



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 June 2014, has now been completed, the previous March 2014 was published March 12, 2014. The last survey among money market players was published May 14, 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	
	Jun 14	Mar 14	Jun 14	Mar 14	Jun 14	Mar 14
Annual						
Inflation, %	0,8	0,9	1,3	1,4	1,8	1,8
GDP, %	2,3	1,5	2,6	1,9	2,6	2,3
Wage increase, %	2,3	2,3	2,5	2,4	2,7	2,7

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

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14
Repo rate, %	0,5	(0,6)	0,7	0,6	(0,6)	0,8	1,3	(1,2)	1,5	2,6	(2,6)	2,6
5 year gvt bond rate, %	1,2	(1,3)	1,5	1,5	(1,6)	1,8	2,0	(2,2)	2,4	2,9	(3,1)	3,1
EUR	8,97	(9,00)	8,84	8,84	(8,83)	8,66	8,73	(8,69)	8,54	-	(-)	-
USD	6,62	(6,56)	6,57	6,78	(6,77)	6,76	6,87	(6,91)	6,99	-	(-)	-



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 May 19 – June 3, 2014 (previous February 24 – March 11, 2014 (May 7 – May 12, 2014)).

The part regarding money market players' expectations of future May 21, 2014 (February 26, 2014 (May 7, 2014)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 10,0 years.

About the Interviewees & Response Rate

All Interviewees

In all 241 (238) organisations/companies were approached for interview. 23 (37) 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 % (84 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 87 % 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

53 Swedish labour market organisations, of which 25 on the employers' side and 28 on the employees' side have been approached.

Purchase Managers

Of the 134 purchasing managers 65 represent the trading industry and 69 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, 41 Swedish and 13 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 June 2014 vs (May 2014) March 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		
	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14
Annual inflation, %									
All interviewees	0,8		0,9	1,3		1,4	1,8		1,8
Employees' organisations	0,7		0,9	1,3		1,4	2,0		2,0
Employers' organisations	0,8		0,9	1,3		1,5	2,0		2,1
Purchase managers Manufacturing	0,7		0,8	1,2		1,1	1,6		1,6
Purchase managers Trading	0,8		0,9	1,3		1,4	1,9		1,9
Money market players	0,9	(0,9)	1,0	1,5	(1,5)	1,6	1,8	(1,8)	1,9
GDP, %									
All interviewees	2,3		1,5	2,6		1,9	2,6		2,3
Employees' organisations	2,3		1,3	2,8		2,0	3,2		2,5
Employers' organisations	2,1		1,8	2,5		2,2	2,6		2,8
Purchase managers Manufacturing	2,5		1,2	2,7		1,5	2,7		2,0
Purchase managers Trading	2,2		1,3	2,4		1,8	2,6		2,3
Money market players	2,4	(2,4)	2,3	2,5	(2,5)	2,4	2,4	(2,4)	2,3
Annual wage increase, %									
All interviewees	2,3		2,3	2,5		2,4	2,7		2,7
Employees' organisations	2,5		2,7	2,8		2,9	3,1		3,3
Employers' organisations	2,4		2,6	2,6		2,7	2,8		2,7
Purchase managers Manufacturing	2,2		2,0	2,3		2,3	2,5		2,6
Purchase managers Trading	2,3		2,2	2,4		2,3	2,6		2,6

