



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 September 2018, has now been completed, the previous June 2018 was published June 13, 2018. The last survey among money market players was published August 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	
	Sep 18	Jun 18	Sep 18	Jun 18	Sep 18	Jun 18
Annual						
Inflation CPI, %	2,0	1,9	2,1	2,0	2,1	2,1
Inflation CPIF, %	2,0	1,9	2,0	1,9	2,0	2,0
GDP, %	2,7	2,7	2,4	2,4	2,3	2,4
Wage increase, %	2,4	2,3	2,4	2,4	2,4	2,5

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

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18
Repo rate, %	-0,5	-0,5	-0,5	-0,1	-0,1	-0,2	0,7	0,5	0,4	1,7	1,8	1,6
5 year gvt bond rate, %	0,0	0,1	0,1	0,4	0,4	0,5	1,1	1,0	1,1	1,9	2,1	1,8
EUR	10,42	10,22	10,15	10,00	9,91	9,85	9,68	9,59	9,50	-	-	-
USD	9,01	8,77	8,71	8,66	8,46	8,39	8,23	8,08	8,13	-	-	-

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 August 27 - September 11, 2018 (previous May 28 - June 12, 2018). The last survey among money market players was carried out July 25 - August 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 August 29, 2018 (previous May 30, 2018 and July 25, 2018).

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

About the Interviewees & Response Rate

All Interviewees

In all 201 (202) organisations/companies were approached for interview. 48 (42) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 76 % (79 %). 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

46 Swedish labour market organisations, of which 21 on the employers' side and 25 on the employees' side have been approached.

Purchase Managers

Of the 110 purchasing managers 56 represent the trading industry and 54 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 September 2018 vs (August 2018) June 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		
	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18
Annual inflation CPI, %									
All interviewees	2,0		1,9	2,1		2,0	2,1		2,1
Employees' organisations	2,0		1,8	2,1		2,0	2,2		2,1
Employers' organisations	1,9		1,8	2,1		2,1	2,2		2,3
Purchase managers Manufacturing	2,1		1,9	2,1		1,9	2,2		2,1
Purchase managers Trading	2,0		1,8	2,0		2,0	2,0		2,0
Money market players	2,0	2,1	2,0	2,1	2,1	2,0	2,0	2,0	2,0
Annual inflation CPIIF, %									
All interviewees	2,0		1,9	2,0		1,9	2,0		2,0
Employees' organisations	2,1		1,9	2,1		2,0	2,2		2,1
Employers' organisations	2,0		1,9	2,1		2,0	2,1		2,1
Purchase managers Manufacturing	2,1		1,9	2,1		1,9	2,1		2,0
Purchase managers Trading	2,2		1,9	2,1		2,1	2,1		2,2
Money market players	2,0	2,0	1,9	2,0	2,0	1,9	1,9	1,9	1,9
GDP, %									
All interviewees	2,7		2,7	2,4		2,4	2,3		2,4
Employees' organisations	2,7		2,8	2,5		2,6	2,4		2,5
Employers' organisations	2,6		2,5	2,3		2,2	2,3		2,2
Purchase managers Manufacturing	2,7		2,7	2,5		2,6	2,4		2,5
Purchase managers Trading	2,9		2,8	2,6		2,5	2,5		2,6
Money market players	2,5	2,4	2,4	2,2	2,3	2,1	2,0	2,2	2,1
Annual wage increase, %									
All interviewees	2,4		2,3	2,4		2,4	2,4		2,5
Employees' organisations	2,6		2,8	2,6		2,9	2,7		2,9
Employers' organisations	2,5		2,4	2,6		2,5	2,5		2,6
Purchase managers Manufacturing	2,3		2,2	2,3		2,3	2,2		2,3
Purchase managers Trading	2,3		2,2	2,3		2,3	2,3		2,4

