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## 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 March 2017, has now been completed, the previous December 2016 was published December 14, 2016. The last survey among money market players was published February 15, 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	
	Mar 17	Dec 16	Mar 17	Dec 16	Mar 17	Dec 16
<b>Annual</b>						
<b>Inflation, %</b>	1,6	1,4	1,8	1,7	2,0	2,0
<b>GDP, %</b>	2,6	2,6	2,5	2,5	2,4	2,5
<b>Wage increase, %</b>	2,3	2,3	2,4	2,4	2,4	2,5

	3 months		12 months		24 months		60 months	
	Mar 17	Dec 16	Mar 17	Dec 16	Mar 17	Dec 16	Mar 17	Dec 16
<b>Repo rate, %</b>	-0,5	-0,5	-0,2	-0,2	0,3	0,3	1,4	1,4

### Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Mar 17	(Feb 17)	Dec 16	Mar 17	(Feb 17)	Dec 16	Mar 17	(Feb 17)	Dec 16	Mar 17	(Feb 17)	Dec 16
<b>Repo rate, %</b>	-0,5	(-0,5)	-0,5	-0,3	(-0,3)	-0,4	0,3	(0,3)	0,1	1,9	(1,8)	1,8
<b>5 year gvt bond rate, %</b>	0,1	(0,1)	-0,1	0,5	(0,5)	0,2	1,0	(1,1)	0,9	2,2	(2,2)	2,3
<b>EUR</b>	9,45	(9,37)	9,61	9,19	(9,16)	9,31	9,03	(8,99)	9,09	-	(-)	-
<b>USD</b>	9,03	(8,85)	9,19	8,83	(8,63)	8,96	8,54	(8,36)	8,60	-	(-)	-



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### 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 February 27 – March 14, 2017 (previous November 28 – December 13, 2016 (February 1 – February 14, 2017)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on March 8, 2017 (November 30, 2016 (February 1, 2017)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 8,7 years.

### About the Interviewees & Response Rate

#### *All Interviewees*

In all 218 (220) organisations/companies were approached for interview. 30 (26) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 86 % (88 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 84 % 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*

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 120 purchasing managers 57 represent the trading industry and 63 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 50 players, 45 Swedish and 5 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 2000 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

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**TABLE 1 – Comparison March 2017 vs (February 2017) December 2016**

A comparison of the results of the two surveys in all interviewee categories is summarised as follows (rounded off figures):

<b>Expectations of</b>	<b>Year 1</b>			<b>Year 2</b>			<b>Year 5</b>		
	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>
<b>Annual inflation, %</b>									
All interviewees	1,6		1,4	1,8		1,7	2,0		2,0
Employees' organisations	1,7		1,5	1,9		1,8	2,0		2,2
Employers' organisations	1,5		1,5	1,7		1,7	2,1		2,1
Purchase managers Manufacturing	1,5		1,2	1,8		1,6	2,0		1,8
Purchase managers Trading	1,6		1,5	1,8		1,7	2,0		2,0
Money market players	1,7	(1,7)	1,5	1,9	(1,9)	1,8	2,0	(2,0)	1,9
<b>GDP, %</b>									
All interviewees	2,6		2,6	2,5		2,5	2,4		2,5
Employees' organisations	2,7		2,8	2,8		2,9	2,7		2,9
Employers' organisations	2,4		2,5	2,4		2,4	2,3		2,7
Purchase managers Manufacturing	2,4		2,5	2,4		2,5	2,5		2,6
Purchase managers Trading	2,7		2,7	2,7		2,6	2,5		2,6
Money market players	2,7	(2,5)	2,5	2,3	(2,2)	2,2	2,2	(2,1)	2,1
<b>Annual wage increase, %</b>									
All interviewees	2,3		2,3	2,4		2,4	2,4		2,5
Employees' organisations	2,7		2,6	2,9		2,7	2,9		3,0
Employers' organisations	2,3		2,3	2,3		2,3	2,4		2,5
Purchase managers Manufacturing	2,2		2,2	2,3		2,2	2,3		2,4
Purchase managers Trading	2,3		2,2	2,4		2,4	2,4		2,5

