' organisations	1,0		1,1	1,8		1,9	2,7		2,8
Purchase managers Manufacturing	1,1		1,1	1,8		1,6	2,1		2,2
Purchase managers Trading	1,1		1,0	1,7		1,7	2,3		2,5
Money market players	1,5	(1,5)	1,3	2,1	(2,1)	1,9	2,4	(2,3)	2,3
<b>Annual wage increase, %</b>									
All interviewees	2,3		2,3	2,5		2,5	2,7		2,8
Employees' organisations	2,5		2,6	2,7		2,7	3,1		3,3
Employers' organisations	2,3		2,5	2,5		2,7	2,8		3,0
Purchase managers Manufacturing	2,2		2,2	2,5		2,4	2,6		2,6
Purchase managers Trading	2,3		2,3	2,4		2,4	2,7		2,8

	<b>3 months</b>			<b>12 months</b>			<b>24 months</b>			<b>60 months</b>		
	<b>Mar 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>	<b>Mar 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>	<b>Mar 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>	<b>Mar 13</b>	<b>(Feb 13)</b>	<b>Dec 12</b>
<b>Repo rate, %</b>												
All interviewees	1,0		1,1	1,1		1,1	1,6		1,5	2,3		2,4
Employees' organisations	0,9		1,1	1,1		1,1	1,6		1,6	2,4		2,2
Employers' organisations	1,0		1,0	1,2		1,1	1,7		1,6	2,5		2,6
Purchase managers Manufacturing	1,0		1,1	1,2		1,2	1,6		1,6	2,0		2,1
Purchase managers Trading	1,0		1,1	1,2		1,2	1,6		1,6	2,2		2,3
Money market players	1,0	(0,8)	1,0	1,0	(0,9)	0,9	1,5	(1,5)	1,3	2,6	(2,7)	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 (%)
<b>All</b>									
Year 1	0,981	1,000	-0,100	2,500	0,572	0,038	225	24	90%
Year 2	1,471	1,500	0,000	3,000	0,630	0,042	224	25	90%
Year 5	1,926	2,000	0,000	4,800	0,563	0,039	206	43	83%
<b>Employees' organisations</b>									
Year 1	0,886	1,100	0,000	2,000	0,565	0,120	22	5	81%
Year 2	1,395	1,500	0,000	2,500	0,648	0,138	22	5	81%
Year 5	1,981	2,000	1,000	3,000	0,423	0,092	21	6	78%
<b>Employers' organisations</b>									
Year 1	0,882	0,750	0,000	2,000	0,474	0,101	22	1	96%
Year 2	1,336	1,450	0,200	2,500	0,531	0,113	22	1	96%
Year 5	1,976	2,000	1,000	3,000	0,496	0,108	21	2	91%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	0,970	1,000	0,000	2,500	0,661	0,081	66	7	90%
Year 2	1,458	1,500	0,000	3,000	0,679	0,084	66	7	90%
Year 5	1,828	2,000	0,000	3,000	0,655	0,083	62	11	85%
<b>Purchasing Managers, Trading</b>									
Year 1	0,997	1,000	-0,100	2,000	0,582	0,073	63	8	89%
Year 2	1,431	1,500	0,000	3,000	0,682	0,087	62	9	87%
Year 5	1,930	2,000	0,200	3,500	0,580	0,076	58	13	82%
<b>Money Market Players</b>									
Year 1	0,972	1,000	0,200	2,100	0,487	0,068	52	3	95%
Year 2	1,623	1,500	0,500	2,900	0,515	0,071	52	3	95%
Year 5	2,009	2,000	1,300	4,800	0,487	0,073	44	11	80%

**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	0,480	0,500	-1,000	1,500	0,529	0,079	45	10	82%
Upper bound	1,428	1,500	0,300	3,000	0,572	0,085	45	10	82%
<b>Year 2</b>									
Lower bound	0,998	1,000	0,000	2,500	0,580	0,086	45	10	82%
Upper bound	2,198	2,000	1,000	4,000	0,674	0,100	45	10	82%
<b>Year 5</b>									
Lower bound	1,235	1,000	0,000	3,800	0,673	0,105	41	14	75%
Upper bound	2,729	2,500	1,750	5,000	0,630	0,098	41	14	75%

