

Press Release

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Kantar 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 2019, has now been completed, the previous March 2019 was published March 13, 2019. The last survey among money market players was published May 15, 2019.

A comparison of the results of the surveys can be summarised as follows (rounded off figures):

All Interviewees' Expectations of

Annual	Year 1		Year 2		Year 5	
	Jun 19	Mar 19	Jun 19	Mar 19	Jun 19	Mar 19
Inflation CPI, %	1,9	1,9	1,9	2,0	2,0	2,1
Inflation CPIF, %	1,8	1,9	1,8	1,9	1,9	1,9
GDP, %	1,9	1,8	1,9	1,9	2,1	2,2
Wage increase, %	2,4	2,4	2,3	2,4	2,4	2,4

Repo rate, %	3 months		12 months		24 months		60 months	
	Jun 19	Mar 19	Jun 19	Mar 19	Jun 19	Mar 19	Jun 19	Mar 19
	-0,2	-0,2	0,0	0,0	0,2	0,3	1,0	1,1

Money Market Players' Expectations of

Repo rate, %	3 months			12 months			24 months			60 months		
	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19
Repo rate, %	-0,3	-0,3	-0,2	0,0	0,0	0,0	0,2	0,2	0,3	1,3	1,2	1,2
5 year gvt bond rate, %	-0,2	-0,1	0,0	0,0	0,2	0,4	0,4	0,7	0,8	1,5	1,6	1,6
EUR	10,70	10,47	10,45	10,52	10,26	10,26	10,28	10,05	10,03	-	-	-
USD	9,56	9,28	9,24	9,19	8,99	8,96	8,84	8,69	8,65	-	-	-

Interview Period & Method

Kantar 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 11, 2019 (previous February 25 - March 11, 2019). The last survey among money market players was carried out April 24 - May 13, 2019.

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, 2019 (previous March 6, 2019 and April 24, 2019).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,9 years.

About the Interviewees & Response Rate

All Interviewees

In all 203 (198) organisations/companies were approached for interview. 67 (49) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 67 % (75 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 37 % or more for the one year and two year assessments (63 % exclusive of CPIF). 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

46 Swedish labour market organisations, of which 21 on the employers' side and 25 on the employees' side have been approached.

Purchase Managers

Of the 110 purchasing managers 53 represent the trading industry and 57 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 47 players, 44 Swedish and 3 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) and Consumer Price Index with a fixed interest rate (CPIF)

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 Kantar Sifo Prospera Inflation Expectations Surveys

Kantar Sifo Prospera inflation reports and tables, from 2000 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

TABLE 1 - Comparison June 2019 vs (May 2019) March 2019

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 19	May 19	Mar 19	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19
Annual inflation CPI, %									
All interviewees	1,9		1,9	1,9		2,0	2,0		2,1
Employees' organisations	2,0		1,9	2,0		1,9	2,0		2,1
Employers' organisations	1,8		1,9	1,9		2,0	2,1		2,1
Purchase managers Manufacturing	2,0		2,0	2,0		2,0	2,1		2,2
Purchase managers Trading	1,9		2,0	1,8		2,1	2,0		2,1
Money market players	1,8	1,8	1,9	1,8	1,8	1,9	1,9	1,9	1,9
Annual inflation CPIIF, %									
All interviewees	1,8		1,9	1,8		1,9	1,9		1,9
Employees' organisations	1,9		2,0	1,9		1,9	1,9		2,0
Employers' organisations	1,7		1,9	1,8		1,9	2,1		2,0
Purchase managers Manufacturing	1,9		2,0	1,9		2,0	1,9		2,1
Purchase managers Trading	1,8		2,0	1,9		2,0	2,0		2,0
Money market players	1,7	1,7	1,8	1,7	1,8	1,8	1,8	1,8	1,8
GDP, %									
All interviewees	1,9		1,8	1,9		1,9	2,1		2,2
Employees' organisations	2,0		1,9	2,2		1,9	2,3		2,3
Employers' organisations	1,7		1,5	1,8		1,6	2,3		2,1
Purchase managers Manufacturing	2,1		1,9	2,0		1,8	2,3		2,2
Purchase managers Trading	1,9		1,9	1,9		2,0	2,0		2,3
Money market players	1,7	1,7	1,8	1,7	1,8	1,8	2,0	2,0	2,0
Annual wage increase, %									
All interviewees	2,4		2,4	2,3		2,4	2,4		2,4
Employees' organisations	2,7		2,6	2,8		2,7	2,8		2,8
Employers' organisations	2,4		2,5	2,4		2,4	2,4		2,4
Purchase managers Manufacturing	2,2		2,3	2,2		2,2	2,3		2,3
Purchase managers Trading	2,3		2,3	2,3		2,3	2,3		2,4

