

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 2012, has now been completed, the previous June 2012 was published June 13, 2012. The last survey among money market players was published August 15, 2012.

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	
	Sept 12	June 12	Sept 12	June 12	Sept 12	June 12
Annual						
Inflation, %	1,3	1,5	1,7	1,9	2,1	2,1
GDP, %	1,6	1,4	2,0	2,0	2,6	2,5
Wage increase, %	2,6	2,8	2,6	2,7	2,9	2,9

	3 months		12 months		24 months		60 months	
	Sept 12	June 12	Sept 12	June 12	Sept 12	June 12	Sept 12	June 12
Repo rate, %	1,4	1,4	1,4	1,5	1,8	1,8	2,5	2,5

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sept 12	(Aug 12)	June 12	Sept 12	(Aug 12)	June 12	Sept 12	(Aug 12)	June 12	Sept 12	(Aug 12)	June 12
Repo rate, %	1,4	(1,4)	1,5	1,3	(1,3)	1,3	1,8	(1,6)	1,7	2,8	(2,7)	2,9
5 year gvt bond rate, %	1,2	(1,1)	1,1	1,5	(1,4)	1,5	2,1	(1,9)	2,0	3,1	(2,8)	3,1
EUR	8,29	(8,38)	8,89	8,37	(8,43)	8,72	8,44	(8,47)	8,66	-	-	-
USD	6,79	(6,83)	7,17	6,97	(6,93)	7,23	7,07	(7,13)	7,18	-	-	-

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 20 – August 31, 2012 (previous May 28 – June 12, 2012 (August 1 – August 14, 2012)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 22, 2012 (May 30, 2012 (August 1, 2012)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 11,9 years.

About the Interviewees & Response Rate*All Interviewees*

In all 255 (255) organisations/companies were approached for interview. 26 (18) 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 % (93 %). 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 148 purchasing managers 72 represent the trading industry and 76 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 56 players, 49 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 September 2012 vs (August 2012) June 2012

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		
	Sept 12	(Aug 12)	June 12	Sept 12	(Aug 12)	June 12	Sept 12	(Aug 12)	June 12
Annual inflation, %									
All interviewees	1,3		1,5	1,7		1,9	2,1		2,1
Employees' organisations	1,3		1,7	1,7		1,9	2,1		2,2
Employers' organisations	1,4		1,5	1,7		1,9	2,1		2,1
Purchase managers Manufacturing	1,3		1,6	1,6		1,9	2,1		2,1
Purchase managers Trading	1,4		1,6	1,8		1,9	2,2		2,1
Money market players	1,2	(1,4)	1,3	1,7	(1,8)	1,8	2,1	(2,0)	2,1
GDP, %									
All interviewees	1,6		1,4	2,0		2,0	2,6		2,5
Employees' organisations	1,6		1,3	1,9		2,0	2,7		2,7
Employers' organisations	1,6		1,5	2,1		2,1	2,6		2,8
Purchase managers Manufacturing	1,6		1,4	1,9		1,9	2,5		2,4
Purchase managers Trading	1,5		1,4	2,1		2,0	2,7		2,4
Money market players	1,5	(1,4)	1,2	2,0	(1,9)	2,0	2,4	(2,3)	2,4
Annual wage increase, %									
All interviewees	2,6		2,8	2,6		2,7	2,9		2,9
Employees' organisations	2,8		2,9	3,0		3,1	3,3		3,3
Employers' organisations	2,8		2,9	2,7		2,8	2,8		3,0
Purchase managers Manufacturing	2,5		2,6	2,5		2,6	2,8		2,7
Purchase managers Trading	2,5		2,8	2,6		2,7	2,8		2,9

