

June 2021 report

Expectations among Labour Market Parties, Purchasing Managers and Money Market Players

Jun 9, 2021

Kantar 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 repo rate 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.

Questions regarding the survey will be answered by Karl Pettersson, +46 (0)70 461 14 94.

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

As of February 2021, Kantar Prospera also maps expectations on the Riksbank's bond purchases.

(%)	Year 1		Year 2		Year 5	
	Jun 21	Mar 21	Jun 21	Mar 21	Jun 21	Mar 21
All Interviewees						
Annual inflation CPI	1,9	1,4	1,9	1,6	2,0	1,9
Annual inflation CPIF	1,8	1,3	1,8	1,5	1,9	1,8
Annual GDP	3,1	2,4	2,8	2,6	2,4	2,4
Annual wage increase	2,4	2,3	2,4	2,3	2,5	2,4

	3 months			12 months			24 months			60 months		
	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21
All interviewees												
Repo rate (%)	0,0	-	0,0	0,1	-	0,0	0,3	-	0,2	0,9	-	0,7
Money Market Players												
Repo rate (%)	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,1	0,1	0,9	0,7	0,7
5 year gvt bond rate (%)	0,0	0,0	-0,1	0,3	0,1	0,1	0,7	0,4	0,3	1,4	0,9	0,9
EUR/SEK	10,06	10,06	10,10	10,01	9,96	9,95	9,95	9,87	9,88	-	-	-
USD/SEK	8,35	8,44	8,40	8,43	8,43	8,29	8,45	8,32	8,23	-	-	-

	Current quarter			Following 3 quarters		
	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21
Money Market Players						
The Riksbank's bond purchases (SEK bn)	171	152	195	223	276	289
Distribution (%)						
Government bonds	26	19	23	25	18	24
Municipal bonds	16	16	19	16	16	17
Covered bonds	56	60	54	57	62	54
Corporate bonds	3	4	4	3	4	4

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Overview of subgroups

(%)	Year 1			Year 2			Year 5		
	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21
Annual inflation CPI									
All Interviewees	1,9	-	1,4	1,9	-	1,6	2,0	-	1,9
Employees' Organisations	1,9	-	1,4	1,9	-	1,6	2,1	-	1,8
Employers' Organisations	1,6	-	1,4	1,7	-	1,5	2,0	-	1,9
Purchasing Managers, Manufacturing	2,0	-	1,5	2,1	-	1,7	2,1	-	2,0
Purchasing Managers, Trading	2,2	-	1,5	2,0	-	1,9	2,0	-	1,9
Money Market Players	1,7	1,5	1,3	1,7	1,6	1,5	1,8	1,8	1,8
Annual inflation CPIF									
All Interviewees	1,8	-	1,3	1,8	-	1,5	1,9	-	1,8
Employees' Organisations	1,9	-	1,3	1,9	-	1,5	1,9	-	1,8
Employers' Organisations	1,8	-	1,3	1,8	-	1,5	2,0	-	1,9
Purchasing Managers, Manufacturing	2,1	-	1,4	2,1	-	1,7	2,2	-	2,0
Purchasing Managers, Trading	1,9	-	1,1	1,9	-	1,4	2,0	-	1,9
Money Market Players	1,7	1,5	1,3	1,7	1,5	1,4	1,8	1,8	1,7
Annual GDP									
All Interviewees	3,1	-	2,4	2,8	-	2,6	2,4	-	2,4
Employees' Organisations	3,2	-	2,4	3,1	-	3,1	3,0	-	2,8
Employers' Organisations	3,4	-	2,5	2,9	-	2,8	2,4	-	2,2
Purchasing Managers, Manufacturing	2,3	-	1,4	2,1	-	2,0	2,1	-	2,4
Purchasing Managers, Trading	2,9	-	2,1	2,8	-	2,5	2,4	-	2,4
Money Market Players	3,7	3,6	3,4	2,9	2,9	2,7	2,3	2,3	2,3
Annual wage increase									
All Interviewees	2,4	-	2,3	2,4	-	2,3	2,5	-	2,4
Employees' Organisations	2,5	-	2,5	2,6	-	2,4	2,8	-	2,8
Employers' Organisations	2,4	-	2,3	2,3	-	2,4	2,4	-	2,6
Purchasing Managers, Manufacturing	2,2	-	2,2	2,2	-	2,2	2,3	-	2,2
Purchasing Managers, Trading	2,4	-	2,3	2,3	-	2,2	2,4	-	2,2

