

## Press Release

Questions regarding the survey will be answered by Hanna Helgesson, +46 (0)768 98 80 00.

This release, or parts thereof, may be published immediately. Please state Kantar Sifo Prospera as the source.

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 2018, has now been completed, the previous March 2018 was published March 15, 2018. The last survey among money market players was published May 8, 2018.

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 18	Mar 18	Jun 18	Mar 18	Jun 18	Mar 18
<b>Annual</b>						
Inflation CPI, %	1,9	1,8	2,0	2,0	2,1	2,1
Inflation CPIF, %	1,9	1,8	1,9	1,9	2,0	2,0
GDP, %	2,7	2,6	2,4	2,5	2,4	2,4
Wage increase, %	2,3	2,3	2,4	2,4	2,5	2,5

	3 months		12 months		24 months		60 months	
	Jun 18	Mar 18	Jun 18	Mar 18	Jun 18	Mar 18	Jun 18	Mar 18
Repo rate, %	-0,5	-0,4	-0,2	-0,2	0,3	0,3	1,2	1,3

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18
Repo rate, %	-0,5	-0,5	-0,5	-0,2	-0,2	-0,2	0,4	0,4	0,4	1,6	1,7	1,7
5 year gvt bond rate, %	0,1	0,2	0,2	0,5	0,7	0,6	1,1	1,2	1,1	1,8	2,1	2,0
EUR	10,15	10,22	9,94	9,85	9,87	9,62	9,50	9,53	9,39	-	-	-
USD	8,71	8,37	8,12	8,39	8,05	7,88	8,13	7,84	7,77	-	-	-

## 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 28 - June 12, 2018 (previous February 26 - March 14, 2018). The last survey among money market players was carried out April 25 - May 7, 2018.

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on May 30, 2018 (previous April 25, 2018 and March 7, 2018).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 9,8 years.

## About the Interviewees & Response Rate

### *All Interviewees*

In all 202 (207) organisations/companies were approached for interview. 42 (48) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 79 % (77 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 32 % or more for the one year and two year assessments (76 % 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*

47 Swedish labour market organisations, of which 21 on the employers' side and 26 on the employees' side have been approached.

### *Purchase Managers*

Of the 110 purchasing managers 55 represent the trading industry and 55 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 45 players, 43 Swedish and 2 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 2018 vs (May 2018) March 2018**

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 18	May 18	Mar 18	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18
<b>Annual inflation CPI, %</b>									
All interviewees	1,9		1,8	2,0		2,0	2,1		2,1
Employees' organisations	1,8		1,7	2,0		1,9	2,1		2,1
Employers' organisations	1,8		1,6	2,1		1,8	2,3		2,2
Purchase managers Manufacturing	1,9		1,8	1,9		1,9	2,1		2,0
Purchase managers Trading	1,8		1,8	2,0		2,0	2,0		2,1
Money market players	2,0	1,9	1,9	2,0	2,0	2,1	2,0	2,0	2,0
<b>Annual inflation CPIIF, %</b>									
All interviewees	1,9		1,8	1,9		1,9	2,0		2,0
Employees' organisations	1,9		1,8	2,0		1,9	2,1		2,0
Employers' organisations	1,9		1,8	2,0		1,9	2,1		2,0
Purchase managers Manufacturing	1,9		1,8	1,9		1,9	2,0		2,0
Purchase managers Trading	1,9		1,8	2,1		2,1	2,2		2,4
Money market players	1,9	1,9	1,8	1,9	1,9	1,9	1,9	1,9	1,9
<b>GDP, %</b>									
All interviewees	2,7		2,6	2,4		2,5	2,4		2,4
Employees' organisations	2,8		2,8	2,6		2,6	2,5		2,7
Employers' organisations	2,5		2,5	2,2		2,5	2,2		2,2
Purchase managers Manufacturing	2,7		2,7	2,6		2,6	2,5		2,5
Purchase managers Trading	2,8		2,8	2,5		2,7	2,6		2,5
Money market players	2,4	2,4	2,4	2,1	2,2	2,2	2,1	2,1	2,1
<b>Annual wage increase, %</b>									
All interviewees	2,3		2,3	2,4		2,4	2,5		2,5
Employees' organisations	2,8		2,7	2,9		2,8	2,9		3,1
Employers' organisations	2,4		2,5	2,5		2,5	2,6		2,4
Purchase managers Manufacturing	2,2		2,2	2,3		2,3	2,3		2,3
Purchase managers Trading	2,2		2,3	2,3		2,3	2,4		2,4