	3 months			12 months			24 months			60 months		
	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18	Sep 18	Aug 18	Jun 18
Repo rate, %												
All interviewees	-0,4		-0,5	-0,1		-0,2	0,4		0,3	1,3		1,2
Employees' organisations	-0,4		-0,4	-0,1		-0,2	0,3		0,3	1,2		1,2
Employers' organisations	-0,5		-0,5	-0,1		-0,2	0,6		0,5	1,7		1,5
Purchase managers Manufacturing	-0,4		-0,5	-0,1		-0,2	0,3		0,3	1,1		1,1
Purchase managers Trading	-0,5		-0,5	-0,1		-0,1	0,4		0,3	1,0		1,0
Money market players	-0,5	-0,5	-0,5	-0,1	-0,1	-0,2	0,7	0,5	0,4	1,7	1,8	1,6



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	2,014	2,000	0,000	2,800	0,391	0,032	148	53	74%
Year 2	2,062	2,000	0,000	3,000	0,421	0,035	148	53	74%
Year 5	2,081	2,000	1,000	3,200	0,419	0,035	140	61	70%
Employees' organisations									
Year 1	1,976	2,000	1,300	2,700	0,281	0,061	21	4	84%
Year 2	2,052	2,000	1,100	2,700	0,367	0,080	21	4	84%
Year 5	2,195	2,000	1,500	2,800	0,338	0,074	21	4	84%
Employers' organisations									
Year 1	1,921	1,950	1,500	2,400	0,283	0,076	14	7	67%
Year 2	2,093	2,000	1,500	2,700	0,322	0,086	14	7	67%
Year 5	2,215	2,000	2,000	3,000	0,326	0,090	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,064	2,100	0,500	2,700	0,394	0,062	40	14	74%
Year 2	2,108	2,000	0,000	3,000	0,482	0,076	40	14	74%
Year 5	2,151	2,000	1,000	3,200	0,464	0,074	39	15	72%
Purchasing Managers, Trading									
Year 1	1,987	2,000	0,000	2,700	0,503	0,082	38	18	68%
Year 2	2,005	2,000	0,250	3,000	0,500	0,081	38	18	68%
Year 5	2,000	2,000	1,000	3,100	0,507	0,088	33	23	59%
Money Market Players									
Year 1	2,046	2,000	1,000	2,800	0,347	0,059	35	10	78%
Year 2	2,066	2,000	1,500	2,800	0,320	0,054	35	10	78%
Year 5	1,959	2,000	1,000	2,500	0,304	0,052	34	11	76%

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	2,046	2,000	1,400	2,500	0,231	0,030	59	142	29%
Year 2	2,030	2,000	1,400	2,800	0,257	0,033	59	142	29%
Year 5	1,998	2,000	1,000	3,400	0,340	0,045	56	145	28%
Employees' organisations									
Year 1	2,067	2,000	1,800	2,500	0,187	0,054	12	13	48%
Year 2	2,058	2,000	1,500	2,700	0,278	0,080	12	13	48%
Year 5	2,158	2,000	1,700	3,400	0,438	0,126	12	13	48%
Employers' organisations									
Year 1	2,025	2,050	1,700	2,200	0,167	0,059	8	13	38%
Year 2	2,125	2,150	1,900	2,300	0,128	0,045	8	13	38%
Year 5	2,100	2,000	2,000	2,500	0,191	0,072	7	14	33%
Purchasing Managers, Manufacturing									
Year 1	2,100	2,100	2,000	2,200	0,100	0,058	3	51	6%
Year 2	2,067	2,100	2,000	2,100	0,058	0,033	3	51	6%
Year 5	2,133	2,100	2,000	2,300	0,153	0,088	3	51	6%
Purchasing Managers, Trading									
Year 1	2,157	2,100	1,900	2,500	0,223	0,084	7	49	13%
Year 2	2,143	2,000	1,600	2,800	0,428	0,162	7	49	13%
Year 5	2,100	2,000	1,600	2,800	0,436	0,195	5	51	9%
Money Market Players									
Year 1	2,010	2,000	1,400	2,500	0,270	0,050	29	16	64%
Year 2	1,960	2,000	1,400	2,400	0,227	0,042	29	16	64%
Year 5	1,876	1,900	1,000	2,500	0,286	0,053	29	16	64%