(%)	3 months			12 months			24 months			60 months		
	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21	Jun 21	May 21	Mar 21
Repo rate												
All Interviewees	0,0	-	0,0	0,1	-	0,0	0,3	-	0,2	0,9	-	0,7
Employees' Organisations	0,0	-	0,0	0,1	-	0,0	0,3	-	0,1	0,9	-	0,6
Employers' Organisations	0,0	-	0,0	0,0	-	0,0	0,2	-	0,1	1,1	-	0,8
Purchasing Managers, Manufacturing	0,0	-	0,0	0,1	-	0,0	0,4	-	0,1	0,9	-	0,7
Purchasing Managers, Trading	0,0	-	0,0	0,1	-	0,1	0,4	-	0,3	0,9	-	0,8
Money Market Players	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,1	0,1	0,9	0,7	0,7

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About the survey	Jun 21	Mar 21
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Method

Telephone interviews

Interview period

Questions on inflation, GDP and wage increase expectations	May 26-Jun 8	Mar 1-Mar 12
Questions on future repo rate, 5 year government bond rate, EUR and USD rate	Jun 2	Mar 9

Response rate

Number of organisations approached for interview	188	188
Number of organisations not reached or denied participation	69	62
Overall response rate (%)	63	67

For response rates per question please see Tables 1-9

About the interviews (numbers)

All Interviewees	188
Labour Market Organisations	
Employers'	21
Employees'	25
Purchasing Managers*	
Manufacturing	47
Trading	52
Money Market Players**	
Swedish	41
International	2

*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.

**The Money Market Players are active in the Swedish fixed income market. They were not asked to assess the expected wage increases. Only the Money Market Players have participated in the survey covering expected 5Y government bond, EUR and USD rates

About the interviewers

Average experience of the survey (years)	12,7
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Definitions

Inflation CPI	The percentage increase in Consumer Price Index
Inflation CPIF	The percentage increase in Consumer Price Index with a fixed interest rate
GDP	Gross Domestic Product, the value of all goods and services produced (by Swedish agents) in one year
Repo rate	The Riksbank's borrowing/lending rate from/to banks for seven days' money
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.

Previous reports
www.kantarsifo.se/erbjudande/prospira/inflation-expectations

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TABLE 1 - 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 Interviewees									
Year 1	1,899	1,800	0,000	3,600	0,657	0,061	115	73	61%
Year 2	1,901	1,800	0,500	3,500	0,531	0,049	115	73	61%
Year 5	1,979	2,000	1,000	3,000	0,414	0,040	110	78	59%
Employees' Organisations									
Year 1	1,900	2,000	1,000	3,500	0,570	0,134	18	7	72%
Year 2	1,922	2,000	1,200	3,000	0,439	0,103	18	7	72%
Year 5	2,050	2,000	1,400	2,800	0,378	0,089	18	7	72%
Employers' Organisations									
Year 1	1,615	1,600	1,000	2,300	0,366	0,094	15	6	71%
Year 2	1,698	1,600	1,200	2,500	0,333	0,086	15	6	71%
Year 5	2,031	2,000	1,500	2,540	0,320	0,085	14	7	67%
Purchasing Managers, Manufacturing									
Year 1	1,975	2,100	0,250	3,000	0,739	0,174	18	29	38%
Year 2	2,078	2,150	0,500	3,500	0,711	0,168	18	29	38%
Year 5	2,076	2,000	1,000	3,000	0,467	0,113	17	30	36%
Purchasing Managers, Trading									
Year 1	2,154	2,200	0,000	3,600	0,784	0,133	35	17	67%
Year 2	2,043	2,000	0,700	3,000	0,587	0,099	35	17	67%
Year 5	1,998	2,000	1,000	3,000	0,450	0,078	33	19	63%
Money Market Players									
Year 1	1,688	1,500	0,700	3,000	0,489	0,091	29	14	67%
Year 2	1,711	1,600	0,900	2,800	0,379	0,070	29	14	67%
Year 5	1,824	1,850	1,000	2,600	0,386	0,073	28	15	65%

