Monetary policy minutes

July 2020

S V E R I G E S   R I K S B A N K

Summary

At the monetary policy meeting on 30 June, the Executive Board of the Riksbank decided on further monetary policy measures to alleviate the economic consequences of the pandemic and help the economy and inflation to recover. The framework for the asset purchases the Riksbank has been making since the beginning of the crisis is increased from SEK 300 billion to SEK 500 billion and the programme is extended to the end of June 2021. In September, the Riksbank will also begin purchasing corporate bonds. The Executive Board has further decided to cut interest rates and extend maturities on the lending to the banks. The repo rate was held unchanged at zero per cent.

The members of the Executive Board observed at the meeting that the pandemic has severely negative consequences for the global economy. This year, Swedish GDP is expected to fall as much as it did during the financial crisis, at the same time as unemployment is rising and inflation is below the target. Although there are signs of the beginning of a recovery in several areas, the members emphasised that the uncertainty over future developments is still very large. They pointed to the risks of setbacks and long-term negative effects of the pandemic on the economy, and emphasised that the extensive measures taken by governments and central banks around the world are important for the continuing recovery.

The members thought that the various measures taken by the Riksbank and other central banks have helped hold interest rates low and keep up lending to households and companies, despite the historically rapid and profound slowdown in the economy. But they also stressed that the situation is still fragile. The members therefore agreed that further monetary policy measures should be taken to continue keep interest rates low and promoting credit supply and thereby give support to the economic recovery and inflation.The importance of maintaining confidence in the inflation target was emphasised.

All of the Executive Board members supported the package of measures presented in the draft Monetary Policy Report and in annexes B, C and D to the minutes. The measures include extending the framework for the asset purchases from SEK 300 billion to SEK 500 billion up to the end of June 2021, initiating purchases of corporate bonds in September, cutting interest rates and extending maturities for lending to the banks and holding the repo rate unchanged at zero per cent.

The members discussed why these measures are currently judged to be more effective and appropriate than a cut in the repo rate. At the same time, they did not rule out the possibility of a future cut if this is judged appropriate to support inflation and secure confidence in the inflation target.

The members further pointed to the important role played by fiscal policy in the management of the crisis and pointed out that there is good scope for powerful fiscal policy measures.

MINUTES OF MONETARY POLICY MEETING

Executive Board, No. 8

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DATE: 30/06/2020

TIME: 09:00

PRESENT: Stefan Ingves, Chairman
Cecilia Skingsley, by telephone
Anna Breman, by telephone
Martin Flodén, by telephone
Per Jansson, by telephone
Henry Ohlsson

Michael Lundholm, Deputy Chairperson, General Council of the Riksbank, by telephone
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Meredith Beechey Österholm, by telephone
Joel Birging (§ 1-3a)
Vesna Corbo, by telephone
Charlotta Edler
Dag Edvardsson, by telephone
Mattias Erlandsson
Anders Gånge, by telephone
Sebastian Hall, by telephone
Jesper Hansson
Marika Hegg
Marie Hesselman, by telephone
Jens Iversen, by telephone
Peter Kaplan, by telephone
Sofia Kåhre
Petra Lennartsdotter, by telephone
Tomas Lundberg
Henrik Lundvall, by telephone
Pernilla Meyersson
Marianne Nessén, by telephone
Jonas Niemeyer, by telephone
Christina Nordh-Berntsson, by telephone
Olof Sandstedt, by telephone
Per Selldén, by telephone
Maria Sjödin, by telephone
Jens Vahlquist (§ 1-3a)

It was noted that Marika Hegg and Henrik Lundvall would prepare the draft minutes of the monetary policy meeting.

§3a. Economic developments

Market developments since the last monetary policy meeting

Joel Birging from the Markets Department began by presenting the latest developments on the financial markets. Since the ordinary monetary policy meeting in April, developments on the financial markets have stabilised and benefited from a more positive sentiment. Extensive fiscal policy support programmes have been presented and central banks have in various ways supported the credit supply. At the same time, restrictive measures have begun to be eased and increasingly positive macro statistics have been received, which has increased hopes of a more rapid recovery.

It has been relatively calm overall on the financial markets this past month. Large stock exchanges have been stable following a period of recovery in April and May. Government bond rates in Sweden, Germany and the United States have been almost unchanged and are at low levels from an historical perspective, as the central banks' asset purchases are contributing to holding down interest rates. The Riksbank's measures have had an effect on the Swedish fixed-income market, where for instance the yield on corporate bonds and mortgage bonds has fallen since the monetary policy meeting in April. The krona has appreciated in recent months.

Central banks have acted forcefully during the crisis and have a continued strong presence on the markets. Apart from holding their policy rates at low levels, many central banks have also taken other measures to maintain the credit supply and liquidity on financial markets. This has included large-scale purchases of financial assets and lending programmes aimed at stimulating banks' credit granting to non-financial companies. The Federal Reserve took action early on to counteract the problems arising on the dollar market, by supplying liquidity both in the United States and globally. The US central bank has also, in addition to other measures, made it clear that they are prepared to purchase US government securities and mortgage bonds to the extent necessary for the markets to function. The ECB has, in addition to retaining and extending its existing programme for asset purchases (APP), introduced a special programme for purchasing assets for EUR 1,350 billion (PEPP). The ECB has also lowered the capital requirements for banks, supplied more favourable liquidity facilities for the banks and increased lending to banks to stimulate onward lending to companies.