	3 months			12 months			24 months			60 months		
	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19	Jun 19	May 19	Mar 19
Repo rate, %												
All interviewees	-0,2		-0,2	0,0		0,0	0,2		0,3	1,0		1,1
Employees' organisations	-0,3		-0,3	-0,1		-0,1	0,1		0,2	0,9		1,1
Employers' organisations	-0,2		-0,3	0,0		0,0	0,4		0,3	1,2		1,4
Purchase managers Manufacturing	-0,3		-0,2	-0,1		-0,1	0,2		0,3	0,9		1,1
Purchase managers Trading	-0,2		-0,2	0,0		0,0	0,3		0,4	1,0		1,1
Money market players	-0,3	-0,3	-0,2	0,0	0,0	0,0	0,2	0,2	0,3	1,3	1,2	1,2

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	1,895	1,900	0,500	2,900	0,320	0,028	133	70	66%
Year 2	1,911	2,000	1,000	2,600	0,334	0,029	133	70	66%
Year 5	2,009	2,000	0,500	3,500	0,395	0,035	126	77	62%
Employees' organisations									
Year 1	1,956	2,000	1,400	2,200	0,195	0,046	18	7	72%
Year 2	2,017	1,950	1,700	2,500	0,262	0,062	18	7	72%
Year 5	2,029	2,000	1,500	2,700	0,273	0,066	17	8	68%
Employers' organisations									
Year 1	1,843	1,800	1,400	2,500	0,330	0,088	14	7	67%
Year 2	1,896	1,900	1,500	2,400	0,252	0,067	14	7	67%
Year 5	2,108	2,000	1,700	2,500	0,233	0,065	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	1,956	2,000	0,500	2,900	0,434	0,074	34	23	60%
Year 2	2,035	2,000	1,000	2,600	0,343	0,059	34	23	60%
Year 5	2,130	2,000	1,000	3,500	0,467	0,081	33	24	58%
Purchasing Managers, Trading									
Year 1	1,885	2,000	1,000	2,500	0,305	0,055	31	22	58%
Year 2	1,837	2,000	1,000	2,500	0,379	0,068	31	22	58%
Year 5	1,954	2,000	1,000	2,500	0,392	0,074	28	25	53%
Money Market Players									
Year 1	1,836	1,900	1,400	2,300	0,243	0,040	36	11	77%
Year 2	1,808	1,800	1,000	2,400	0,305	0,051	36	11	77%
Year 5	1,891	2,000	0,500	2,500	0,395	0,067	35	12	74%

Expected annual increase in CPIF 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	1,782	1,800	1,000	2,200	0,233	0,027	76	127	37%
Year 2	1,803	1,800	1,000	2,500	0,263	0,030	76	127	37%
Year 5	1,915	2,000	0,500	2,700	0,323	0,038	72	131	35%
Employees' organisations									
Year 1	1,893	1,900	1,600	2,100	0,138	0,037	14	11	56%
Year 2	1,921	1,900	1,500	2,500	0,269	0,072	14	11	56%
Year 5	1,931	2,000	1,500	2,300	0,225	0,062	13	12	52%
Employers' organisations									
Year 1	1,736	1,800	1,300	2,000	0,225	0,068	11	10	52%
Year 2	1,777	1,800	1,500	2,000	0,154	0,046	11	10	52%
Year 5	2,085	2,050	1,700	2,700	0,273	0,086	10	11	48%
Purchasing Managers, Manufacturing									
Year 1	1,920	2,000	1,500	2,100	0,239	0,107	5	52	9%
Year 2	1,900	2,000	1,400	2,100	0,283	0,126	5	52	9%
Year 5	1,900	2,000	1,300	2,200	0,354	0,158	5	52	9%
Purchasing Managers, Trading									
Year 1	1,788	1,850	1,000	2,200	0,309	0,089	12	41	23%
Year 2	1,867	1,900	1,500	2,300	0,239	0,069	12	41	23%
Year 5	2,005	2,000	1,750	2,300	0,154	0,049	10	43	19%
Money Market Players									
Year 1	1,729	1,800	1,300	2,100	0,225	0,039	34	13	72%
Year 2	1,725	1,700	1,000	2,200	0,279	0,048	34	13	72%
Year 5	1,835	2,000	0,500	2,500	0,382	0,066	34	13	72%



