



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 2014, has now been completed, the previous June 2014 was published June 4, 2014. The last survey among money market players was published August 13, 2014.

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 14	Jun 14	Sep 14	Jun 14	Sep 14	Jun 14
Annual						
Inflation, %	0,8	0,8	1,4	1,3	1,8	1,8
GDP, %	1,9	2,3	2,2	2,6	2,6	2,6
Wage increase, %	2,2	2,3	2,4	2,5	2,7	2,7

	3 months		12 months		24 months		60 months	
	Sep 14	Jun 14	Sep 14	Jun 14	Sep 14	Jun 14	Sep 14	Jun 14
Repo rate, %	0,3	0,6	0,4	0,8	0,9	1,2	1,7	2,0

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14
Repo rate, %	0,3	(0,3)	0,5	0,3	(0,3)	0,6	0,9	(0,8)	1,3	2,3	(2,1)	2,6
5 year gvt bond rate, %	0,7	(0,8)	1,2	1,0	(1,1)	1,5	1,5	(1,6)	2,0	2,7	(2,6)	2,9
EUR	9,11	(9,17)	8,97	8,92	(9,04)	8,84	8,74	(8,87)	8,73	-	(-)	-
USD	7,00	(6,90)	6,62	7,17	(7,03)	6,78	7,29	(7,07)	6,87	-	(-)	-



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 25 – September 9, 2014 (previous May 19 – June 3, 2014 (July 30 – August 12, 2014)).

The part regarding money market players' expectations of future August 27, 2014 (May 21, 2014 (July 30, 2014)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 12,1 years.

About the Interviewees & Response Rate

All Interviewees

In all 233 (241) organisations/companies were approached for interview. 19 (23) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 92 % (90 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 89 % 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

47 Swedish labour market organisations, of which 22 on the employers' side and 25 on the employees' side have been approached.

Purchase Managers

Of the 133 purchasing managers 65 represent the trading industry and 68 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 53 players, 47 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 September 2014 vs (August 2014) June 2014

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		
	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14
Annual inflation, %									
All interviewees	0,8		0,8	1,4		1,3	1,8		1,8
Employees' organisations	0,8		0,7	1,3		1,3	2,0		2,0
Employers' organisations	0,8		0,8	1,4		1,3	2,0		2,0
Purchase managers Manufacturing	0,9		0,7	1,3		1,2	1,8		1,6
Purchase managers Trading	0,8		0,8	1,3		1,3	1,9		1,9
Money market players	0,9	(0,9)	0,9	1,5	(1,5)	1,5	1,8	(1,8)	1,8
GDP, %									
All interviewees	1,9		2,3	2,2		2,6	2,6		2,6
Employees' organisations	1,6		2,3	2,1		2,8	2,8		3,2
Employers' organisations	2,1		2,1	2,4		2,5	2,9		2,6
Purchase managers Manufacturing	1,9		2,5	2,1		2,7	2,5		2,7
Purchase managers Trading	1,7		2,2	2,1		2,4	2,5		2,6
Money market players	2,3	(2,3)	2,4	2,4	(2,4)	2,5	2,4	(2,3)	2,4
Annual wage increase, %									
All interviewees	2,2		2,3	2,4		2,5	2,7		2,7
Employees' organisations	2,4		2,5	2,7		2,8	3,1		3,1
Employers' organisations	2,5		2,4	2,4		2,6	2,8		2,8
Purchase managers Manufacturing	2,1		2,2	2,3		2,3	2,5		2,5
Purchase managers Trading	2,2		2,3	2,3		2,4	2,6		2,6

