



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 December 2013, has now been completed, the previous September 2013 was published September 11, 2013. The last survey among money market players was published November 6, 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	
	Dec 13	Sep 13	Dec 13	Sep 13	Dec 13	Sep 13
Annual						
Inflation, %	0,9	1,0	1,4	1,5	1,8	1,9
GDP, %	1,3	1,4	1,9	1,9	2,3	2,3
Wage increase, %	2,3	2,3	2,4	2,5	2,7	2,7

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

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13
Repo rate, %	0,9	(1,0)	1,0	1,0	(1,1)	1,2	1,5	(1,8)	1,8	2,6	(2,8)	2,9
5 year gvt bond rate, %	1,6	(1,9)	1,9	2,0	(2,2)	2,2	2,4	(2,6)	2,7	3,1	(3,4)	3,5
EUR	8,80	(8,63)	8,59	8,59	(8,49)	8,44	8,50	(8,41)	8,40	-	-	-
USD	6,64	(6,50)	6,59	6,77	(6,66)	6,73	6,89	(6,84)	6,83	-	-	-



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 November 25 – December 9, 2013 (previous August 26 – September 9, 2013 (October 23 – November 4, 2013)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on November 27, 2013 (August 28, 2013 (October 23, 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 240 (244) organisations/companies were approached for interview. 21 (24) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 91 % (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

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 135 purchasing managers 67 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 54 players, 47 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 December 2013 vs (November 2013)
September 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		
	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13
Annual inflation, %									
All interviewees	0,9		1,0	1,4		1,5	1,8		1,9
Employees' organisations	0,8		0,9	1,4		1,4	1,9		1,8
Employers' organisations	0,9		0,9	1,4		1,5	2,0		2,0
Purchase managers Manufacturing	0,8		1,0	1,3		1,4	1,7		1,8
Purchase managers Trading	0,9		1,1	1,4		1,5	1,9		1,9
Money market players	1,0	(1,2)	1,1	1,6	(1,7)	1,6	1,8	(2,0)	2,0
GDP, %									
All interviewees	1,3		1,4	1,9		1,9	2,3		2,3
Employees' organisations	1,1		1,2	1,8		1,8	2,6		2,4
Employers' organisations	1,4		1,4	2,0		2,2	2,7		2,7
Purchase managers Manufacturing	1,0		1,2	1,5		1,6	2,1		2,2
Purchase managers Trading	1,1		1,2	1,8		1,7	2,3		2,2
Money market players	2,0	(2,0)	1,8	2,3	(2,3)	2,3	2,4	(2,3)	2,4
Annual wage increase, %									
All interviewees	2,3		2,3	2,4		2,5	2,7		2,7
Employees' organisations	2,6		2,7	2,7		2,8	3,0		3,2
Employers' organisations	2,4		2,5	2,5		2,6	2,9		2,9
Purchase managers Manufacturing	2,1		2,1	2,3		2,4	2,5		2,6
Purchase managers Trading	2,2		2,4	2,4		2,5	2,6		2,7

	3 months			12 months			24 months			60 months		
	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13	Dec 13	(Nov 13)	Sep 13
Repo rate, %												
All interviewees	0,9		1,0	1,1		1,2	1,5		1,7	2,2		2,4
Employees' organisations	0,9		1,0	1,0		1,3	1,5		1,7	2,3		2,4
Employers' organisations	0,9		1,0	1,1		1,3	1,6		2,0	2,6		2,8
Purchase managers Manufacturing	0,9		1,0	1,2		1,2	1,5		1,6	2,0		2,0
Purchase managers Trading	0,9		1,0	1,1		1,3	1,6		1,7	2,1		2,2
Money market players	0,9	(1,0)	1,0	1,0	(1,1)	1,2	1,5	(1,8)	1,8	2,6	(2,8)	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 resp. (numbers)	Response Rate
All									
Year 1	0,883	1,000	-0,400	2,500	0,599	0,041	217	23	90%
Year 2	1,407	1,500	-0,100	3,000	0,619	0,042	216	24	90%
Year 5	1,844	2,000	0,100	3,500	0,601	0,042	201	39	84%
Employees' organisations									
Year 1	0,767	0,900	0,000	2,000	0,471	0,096	24	3	89%
Year 2	1,408	1,500	0,100	2,000	0,552	0,113	24	3	89%
Year 5	1,904	2,000	1,000	3,000	0,508	0,106	23	4	85%
Employers' organisations									
Year 1	0,872	0,800	-0,100	2,300	0,615	0,128	23	1	96%
Year 2	1,361	1,500	-0,100	2,500	0,667	0,139	23	1	96%
Year 5	1,967	2,000	0,500	2,800	0,634	0,138	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	0,817	1,000	-0,400	2,500	0,696	0,088	63	5	93%
Year 2	1,340	1,500	0,200	3,000	0,716	0,090	63	5	93%
Year 5	1,707	1,850	0,200	3,000	0,738	0,095	60	8	88%
Purchasing Managers, Trading									
Year 1	0,897	1,000	-0,300	2,500	0,661	0,088	57	10	85%
Year 2	1,374	1,500	0,000	2,500	0,642	0,085	57	10	85%
Year 5	1,921	2,000	0,100	3,500	0,621	0,085	53	14	79%
Money Market Players									
Year 1	1,008	1,000	0,000	1,800	0,408	0,058	50	4	93%
Year 2	1,552	1,500	0,500	2,300	0,441	0,063	49	5	91%
Year 5	1,847	2,000	1,000	2,500	0,322	0,049	44	10	81%