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

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 responses (numbers)	Response Rate (%)
All									
Year 1	1,320	1,350	0,000	3,000	0,525	0,035	228	27	89%
Year 2	1,714	1,725	0,000	3,800	0,582	0,039	226	29	89%
Year 5	2,111	2,000	0,500	5,000	0,592	0,041	209	46	82%
Employees' organisations									
Year 1	1,295	1,350	0,700	2,000	0,346	0,074	22	5	81%
Year 2	1,655	1,700	0,600	2,300	0,445	0,095	22	5	81%
Year 5	2,075	2,000	0,500	3,250	0,584	0,124	22	5	81%
Employers' organisations									
Year 1	1,382	1,350	0,700	3,000	0,488	0,104	22	2	92%
Year 2	1,700	1,650	0,800	3,500	0,550	0,117	22	2	92%
Year 5	2,138	2,000	1,000	4,000	0,598	0,130	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	1,285	1,050	0,300	3,000	0,566	0,069	68	8	89%
Year 2	1,613	1,500	0,000	3,000	0,650	0,079	67	9	88%
Year 5	2,073	2,000	0,700	5,000	0,691	0,088	62	14	82%
Purchasing Managers, Trading									
Year 1	1,411	1,500	0,000	2,900	0,555	0,069	64	8	89%
Year 2	1,843	2,000	1,000	3,300	0,526	0,066	64	8	89%
Year 5	2,179	2,000	1,000	3,500	0,546	0,070	60	12	83%
Money Market Players									
Year 1	1,237	1,100	0,000	2,800	0,508	0,070	52	4	93%
Year 2	1,718	1,700	0,000	3,800	0,610	0,085	51	5	91%
Year 5	2,077	2,000	1,300	4,500	0,516	0,078	44	12	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 responses (numbers)	Response Rate (%)
Money Market Players									
Year 1									
Lower bound	0,701	0,650	-1,000	2,400	0,556	0,080	48	8	86%
Upper bound	1,784	1,500	1,000	3,600	0,641	0,093	48	8	86%
Year 2									
Lower bound	1,008	1,000	-2,000	3,500	0,775	0,112	48	8	86%
Upper bound	2,408	2,200	1,000	4,500	0,711	0,103	48	8	86%
Year 5									
Lower bound	1,134	1,000	-1,500	4,200	0,807	0,122	44	12	79%
Upper bound	3,149	3,000	1,750	5,500	0,850	0,128	44	12	79%

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 responses (numbers)	Response Rate (%)
All									
Year 1	1,550	1,500	-1,300	4,000	0,740	0,049	227	28	89%
Year 2	1,987	2,000	0,000	4,200	0,682	0,045	226	29	89%
Year 5	2,556	2,500	0,700	5,000	0,670	0,046	208	47	82%
Employees' organisations									
Year 1	1,550	1,500	0,500	3,000	0,712	0,155	21	6	78%
Year 2	1,940	2,000	1,000	2,800	0,551	0,120	21	6	78%
Year 5	2,729	2,700	2,000	4,000	0,507	0,111	21	6	78%
Employers' organisations									
Year 1	1,618	1,500	0,500	2,500	0,516	0,110	22	2	92%
Year 2	2,095	2,050	1,000	3,000	0,527	0,112	22	2	92%
Year 5	2,571	2,500	1,500	3,500	0,540	0,118	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	1,572	1,500	-1,000	3,400	0,804	0,098	68	8	89%
Year 2	1,866	2,000	0,000	4,000	0,682	0,083	68	8	89%
Year 5	2,463	2,500	1,000	4,500	0,695	0,088	62	14	82%
Purchasing Managers, Trading									
Year 1	1,544	1,500	-1,300	4,000	0,804	0,101	64	8	89%
Year 2	2,055	2,000	0,200	4,200	0,768	0,096	64	8	89%
Year 5	2,669	2,500	0,700	5,000	0,798	0,103	60	12	83%
Money Market Players									
Year 1	1,502	1,500	0,300	3,500	0,680	0,094	52	4	93%
Year 2	2,032	2,000	0,500	4,000	0,673	0,094	51	5	91%
Year 5	2,441	2,500	1,000	4,000	0,535	0,081	44	12	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 responses (numbers)	Response Rate (%)
All									
Year 1	2,586	2,600	0,600	4,500	0,562	0,042	175	24	88%
Year 2	2,620	2,600	0,800	4,500	0,601	0,045	175	24	88%
Year 5	2,866	3,000	1,500	4,500	0,556	0,043	164	35	82%
Employees' organisations									
Year 1	2,818	2,900	1,600	3,500	0,457	0,098	22	5	81%
Year 2	3,032	3,000	2,000	4,000	0,481	0,103	22	5	81%
Year 5	3,255	3,350	2,000	4,500	0,556	0,119	22	5	81%
Employers' organisations									
Year 1	2,810	3,000	1,500	3,600	0,536	0,117	21	3	88%
Year 2	2,733	2,800	1,500	3,600	0,590	0,129	21	3	88%
Year 5	2,825	3,000	1,500	4,000	0,578	0,129	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	2,485	2,500	1,500	3,500	0,540	0,065	69	7	91%
Year 2	2,513	2,500	1,000	3,500	0,556	0,067	69	7	91%
Year 5	2,833	3,000	2,000	4,500	0,524	0,066	63	13	83%
Purchasing Managers, Trading									
Year 1	2,541	2,500	0,600	4,500	0,595	0,075	63	9	88%
Year 2	2,556	2,500	0,800	4,500	0,633	0,080	63	9	88%
Year 5	2,771	3,000	1,800	4,000	0,533	0,069	59	13	82%

