

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 December 2017, has now been completed, the previous September 2017 was published September 13, 2017. The last survey among money market players was published November 8, 2017.

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 17	Sep 17	Dec 17	Sep 17	Dec 17	Sep 17
Annual						
Inflation CPI, %	1,8	2,0	2,0	2,1	2,1	2,2
Inflation CPIF, %	1,9	-	1,9	-	2,0	-
GDP, %	2,7	2,9	2,6	2,7	2,4	2,5
Wage increase, %	2,4	2,4	2,4	2,4	2,5	2,5

	3 months		12 months		24 months		60 months	
	Dec 17	Sep 17	Dec 17	Sep 17	Dec 17	Sep 17	Dec 17	Sep 17
Repo rate, %	-0,5	-0,5	-0,2	-0,1	0,3	0,4	1,3	1,4

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17
Repo rate, %	-0,5	-0,5	-0,5	-0,2	-0,2	-0,2	0,3	0,4	0,4	1,6	1,6	1,7
5 year gvt bond rate, %	-0,1	0,1	0,1	0,3	0,5	0,5	0,9	1,0	1,1	1,8	2,0	2,1
EUR	9,77	9,55	9,42	9,51	9,33	9,22	9,25	9,13	9,11	-	-	-
USD	8,32	8,19	7,97	8,04	8,00	7,87	7,87	7,82	7,78	-	-	-



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 November 27 – December 12, 2017 (previous August 28 – September 12, 2017). The last survey among money market players was carried out October 25 – November 7, 2017.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on November 29, 2017 (previous October 25, 2017 and August 30, 2017).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,2 years.

About the Interviewees & Response Rate

All Interviewees

In all 213 (216) organisations/companies were approached for interview. 48 (38) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 77 % (82 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 29 % or more for the one year and two year assessments (73 % 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

48 Swedish labour market organisations, of which 22 on the employers' side and 26 on the employees' side have been approached.

Purchase Managers

Of the 117 purchasing managers 56 represent the trading industry and 61 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 48 players, 44 Swedish and 4 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 December 2017 vs (November 2017) September 2017

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 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17
Annual inflation CPI, %									
All interviewees	1,8		2,0	2,0		2,1	2,1		2,2
Employees' organisations	1,7		2,0	2,0		2,1	2,2		2,2
Employers' organisations	1,8		1,9	2,0		2,1	2,2		2,4
Purchase managers Manufacturing	1,9		2,0	2,0		2,2	2,1		2,2
Purchase managers Trading	1,7		2,0	1,8		2,2	2,1		2,2
Money market players	1,9	2,0	1,9	2,0	2,1	2,0	2,0	2,0	2,0
Annual inflation CPIF, %									
All interviewees	1,9		-	1,9		-	2,0		-
Employees' organisations	1,9		-	2,0		-	2,4		-
Employers' organisations	1,8		-	1,9		-	2,1		-
Purchase managers Manufacturing	2,0		-	2,1		-	2,0		-
Purchase managers Trading	1,7		-	1,9		-	2,1		-
Money market players	1,9	2,0	-	1,9	2,1	-	1,9	2,0	-
GDP, %									
All interviewees	2,7		2,9	2,6		2,7	2,4		2,5
Employees' organisations	2,9		2,9	2,9		2,9	2,8		2,8
Employers' organisations	2,5		2,8	2,5		2,6	2,3		2,6
Purchase managers Manufacturing	2,8		3,1	2,7		2,8	2,5		2,6
Purchase managers Trading	2,8		2,9	2,6		2,7	2,6		2,5
Money market players	2,6	2,7	2,8	2,3	2,4	2,4	2,2	2,2	2,2
Annual wage increase, %									
All interviewees	2,4		2,4	2,4		2,4	2,5		2,5
Employees' organisations	2,8		2,7	2,8		2,8	3,1		2,9
Employers' organisations	2,4		2,3	2,4		2,4	2,6		2,7
Purchase managers Manufacturing	2,3		2,3	2,3		2,3	2,3		2,3
Purchase managers Trading	2,3		2,4	2,4		2,4	2,3		2,5