	<b>3 months</b>			<b>12 months</b>			<b>24 months</b>			<b>60 months</b>		
	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>	<b>Mar 17</b>	<b>(Feb 17)</b>	<b>Dec 16</b>
<b>Repo rate, %</b>												
All interviewees	-0,5		-0,5	-0,2		-0,2	0,3		0,3	1,4		1,4
Employees' organisations	-0,4		-0,5	-0,2		-0,3	0,2		0,3	1,2		1,3
Employers' organisations	-0,5		-0,4	-0,2		-0,2	0,3		0,4	1,4		1,6
Purchase managers Manufacturing	-0,5		-0,4	-0,1		-0,1	0,4		0,4	1,3		1,2
Purchase managers Trading	-0,5		-0,5	-0,2		-0,2	0,3		0,3	1,2		1,2
Money market players	-0,5	(-0,5)	-0,5	-0,3	(-0,3)	-0,4	0,3	(0,3)	0,1	1,9	(1,8)	1,8

**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>									
<b>Year 1</b>	1,582	1,600	0,500	3,000	0,392	0,029	187	31	86%
<b>Year 2</b>	1,833	1,900	0,500	4,000	0,439	0,032	186	32	85%
<b>Year 5</b>	2,031	2,000	0,000	4,000	0,491	0,037	179	39	82%
<b>Employees' organisations</b>									
<b>Year 1</b>	1,667	1,700	1,200	2,000	0,252	0,055	21	5	81%
<b>Year 2</b>	1,905	2,000	1,000	2,500	0,319	0,070	21	5	81%
<b>Year 5</b>	2,038	2,000	1,000	2,500	0,325	0,071	21	5	81%
<b>Employers' organisations</b>									
<b>Year 1</b>	1,516	1,500	1,000	2,000	0,248	0,057	19	3	86%
<b>Year 2</b>	1,739	1,850	1,000	2,300	0,340	0,080	18	4	82%
<b>Year 5</b>	2,088	2,000	1,200	2,800	0,390	0,097	16	6	73%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	1,524	1,600	0,500	3,000	0,481	0,064	56	7	89%
<b>Year 2</b>	1,804	1,800	0,500	4,000	0,528	0,071	56	7	89%
<b>Year 5</b>	2,038	2,000	0,000	4,000	0,679	0,092	55	8	87%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	1,555	1,500	0,500	2,500	0,421	0,060	49	8	86%
<b>Year 2</b>	1,803	1,900	0,800	3,000	0,452	0,065	49	8	86%
<b>Year 5</b>	2,034	2,000	1,000	3,100	0,459	0,067	47	10	82%
<b>Money Market Players</b>									
<b>Year 1</b>	1,678	1,600	1,000	2,500	0,317	0,049	42	8	84%
<b>Year 2</b>	1,909	1,900	1,000	2,600	0,383	0,059	42	8	84%
<b>Year 5</b>	1,993	2,000	1,400	2,600	0,310	0,049	40	10	80%

**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
<b>Money Market Players</b>									
<b>Year 1</b>									
Lower bound	1,212	1,225	0,000	2,300	0,416	0,067	38	12	76%
Upper bound	2,086	2,000	1,500	3,000	0,386	0,063	38	12	76%
<b>Year 2</b>									
Lower bound	1,330	1,500	0,300	2,400	0,530	0,086	38	12	76%
Upper bound	2,446	2,450	1,400	3,500	0,571	0,093	38	12	76%
<b>Year 5</b>									
Lower bound	1,183	1,500	-1,000	2,400	0,742	0,120	38	12	76%
Upper bound	2,833	2,550	1,500	5,500	0,874	0,142	38	12	76%