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 Interviewees									
Year 1	1,816	1,725	0,000	3,500	0,611	0,070	76	112	40%
Year 2	1,829	1,800	0,000	3,000	0,554	0,064	76	112	40%
Year 5	1,924	1,900	1,000	3,100	0,372	0,043	75	113	40%
Employees' Organisations									
Year 1	1,900	1,700	1,200	3,500	0,626	0,167	14	11	56%
Year 2	1,886	1,850	1,300	3,000	0,477	0,127	14	11	56%
Year 5	1,929	1,950	1,500	2,300	0,186	0,050	14	11	56%
Employers' Organisations									
Year 1	1,763	1,700	1,390	2,500	0,340	0,102	11	10	52%
Year 2	1,832	1,700	1,500	2,700	0,335	0,101	11	10	52%
Year 5	1,950	2,000	1,700	2,500	0,232	0,073	10	11	48%
Purchasing Managers, Manufacturing									
Year 1	2,055	2,150	0,250	3,000	0,754	0,239	10	37	21%
Year 2	2,140	2,400	0,500	2,600	0,624	0,197	10	37	21%
Year 5	2,195	2,250	1,500	2,800	0,437	0,138	10	37	21%
Purchasing Managers, Trading									
Year 1	1,893	2,100	0,000	3,000	0,823	0,220	14	38	27%
Year 2	1,857	1,950	0,000	3,000	0,835	0,223	14	38	27%
Year 5	2,014	2,000	1,000	3,100	0,482	0,129	14	38	27%
Money Market Players									
Year 1	1,666	1,500	0,700	3,000	0,496	0,095	27	16	63%
Year 2	1,668	1,600	0,900	3,000	0,423	0,081	27	16	63%
Year 5	1,766	1,800	1,000	2,500	0,343	0,066	27	16	63%

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TABLE 2 - 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	1,093	1,000	0,200	2,400	0,485	0,106	21	22	49%
Upper bound	2,136	2,000	1,200	4,500	0,752	0,164	21	22	49%
Year 2									
Lower bound	1,083	1,000	0,000	2,500	0,539	0,118	21	22	49%
Upper bound	2,240	2,000	1,400	4,000	0,666	0,145	21	22	49%
Year 5									
Lower bound	1,190	1,200	0,000	2,100	0,567	0,124	21	22	49%
Upper bound	2,533	2,500	1,500	3,500	0,573	0,125	21	22	49%

TABLE 3 - 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 Interviewees									
Year 1									
	3,106	3,300	-2,000	9,000	1,447	0,135	115	73	61%
Year 2									
	2,784	3,000	-2,000	11,000	1,255	0,117	115	73	61%
Year 5									
	2,433	2,300	-2,000	10,000	1,132	0,108	110	78	59%
Employees' Organisations									
Year 1									
	3,156	3,200	-1,400	9,000	2,184	0,515	18	7	72%
Year 2									
	3,128	3,000	-0,700	11,000	2,319	0,547	18	7	72%
Year 5									
	2,967	2,800	0,200	10,000	2,034	0,479	18	7	72%
Employers' Organisations									
Year 1									
	3,380	3,500	0,800	4,700	1,111	0,287	15	6	71%
Year 2									
	2,933	3,000	1,500	4,000	0,908	0,234	15	6	71%
Year 5									
	2,443	2,150	1,200	6,000	1,153	0,308	14	7	67%
Purchasing Managers, Manufacturing									
Year 1									
	2,258	2,900	-1,500	4,500	1,520	0,358	18	29	38%
Year 2									
	2,100	2,250	-2,000	3,500	1,331	0,314	18	29	38%
Year 5									
	2,100	2,500	-2,000	3,500	1,239	0,301	17	30	36%
Purchasing Managers, Trading									
Year 1									
	2,889	3,000	-2,000	5,000	1,311	0,222	35	17	67%
Year 2									
	2,817	3,000	1,500	4,000	0,784	0,133	35	17	67%
Year 5									
	2,436	2,500	1,000	3,500	0,591	0,103	33	19	63%
Money Market Players									
Year 1									
	3,722	3,900	1,750	5,000	0,751	0,140	29	14	67%
Year 2									
	2,879	3,000	1,500	4,000	0,720	0,134	29	14	67%
Year 5									
	2,282	2,000	1,500	3,500	0,566	0,107	28	15	65%