	3 months			12 months			24 months			60 months		
	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17	Dec 17	Nov 17	Sep 17
Repo rate, %												
All interviewees	-0,5		-0,5	-0,2		-0,1	0,3		0,4	1,3		1,4
Employees' organisations	-0,4		-0,4	-0,2		-0,2	0,2		0,3	1,1		1,2
Employers' organisations	-0,4		-0,5	-0,2		-0,1	0,5		0,5	1,8		1,7
Purchase managers												
Manufacturing	-0,5		-0,5	-0,2		-0,1	0,3		0,4	1,3		1,3
Purchase managers												
Trading	-0,5		-0,4	-0,2		-0,1	0,3		0,4	1,1		1,1
Money market players	-0,5	-0,5	-0,5	-0,2	-0,2	-0,2	0,3	0,4	0,4	1,6	1,6	1,7

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	1,831	1,800	0,500	3,200	0,337	0,027	159	54	75%
Year 2	1,961	2,000	0,750	3,500	0,387	0,031	158	55	74%
Year 5	2,062	2,000	1,000	3,500	0,439	0,035	153	60	72%
Employees' organisations									
Year 1	1,733	1,750	1,000	2,000	0,238	0,056	18	8	69%
Year 2	1,956	2,000	1,500	2,300	0,231	0,054	18	8	69%
Year 5	2,200	2,000	1,000	3,300	0,528	0,124	18	8	69%
Employers' organisations									
Year 1	1,800	1,800	1,500	2,000	0,185	0,048	15	7	68%
Year 2	2,029	2,000	1,600	2,500	0,249	0,067	14	8	64%
Year 5	2,215	2,200	1,500	3,000	0,363	0,101	13	9	59%
Purchasing Managers, Manufacturing									
Year 1	1,887	1,900	1,000	3,000	0,389	0,055	50	11	82%
Year 2	1,996	2,000	1,000	3,500	0,394	0,056	50	11	82%
Year 5	2,064	2,000	1,000	3,500	0,467	0,066	50	11	82%
Purchasing Managers, Trading									
Year 1	1,711	1,775	0,500	2,100	0,306	0,050	38	18	68%
Year 2	1,817	2,000	0,750	2,500	0,441	0,072	38	18	68%
Year 5	2,050	2,000	1,000	3,000	0,464	0,078	35	21	63%
Money Market Players									
Year 1	1,938	1,900	1,500	3,200	0,338	0,055	38	10	79%
Year 2	2,037	2,000	1,500	3,200	0,398	0,064	38	10	79%
Year 5	1,951	2,000	1,300	2,600	0,328	0,054	37	11	77%

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	1,851	1,800	1,000	2,900	0,301	0,038	62	151	29%
Year 2	1,931	2,000	1,000	2,800	0,314	0,040	61	152	29%
Year 5	2,027	2,000	1,000	3,200	0,448	0,058	60	153	28%
Employees' organisations									
Year 1	1,850	1,800	1,500	2,250	0,240	0,080	9	17	35%
Year 2	2,039	2,000	1,900	2,250	0,122	0,041	9	17	35%
Year 5	2,361	2,200	2,000	3,200	0,443	0,148	9	17	35%
Employers' organisations									
Year 1	1,822	1,800	1,600	2,000	0,130	0,043	9	13	41%
Year 2	1,925	1,900	1,700	2,500	0,255	0,090	8	14	36%
Year 5	2,063	2,000	1,500	3,200	0,501	0,177	8	14	36%
Purchasing Managers, Manufacturing									
Year 1	2,000	2,000	1,000	2,900	0,554	0,209	7	54	11%
Year 2	2,071	2,100	1,000	2,800	0,559	0,211	7	54	11%
Year 5	2,014	2,000	1,000	2,800	0,576	0,218	7	54	11%
Purchasing Managers, Trading									
Year 1	1,725	1,800	1,400	2,000	0,225	0,080	8	48	14%
Year 2	1,863	1,950	1,200	2,300	0,358	0,127	8	48	14%
Year 5	2,136	2,050	1,500	2,800	0,487	0,184	7	49	13%
Money Market Players									
Year 1	1,859	1,800	1,300	2,700	0,295	0,055	29	19	60%
Year 2	1,884	1,900	1,500	2,600	0,282	0,052	29	19	60%
Year 5	1,890	2,000	1,300	2,600	0,351	0,065	29	19	60%



