



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 2013, has now been completed, the previous June 2013 was published June 12, 2013. The last survey among money market players was published August 14, 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	
	Sep 13	Jun 13	Sep 13	Jun 13	Sep 13	Jun 13
Annual						
Inflation, %	1,0	0,9	1,5	1,4	1,9	1,9
GDP, %	1,4	1,4	1,9	1,9	2,3	2,4
Wage increase, %	2,3	2,3	2,5	2,5	2,7	2,7

	3 months		12 months		24 months		60 months	
	Sep 13	Jun 13	Sep 13	Jun 13	Sep 13	Jun 13	Sep 13	Jun 13
Repo rate, %	1,0	0,9	1,2	1,0	1,7	1,5	2,4	2,1

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sep 13	(Aug 13)	Jun 13	Sep 13	(Aug 13)	Jun 13	Sep 13	(Aug 13)	Jun 13	Sep 13	(Aug 13)	Jun 13
Repo rate, %	1,0	(1,0)	0,9	1,2	(1,1)	0,9	1,8	(1,6)	1,4	2,9	(2,8)	2,5
5 year gvt bond rate, %	1,9	(1,7)	1,4	2,2	(1,9)	1,6	2,7	(2,4)	2,1	3,5	(3,3)	3,0
EUR	8,59	(8,57)	8,49	8,44	(8,44)	8,36	8,40	(8,41)	8,33	-	-	-
USD	6,59	(6,61)	6,68	6,73	(6,81)	6,84	6,83	(6,99)	6,97	-	-	-



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 26 – September 9, 2013 (previous May 27 – June 10, 2013 (July 31 – August 12, 2013)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 28, 2013 (May 29, 2013 (July 31, 2013)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 12,9 years.

About the Interviewees & Response Rate

All Interviewees

In all 244 (248) organisations/companies were approached for interview. 24 (26) 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

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 138 purchasing managers 68 represent the trading industry and 70 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 September 2013 vs (August 2013) June 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		
	Sep 13	(Aug 13)	Jun 13	Sep 13	(Aug 13)	Jun 13	Sep 13	(Aug 13)	Jun 13
Annual inflation, %									
All interviewees	1,0		0,9	1,5		1,4	1,9		1,9
Employees' organisations	0,9		0,9	1,4		1,4	1,8		1,9
Employers' organisations	0,9		0,7	1,5		1,3	2,0		2,1
Purchase managers Manufacturing	1,0		0,8	1,4		1,3	1,8		1,8
Purchase managers Trading	1,1		0,9	1,5		1,4	1,9		2,0
Money market players	1,1	(1,0)	1,0	1,6	(1,6)	1,5	2,0	(1,9)	2,0
GDP, %									
All interviewees	1,4		1,4	1,9		1,9	2,3		2,4
Employees' organisations	1,2		1,4	1,8		1,9	2,4		2,6
Employers' organisations	1,4		1,5	2,2		2,1	2,7		2,9
Purchase managers Manufacturing	1,2		1,4	1,6		1,8	2,2		2,2
Purchase managers Trading	1,2		1,3	1,7		1,7	2,2		2,3
Money market players	1,8	(1,7)	1,6	2,3	(2,1)	2,1	2,4	(2,3)	2,3
Annual wage increase, %									
All interviewees	2,3		2,3	2,5		2,5	2,7		2,7
Employees' organisations	2,7		2,6	2,8		2,7	3,2		3,2
Employers' organisations	2,5		2,3	2,6		2,5	2,9		2,8
Purchase managers Manufacturing	2,1		2,3	2,4		2,4	2,6		2,6
Purchase managers Trading	2,4		2,3	2,5		2,5	2,7		2,6