With regard to Swedish monetary policy, market participants were expecting an unchanged repo rate prior to today's monetary policy meeting and most of the major Swedish banks were expecting a decision in the autumn on extended asset purchases. Pricing on the forward rate market indicates some probability of a repo rate cut in the coming years.

The current monetary policy drafting process – new data and forecasts

Jesper Hansson, Head of the Monetary Policy Department, began by describing economic developments since the monetary policy meeting on 27 April and the monetary policy measures he judged would gain a majority support in the Executive Board at today's meeting. The monetary policy drafting process has included discussions with the Executive Board regarding the forecasts and the monetary policy assumptions at meetings on 12, 16, 17 and 18 June. The draft Monetary Policy Report was discussed and tabled at a meeting of the Executive Board on 23 June and following this further drafting meetings were held on 24 and 26 June.

Mr Hansson took up some of the questions discussed in greater depth at the drafting meetings and which in several cases are described in articles in the draft Monetary Policy Report. These concern the credit supply to Swedish companies, and then in particular the Swedish market for corporate bonds, the uncertainty surrounding economic developments during the forecast period and the impact of the crisis on the inflation outlook and the pandemic's long-term effects on production and employment. During the drafting process, particular attention has also been paid to various real time indicators and how they can be used to assess the level of economic activity.

In Sweden and abroad, measures to prevent the spread of infection have led to severe and rapid falls in economic activity. Global trade and global industrial production have in a short period of time fallen around as much as during the financial crisis. Characteristic to the current crisis is that several service industries have been hit very hard. In the euro area, for instance, retail trade turnover has fallen by around 20 per cent, which is much more than during the financial crisis. In Sweden the retail trade has been maintained fairly well, but other service industries, such as hotels and restaurants, have been hit hard. Unemployment has also risen rapidly. In Sweden, almost 9 per cent of the labour force was unemployed in May, according to the Swedish Public Employment Service's figures. Developments have been even more dramatic in the United States, for instance, with unemployment rising to more than 13 per cent in a short period of time.

At the beginning of the crisis, yields on risky assets rose quickly, and several financial markets began functioning poorly. There was then a major risk that we would experience a severe credit crunch, which would have made the crisis even more profound. The measures taken by the Riksbank and other central banks have contributed to interest rates falling again, and to the credit supply continuing to function. In Sweden, as in several other countries, lending to households and companies has been maintained or even increased during the crisis.

Mr Hansson went on to summarise the assessment of growth and inflation prospects for Sweden as described in the draft Monetary Policy Report. Despite extensive stimulation, GDP is expected to fall by 4.5 per cent this year. Monthly outcomes for May and various real-time indicators point to activity bottoming out in April or May, in Sweden as in many other countries. The same picture is painted of various confidence indicators, and in the forecast it is assumed that there will be an upturn with effect from the third quarter of this year, when social distancing begins to be phased out. But it will take time before Swedish GDP has recovered. At the end of 2021, for instance, the GDP level in the main scenario is around 3 per cent lower than the assessment in the February Monetary Policy Report.

However, developments are still extremely uncertain. Something that has become a little clearer since April is how large the decline was during the worst period. But we still do not know how the spread of infection and thus the restrictive measures will develop going forward. An article in the draft Monetary Policy Report illustrates this uncertainty using two alternative scenarios, where in one case the recovery moves faster than in the main scenario. The other scenario shows how economic developments might look if there is a new, larger wave of infection later this year.

The dramatic development has also had a clear impact on the rate of price increase, which has fallen significantly during the spring. In May, CPIF inflation was as low as zero per cent. One important explanation for this is falling energy prices. However, other prices have also been dampened as a result of the pandemic, and in May CPIF inflation excluding energy amounted to 1.2 per cent. Mr Hansson pointed out that the crisis had meant that it was difficult to measure inflation at present. This is one of several factors that make forecasts more uncertain than usual. But the assessment is that with a decline in the economy this deep, it will take time before inflation lastingly returns to the target. At the end of the forecast period, however, CPIF inflation is expected to be close to 2 per cent.

It is assumed in the main scenario of the draft Monetary Policy Report that the repo rate will be held unchanged today at zero per cent. The repo-rate path indicates that the policy rate will most probably remain at zero per cent in the coming years. Moreover, the proposed forecast is based on a package of monetary policy measures that are judged to receive the support of a majority of the Executive Board members at today's meeting. These are measures aimed at holding down various interest rates, and contributing to an efficient credit supply. The proposals are described in detail in annexes B, C and D to the minutes and entail, for instance, that the framework sum for the Riksbank’s asset purchases is increased by SEK 200 billion, to SEK 500 billion, and that the programme is extended until 30 June 2021. To further boost the supply of liquidity, the interest rate on the standing lending facility is being cut to the repo rate plus 0.1 percentage points. In addition, the interest rate on the loans offered to monetary policy counterparties within the scope of the extraordinary market operations is being cut, and the maximum maturity is being extended to 6 months. The measures package also includes improved terms and extended maturities in the Riksbank's programme for lending to non-financial corporations via the monetary policy counterparties.