	3 months			12 months			24 months			60 months		
	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14	Jun 14	(May 14)	Mar 14
Repo rate, %												
All interviewees	0,6		0,7	0,8		0,9	1,2		1,4	2,0		2,1
Employees' organisations	0,6		0,8	0,8		1,0	1,4		1,4	2,4		2,5
Employers' organisations	0,6		0,7	0,8		0,9	1,4		1,4	2,4		2,2
Purchase managers Manufacturing	0,7		0,8	0,8		0,9	1,1		1,3	1,7		1,8
Purchase managers Trading	0,6		0,7	0,8		0,9	1,2		1,3	1,8		1,9
Money market players	0,5	(0,6)	0,7	0,6	(0,6)	0,8	1,3	(1,2)	1,5	2,6	(2,6)	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	0,797	0,800	-0,200	2,500	0,550	0,037	217	24	90%
Year 2	1,322	1,300	0,000	3,000	0,615	0,042	217	24	90%
Year 5	1,826	2,000	0,200	5,000	0,684	0,047	210	31	87%
Employees' organisations									
Year 1	0,719	0,750	0,000	2,000	0,593	0,129	21	7	75%
Year 2	1,310	1,200	0,400	3,000	0,596	0,130	21	7	75%
Year 5	1,962	2,000	1,000	3,800	0,743	0,162	21	7	75%
Employers' organisations									
Year 1	0,783	0,500	0,100	1,900	0,534	0,116	21	4	84%
Year 2	1,324	1,200	0,400	2,700	0,635	0,139	21	4	84%
Year 5	2,015	2,000	1,000	2,800	0,456	0,102	20	5	80%
Purchasing Managers, Manufacturing									
Year 1	0,741	0,500	-0,100	2,000	0,592	0,073	65	4	94%
Year 2	1,193	1,000	0,000	3,000	0,681	0,085	65	4	94%
Year 5	1,622	1,500	0,250	5,000	0,862	0,108	64	5	93%
Purchasing Managers, Trading									
Year 1	0,820	1,000	-0,200	2,500	0,550	0,072	58	7	89%
Year 2	1,294	1,350	0,000	3,000	0,609	0,080	58	7	89%
Year 5	1,927	2,000	0,200	4,000	0,669	0,089	56	9	86%
Money Market Players									
Year 1	0,880	1,000	0,000	1,900	0,491	0,068	52	2	96%
Year 2	1,518	1,500	0,200	2,700	0,495	0,069	52	2	96%
Year 5	1,841	1,900	1,000	3,500	0,386	0,055	49	5	91%

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	0,463	0,500	-1,000	1,500	0,544	0,078	49	5	91%
Upper bound	1,303	1,250	0,500	2,500	0,474	0,068	49	5	91%
Year 2									
Lower bound	0,896	1,000	-1,500	2,200	0,663	0,094	50	4	93%
Upper bound	2,089	2,000	1,000	3,300	0,600	0,085	50	4	93%
Year 5									
Lower bound	1,056	1,000	-2,000	2,000	0,624	0,091	47	7	87%
Upper bound	2,572	2,500	1,500	5,000	0,672	0,098	47	7	87%

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	2,329	2,500	0,000	4,100	0,802	0,055	214	27	89%
Year 2	2,555	2,500	0,700	4,500	0,711	0,049	213	28	88%
Year 5	2,640	2,500	0,900	5,000	0,724	0,050	208	33	86%
Employees' organisations									
Year 1	2,250	2,350	1,000	3,500	0,765	0,171	20	8	71%
Year 2	2,765	2,950	1,000	4,000	0,779	0,174	20	8	71%
Year 5	3,190	3,050	2,000	4,500	0,702	0,157	20	8	71%
Employers' organisations									
Year 1	2,086	2,000	0,500	3,100	0,734	0,160	21	4	84%
Year 2	2,452	2,500	1,000	4,000	0,756	0,165	21	4	84%
Year 5	2,645	2,900	1,500	4,000	0,593	0,133	20	5	80%
Purchasing Managers, Manufacturing									
Year 1	2,516	2,550	0,000	4,100	0,934	0,117	64	5	93%
Year 2	2,691	3,000	0,700	4,500	0,829	0,104	64	5	93%
Year 5	2,732	2,500	0,900	5,000	0,897	0,113	63	6	91%
Purchasing Managers, Trading									
Year 1	2,155	2,400	0,000	3,500	0,744	0,098	58	7	89%
Year 2	2,409	2,500	1,000	3,500	0,653	0,087	57	8	88%
Year 5	2,569	2,500	1,000	4,000	0,598	0,080	56	9	86%
Money Market Players									
Year 1	2,425	2,500	0,500	3,900	0,676	0,095	51	3	94%
Year 2	2,510	2,500	1,000	3,500	0,520	0,073	51	3	94%
Year 5	2,376	2,500	1,000	3,500	0,512	0,073	49	5	91%

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	2,275	2,400	0,000	3,500	0,532	0,042	164	23	88%
Year 2	2,450	2,500	0,000	4,000	0,562	0,044	163	24	87%
Year 5	2,652	2,600	0,500	4,000	0,642	0,051	159	28	85%
Employees' organisations									
Year 1	2,481	2,500	1,500	3,300	0,458	0,100	21	7	75%
Year 2	2,752	2,800	2,000	3,500	0,482	0,105	21	7	75%
Year 5	3,110	3,000	1,500	4,000	0,553	0,121	21	7	75%
Employers' organisations									
Year 1	2,429	2,500	1,000	3,500	0,558	0,122	21	4	84%
Year 2	2,552	2,500	1,500	3,300	0,507	0,111	21	4	84%
Year 5	2,821	2,800	1,800	4,000	0,636	0,146	19	6	76%
Purchasing Managers, Manufacturing									
Year 1	2,159	2,100	1,000	3,500	0,446	0,056	64	5	93%
Year 2	2,333	2,500	1,200	3,800	0,529	0,066	64	5	93%
Year 5	2,502	2,500	0,500	4,000	0,661	0,083	63	6	91%
Purchasing Managers, Trading									
Year 1	2,273	2,500	0,000	3,500	0,605	0,079	58	7	89%
Year 2	2,433	2,500	0,000	4,000	0,610	0,081	57	8	88%
Year 5	2,592	2,500	1,000	3,500	0,572	0,076	56	9	86%