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

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	1,035	1,000	0,000	3,000	0,594	0,040	219	25	90%
Year 2	1,483	1,500	0,000	3,200	0,656	0,044	218	26	89%
Year 5	1,862	2,000	-1,000	3,500	0,627	0,044	201	43	82%
Employees' organisations									
Year 1	0,910	1,000	0,000	2,000	0,495	0,101	24	3	89%
Year 2	1,379	1,500	0,100	2,500	0,596	0,122	24	3	89%
Year 5	1,835	2,000	0,100	3,000	0,650	0,136	23	4	85%
Employers' organisations									
Year 1	0,923	1,000	0,100	1,800	0,485	0,103	22	2	92%
Year 2	1,473	1,600	0,100	2,500	0,668	0,142	22	2	92%
Year 5	1,965	2,000	0,200	2,800	0,618	0,138	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	1,006	1,000	0,100	3,000	0,716	0,089	65	5	93%
Year 2	1,375	1,500	0,100	3,200	0,774	0,096	65	5	93%
Year 5	1,759	2,000	0,200	3,500	0,749	0,094	63	7	90%
Purchasing Managers, Trading									
Year 1	1,108	1,000	0,000	2,500	0,619	0,082	57	11	84%
Year 2	1,532	1,500	0,000	3,000	0,654	0,087	57	11	84%
Year 5	1,883	2,000	-1,000	3,000	0,647	0,089	53	15	78%
Money Market Players									
Year 1	1,096	1,200	0,000	1,900	0,469	0,066	51	4	93%
Year 2	1,621	1,550	0,500	2,500	0,481	0,068	50	5	91%
Year 5	1,955	2,000	1,000	3,000	0,323	0,050	42	13	76%

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	0,622	0,750	-1,000	1,800	0,534	0,081	44	11	80%
Upper bound	1,564	1,500	0,500	3,500	0,534	0,080	44	11	80%
Year 2									
Lower bound	0,934	1,000	-1,000	2,000	0,596	0,090	44	11	80%
Upper bound	2,208	2,200	0,750	4,000	0,600	0,090	44	11	80%
Year 5									
Lower bound	1,016	1,000	-1,500	2,000	0,692	0,108	41	14	75%
Upper bound	2,833	3,000	1,250	5,000	0,764	0,119	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
All									
Year 1	1,354	1,200	0,000	3,300	0,622	0,042	216	28	89%
Year 2	1,875	2,000	-0,500	3,500	0,704	0,048	214	30	88%
Year 5	2,301	2,500	-2,500	5,400	0,831	0,059	198	46	81%
Employees' organisations									
Year 1	1,165	1,000	0,500	2,000	0,375	0,078	23	4	85%
Year 2	1,791	2,000	1,000	3,000	0,597	0,124	23	4	85%
Year 5	2,405	2,500	1,000	3,500	0,705	0,150	22	5	81%
Employers' organisations									
Year 1	1,391	1,450	0,500	2,800	0,577	0,123	22	2	92%
Year 2	2,182	2,250	1,000	3,500	0,749	0,160	22	2	92%
Year 5	2,695	2,600	1,000	4,000	0,739	0,161	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	1,210	1,000	0,000	3,000	0,632	0,079	64	6	91%
Year 2	1,623	1,500	-0,500	3,500	0,759	0,095	64	6	91%
Year 5	2,171	2,000	0,400	4,000	0,885	0,112	62	8	89%
Purchasing Managers, Trading									
Year 1	1,210	1,000	0,500	2,500	0,528	0,070	57	11	84%
Year 2	1,718	1,700	0,500	3,000	0,636	0,085	56	12	82%
Year 5	2,182	2,500	-2,500	5,400	1,001	0,140	51	17	75%
Money Market Players									
Year 1	1,774	1,700	0,500	3,300	0,642	0,091	50	5	91%
Year 2	2,287	2,400	1,000	3,200	0,487	0,070	49	6	89%
Year 5	2,387	2,500	1,000	3,500	0,523	0,081	42	13	76%

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	2,332	2,500	1,000	3,500	0,520	0,040	167	22	88%
Year 2	2,507	2,500	1,000	5,000	0,567	0,044	167	22	88%
Year 5	2,739	2,900	0,500	5,000	0,602	0,048	157	32	83%
Employees' organisations									
Year 1	2,706	2,800	1,500	3,500	0,444	0,091	24	3	89%
Year 2	2,788	2,900	1,500	3,500	0,417	0,085	24	3	89%
Year 5	3,200	3,000	2,200	5,000	0,579	0,121	23	4	85%
Employers' organisations									
Year 1	2,476	2,500	1,700	3,500	0,462	0,101	21	3	88%
Year 2	2,605	2,600	1,900	4,000	0,494	0,108	21	3	88%
Year 5	2,895	2,950	1,500	4,200	0,697	0,156	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	2,131	2,000	1,000	3,000	0,490	0,061	65	5	93%
Year 2	2,413	2,500	1,000	5,000	0,653	0,081	65	5	93%
Year 5	2,573	2,500	1,500	3,300	0,482	0,061	63	7	90%
Purchasing Managers, Trading									
Year 1	2,351	2,500	1,000	3,500	0,504	0,067	57	11	84%
Year 2	2,460	2,500	1,000	3,500	0,506	0,067	57	11	84%
Year 5	2,675	2,750	0,500	4,000	0,604	0,085	51	17	75%

