

Strong GDP growth and accommodative monetary policy will boost Sweden's IPO and M&A activity in the next two to three years. Led by inbound investment, M&A activity is forecast to more than double in 2017 as foreign investors tap into Sweden's domestic strength. IPO activity will rise more gradually, peaking in 2018 along with other European economies.

M&A AND IPO TRANSACTIONS							
	2014	2015	2016	2017f	2018f	2019f	2020f
<b>TOTAL M&amp;A TRANSACTIONS (US\$b)</b>	<b>15.8</b>	<b>14.4</b>	<b>12.5</b>	<b>14.6</b>	<b>20.3</b>	<b>18.2</b>	<b>15.1</b>
% of Global M&A transactions	0.6	0.4	0.4	0.6	0.7	0.7	0.7
Domestic (US\$b)	2.8	2.2	2.4	2.2	2.5	1.7	1.4
Cross-border, inbound (US\$b)	13.0	12.2	10.1	12.4	17.8	16.6	13.7
<b>TOTAL VOLUME OF M&amp;A TRANSACTIONS (Number of deals)</b>	<b>437</b>	<b>435</b>	<b>388</b>	<b>501</b>	<b>565</b>	<b>427</b>	<b>440</b>
Domestic (Number of deals)	257	257	245	341	383	257	290
Cross-border, inbound (Number of deals)	180	178	143	160	182	170	150
<b>TOTAL IPO TRANSACTIONS (US\$b)</b>	<b>3.8</b>	<b>5.9</b>	<b>2.7</b>	<b>2.0</b>	<b>3.1</b>	<b>2.1</b>	<b>1.4</b>
% of Global IPO transactions	1.4	2.9	2.0	1.2	1.2	0.8	0.7
Domestic (US\$b)	2.6	5.2	2.5	2.0	3.1	2.1	1.4
Cross-border (US\$b)	1.2	0.7	0.3	0.0	0.0	0.0	0.0

FORECAST FOR THE ECONOMY							
	2014	2015	2016	2017f	2018f	2019f	2020f
<b>MACROECONOMIC DRIVERS</b>							
Real GDP growth (% yoy)	2.7	3.8	3.1	2.1	1.8	1.4	1.1
CPI (% yoy)	-0.2	0.0	0.9	1.5	2.1	2.5	2.4
Merchandise trade (% of GDP)	60	59	56	57	58	59	60
<b>FINANCIAL DRIVERS</b>							
10-year government bond yield (%)	1.7	0.7	0.3	0.3	0.7	1.3	2.1
Equity prices (LCU, end of year % change)	11.9	6.6	1.8	6.7	9.6	-5.9	-3.4
Stock market capitalization (US\$b)	655	601	604	609	698	689	687

### KEY DRIVER SUMMARY (AVERAGE 2015-2020)

	Sweden	Global
<b>GDP growth</b> (% annual)	<b>2.2</b>	<b>2.6</b>
<b>Stock market capitalization</b> (% of GDP)	<b>118</b>	<b>98</b>
<b>Money supply</b> (% of GDP)	<b>66</b>	<b>124</b>
<b>Trade</b> (% of GDP)	<b>58</b>	<b>42</b>
<b>Ease of doing business</b> (World Bank)	<b>81</b>	<b>62</b>
<b>Legal structure</b> (Fraser Institute)	<b>7.9</b>	<b>6.4</b>
<b>Freedom to trade</b> (Fraser Institute)	<b>7.7</b>	<b>7.3</b>

### TRANSACTION ATTRACTIVENESS INDICATOR\*



\*The Transaction Attractiveness Indicator is an overall score calculated using a weighted average of the 10 factors included in the chart above. The score reflects the attractiveness of a country's current environment for M&A and IPO activity on a scale from 0 to 10. It's based on past transactional activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity. Because many of these factors change slowly over time, a country's current score is a strong indicator of whether it will have the right features to attract transactional activity in the future.