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TABLE 4 - 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 Interviewees									
Year 1	2,351	2,400	1,000	3,500	0,425	0,045	89	56	61%
Year 2	2,354	2,400	1,200	3,500	0,398	0,042	89	56	61%
Year 5	2,451	2,500	1,500	3,500	0,474	0,051	85	60	59%
Employees' Organisations									
Year 1	2,484	2,500	1,800	3,200	0,393	0,090	19	6	76%
Year 2	2,584	2,500	1,800	3,500	0,383	0,088	19	6	76%
Year 5	2,821	3,000	1,900	3,500	0,438	0,100	19	6	76%
Employers' Organisations									
Year 1	2,364	2,500	1,000	3,300	0,548	0,142	15	6	71%
Year 2	2,304	2,360	1,500	2,800	0,307	0,079	15	6	71%
Year 5	2,371	2,400	1,500	3,300	0,465	0,124	14	7	67%
Purchasing Managers, Manufacturing									
Year 1	2,184	2,100	1,500	3,000	0,421	0,097	19	28	40%
Year 2	2,203	2,200	1,500	3,000	0,361	0,083	19	28	40%
Year 5	2,311	2,200	1,500	3,000	0,495	0,117	18	29	38%
Purchasing Managers, Trading									
Year 1	2,364	2,350	1,700	3,500	0,372	0,062	36	16	69%
Year 2	2,333	2,350	1,200	3,500	0,417	0,070	36	16	69%
Year 5	2,351	2,350	1,500	3,500	0,393	0,067	34	18	65%

TABLE 5 - 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 Interviewees									
3 months	0,002	0,000	-0,250	0,300	0,046	0,004	108	80	57%
12 months	0,067	0,000	-0,250	1,000	0,173	0,017	108	80	57%
24 months	0,295	0,250	-0,100	1,500	0,347	0,033	108	80	57%
60 months	0,930	0,750	0,000	3,000	0,715	0,070	103	85	55%
Employees' Organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	18	7	72%
12 months	0,064	0,000	0,000	0,500	0,163	0,038	18	7	72%
24 months	0,253	0,225	0,000	1,000	0,298	0,070	18	7	72%
60 months	0,892	0,600	0,000	2,750	0,791	0,186	18	7	72%
Employers' Organisations									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	15	6	71%
12 months	0,013	0,000	0,000	0,200	0,052	0,013	15	6	71%
24 months	0,183	0,200	0,000	0,500	0,201	0,052	15	6	71%
60 months	1,109	1,000	0,000	3,000	0,816	0,218	14	7	67%
Purchasing Managers, Manufacturing									
3 months	0,000	0,000	-0,250	0,250	0,088	0,021	17	30	36%
12 months	0,074	0,000	-0,250	0,500	0,193	0,047	17	30	36%
24 months	0,359	0,250	0,000	1,000	0,401	0,097	17	30	36%
60 months	0,915	1,000	0,000	2,500	0,726	0,176	17	30	36%
Purchasing Managers, Trading									
3 months	0,006	0,000	-0,100	0,300	0,054	0,009	35	17	67%
12 months	0,126	0,000	-0,100	1,000	0,232	0,039	35	17	67%
24 months	0,384	0,250	-0,100	1,500	0,398	0,067	35	17	67%
60 months	0,898	1,000	0,000	3,000	0,585	0,102	33	19	63%
Money Market Players									
3 months	0,000	0,000	0,000	0,000	0,000	0,000	23	20	53%
12 months	0,011	0,000	0,000	0,250	0,052	0,011	23	20	53%
24 months	0,217	0,000	0,000	1,000	0,314	0,065	23	20	53%
60 months	0,905	0,750	0,000	3,000	0,804	0,175	21	22	49%