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	1,015	1,000	0,700	1,500	0,104	0,007	203	41	83%
12 months	1,242	1,250	0,500	2,500	0,283	0,020	203	41	83%
24 months	1,687	1,700	0,500	3,000	0,482	0,034	199	45	82%
60 months	2,362	2,500	0,000	4,750	0,758	0,056	186	58	76%
Employees' organisations									
3 months	1,022	1,000	1,000	1,500	0,104	0,022	23	4	85%
12 months	1,265	1,250	1,000	1,500	0,187	0,039	23	4	85%
24 months	1,654	1,750	0,500	3,000	0,550	0,115	23	4	85%
60 months	2,368	2,375	0,500	3,500	0,838	0,179	22	5	81%
Employers' organisations									
3 months	1,048	1,000	1,000	1,500	0,150	0,033	21	3	88%
12 months	1,283	1,250	1,000	2,000	0,310	0,068	21	3	88%
24 months	1,995	2,000	1,250	2,750	0,400	0,087	21	3	88%
60 months	2,813	2,625	2,000	4,750	0,692	0,155	20	4	83%
Purchasing Managers, Manufacturing									
3 months	1,006	1,000	0,700	1,500	0,126	0,016	64	6	91%
12 months	1,245	1,250	0,700	2,500	0,309	0,039	64	6	91%
24 months	1,555	1,500	0,700	3,000	0,463	0,058	64	6	91%
60 months	2,049	2,000	0,500	4,000	0,693	0,089	61	9	87%
Purchasing Managers, Trading									
3 months	1,025	1,000	1,000	1,400	0,083	0,011	55	13	81%
12 months	1,282	1,250	0,500	2,000	0,285	0,038	55	13	81%
24 months	1,670	1,500	0,750	2,500	0,461	0,063	53	15	78%
60 months	2,167	2,250	0,000	3,500	0,642	0,092	49	19	72%
Money Market Players									
3 months	0,994	1,000	0,750	1,000	0,040	0,006	40	15	73%
12 months	1,150	1,000	0,750	2,000	0,258	0,041	40	15	73%
24 months	1,784	1,750	0,750	2,750	0,468	0,076	38	17	69%
60 months	2,934	3,000	2,000	4,250	0,572	0,098	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
Money Market Players									
3 months									
Lower bound	0,850	0,750	0,750	1,000	0,124	0,021	35	20	64%
Upper bound	1,122	1,000	1,000	1,750	0,164	0,028	35	20	64%
12 months									
Lower bound	0,846	0,875	0,000	1,000	0,204	0,035	34	21	62%
Upper bound	1,493	1,500	1,000	2,000	0,265	0,045	34	21	62%
24 months									
Lower bound	1,221	1,250	0,000	2,000	0,445	0,075	35	20	64%
Upper bound	2,414	2,500	1,250	4,000	0,594	0,100	35	20	64%
60 months									
Lower bound	1,882	2,000	0,000	3,500	0,749	0,129	34	21	62%
Upper bound	3,860	4,000	2,250	7,000	0,958	0,164	34	21	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	1,938	2,000	1,500	2,250	0,207	0,035	36	19	65%
12 months	2,245	2,250	1,250	3,000	0,333	0,056	36	19	65%
24 months	2,733	2,700	1,750	4,500	0,581	0,098	35	20	64%
60 months	3,480	3,500	2,250	4,750	0,613	0,105	34	21	62%
EUR/SEK									
3 months	8,593	8,600	8,300	8,880	0,135	0,022	39	16	71%
12 months	8,441	8,500	8,000	9,000	0,235	0,038	39	16	71%
24 months	8,401	8,450	7,800	9,000	0,317	0,051	38	17	69%
USD/SEK									
3 months	6,586	6,590	6,250	7,250	0,182	0,029	39	16	71%
12 months	6,728	6,750	5,930	7,550	0,346	0,055	39	16	71%
24 months	6,829	7,000	5,710	8,100	0,504	0,082	38	17	69%