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	1,519	1,550	0,500	2,000	0,387	0,076	26	19	58%
Upper bound	2,410	2,300	1,800	3,500	0,393	0,077	26	19	58%
Year 2									
Lower bound	1,282	1,500	-0,500	2,300	0,632	0,126	25	20	56%
Upper bound	2,526	2,400	1,900	4,000	0,479	0,096	25	20	56%
Year 5									
Lower bound	1,125	1,500	-2,000	2,400	0,924	0,181	26	19	58%
Upper bound	2,763	2,500	1,900	6,000	0,805	0,158	26	19	58%

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	2,690	2,700	0,500	4,000	0,584	0,048	148	53	74%
Year 2									
Year 2	2,434	2,400	0,000	4,000	0,641	0,053	147	54	73%
Year 5									
Year 5	2,336	2,200	1,000	4,300	0,604	0,051	140	61	70%
Employees' organisations									
Year 1									
Year 1	2,705	2,600	2,000	3,600	0,488	0,112	19	6	76%
Year 2									
Year 2	2,458	2,300	1,500	3,400	0,552	0,127	19	6	76%
Year 5									
Year 5	2,442	2,200	1,300	3,700	0,601	0,138	19	6	76%
Employers' organisations									
Year 1									
Year 1	2,564	2,500	1,000	4,000	0,745	0,199	14	7	67%
Year 2									
Year 2	2,264	2,150	1,000	4,000	0,774	0,207	14	7	67%
Year 5									
Year 5	2,308	2,200	1,000	4,300	0,711	0,197	13	8	62%
Purchasing Managers, Manufacturing									
Year 1									
Year 1	2,715	3,000	0,500	3,500	0,691	0,111	39	15	72%
Year 2									
Year 2	2,497	2,500	0,000	3,800	0,757	0,121	39	15	72%
Year 5									
Year 5	2,421	2,300	1,000	4,000	0,725	0,116	39	15	72%
Purchasing Managers, Trading									
Year 1									
Year 1	2,866	3,000	1,500	3,900	0,519	0,081	41	15	73%
Year 2									
Year 2	2,599	2,550	1,500	4,000	0,610	0,097	40	16	71%
Year 5									
Year 5	2,486	2,500	1,500	3,500	0,511	0,086	35	21	63%
Money Market Players									
Year 1									
Year 1	2,497	2,500	1,500	3,500	0,453	0,077	35	10	78%
Year 2									
Year 2	2,229	2,300	1,000	3,100	0,460	0,078	35	10	78%
Year 5									
Year 5	2,038	2,000	1,000	3,000	0,392	0,067	34	11	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	2,377	2,400	1,500	3,500	0,384	0,036	117	39	75%
Year 2	2,399	2,400	1,000	3,500	0,444	0,041	117	39	75%
Year 5	2,364	2,400	1,000	3,700	0,527	0,050	109	47	70%
Employees' organisations									
Year 1	2,648	2,700	2,200	3,000	0,234	0,051	21	4	84%
Year 2	2,648	2,700	2,100	3,000	0,289	0,063	21	4	84%
Year 5	2,748	3,000	1,500	3,500	0,486	0,106	21	4	84%
Employers' organisations									
Year 1	2,479	2,450	2,000	3,100	0,375	0,100	14	7	67%
Year 2	2,593	2,500	2,000	3,400	0,453	0,121	14	7	67%
Year 5	2,500	2,500	1,600	3,500	0,592	0,164	13	8	62%
Purchasing Managers, Manufacturing									
Year 1	2,278	2,150	1,700	3,200	0,387	0,061	40	14	74%
Year 2	2,258	2,250	1,000	3,500	0,428	0,068	40	14	74%
Year 5	2,210	2,200	1,000	3,000	0,370	0,059	39	15	72%
Purchasing Managers, Trading									
Year 1	2,302	2,300	1,500	3,500	0,384	0,059	42	14	75%
Year 2	2,345	2,300	1,500	3,200	0,459	0,071	42	14	75%
Year 5	2,258	2,050	1,000	3,700	0,566	0,094	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	-0,443	-0,500	-0,500	0,000	0,113	0,009	145	56	72%
12 months	-0,089	0,000	-0,500	1,000	0,260	0,022	144	57	72%
24 months	0,427	0,500	-0,500	2,000	0,508	0,042	143	58	71%
60 months	1,266	1,000	0,000	4,000	0,797	0,068	137	64	68%
Employees' organisations									
3 months	-0,415	-0,500	-0,500	-0,200	0,116	0,026	20	5	80%
12 months	-0,090	-0,150	-0,500	0,500	0,282	0,063	20	5	80%
24 months	0,320	0,250	-0,500	1,000	0,446	0,100	20	5	80%
60 months	1,218	1,100	0,000	2,750	0,786	0,176	20	5	80%
Employers' organisations									
3 months	-0,464	-0,500	-0,500	0,000	0,134	0,036	14	7	67%
12 months	-0,064	0,000	-0,500	0,500	0,260	0,069	14	7	67%
24 months	0,561	0,500	0,000	2,000	0,599	0,160	14	7	67%
60 months	1,658	2,000	0,300	4,000	1,058	0,293	13	8	62%
Purchasing Managers, Manufacturing									
3 months	-0,436	-0,500	-0,500	0,000	0,122	0,020	39	15	72%
12 months	-0,090	0,000	-0,500	1,000	0,297	0,047	39	15	72%
24 months	0,301	0,100	-0,500	1,500	0,545	0,087	39	15	72%
60 months	1,084	1,000	0,000	3,000	0,853	0,138	38	16	70%
Purchasing Managers, Trading									
3 months	-0,450	-0,500	-0,500	0,000	0,116	0,018	40	16	71%
12 months	-0,114	0,000	-0,500	0,500	0,246	0,039	39	17	70%
24 months	0,381	0,250	-0,250	1,500	0,403	0,065	39	17	70%
60 months	1,021	1,000	0,000	2,250	0,574	0,096	36	20	64%
Money Market Players									
3 months	-0,452	-0,500	-0,500	-0,250	0,088	0,015	32	13	71%
12 months	-0,069	0,000	-0,500	0,250	0,227	0,040	32	13	71%
24 months	0,653	0,500	-0,250	2,000	0,515	0,093	31	14	69%
60 months	1,653	1,750	0,250	3,000	0,664	0,121	30	15	67%