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	1,450	1,500	1,000	2,500	0,369	0,072	26	22	54%
Upper bound	2,281	2,200	1,700	3,500	0,424	0,083	26	22	54%
Year 2									
Lower bound	1,308	1,400	0,000	2,400	0,545	0,107	26	22	54%
Upper bound	2,477	2,500	1,600	4,000	0,576	0,113	26	22	54%
Year 5									
Lower bound	1,088	1,300	-1,500	2,400	0,854	0,171	25	23	52%
Upper bound	2,812	2,500	1,500	6,000	0,953	0,191	25	23	52%

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									
Year 1	2,741	2,800	1,500	5,000	0,490	0,039	157	56	74%
Year 2									
Year 2	2,576	2,500	1,000	4,000	0,592	0,047	156	57	73%
Year 5									
Year 5	2,446	2,300	1,000	4,000	0,613	0,050	152	61	71%
Employees' organisations									
Year 1									
Year 1	2,931	3,000	1,900	3,500	0,353	0,088	16	10	62%
Year 2									
Year 2	2,869	3,000	1,800	3,500	0,558	0,140	16	10	62%
Year 5									
Year 5	2,825	3,000	1,600	3,500	0,583	0,146	16	10	62%
Employers' organisations									
Year 1									
Year 1	2,535	2,500	1,500	3,300	0,464	0,112	17	5	77%
Year 2									
Year 2	2,500	2,500	1,500	3,500	0,520	0,130	16	6	73%
Year 5									
Year 5	2,313	2,200	1,200	3,200	0,555	0,143	15	7	68%
Purchasing Managers, Manufacturing									
Year 1									
Year 1	2,791	2,900	1,500	5,000	0,618	0,090	47	14	77%
Year 2									
Year 2	2,685	2,800	1,000	4,000	0,670	0,098	47	14	77%
Year 5									
Year 5	2,460	2,200	1,000	4,000	0,679	0,099	47	14	77%
Purchasing Managers, Trading									
Year 1									
Year 1	2,783	2,750	1,800	3,600	0,413	0,066	39	17	70%
Year 2									
Year 2	2,628	2,500	1,500	3,600	0,548	0,088	39	17	70%
Year 5									
Year 5	2,551	2,500	1,400	4,000	0,667	0,110	37	19	66%
Money Market Players									
Year 1									
Year 1	2,647	2,700	1,500	3,500	0,410	0,066	38	10	79%
Year 2									
Year 2	2,297	2,300	1,000	3,500	0,478	0,078	38	10	79%
Year 5									
Year 5	2,215	2,200	1,500	3,500	0,376	0,062	37	11	77%



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	2,362	2,300	1,250	3,500	0,407	0,036	125	40	76%
Year 2	2,398	2,350	1,250	3,500	0,461	0,041	124	41	75%
Year 5	2,450	2,450	1,000	5,000	0,598	0,055	118	47	72%
Employees' organisations									
Year 1	2,761	2,800	2,100	3,500	0,333	0,078	18	8	69%
Year 2	2,811	2,800	2,200	3,500	0,334	0,079	18	8	69%
Year 5	3,050	3,000	2,400	3,800	0,388	0,092	18	8	69%
Employers' organisations									
Year 1	2,388	2,400	1,500	3,200	0,419	0,105	16	6	73%
Year 2	2,367	2,500	1,500	3,000	0,372	0,096	15	7	68%
Year 5	2,557	2,400	1,300	5,000	0,899	0,240	14	8	64%
Purchasing Managers, Manufacturing									
Year 1	2,254	2,200	1,500	3,000	0,362	0,051	50	11	82%
Year 2	2,264	2,100	1,500	3,000	0,431	0,061	50	11	82%
Year 5	2,278	2,050	1,000	3,000	0,482	0,068	50	11	82%
Purchasing Managers, Trading									
Year 1	2,309	2,200	1,250	3,200	0,389	0,061	41	15	73%
Year 2	2,391	2,300	1,250	3,400	0,481	0,075	41	15	73%
Year 5	2,347	2,300	1,000	3,500	0,504	0,084	36	20	64%