	3 months			12 months			24 months			60 months		
	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14	Sep 14	(Aug 14)	Jun 14
Repo rate, %												
All interviewees	0,3		0,6	0,4		0,8	0,9		1,2	1,7		2,0
Employees' organisations	0,3		0,6	0,5		0,8	0,7		1,4	1,6		2,4
Employers' organisations	0,3		0,6	0,6		0,8	1,0		1,4	2,3		2,4
Purchase managers Manufacturing	0,2		0,7	0,5		0,8	0,8		1,1	1,5		1,7
Purchase managers Trading	0,3		0,6	0,4		0,8	0,9		1,2	1,5		1,8
Money market players	0,3	(0,3)	0,5	0,3	(0,3)	0,6	0,9	(0,8)	1,3	2,3	(2,1)	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	0,838	0,800	-0,300	4,000	0,639	0,044	213	20	91%
Year 2	1,358	1,300	0,000	4,000	0,669	0,046	211	22	91%
Year 5	1,845	2,000	0,100	6,000	0,665	0,047	203	30	87%
Employees' organisations									
Year 1	0,758	0,800	0,000	2,000	0,429	0,088	24	1	96%
Year 2	1,292	1,350	0,400	2,000	0,423	0,086	24	1	96%
Year 5	2,000	2,000	0,500	4,200	0,690	0,144	23	2	92%
Employers' organisations									
Year 1	0,803	0,900	0,000	1,800	0,591	0,136	19	3	86%
Year 2	1,366	1,300	0,500	2,700	0,640	0,147	19	3	86%
Year 5	1,989	2,000	1,000	2,800	0,475	0,112	18	4	82%
Purchasing Managers, Manufacturing									
Year 1	0,913	0,750	0,000	4,000	0,863	0,111	60	8	88%
Year 2	1,254	1,000	0,000	4,000	0,828	0,108	59	9	87%
Year 5	1,777	2,000	0,100	6,000	0,933	0,122	58	10	85%
Purchasing Managers, Trading									
Year 1	0,763	0,800	-0,300	2,000	0,578	0,075	60	5	92%
Year 2	1,326	1,500	0,000	2,600	0,592	0,077	59	6	91%
Year 5	1,853	2,000	0,500	3,300	0,562	0,074	57	8	88%
Money Market Players									
Year 1	0,887	0,950	0,000	2,000	0,481	0,068	50	3	94%
Year 2	1,545	1,450	0,500	3,100	0,635	0,090	50	3	94%
Year 5	1,788	1,900	0,500	2,500	0,370	0,054	47	6	89%

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	0,387	0,500	-2,000	1,700	0,638	0,093	47	6	89%
Upper bound	1,237	1,200	0,400	2,750	0,542	0,079	47	6	89%
Year 2									
Lower bound	0,874	1,000	-1,000	2,200	0,669	0,098	47	6	89%
Upper bound	2,006	1,750	0,900	4,000	0,763	0,111	47	6	89%
Year 5									
Lower bound	1,037	1,000	-1,500	2,000	0,664	0,099	45	8	85%
Upper bound	2,518	2,500	1,500	4,000	0,585	0,087	45	8	85%

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	1,938	2,000	0,000	4,000	0,665	0,046	210	23	90%
Year 2	2,197	2,200	0,500	5,000	0,648	0,045	208	25	89%
Year 5	2,561	2,500	0,500	5,000	0,691	0,049	201	32	86%
Employees' organisations									
Year 1	1,622	1,500	0,500	3,000	0,582	0,121	23	2	92%
Year 2	2,091	2,000	1,200	2,700	0,429	0,090	23	2	92%
Year 5	2,775	2,900	2,000	4,000	0,550	0,117	22	3	88%
Employers' organisations									
Year 1	2,116	2,000	1,000	3,000	0,543	0,125	19	3	86%
Year 2	2,447	2,500	1,000	3,200	0,531	0,122	19	3	86%
Year 5	2,906	3,000	2,000	4,000	0,518	0,122	18	4	82%
Purchasing Managers, Manufacturing									
Year 1	1,917	2,000	0,000	4,000	0,643	0,083	60	8	88%
Year 2	2,125	2,000	0,500	5,000	0,716	0,093	59	9	87%
Year 5	2,515	2,500	0,500	5,000	0,778	0,102	58	10	85%
Purchasing Managers, Trading									
Year 1	1,729	2,000	0,300	3,000	0,659	0,086	59	6	91%
Year 2	2,068	2,000	0,500	4,000	0,718	0,094	58	7	89%
Year 5	2,515	2,500	1,000	5,000	0,787	0,105	56	9	86%
Money Market Players									
Year 1	2,296	2,400	0,500	3,500	0,620	0,089	49	4	92%
Year 2	2,387	2,500	1,000	3,200	0,545	0,078	49	4	92%
Year 5	2,443	2,500	1,500	3,500	0,512	0,075	47	6	89%

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	2,223	2,225	0,100	3,500	0,515	0,040	162	18	90%
Year 2	2,373	2,500	0,800	3,500	0,560	0,044	160	20	89%
Year 5	2,654	2,775	1,000	4,000	0,643	0,051	156	24	87%
Employees' organisations									
Year 1	2,438	2,500	2,000	3,000	0,404	0,082	24	1	96%
Year 2	2,675	2,800	2,000	3,500	0,410	0,084	24	1	96%
Year 5	3,070	3,000	2,000	4,000	0,466	0,097	23	2	92%
Employers' organisations									
Year 1	2,528	2,550	1,500	3,500	0,439	0,103	18	4	82%
Year 2	2,422	2,550	1,000	3,200	0,536	0,126	18	4	82%
Year 5	2,788	3,000	1,500	4,000	0,608	0,147	17	5	77%
Purchasing Managers, Manufacturing									
Year 1	2,088	2,000	1,000	3,000	0,396	0,051	60	8	88%
Year 2	2,291	2,300	1,000	3,500	0,502	0,065	59	9	87%
Year 5	2,517	2,500	1,000	3,700	0,548	0,072	58	10	85%
Purchasing Managers, Trading									
Year 1	2,181	2,300	0,100	3,000	0,617	0,080	60	5	92%
Year 2	2,316	2,400	0,800	3,500	0,638	0,083	59	6	91%
Year 5	2,585	2,700	1,000	4,000	0,733	0,096	58	7	89%