	3 months			12 months			24 months			60 months		
	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18	Jun 18	May 18	Mar 18
<b>Repo rate, %</b>												
All interviewees	-0,5		-0,4	-0,2		-0,2	0,3		0,3	1,2		1,3
Employees' organisations	-0,4		-0,4	-0,2		-0,2	0,3		0,2	1,2		1,2
Employers' organisations	-0,5		-0,3	-0,2		-0,1	0,5		0,5	1,5		1,5
Purchase managers Manufacturing	-0,5		-0,5	-0,2		-0,1	0,3		0,3	1,1		1,2
Purchase managers Trading	-0,5		-0,5	-0,1		-0,2	0,3		0,2	1,0		1,1
Money market players	-0,5	-0,5	-0,5	-0,2	-0,2	-0,2	0,4	0,4	0,4	1,6	1,7	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
<b>All</b>									
Year 1	1,881	1,900	0,500	3,000	0,334	0,027	156	46	77%
Year 2	1,991	2,000	0,750	3,000	0,384	0,031	155	47	77%
Year 5	2,074	2,000	0,500	4,000	0,443	0,037	145	57	72%
<b>Employees' organisations</b>									
Year 1	1,819	1,800	1,100	2,000	0,211	0,046	21	5	81%
Year 2	2,043	2,000	1,600	2,500	0,246	0,054	21	5	81%
Year 5	2,133	2,000	1,500	2,700	0,304	0,066	21	5	81%
<b>Employers' organisations</b>									
Year 1	1,793	1,800	0,500	3,000	0,520	0,139	14	7	67%
Year 2	2,086	2,000	1,500	3,000	0,429	0,115	14	7	67%
Year 5	2,300	2,200	2,000	4,000	0,540	0,150	13	8	62%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	1,877	1,900	1,000	3,000	0,374	0,056	44	11	80%
Year 2	1,933	2,000	0,750	3,000	0,470	0,071	44	11	80%
Year 5	2,105	2,000	0,500	3,500	0,534	0,083	41	14	75%
<b>Purchasing Managers, Trading</b>									
Year 1	1,840	1,800	1,000	2,500	0,289	0,046	39	16	71%
Year 2	1,976	2,000	1,250	2,700	0,336	0,055	38	17	69%
Year 5	2,003	2,000	0,500	3,100	0,465	0,081	33	22	60%
<b>Money Market Players</b>									
Year 1	1,995	1,950	1,400	2,700	0,284	0,046	38	7	84%
Year 2	2,011	2,000	1,000	2,800	0,369	0,060	38	7	84%
Year 5	1,992	2,000	1,000	2,600	0,309	0,051	37	8	82%

**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
<b>All</b>									
Year 1	1,917	1,900	1,400	3,000	0,245	0,030	65	137	32%
Year 2	1,949	2,000	1,300	2,700	0,256	0,032	64	138	32%
Year 5	1,978	2,000	1,000	2,700	0,302	0,039	60	142	30%
<b>Employees' organisations</b>									
Year 1	1,880	1,800	1,700	2,200	0,169	0,053	10	16	38%
Year 2	1,950	1,900	1,800	2,200	0,143	0,045	10	16	38%
Year 5	2,100	2,000	1,900	2,700	0,226	0,071	10	16	38%
<b>Employers' organisations</b>									
Year 1	1,900	1,900	1,800	2,000	0,110	0,045	6	15	29%
Year 2	2,017	2,000	1,900	2,100	0,075	0,031	6	15	29%
Year 5	2,080	2,000	2,000	2,200	0,110	0,049	5	16	24%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	1,886	1,900	1,700	2,000	0,107	0,040	7	48	13%
Year 2	1,943	2,000	1,700	2,200	0,207	0,078	7	48	13%
Year 5	1,957	2,000	1,000	2,300	0,443	0,167	7	48	13%
<b>Purchasing Managers, Trading</b>									
Year 1	1,911	2,000	1,500	2,100	0,196	0,065	9	46	16%
Year 2	2,113	2,100	1,700	2,700	0,331	0,117	8	47	15%
Year 5	2,160	2,200	1,900	2,500	0,230	0,103	5	50	9%
<b>Money Market Players</b>									
Year 1	1,939	2,000	1,400	3,000	0,312	0,054	33	12	73%
Year 2	1,898	1,900	1,300	2,700	0,282	0,049	33	12	73%
Year 5	1,903	1,900	1,000	2,700	0,303	0,053	33	12	73%