TABLE 6 - Repo Rate Expectations

Expected repo rate the coming 3-60 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
All									
3 months	1,388	1,500	1,000	2,000	0,170	0,012	213	42	84%
12 months	1,394	1,500	0,250	3,000	0,338	0,023	213	42	84%
24 months	1,758	1,750	0,250	4,000	0,535	0,037	210	45	82%
60 months	2,454	2,500	0,700	5,500	0,717	0,051	196	59	77%
Employees' organisations									
3 months	1,360	1,500	1,000	1,500	0,168	0,037	21	6	78%
12 months	1,388	1,500	1,000	1,750	0,247	0,054	21	6	78%
24 months	1,724	1,750	1,000	2,500	0,335	0,073	21	6	78%
60 months	2,445	2,200	1,500	3,500	0,694	0,151	21	6	78%
Employers' organisations									
3 months	1,352	1,250	1,000	1,500	0,148	0,031	22	2	92%
12 months	1,382	1,325	1,000	2,000	0,251	0,054	22	2	92%
24 months	1,795	1,875	1,000	2,500	0,413	0,088	22	2	92%
60 months	2,605	2,500	1,750	4,500	0,724	0,158	21	3	88%
Purchasing Managers, Manufacturing									
3 months	1,410	1,500	1,000	2,000	0,171	0,021	68	8	89%
12 months	1,388	1,250	1,000	2,250	0,299	0,036	68	8	89%
24 months	1,642	1,500	1,000	2,500	0,407	0,050	67	9	88%
60 months	2,209	2,250	1,000	4,000	0,564	0,072	62	14	82%
Purchasing Managers, Trading									
3 months	1,391	1,500	1,000	2,000	0,190	0,024	62	10	86%
12 months	1,490	1,500	0,250	3,000	0,414	0,053	62	10	86%
24 months	1,885	1,775	0,250	4,000	0,680	0,086	62	10	86%
60 months	2,444	2,375	0,700	5,500	0,816	0,107	58	14	81%
Money Market Players									
3 months	1,381	1,500	1,000	1,500	0,150	0,024	40	16	71%
12 months	1,265	1,250	0,500	2,000	0,323	0,051	40	16	71%
24 months	1,751	1,625	0,500	3,000	0,588	0,095	38	18	68%
60 months	2,831	3,000	2,000	4,500	0,648	0,111	34	22	61%

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 responses (numbers)	Response Rate (%)
Money Market Players									
3 months									
Lower bound	1,122	1,250	0,500	1,500	0,192	0,032	37	19	66%
Upper bound	1,574	1,500	1,500	2,000	0,143	0,023	37	19	66%
12 months									
Lower bound	0,799	0,750	0,000	1,750	0,393	0,065	37	19	66%
Upper bound	1,693	1,500	1,000	3,000	0,402	0,066	37	19	66%
24 months									
Lower bound	0,993	1,000	0,000	2,500	0,586	0,099	35	21	63%
Upper bound	2,479	2,250	1,000	5,000	0,877	0,148	35	21	63%
60 months									
Lower bound	1,537	1,500	0,000	3,250	0,819	0,140	34	22	61%
Upper bound	3,956	4,000	2,250	7,000	1,072	0,184	34	22	61%

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 responses (numbers)	Response Rate (%)
5 YEAR GOVERNMENT BOND RATE									
3 months	1,165	1,200	0,900	1,600	0,158	0,027	35	21	63%
12 months	1,480	1,500	0,800	2,500	0,364	0,062	35	21	63%
24 months	2,090	2,000	1,000	3,250	0,502	0,086	34	22	61%
60 months	3,148	3,000	2,000	5,500	0,830	0,144	33	23	59%
EUR/SEK									
3 months	8,288	8,250	8,000	9,200	0,234	0,038	38	18	68%
12 months	8,370	8,400	7,700	9,100	0,275	0,045	37	19	66%
24 months	8,443	8,500	7,700	9,000	0,351	0,059	36	20	64%
USD/SEK									
3 months	6,787	6,750	6,300	7,700	0,254	0,041	38	18	68%
12 months	6,970	7,000	6,250	7,600	0,304	0,050	37	19	66%
24 months	7,071	7,000	6,250	8,000	0,403	0,067	36	20	64%