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	0,499	0,500	-1,000	1,300	0,462	0,070	44	10	81%
Upper bound	1,411	1,400	0,500	3,000	0,512	0,077	44	10	81%
Year 2									
Lower bound	0,914	1,000	-1,500	1,600	0,568	0,086	44	10	81%
Upper bound	2,101	2,000	1,000	3,500	0,580	0,087	44	10	81%
Year 5									
Lower bound	1,027	1,000	-2,000	1,900	0,657	0,100	43	11	80%
Upper bound	2,731	2,500	1,500	5,000	0,738	0,113	43	11	80%

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	1,326	1,200	0,000	3,500	0,826	0,056	215	25	90%
Year 2	1,852	2,000	0,000	3,500	0,788	0,054	214	26	89%
Year 5	2,338	2,500	0,100	5,000	0,859	0,061	199	41	83%
Employees' organisations									
Year 1	1,122	1,000	0,100	3,000	0,630	0,131	23	4	85%
Year 2	1,787	1,900	1,000	3,000	0,627	0,131	23	4	85%
Year 5	2,591	2,500	1,000	5,000	0,813	0,173	22	5	81%
Employers' organisations									
Year 1	1,398	1,500	0,300	3,000	0,756	0,158	23	1	96%
Year 2	2,009	2,200	0,400	3,000	0,751	0,157	23	1	96%
Year 5	2,700	2,500	0,400	4,000	0,918	0,200	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	1,040	1,000	0,000	3,000	0,785	0,100	62	6	91%
Year 2	1,534	1,500	0,000	3,000	0,827	0,105	62	6	91%
Year 5	2,087	2,000	0,100	5,000	0,963	0,125	59	9	87%
Purchasing Managers, Trading									
Year 1	1,086	1,000	0,000	3,000	0,703	0,093	57	10	85%
Year 2	1,751	2,000	0,100	3,200	0,778	0,103	57	10	85%
Year 5	2,334	2,500	0,200	5,000	0,905	0,124	53	14	79%
Money Market Players									
Year 1	2,017	2,000	0,500	3,500	0,732	0,103	50	4	93%
Year 2	2,328	2,300	1,000	3,500	0,596	0,085	49	5	91%
Year 5	2,382	2,400	1,500	3,500	0,505	0,076	44	10	81%

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	2,254	2,200	0,500	3,800	0,513	0,040	165	21	89%
Year 2	2,434	2,500	0,900	4,000	0,517	0,040	165	21	89%
Year 5	2,670	2,500	1,000	6,500	0,648	0,052	155	31	83%
Employees' organisations									
Year 1	2,577	2,500	1,500	3,500	0,426	0,087	24	3	89%
Year 2	2,738	2,800	1,500	3,500	0,464	0,095	24	3	89%
Year 5	3,035	3,000	2,000	4,000	0,513	0,107	23	4	85%
Employers' organisations									
Year 1	2,436	2,300	1,700	3,800	0,547	0,117	22	2	92%
Year 2	2,505	2,400	1,800	3,500	0,529	0,113	22	2	92%
Year 5	2,902	3,000	1,500	6,500	1,044	0,228	21	3	88%
Purchasing Managers, Manufacturing									
Year 1	2,078	2,000	0,500	3,500	0,481	0,061	63	5	93%
Year 2	2,291	2,400	0,900	4,000	0,512	0,065	63	5	93%
Year 5	2,545	2,500	1,000	3,500	0,560	0,073	59	9	87%
Purchasing Managers, Trading									
Year 1	2,243	2,350	1,000	3,500	0,489	0,065	56	11	84%
Year 2	2,437	2,500	1,500	3,500	0,487	0,065	56	11	84%
Year 5	2,556	2,500	1,500	3,500	0,509	0,071	52	15	78%