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TABLE 6 - 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	-0,073	0,000	-0,500	0,000	0,136	0,030	20	23	47%
Upper bound	0,025	0,000	0,000	0,250	0,077	0,017	20	23	47%
12 months									
Lower bound	-0,168	0,000	-1,000	0,000	0,258	0,058	20	23	47%
Upper bound	0,175	0,000	0,000	1,000	0,270	0,060	20	23	47%
24 months									
Lower bound	-0,213	0,000	-2,000	0,250	0,489	0,109	20	23	47%
Upper bound	0,738	0,500	0,000	3,000	0,772	0,173	20	23	47%
60 months									
Lower bound	-0,045	0,000	-2,000	1,000	0,764	0,175	19	24	44%
Upper bound	1,697	1,500	0,250	4,000	1,063	0,244	19	24	44%

TABLE 7 - 5 year government bond rate, EUR and USD rates expectations

Expected 5 year government bond rate, EUR and USD rates the coming 3-24 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No resp. (numbers)	Response Rate
Money Market Players									
5 year gvt bond rate									
3 months	-0,011	-0,025	-0,140	0,200	0,097	0,022	20	23	47%
12 months	0,315	0,150	-0,100	2,000	0,470	0,105	20	23	47%
24 months	0,708	0,500	-0,100	3,000	0,740	0,170	19	24	44%
60 months	1,403	1,000	0,200	4,000	0,995	0,228	19	24	44%
EUR/SEK									
3 months	10,059	10,100	9,900	10,200	0,103	0,022	22	21	51%
12 months	10,009	10,000	9,700	11,000	0,280	0,060	22	21	51%
24 months	9,950	9,800	9,500	11,500	0,418	0,089	22	21	51%
USD/SEK									
3 months	8,350	8,285	8,070	8,900	0,208	0,044	22	21	51%
12 months	8,434	8,330	7,970	9,500	0,381	0,081	22	21	51%
24 months	8,449	8,355	7,800	10,000	0,490	0,104	22	21	51%

TABLE 8 - Expectations of the Riksbank's bond purchases

Estimated nominal value of SEK bond purchases (incl reinvestments) the current and following 3 quarters

	Mean (SEK bn)	Median (SEK bn)	Lowest (SEK bn)	Highest (SEK bn)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
The Riksbank's bond purchases									
Current quarter	171,000	100,000	90,000	800,000	221,131	69,928	10	33	23%
Following 3 quarters	222,900	180,000	65,000	600,000	150,808	47,690	10	33	23%

TABLE 9 - Expectations of the distribution of the Riksbank's bond purchases

Expected distribution on government, municipal, covered and corporate bonds

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No Resp. (numbers)	Response Rate
Money Market Players									
Current quarter									
Government bonds	25,600	21,000	11,000	75,000	18,554	5,867	10	33	23%
Municipal bonds	15,600	16,000	10,000	22,000	4,452	1,408	10	33	23%
Covered bonds	55,800	59,500	10,000	67,000	16,538	5,230	10	33	23%
Corporate bonds	3,000	3,000	1,000	5,000	1,414	0,447	10	33	23%
Following 3 quarters									
Government bonds	24,900	20,000	11,000	75,000	18,835	5,956	10	33	23%
Municipal bonds	15,500	16,000	10,000	21,000	4,301	1,360	10	33	23%
Covered bonds	56,800	59,500	10,000	68,000	17,048	5,391	10	33	23%
Corporate bonds	2,800	3,000	1,000	5,000	1,398	0,442	10	33	23%