**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>	2,592	2,500	1,000	4,300	0,542	0,040	184	34	84%
<b>Year 2</b>	2,528	2,500	1,000	5,500	0,614	0,045	183	35	84%
<b>Year 5</b>	2,441	2,500	0,000	4,200	0,644	0,049	173	45	79%
<b>Employees' organisations</b>									
<b>Year 1</b>	2,716	2,500	2,000	4,300	0,556	0,128	19	7	73%
<b>Year 2</b>	2,800	2,700	2,000	5,500	0,773	0,177	19	7	73%
<b>Year 5</b>	2,742	2,700	2,000	3,500	0,575	0,132	19	7	73%
<b>Employers' organisations</b>									
<b>Year 1</b>	2,447	2,500	1,200	3,400	0,483	0,111	19	3	86%
<b>Year 2</b>	2,378	2,250	1,800	3,500	0,452	0,107	18	4	82%
<b>Year 5</b>	2,300	2,400	1,500	3,000	0,378	0,094	16	6	73%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	2,429	2,500	1,000	3,500	0,539	0,072	56	7	89%
<b>Year 2</b>	2,447	2,500	1,000	3,500	0,590	0,079	56	7	89%
<b>Year 5</b>	2,454	2,500	0,000	4,000	0,763	0,104	54	9	86%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	2,736	2,700	1,000	3,800	0,537	0,077	49	8	86%
<b>Year 2</b>	2,722	2,500	1,600	4,500	0,624	0,089	49	8	86%
<b>Year 5</b>	2,538	2,500	1,500	4,200	0,597	0,088	46	11	81%
<b>Money Market Players</b>									
<b>Year 1</b>	2,651	2,700	1,300	4,000	0,520	0,081	41	9	82%
<b>Year 2</b>	2,345	2,300	1,500	3,500	0,527	0,082	41	9	82%
<b>Year 5</b>	2,214	2,200	1,000	3,500	0,567	0,092	38	12	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
<b>All</b>									
<b>Year 1</b>	2,294	2,300	1,300	4,000	0,440	0,037	144	24	86%
<b>Year 2</b>	2,436	2,500	1,200	5,000	0,516	0,043	143	25	85%
<b>Year 5</b>	2,441	2,500	1,000	3,500	0,527	0,045	139	29	83%
<b>Employees' organisations</b>									
<b>Year 1</b>	2,667	2,800	2,000	3,100	0,312	0,068	21	5	81%
<b>Year 2</b>	2,852	2,800	2,000	3,500	0,418	0,091	21	5	81%
<b>Year 5</b>	2,852	3,000	1,800	3,500	0,487	0,106	21	5	81%
<b>Employers' organisations</b>									
<b>Year 1</b>	2,267	2,400	1,500	3,000	0,409	0,096	18	4	82%
<b>Year 2</b>	2,259	2,200	1,500	3,100	0,439	0,106	17	5	77%
<b>Year 5</b>	2,413	2,300	1,400	3,500	0,726	0,187	15	7	68%
<b>Purchasing Managers, Manufacturing</b>									
<b>Year 1</b>	2,177	2,000	1,300	4,000	0,438	0,058	56	7	89%
<b>Year 2</b>	2,331	2,300	1,200	5,000	0,566	0,076	56	7	89%
<b>Year 5</b>	2,314	2,500	1,000	3,300	0,503	0,068	55	8	87%
<b>Purchasing Managers, Trading</b>									
<b>Year 1</b>	2,280	2,400	1,500	3,100	0,424	0,061	49	8	86%
<b>Year 2</b>	2,439	2,500	1,500	3,500	0,431	0,062	49	8	86%
<b>Year 5</b>	2,416	2,500	1,800	3,500	0,414	0,060	48	9	84%