**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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	1,535	1,500	0,900	2,800	0,374	0,067	31	14	69%
Upper bound	2,358	2,400	1,700	3,500	0,420	0,075	31	14	69%
<b>Year 2</b>									
Lower bound	1,356	1,500	0,000	2,600	0,570	0,102	31	14	69%
Upper bound	2,482	2,500	1,800	4,000	0,474	0,085	31	14	69%
<b>Year 5</b>									
Lower bound	1,233	1,500	-1,500	2,600	0,795	0,145	30	15	67%
Upper bound	2,733	2,500	2,000	6,000	0,785	0,143	30	15	67%

**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
<b>All</b>									
<b>Year 1</b>									
Year 1	2,662	2,700	0,800	5,000	0,576	0,046	154	48	76%
<b>Year 2</b>									
Year 2	2,419	2,500	1,000	4,000	0,602	0,048	154	48	76%
<b>Year 5</b>									
Year 5	2,417	2,400	1,000	4,000	0,640	0,053	145	57	72%
<b>Employees' organisations</b>									
<b>Year 1</b>									
Year 1	2,790	2,800	2,000	3,500	0,429	0,096	20	6	77%
<b>Year 2</b>									
Year 2	2,580	2,550	1,700	3,800	0,567	0,127	20	6	77%
<b>Year 5</b>									
Year 5	2,463	2,350	1,500	3,700	0,635	0,142	20	6	77%
<b>Employers' organisations</b>									
<b>Year 1</b>									
Year 1	2,471	2,500	1,500	3,300	0,497	0,133	14	7	67%
<b>Year 2</b>									
Year 2	2,200	2,000	1,400	3,100	0,531	0,142	14	7	67%
<b>Year 5</b>									
Year 5	2,242	2,200	1,200	3,350	0,473	0,131	13	8	62%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>									
Year 1	2,717	2,950	0,800	5,000	0,810	0,125	42	13	76%
<b>Year 2</b>									
Year 2	2,554	2,950	1,000	4,000	0,718	0,111	42	13	76%
<b>Year 5</b>									
Year 5	2,531	2,500	1,000	4,000	0,762	0,120	40	15	73%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>									
Year 1	2,829	2,950	2,000	3,500	0,431	0,068	40	15	73%
<b>Year 2</b>									
Year 2	2,533	2,550	1,000	3,600	0,548	0,087	40	15	73%
<b>Year 5</b>									
Year 5	2,597	2,500	1,000	4,000	0,699	0,116	36	19	65%
<b>Money Market Players</b>									
<b>Year 1</b>									
Year 1	2,429	2,500	1,500	3,000	0,398	0,065	38	7	84%
<b>Year 2</b>									
Year 2	2,146	2,050	1,000	2,900	0,449	0,073	38	7	84%
<b>Year 5</b>									
Year 5	2,149	2,050	1,500	3,000	0,349	0,058	36	9	80%



**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
<b>All</b>									
Year 1	2,335	2,300	1,500	3,500	0,415	0,038	120	37	76%
Year 2	2,414	2,400	1,000	3,500	0,488	0,045	120	37	76%
Year 5	2,485	2,400	1,000	4,000	0,547	0,052	111	46	71%
<b>Employees' organisations</b>									
Year 1	2,829	2,800	2,200	3,500	0,288	0,063	21	5	81%
Year 2	2,933	3,000	2,400	3,500	0,338	0,074	21	5	81%
Year 5	2,943	3,000	2,000	3,500	0,447	0,097	21	5	81%
<b>Employers' organisations</b>									
Year 1	2,400	2,450	1,900	3,200	0,362	0,097	14	7	67%
Year 2	2,514	2,550	2,000	3,000	0,370	0,099	14	7	67%
Year 5	2,600	2,500	1,800	4,000	0,671	0,186	13	8	62%
<b>Purchasing Managers, Manufacturing</b>									
Year 1	2,191	2,100	1,500	3,000	0,304	0,046	44	11	80%
Year 2	2,268	2,200	1,500	3,000	0,352	0,053	44	11	80%
Year 5	2,300	2,300	1,000	3,500	0,518	0,079	43	12	78%
<b>Purchasing Managers, Trading</b>									
Year 1	2,216	2,200	1,500	3,000	0,404	0,063	41	14	75%
Year 2	2,271	2,200	1,000	3,500	0,532	0,083	41	14	75%
Year 5	2,393	2,300	1,500	3,400	0,423	0,073	34	21	62%