**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>									
Year 1	1,197	1,000	-0,300	3,500	0,613	0,041	223	26	90%
Year 2	1,855	2,000	0,500	3,700	0,655	0,044	222	27	89%
Year 5	2,343	2,500	0,000	5,000	0,772	0,054	202	47	81%
<b>Employees' organisations</b>									
Year 1	1,245	1,000	0,500	3,500	0,701	0,153	21	6	78%
Year 2	1,843	1,800	0,500	3,700	0,838	0,183	21	6	78%
Year 5	2,668	2,500	0,500	4,500	0,979	0,219	20	7	74%
<b>Employers' organisations</b>									
Year 1	1,032	1,000	0,000	2,100	0,515	0,110	22	1	96%
Year 2	1,830	1,950	0,500	3,000	0,689	0,147	22	1	96%
Year 5	2,685	2,500	1,000	5,000	0,820	0,183	20	3	87%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	1,107	1,000	0,000	3,000	0,604	0,074	66	7	90%
Year 2	1,764	2,000	0,500	3,500	0,683	0,084	66	7	90%
Year 5	2,145	2,000	0,500	3,500	0,731	0,093	62	11	85%
<b>Purchasing Managers, Trading</b>									
Year 1	1,103	1,000	-0,300	2,100	0,494	0,063	62	9	87%
Year 2	1,745	1,800	0,500	3,000	0,584	0,075	61	10	86%
Year 5	2,312	2,300	0,000	5,000	0,824	0,109	57	14	80%
<b>Money Market Players</b>									
Year 1	1,473	1,300	0,300	3,300	0,683	0,095	52	3	95%
Year 2	2,113	2,000	1,000	3,100	0,547	0,076	52	3	95%
Year 5	2,360	2,400	1,000	3,500	0,518	0,079	43	12	78%

**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>									
Year 1	2,265	2,300	0,500	3,500	0,547	0,042	171	23	88%
Year 2	2,482	2,500	0,100	4,000	0,607	0,047	170	24	88%
Year 5	2,720	3,000	0,500	5,000	0,633	0,050	159	35	82%
<b>Employees' organisations</b>									
Year 1	2,523	2,500	1,000	3,400	0,578	0,123	22	5	81%
Year 2	2,682	2,550	1,000	3,600	0,662	0,141	22	5	81%
Year 5	3,110	3,000	2,000	3,700	0,454	0,099	21	6	78%
<b>Employers' organisations</b>									
Year 1	2,276	2,300	1,500	3,500	0,517	0,113	21	2	91%
Year 2	2,495	2,500	1,500	4,000	0,671	0,146	21	2	91%
Year 5	2,753	2,600	1,500	4,000	0,627	0,144	19	4	83%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	2,177	2,200	0,600	3,300	0,511	0,063	66	7	90%
Year 2	2,456	2,500	0,600	3,500	0,551	0,068	66	7	90%
Year 5	2,631	2,950	1,000	3,500	0,555	0,070	62	11	85%
<b>Purchasing Managers, Trading</b>									
Year 1	2,264	2,350	0,500	3,500	0,566	0,072	62	9	87%
Year 2	2,434	2,500	0,100	3,500	0,624	0,080	61	10	86%
Year 5	2,663	2,800	0,500	5,000	0,724	0,096	57	14	80%