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	0,915	1,000	0,250	1,500	0,152	0,011	203	37	85%
12 months	1,080	1,000	0,500	1,750	0,255	0,018	203	37	85%
24 months	1,539	1,500	0,500	3,000	0,437	0,031	202	38	84%
60 months	2,240	2,000	1,000	4,000	0,716	0,052	187	53	78%
Employees' organisations									
3 months	0,909	1,000	0,250	1,500	0,233	0,049	23	4	85%
12 months	1,011	1,000	0,500	1,500	0,234	0,049	23	4	85%
24 months	1,535	1,500	0,750	2,500	0,478	0,100	23	4	85%
60 months	2,327	2,000	1,200	4,000	0,780	0,166	22	5	81%
Employers' organisations									
3 months	0,911	1,000	0,500	1,200	0,157	0,033	23	1	96%
12 months	1,076	1,000	0,750	1,500	0,276	0,058	23	1	96%
24 months	1,596	1,500	0,750	2,500	0,471	0,098	23	1	96%
60 months	2,579	2,500	1,500	4,000	0,632	0,138	21	3	88%
Purchasing Managers, Manufacturing									
3 months	0,945	1,000	0,750	1,300	0,132	0,017	62	6	91%
12 months	1,162	1,150	0,750	1,750	0,252	0,032	62	6	91%
24 months	1,505	1,500	0,750	3,000	0,457	0,058	62	6	91%
60 months	2,042	2,000	1,000	4,000	0,657	0,085	60	8	88%
Purchasing Managers, Trading									
3 months	0,922	1,000	0,500	1,250	0,139	0,019	55	12	82%
12 months	1,108	1,000	0,500	1,500	0,240	0,032	55	12	82%
24 months	1,563	1,500	0,750	2,500	0,412	0,055	55	12	82%
60 months	2,066	2,000	1,000	3,500	0,639	0,089	51	16	76%
Money Market Players									
3 months	0,863	0,750	0,750	1,000	0,126	0,020	40	14	74%
12 months	0,957	1,000	0,500	1,370	0,230	0,036	40	14	74%
24 months	1,527	1,500	0,500	2,250	0,411	0,066	39	15	72%
60 months	2,598	2,500	1,000	4,000	0,750	0,131	33	21	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 resp. (numbers)	Response Rate
Money Market Players									
3 months									
Lower bound	0,681	0,750	0,250	0,750	0,128	0,021	36	18	67%
Upper bound	1,035	1,000	0,750	1,500	0,136	0,023	36	18	67%
12 months									
Lower bound	0,611	0,625	0,250	0,750	0,152	0,025	36	18	67%
Upper bound	1,264	1,250	0,750	1,750	0,280	0,047	36	18	67%
24 months									
Lower bound	0,917	1,000	0,250	1,750	0,414	0,069	36	18	67%
Upper bound	1,969	2,000	1,000	3,000	0,535	0,089	36	18	67%
60 months									
Lower bound	1,617	2,000	0,000	2,750	0,718	0,127	32	22	59%
Upper bound	3,444	3,350	1,250	6,000	1,053	0,186	32	22	59%

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	1,638	1,625	1,400	1,900	0,129	0,022	36	18	67%
12 months	1,950	2,000	1,400	2,600	0,296	0,049	36	18	67%
24 months	2,444	2,500	1,250	5,000	0,658	0,111	35	19	65%
60 months	3,117	3,000	1,250	5,000	0,788	0,137	33	21	61%
EUR/SEK									
3 months	8,796	8,800	8,250	9,200	0,188	0,030	39	15	72%
12 months	8,589	8,600	7,950	9,400	0,275	0,044	39	15	72%
24 months	8,499	8,500	7,950	9,000	0,258	0,042	37	17	69%
USD/SEK									
3 months	6,636	6,600	6,270	7,200	0,198	0,032	39	15	72%
12 months	6,769	6,750	6,000	7,550	0,309	0,049	39	15	72%
24 months	6,894	6,900	6,000	8,100	0,425	0,070	37	17	69%