**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
<b>All</b>									
3 months	-0,472	-0,500	-0,500	0,000	0,086	0,007	147	55	73%
12 months	-0,186	-0,250	-0,500	1,000	0,229	0,019	147	55	73%
24 months	0,345	0,250	-0,750	2,000	0,488	0,040	146	56	72%
60 months	1,219	1,000	-0,500	4,000	0,814	0,069	140	62	69%
<b>Employees' organisations</b>									
3 months	-0,445	-0,500	-0,500	-0,100	0,120	0,026	21	5	81%
12 months	-0,238	-0,250	-0,500	0,000	0,169	0,037	21	5	81%
24 months	0,262	0,200	-0,250	1,500	0,372	0,081	21	5	81%
60 months	1,181	1,000	-0,100	2,250	0,643	0,140	21	5	81%
<b>Employers' organisations</b>									
3 months	-0,464	-0,500	-0,500	0,000	0,134	0,036	14	7	67%
12 months	-0,236	-0,250	-0,500	0,250	0,230	0,061	14	7	67%
24 months	0,521	0,250	-0,200	2,000	0,733	0,196	14	7	67%
60 months	1,542	1,500	-0,200	4,000	1,205	0,334	13	8	62%
<b>Purchasing Managers, Manufacturing</b>									
3 months	-0,471	-0,500	-0,500	-0,250	0,079	0,012	42	13	76%
12 months	-0,177	-0,250	-0,500	1,000	0,296	0,046	42	13	76%
24 months	0,288	0,250	-0,750	1,500	0,500	0,077	42	13	76%
60 months	1,130	1,000	0,000	3,000	0,789	0,125	40	15	73%
<b>Purchasing Managers, Trading</b>									
3 months	-0,475	-0,500	-0,500	-0,250	0,076	0,012	40	15	73%
12 months	-0,149	-0,050	-0,500	0,250	0,199	0,031	40	15	73%
24 months	0,326	0,250	-0,500	1,500	0,479	0,077	39	16	71%
60 months	0,976	1,000	-0,500	2,500	0,730	0,118	38	17	69%
<b>Money Market Players</b>									
3 months	-0,492	-0,500	-0,500	-0,250	0,046	0,008	30	15	67%
12 months	-0,188	-0,250	-0,500	0,250	0,195	0,036	30	15	67%
24 months	0,423	0,500	-0,250	1,500	0,413	0,075	30	15	67%
60 months	1,552	1,600	0,000	3,000	0,752	0,142	28	17	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
<b>Money Market Players</b>									
<b>3 months</b>									
Lower bound	-0,504	-0,500	-0,600	-0,500	0,019	0,004	27	18	60%
Upper bound	-0,433	-0,500	-0,500	0,000	0,126	0,024	27	18	60%
<b>12 months</b>									
Lower bound	-0,446	-0,500	-0,750	0,000	0,138	0,027	27	18	60%
Upper bound	0,094	0,000	-0,500	1,000	0,331	0,064	27	18	60%
<b>24 months</b>									
Lower bound	-0,096	0,000	-1,000	0,750	0,463	0,089	27	18	60%
Upper bound	0,939	1,000	-0,100	2,300	0,657	0,126	27	18	60%
<b>60 months</b>									
Lower bound	0,588	0,625	-1,500	2,000	0,917	0,180	26	19	58%
Upper bound	2,710	2,375	0,200	7,000	1,450	0,284	26	19	58%

**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
<b>5 YEAR GOVERNMENT BOND RATE</b>									
<b>3 months</b>	0,099	0,075	-0,110	0,550	0,149	0,028	28	17	62%
<b>12 months</b>	0,493	0,500	0,000	1,500	0,346	0,065	28	17	62%
<b>24 months</b>	1,056	1,000	0,100	2,500	0,551	0,106	27	18	60%
<b>60 months</b>	1,846	2,000	0,300	3,000	0,782	0,151	27	18	60%
<b>EUR/SEK</b>									
<b>3 months</b>	10,148	10,150	9,900	10,500	0,138	0,026	29	16	64%
<b>12 months</b>	9,852	9,800	9,400	10,500	0,217	0,040	29	16	64%
<b>24 months</b>	9,498	9,500	9,000	10,500	0,260	0,049	28	17	62%
<b>USD/SEK</b>									
<b>3 months</b>	8,714	8,750	7,920	9,200	0,245	0,045	29	16	64%
<b>12 months</b>	8,391	8,300	7,420	9,500	0,428	0,079	29	16	64%
<b>24 months</b>	8,133	8,025	7,000	9,500	0,571	0,108	28	17	62%