TABLE 3 - Inflation Expectations - 75% probability forecast uncertainty intervals

Expected annual increase intervals in CPIF 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	1,302	1,200	0,500	1,800	0,363	0,070	27	20	57%
Upper bound	2,154	2,100	1,500	3,000	0,366	0,070	27	20	57%
Year 2									
Lower bound	1,111	1,300	-0,500	1,900	0,646	0,124	27	20	57%
Upper bound	2,370	2,200	1,900	3,500	0,406	0,078	27	20	57%
Year 5									
Lower bound	0,967	1,400	-1,000	1,900	0,841	0,165	26	21	55%
Upper bound	2,821	2,500	1,900	6,000	0,809	0,159	26	21	55%

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	1,885	1,800	0,500	3,300	0,494	0,043	131	72	65%
Year 2	1,899	1,900	0,200	3,300	0,520	0,045	131	72	65%
Year 5	2,128	2,000	0,500	3,500	0,550	0,049	125	78	62%
Employees' organisations									
Year 1	2,044	1,950	1,000	3,300	0,585	0,138	18	7	72%
Year 2	2,150	2,000	1,500	3,300	0,504	0,119	18	7	72%
Year 5	2,271	2,000	1,500	3,500	0,562	0,136	17	8	68%
Employers' organisations									
Year 1	1,707	1,550	1,000	3,000	0,555	0,148	14	7	67%
Year 2	1,814	1,700	1,400	2,800	0,431	0,115	14	7	67%
Year 5	2,258	2,150	1,400	3,000	0,485	0,134	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,071	2,000	1,000	3,000	0,493	0,086	33	24	58%
Year 2	2,000	2,000	0,200	3,200	0,618	0,108	33	24	58%
Year 5	2,263	2,100	0,500	3,500	0,705	0,125	32	25	56%
Purchasing Managers, Trading									
Year 1	1,917	2,000	1,000	3,000	0,428	0,078	30	23	57%
Year 2	1,900	1,850	0,500	3,200	0,527	0,096	30	23	57%
Year 5	2,032	2,000	0,500	3,000	0,524	0,099	28	25	53%
Money Market Players									
Year 1	1,679	1,650	0,500	2,500	0,386	0,064	36	11	77%
Year 2	1,714	1,700	0,900	2,700	0,389	0,065	36	11	77%
Year 5	1,964	2,000	1,000	3,000	0,362	0,061	35	12	74%



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	2,356	2,300	1,600	3,500	0,379	0,038	99	57	63%
Year 2	2,334	2,300	1,000	3,500	0,441	0,044	99	57	63%
Year 5	2,389	2,300	1,500	3,600	0,488	0,051	93	63	60%
Employees' organisations									
Year 1	2,694	2,650	2,000	3,500	0,437	0,103	18	7	72%
Year 2	2,778	2,750	2,100	3,500	0,396	0,093	18	7	72%
Year 5	2,771	2,900	2,000	3,600	0,511	0,124	17	8	68%
Employers' organisations									
Year 1	2,429	2,450	2,000	3,100	0,278	0,074	14	7	67%
Year 2	2,354	2,300	1,900	3,200	0,366	0,098	14	7	67%
Year 5	2,438	2,200	1,600	3,500	0,549	0,152	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,194	2,000	1,600	3,000	0,342	0,058	35	22	61%
Year 2	2,160	2,000	1,500	3,000	0,347	0,059	35	22	61%
Year 5	2,256	2,050	1,500	3,000	0,419	0,072	34	23	60%
Purchasing Managers, Trading									
Year 1	2,309	2,250	1,800	3,000	0,297	0,052	32	21	60%
Year 2	2,266	2,250	1,000	3,100	0,433	0,077	32	21	60%
Year 5	2,300	2,200	1,500	3,300	0,423	0,078	29	24	55%