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	-0,498	-0,500	-0,600	-0,350	0,035	0,007	28	17	62%
Upper bound	-0,329	-0,400	-0,500	0,500	0,222	0,042	28	17	62%
12 months									
Lower bound	-0,375	-0,400	-0,750	0,000	0,204	0,039	28	17	62%
Upper bound	0,234	0,250	-0,400	0,900	0,279	0,053	28	17	62%
24 months									
Lower bound	0,033	0,000	-1,000	1,250	0,589	0,113	27	18	60%
Upper bound	1,213	1,000	0,350	3,000	0,665	0,128	27	18	60%
60 months									
Lower bound	0,528	0,500	-1,500	2,750	1,025	0,197	27	18	60%
Upper bound	2,931	2,750	1,100	8,000	1,433	0,276	27	18	60%

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	0,028	0,000	-0,250	0,500	0,136	0,025	30	15	67%
12 months	0,445	0,450	0,000	1,200	0,265	0,048	30	15	67%
24 months	1,084	1,000	0,200	2,200	0,462	0,086	29	16	64%
60 months	1,924	2,000	0,400	3,250	0,706	0,131	29	16	64%
EUR/SEK									
3 months	10,420	10,400	9,900	11,000	0,252	0,044	32	13	71%
12 months	10,003	10,000	9,400	11,000	0,339	0,060	32	13	71%
24 months	9,677	9,725	9,000	11,000	0,397	0,070	32	13	71%
USD/SEK									
3 months	9,013	9,000	7,920	10,000	0,383	0,068	32	13	71%
12 months	8,663	8,750	8,000	10,000	0,463	0,082	32	13	71%
24 months	8,228	8,325	7,000	10,000	0,664	0,117	32	13	71%