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	0,619	0,500	0,250	1,500	0,167	0,012	207	34	86%
12 months	0,756	0,750	0,250	2,000	0,292	0,020	206	35	85%
24 months	1,228	1,250	0,250	3,000	0,463	0,032	205	36	85%
60 months	2,046	2,000	0,500	4,000	0,809	0,057	199	42	83%
Employees' organisations									
3 months	0,598	0,500	0,250	1,000	0,187	0,042	20	8	71%
12 months	0,813	0,750	0,500	1,500	0,280	0,063	20	8	71%
24 months	1,395	1,450	0,750	2,500	0,454	0,101	20	8	71%
60 months	2,355	2,500	0,900	4,000	0,949	0,212	20	8	71%
Employers' organisations									
3 months	0,621	0,500	0,250	1,500	0,267	0,058	21	4	84%
12 months	0,788	0,750	0,250	2,000	0,418	0,091	21	4	84%
24 months	1,429	1,500	0,750	3,000	0,600	0,131	21	4	84%
60 months	2,370	2,200	1,000	4,000	0,765	0,171	20	5	80%
Purchasing Managers, Manufacturing									
3 months	0,662	0,750	0,250	1,000	0,141	0,018	65	4	94%
12 months	0,805	0,750	0,250	1,500	0,260	0,032	65	4	94%
24 months	1,093	1,000	0,500	2,500	0,361	0,045	65	4	94%
60 months	1,696	1,500	0,500	3,500	0,626	0,078	64	5	93%
Purchasing Managers, Trading									
3 months	0,641	0,750	0,250	1,250	0,169	0,022	57	8	88%
12 months	0,792	0,750	0,250	1,750	0,283	0,038	57	8	88%
24 months	1,206	1,250	0,500	2,500	0,432	0,058	56	9	86%
60 months	1,847	2,000	0,750	3,500	0,715	0,096	55	10	85%
Money Market Players									
3 months	0,534	0,500	0,500	0,750	0,087	0,013	44	10	81%
12 months	0,594	0,500	0,250	1,250	0,228	0,035	43	11	80%
24 months	1,284	1,500	0,250	2,250	0,520	0,079	43	11	80%
60 months	2,564	2,500	1,000	4,000	0,790	0,125	40	14	74%

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	0,375	0,375	0,250	0,500	0,127	0,020	42	12	78%
Upper bound	0,696	0,750	0,500	1,250	0,152	0,023	42	12	78%
12 months									
Lower bound	0,355	0,250	0,000	1,000	0,213	0,032	43	11	80%
Upper bound	0,930	1,000	0,250	1,500	0,280	0,043	43	11	80%
24 months									
Lower bound	0,762	0,750	0,000	1,750	0,453	0,069	43	11	80%
Upper bound	1,820	2,000	0,750	3,000	0,583	0,089	43	11	80%
60 months									
Lower bound	1,538	1,500	0,000	3,250	0,780	0,127	38	16	70%
Upper bound	3,416	3,375	1,500	5,500	1,007	0,163	38	16	70%

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	1,195	1,200	0,800	2,200	0,214	0,034	39	15	72%
12 months	1,537	1,500	0,900	3,000	0,410	0,066	39	15	72%
24 months	2,041	2,000	0,800	3,300	0,548	0,089	38	16	70%
60 months	2,939	3,000	1,500	4,500	0,743	0,122	37	17	69%
EUR/SEK									
3 months	8,969	9,000	8,400	9,250	0,172	0,026	43	11	80%
12 months	8,835	8,800	8,200	9,250	0,250	0,038	43	11	80%
24 months	8,727	8,750	8,000	9,300	0,312	0,049	41	13	76%
USD/SEK									
3 months	6,618	6,600	6,180	7,100	0,166	0,025	43	11	80%
12 months	6,785	6,750	6,200	7,500	0,297	0,045	43	11	80%
24 months	6,873	6,800	6,000	7,800	0,414	0,065	41	13	76%