**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>	0,972	1,000	0,500	1,500	0,123	0,009	208	41	84%
<b>12 months</b>	1,122	1,000	0,500	2,000	0,260	0,018	208	41	84%
<b>24 months</b>	1,589	1,500	0,250	3,000	0,454	0,032	205	44	82%
<b>60 months</b>	2,267	2,000	0,500	4,250	0,720	0,052	191	58	77%
<b>Employees' organisations</b>									
<b>3 months</b>	0,929	1,000	0,500	1,000	0,140	0,031	21	6	78%
<b>12 months</b>	1,136	1,000	0,600	1,750	0,292	0,064	21	6	78%
<b>24 months</b>	1,614	1,500	0,600	3,000	0,506	0,110	21	6	78%
<b>60 months</b>	2,427	2,500	0,750	4,000	0,832	0,186	20	7	74%
<b>Employers' organisations</b>									
<b>3 months</b>	0,982	1,000	0,750	1,500	0,182	0,039	22	1	96%
<b>12 months</b>	1,170	1,100	0,750	1,750	0,256	0,055	22	1	96%
<b>24 months</b>	1,650	1,500	0,800	3,000	0,439	0,094	22	1	96%
<b>60 months</b>	2,485	2,500	1,200	4,000	0,686	0,153	20	3	87%
<b>Purchasing Managers, Manufacturing</b>									
<b>3 months</b>	0,988	1,000	0,750	1,500	0,113	0,014	64	9	88%
<b>12 months</b>	1,160	1,000	0,750	2,000	0,252	0,032	64	9	88%
<b>24 months</b>	1,595	1,500	0,750	3,000	0,428	0,054	64	9	88%
<b>60 months</b>	2,048	2,000	1,000	4,000	0,602	0,077	61	12	84%
<b>Purchasing Managers, Trading</b>									
<b>3 months</b>	0,978	1,000	0,750	1,300	0,115	0,015	61	10	86%
<b>12 months</b>	1,153	1,000	0,500	1,750	0,276	0,035	61	10	86%
<b>24 months</b>	1,604	1,500	0,250	2,500	0,468	0,061	59	12	83%
<b>60 months</b>	2,183	2,000	0,500	4,000	0,747	0,100	56	15	79%
<b>Money Market Players</b>									
<b>3 months</b>	0,956	1,000	0,750	1,000	0,096	0,015	40	15	73%
<b>12 months</b>	0,981	1,000	0,500	1,500	0,182	0,029	40	15	73%
<b>24 months</b>	1,506	1,500	0,500	2,500	0,468	0,075	39	16	71%
<b>60 months</b>	2,576	2,500	1,000	4,250	0,694	0,119	34	21	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 (%)
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	0,759	0,750	0,300	1,000	0,150	0,025	35	20	64%
Upper bound	1,063	1,000	0,750	1,700	0,169	0,029	35	20	64%
<b>12 months</b>									
Lower bound	0,691	0,750	0,300	1,250	0,236	0,040	35	20	64%
Upper bound	1,306	1,250	0,500	1,750	0,295	0,050	35	20	64%
<b>24 months</b>									
Lower bound	1,013	1,000	0,250	2,250	0,480	0,081	35	20	64%
Upper bound	2,041	2,000	1,000	3,000	0,501	0,085	35	20	64%
<b>60 months</b>									
Lower bound	1,636	1,750	0,250	3,500	0,803	0,140	33	22	60%
Upper bound	3,371	3,250	2,000	4,500	0,778	0,136	33	22	60%



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>									
3 months	1,421	1,400	1,150	1,800	0,147	0,025	35	20	64%
12 months	1,680	1,700	1,250	2,500	0,270	0,046	35	20	64%
24 months	2,260	2,090	1,250	4,250	0,618	0,104	35	20	64%
60 months	3,064	3,000	2,000	4,400	0,690	0,118	34	21	62%
<b>EUR/SEK</b>									
3 months	8,405	8,400	8,100	8,800	0,144	0,023	38	17	69%
12 months	8,322	8,300	8,000	9,000	0,229	0,037	38	17	69%
24 months	8,331	8,300	7,700	9,000	0,272	0,045	36	19	65%
<b>USD/SEK</b>									
3 months	6,424	6,400	6,000	7,300	0,258	0,042	38	17	69%
12 months	6,543	6,500	5,860	7,550	0,383	0,062	38	17	69%
24 months	6,738	6,675	6,000	8,300	0,505	0,084	36	19	65%