

Information to media

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Stable optimism for Swedish CFOs – Deloitte/SEB CFO Survey

The Deloitte/SEB CFO index for October edges up to 55.9 from 55.6 in March and 54.2 in our survey one year ago. Financial chiefs say they intend to increase strategy focus on the Nordic region, likely due to its brighter growth prospects relative to other markets such as China. Survey results also showed greater willingness to invest in Sweden.

The index aims to reflect changes in sentiment among Sweden-based CFOs and is based on four components: business climate, financial strength, banks' willingness to lend, and counterparty risk. Other key findings from the report include:

Encouraging lending and M&A environment. CFOs say banks and other financial partners continue to show a willingness to lend to their companies. They also said that despite the recent flurry of activity, they remain relatively positive about the deal-making climate in Sweden.

The global turbulence on financial markets has so far not had a negative impact on cash flow. However, many CFOs say that the challenges will likely increase going forward. Many CFOs say that they remain focused on cost-cutting despite strong efforts in this area in recent years. More CFOs say that future order intake is an uncertainty, that they believe it will be more difficult to increase prices, and that they are concerned about the uncertain macroeconomic environment. Taken together, these responses suggest that inflation will neither receive support from higher prices nor from salary increases.

Unbothered by negative interest rates. Survey answers show that CFOs remain confident in their financial positions, with ample financial reserves and sound cash flow. They were also largely un-impacted by the current negative interest rate environment in Sweden, even though a greater interest in hedging emerges from answers to various questions in the survey.

“Increasing CFO confidence in Sweden bodes well for near-term business conditions. Financial chiefs at Sweden's largest companies say they are sitting on sound financial footing. They show renewed optimism about the Nordic region. And they are surprisingly uninfluenced by negative interest rates. However, they show more concern about the potential to increase order intake and for stiffer competition, which leads to continued cost-cutting focus and a reluctance to make new hires,” says Karl Steiner, Senior Strategist at SEB.

“The survey highlights a good business climate in Sweden, and M&A activity should remain lively. While there is less interest in expanding into Asia, there is a greater preference for investing in Sweden, and even the US. Still, due to uncertainty in the global economy, the survey suggests companies remain reluctant to make significant investments in new capacity and new geographic markets despite sound cash flows and banks' willingness to lend,” says Henrik Nilsson, Partner at Deloitte.

Method: The survey was conducted in September and consisted of a total of 15 questions in such areas as business climate, strategic priorities, employees, financial strength and the lending attitudes of banks and other financial institutions. The Deloitte/SEB CFO Survey aims to reflect changes in sentiment among Swedish-based CFOs and thereby create an understanding of economic and financial trends. It is published two times a year. The full report is available at www.sebgroup.com\press and www.deloitte.se.

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