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	0,263	0,250	0,050	1,250	0,103	0,007	199	34	85%
12 months	0,446	0,300	0,000	2,750	0,360	0,026	199	34	85%
24 months	0,862	0,750	0,150	3,000	0,479	0,034	197	36	85%
60 months	1,728	1,500	0,250	4,000	0,848	0,062	189	44	81%
Employees' organisations									
3 months	0,267	0,250	0,100	0,500	0,081	0,017	23	2	92%
12 months	0,457	0,250	0,150	2,500	0,482	0,101	23	2	92%
24 months	0,726	0,500	0,200	1,750	0,394	0,082	23	2	92%
60 months	1,575	1,250	0,400	3,500	0,877	0,187	22	3	88%
Employers' organisations									
3 months	0,337	0,250	0,100	1,250	0,291	0,067	19	3	86%
12 months	0,566	0,500	0,150	1,750	0,462	0,106	19	3	86%
24 months	1,045	1,000	0,250	2,000	0,494	0,113	19	3	86%
60 months	2,250	2,125	1,000	3,000	0,630	0,149	18	4	82%
Purchasing Managers, Manufacturing									
3 months	0,249	0,250	0,050	0,350	0,030	0,004	59	9	87%
12 months	0,484	0,500	0,200	2,750	0,439	0,057	59	9	87%
24 months	0,795	0,500	0,200	3,000	0,471	0,062	58	10	85%
60 months	1,454	1,500	0,250	4,000	0,809	0,107	57	11	84%
Purchasing Managers, Trading									
3 months	0,259	0,250	0,200	0,500	0,050	0,006	60	5	92%
12 months	0,443	0,500	0,000	1,500	0,249	0,032	60	5	92%
24 months	0,877	0,750	0,250	2,500	0,512	0,067	59	6	91%
60 months	1,543	1,500	0,250	3,750	0,760	0,101	57	8	88%
Money Market Players									
3 months	0,251	0,250	0,100	0,500	0,051	0,008	38	15	72%
12 months	0,328	0,250	0,100	0,750	0,165	0,027	38	15	72%
24 months	0,933	1,000	0,150	2,000	0,457	0,074	38	15	72%
60 months	2,304	2,250	1,000	3,750	0,767	0,130	35	18	66%

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	0,151	0,150	0,000	0,250	0,092	0,015	36	17	68%
Upper bound	0,307	0,250	0,250	1,000	0,147	0,025	36	17	68%
12 months									
Lower bound	0,151	0,138	0,000	0,500	0,119	0,020	36	17	68%
Upper bound	0,525	0,500	0,250	1,000	0,253	0,042	36	17	68%
24 months									
Lower bound	0,471	0,375	0,000	1,250	0,340	0,057	36	17	68%
Upper bound	1,368	1,375	0,250	2,500	0,556	0,093	36	17	68%
60 months									
Lower bound	1,276	1,250	0,000	3,000	0,819	0,143	33	20	62%
Upper bound	3,032	3,000	0,750	7,000	1,246	0,217	33	20	62%

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	0,658	0,650	0,450	1,000	0,128	0,022	35	18	66%
12 months	0,963	0,900	0,450	1,900	0,350	0,059	35	18	66%
24 months	1,535	1,500	0,500	2,900	0,520	0,089	34	19	64%
60 months	2,713	2,775	1,250	4,000	0,731	0,125	34	19	64%
EUR/SEK									
3 months	9,112	9,100	8,700	9,300	0,136	0,022	38	15	72%
12 months	8,921	9,000	8,350	9,500	0,232	0,038	38	15	72%
24 months	8,737	8,725	8,000	10,000	0,343	0,056	38	15	72%
USD/SEK									
3 months	7,004	7,000	6,440	7,250	0,153	0,025	38	15	72%
12 months	7,168	7,200	6,340	7,950	0,289	0,047	38	15	72%
24 months	7,287	7,220	6,530	8,200	0,431	0,070	38	15	72%