**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>									
<b>3 months</b>	-0,466	-0,500	-0,500	0,500	0,120	0,009	180	38	83%
<b>12 months</b>	-0,207	-0,250	-0,500	0,500	0,258	0,019	180	38	83%
<b>24 months</b>	0,340	0,250	-0,500	2,500	0,492	0,037	179	39	82%
<b>60 months</b>	1,386	1,500	-0,300	3,500	0,821	0,063	170	48	78%
<b>Employees' organisations</b>									
<b>3 months</b>	-0,413	-0,500	-0,500	0,500	0,247	0,055	20	6	77%
<b>12 months</b>	-0,240	-0,250	-0,500	0,200	0,231	0,052	20	6	77%
<b>24 months</b>	0,233	0,200	-0,250	1,000	0,349	0,078	20	6	77%
<b>60 months</b>	1,165	1,000	0,000	2,000	0,584	0,130	20	6	77%
<b>Employers' organisations</b>									
<b>3 months</b>	-0,461	-0,500	-0,500	0,000	0,125	0,029	19	3	86%
<b>12 months</b>	-0,182	-0,250	-0,500	0,500	0,287	0,066	19	3	86%
<b>24 months</b>	0,342	0,100	-0,300	2,000	0,593	0,140	18	4	82%
<b>60 months</b>	1,388	1,500	-0,300	3,000	0,950	0,238	16	6	73%
<b>Purchasing Managers, Manufacturing</b>									
<b>3 months</b>	-0,460	-0,500	-0,500	0,000	0,107	0,014	55	8	87%
<b>12 months</b>	-0,146	-0,250	-0,500	0,500	0,270	0,036	55	8	87%
<b>24 months</b>	0,425	0,250	-0,250	2,000	0,530	0,072	55	8	87%
<b>60 months</b>	1,294	1,375	0,000	3,500	0,807	0,110	54	9	86%
<b>Purchasing Managers, Trading</b>									
<b>3 months</b>	-0,472	-0,500	-0,500	0,000	0,093	0,013	49	8	86%
<b>12 months</b>	-0,185	-0,250	-0,500	0,500	0,260	0,037	49	8	86%
<b>24 months</b>	0,348	0,250	-0,500	2,500	0,534	0,076	49	8	86%
<b>60 months</b>	1,235	1,000	-0,300	3,500	0,803	0,118	46	11	81%
<b>Money Market Players</b>									
<b>3 months</b>	-0,500	-0,500	-0,500	-0,500	0,000	0,000	37	13	74%
<b>12 months</b>	-0,322	-0,380	-0,500	0,000	0,201	0,033	37	13	74%
<b>24 months</b>	0,262	0,250	-0,500	1,000	0,376	0,062	37	13	74%
<b>60 months</b>	1,868	2,000	0,250	3,500	0,777	0,133	34	16	68%

**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	-0,579	-0,500	-1,250	-0,500	0,163	0,028	33	17	66%
Upper bound	-0,389	-0,500	-0,500	0,500	0,214	0,037	33	17	66%
<b>12 months</b>									
Lower bound	-0,541	-0,500	-1,750	-0,250	0,262	0,046	32	18	64%
Upper bound	-0,070	0,000	-0,500	0,500	0,248	0,044	32	18	64%
<b>24 months</b>									
Lower bound	-0,173	-0,250	-1,500	0,750	0,428	0,076	32	18	64%
Upper bound	0,789	0,875	-0,500	1,500	0,481	0,085	32	18	64%
<b>60 months</b>									
Lower bound	0,911	1,000	-0,500	2,500	0,890	0,160	31	19	62%
Upper bound	2,839	2,500	0,250	5,000	1,102	0,198	31	19	62%



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**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>	0,103	0,100	-0,200	0,350	0,115	0,020	33	17	66%
<b>12 months</b>	0,455	0,500	-0,200	1,200	0,293	0,051	33	17	66%
<b>24 months</b>	1,013	1,000	0,000	2,500	0,591	0,104	32	18	64%
<b>60 months</b>	2,213	2,200	0,750	3,900	0,834	0,150	31	19	62%
<b>EUR/SEK</b>									
<b>3 months</b>	9,447	9,450	9,200	9,650	0,110	0,018	37	13	74%
<b>12 months</b>	9,189	9,200	8,700	9,800	0,197	0,032	37	13	74%
<b>24 months</b>	9,028	9,000	8,600	9,800	0,254	0,042	37	13	74%
<b>USD/SEK</b>									
<b>3 months</b>	9,026	9,000	8,600	9,500	0,219	0,036	37	13	74%
<b>12 months</b>	8,829	8,760	8,180	9,700	0,394	0,065	37	13	74%
<b>24 months</b>	8,544	8,500	7,560	10,000	0,518	0,085	37	13	74%