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	-0,465	-0,500	-0,500	0,500	0,138	0,011	151	62	71%
12 months	-0,189	-0,250	-0,500	0,500	0,245	0,020	151	62	71%
24 months	0,327	0,250	-0,500	3,000	0,469	0,038	151	62	71%
60 months	1,340	1,250	-0,250	4,000	0,754	0,063	145	68	68%
Employees' organisations									
3 months	-0,429	-0,500	-0,500	0,000	0,144	0,035	17	9	65%
12 months	-0,238	-0,250	-0,500	0,250	0,237	0,057	17	9	65%
24 months	0,200	0,100	-0,250	1,250	0,358	0,087	17	9	65%
60 months	1,103	1,000	-0,250	2,000	0,736	0,178	17	9	65%
Employers' organisations									
3 months	-0,415	-0,500	-0,500	0,500	0,247	0,060	17	5	77%
12 months	-0,188	-0,250	-0,500	0,500	0,272	0,066	17	5	77%
24 months	0,494	0,200	-0,100	3,000	0,802	0,194	17	5	77%
60 months	1,767	1,500	0,200	4,000	1,153	0,298	15	7	68%
Purchasing Managers, Manufacturing									
3 months	-0,470	-0,500	-0,500	0,500	0,147	0,021	49	12	80%
12 months	-0,161	-0,250	-0,500	0,500	0,259	0,037	49	12	80%
24 months	0,321	0,250	-0,250	1,500	0,423	0,060	49	12	80%
60 months	1,294	1,100	0,000	3,000	0,676	0,097	49	12	80%
Purchasing Managers, Trading									
3 months	-0,474	-0,500	-0,500	0,000	0,096	0,015	39	17	70%
12 months	-0,172	-0,250	-0,500	0,500	0,242	0,039	39	17	70%
24 months	0,315	0,250	-0,300	1,500	0,414	0,066	39	17	70%
60 months	1,114	1,000	-0,200	2,500	0,637	0,105	37	19	66%
Money Market Players									
3 months	-0,491	-0,500	-0,500	-0,250	0,046	0,009	29	19	60%
12 months	-0,229	-0,250	-0,500	0,500	0,217	0,040	29	19	60%
24 months	0,330	0,250	-0,500	1,500	0,412	0,077	29	19	60%
60 months	1,647	1,500	0,250	3,000	0,614	0,118	27	21	56%



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	-0,513	-0,500	-0,750	-0,500	0,052	0,010	26	22	54%
Upper bound	-0,385	-0,500	-0,500	0,250	0,203	0,040	26	22	54%
12 months									
Lower bound	-0,496	-0,500	-1,000	0,000	0,187	0,037	26	22	54%
Upper bound	0,029	0,000	-0,500	1,000	0,354	0,069	26	22	54%
24 months									
Lower bound	-0,179	-0,125	-1,500	0,750	0,474	0,093	26	22	54%
Upper bound	0,888	0,750	-0,500	3,000	0,807	0,158	26	22	54%
60 months									
Lower bound	0,560	1,000	-1,500	2,000	0,919	0,184	25	23	52%
Upper bound	2,720	2,500	0,250	6,500	1,377	0,275	25	23	52%

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									
	-0,059	-0,100	-0,320	0,500	0,173	0,034	26	22	54%
12 months									
	0,346	0,275	-0,400	2,000	0,453	0,089	26	22	54%
24 months									
	0,900	1,000	-0,200	2,500	0,578	0,116	25	23	52%
60 months									
	1,829	2,000	-0,100	3,000	0,784	0,160	24	24	50%
EUR/SEK									
3 months									
	9,771	9,750	9,400	10,500	0,217	0,040	29	19	60%
12 months									
	9,509	9,500	8,900	10,300	0,257	0,048	29	19	60%
24 months									
	9,251	9,200	8,900	10,400	0,282	0,053	28	20	58%
USD/SEK									
3 months									
	8,317	8,300	7,820	9,400	0,284	0,053	29	19	60%
12 months									
	8,042	8,100	7,380	9,500	0,358	0,067	29	19	60%
24 months									
	7,874	7,800	7,300	9,700	0,451	0,085	28	20	58%