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	-0,238	-0,250	-0,500	0,250	0,083	0,008	119	84	59%
12 months	-0,049	0,000	-0,250	0,500	0,179	0,016	119	84	59%
24 months	0,244	0,250	-0,500	2,000	0,354	0,032	119	84	59%
60 months	1,033	1,000	-0,500	3,000	0,708	0,067	113	90	56%
Employees' organisations									
3 months	-0,258	-0,250	-0,500	-0,150	0,065	0,015	18	7	72%
12 months	-0,089	0,000	-0,250	0,000	0,120	0,028	18	7	72%
24 months	0,142	0,150	-0,250	0,500	0,192	0,045	18	7	72%
60 months	0,941	1,000	0,000	2,000	0,616	0,149	17	8	68%
Employers' organisations									
3 months	-0,232	-0,250	-0,250	0,000	0,067	0,018	14	7	67%
12 months	0,011	0,000	-0,250	0,500	0,210	0,056	14	7	67%
24 months	0,357	0,125	-0,250	2,000	0,578	0,154	14	7	67%
60 months	1,185	1,000	0,000	3,000	0,770	0,214	13	8	62%
Purchasing Managers, Manufacturing									
3 months	-0,258	-0,250	-0,500	-0,250	0,044	0,008	33	24	58%
12 months	-0,126	-0,150	-0,250	0,000	0,121	0,021	33	24	58%
24 months	0,224	0,250	-0,250	1,000	0,280	0,049	33	24	58%
60 months	0,942	1,000	-0,500	3,000	0,791	0,140	32	25	56%
Purchasing Managers, Trading									
3 months	-0,198	-0,250	-0,500	0,250	0,136	0,024	31	22	58%
12 months	0,016	0,000	-0,250	0,500	0,218	0,039	31	22	58%
24 months	0,292	0,250	-0,500	1,000	0,354	0,064	31	22	58%
60 months	0,950	1,000	-0,250	2,000	0,643	0,119	29	24	55%
Money Market Players									
3 months	-0,250	-0,250	-0,250	-0,250	0,000	0,000	23	24	49%
12 months	-0,033	0,000	-0,250	0,250	0,174	0,036	23	24	49%
24 months	0,217	0,250	-0,250	1,250	0,372	0,077	23	24	49%
60 months	1,257	1,125	0,000	2,500	0,687	0,147	22	25	47%



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	-0,295	-0,250	-0,500	-0,250	0,094	0,021	20	27	43%
Upper bound	-0,150	-0,250	-0,250	0,000	0,126	0,028	20	27	43%
12 months									
Lower bound	-0,300	-0,250	-0,750	0,000	0,174	0,039	20	27	43%
Upper bound	0,205	0,250	0,000	0,500	0,204	0,046	20	27	43%
24 months									
Lower bound	-0,130	0,000	-1,000	0,500	0,418	0,093	20	27	43%
Upper bound	0,893	0,675	0,000	3,000	0,752	0,168	20	27	43%
60 months									
Lower bound	0,271	0,250	-1,000	2,000	0,824	0,189	19	28	40%
Upper bound	2,458	2,500	0,500	6,000	1,486	0,341	19	28	40%

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	-0,214	-0,225	-0,450	0,200	0,172	0,038	20	27	43%
12 months	0,040	0,000	-0,500	0,750	0,290	0,065	20	27	43%
24 months	0,378	0,250	-0,500	1,500	0,507	0,113	20	27	43%
60 months	1,493	1,400	-0,300	3,000	0,885	0,198	20	27	43%
EUR/SEK									
3 months	10,696	10,700	10,400	11,200	0,177	0,037	23	24	49%
12 months	10,520	10,400	10,200	11,300	0,309	0,064	23	24	49%
24 months	10,278	10,200	9,500	11,300	0,413	0,086	23	24	49%
USD/SEK									
3 months	9,560	9,500	9,200	10,180	0,204	0,043	23	24	49%
12 months	9,192	9,200	8,500	10,270	0,395	0,082	23	24	49%
24 months	8,842	8,800	7,900	10,270	0,614	0,128	23	24	49%