Olof Sandstedt, Head of the Financial Stability Department, described the banking system's situation with regard to financing and lending. At the beginning of the crisis, risk premiums for mortgage bonds rose, but they have now declined to around the same levels as prior to the virus outbreak. The interest rate on interbank loans in US dollars without collateral, USD LIBOR, and STIBOR, which reflects interest rates on short-term interbank loans in Sweden, have continued to fall, and the banks' deposits as a share of lending increased during the first quarter. The combination of the Riksbank's loan programme, the Swedish National Debt Office's programme for companies and the fact that the banks have capital that exceeds the capital requirements, mean that the banks are assessed to have good conditions to be able to maintain the credit supply. Lending to companies also increased relatively much in both April and May, although the major part of the increase can be attributed to larger companies. Many smaller companies still claim to have poorer financing opportunities, according to business surveys. The banks' credit losses increased during the first quarter, and these, like companies' financing capacity, need to be closely monitored.

Per Selldén, Senior Risk Analyst at the General Secretariat, gave an account of the Risk Division's assessment of the proposed monetary policy measures described in annexes B, C and D to the minutes. With regard to the change in the terms and conditions for the programme for corporate loans via monetary policy counterparties, and the proposed further measures to boost liquidity in the economy, the Risk Division judges that these will not significantly alter the risk outlook for the Riksbank. The measures will probably last for a long time, and it is therefore important to take into account the long term effect and persistence when designing their operational management.

With regard to extended purchases of government bonds, municipal bonds and mortgage bonds, and continued purchases of commercial paper, the Risk Division assesses that the interest rate risk will increase, and that the credit risks will increase slightly. At the same time, the operational risks are assessed to rise moderately apace with the scope of the programme increasing. The financial risks are only expected to increase moderately, and as the operational processes are already in place, the Risk Division assesses that the overall risks will only rise marginally as a result of this measure.

The management of the programme for purchasing corporate bonds, which is initially limited in terms of volume, is still an ongoing process. The Risk Division has followed the shaping of the programme and will continue to do so regularly. At present, the conditions are judged to be good for ensuring risk management measures are in place after the summer. The overall assessment is that the programme primarily increases the interest rate risk, the credit risk and the operational risks. However, the increase in risks is expected to nevertheless remain within clearly reasonable limits, given the Riksbank's resilience and the purpose of the measures.

§3b. The economic situation and monetary policy

First Deputy Governor **Cecilia Skingsley** began by proposing a minor editorial change in the introduction to the first chapter of the draft Monetary Policy Report. The Executive Board members then went on to discuss the economic situation and monetary policy.

Deputy Governor Per Jansson:

I would like to begin by saying that I support the economic assessments and the monetary policy assumptions in the draft Monetary Policy Report. In my comments today, I intend to update and go into more detail about the aspects I began to discuss at the monetary policy meeting in April, namely the significance of inflation and the repo rate for our monetary policy in the wake of the corona crisis. As at the meeting in April, I will begin by addressing the inflation issues and then move on to the aspects relating to the policy rate.

An important conclusion I drew in April was that the coronavirus pandemic – even though it has led to a need to have a broader focus than on just inflation – has not changed the fact that monetary policy is designed in order to fulfil the inflation target. This conclusion is of course still valid now.

Another conclusion I reached was that although it is clear that the pandemic is having major negative consequences for the real economy, it is not altogether obvious that it has to result in inflation being well below the target for a longer period of time. In this context, I emphasised that I saw some positive signs in the outcomes for inflation and inflation expectations that offered hope that the more underlying rate of inflation could hold up quite well. An important question to answer at today's meeting is, against this background, whether these reasons for optimism remain or whether the inflation picture has now deteriorated, with greater risks that we will significantly undershoot the inflation target for a long time.

Since the monetary policy meeting in April we have received two new outcomes for inflation, for April and May. The outcome for CPIF inflation in May was 0 per cent. Excluding energy prices, however, the inflation rate was higher, 1.2 per cent. As we did not publish any monthly forecasts for price developments in the April report, it is not possible to easily establish whether the outcomes are unexpectedly high or low. But from the quarterly paths presented, it is possible to calculate that CPIF inflation with and without energy prices in June must increase by at least 1.7 and 3 per cent respectively for us not to have overestimated the outcomes.[1] Such a sharp increase in inflation at this juncture is obviously unlikely and the conclusion can therefore nevertheless be drawn that our assessments in the Monetary Policy Report in April are too high. This is also underlined by the new forecast proposal for inflation including and excluding energy prices in June in the draft Monetary Policy Report at 0.5 and 1.1 per cent respectively; that is, significantly lower than the implicit assessment from April for the same month.

That inflation has been lower than expected and is substantially below 2 per cent is evidently not a development to be pleased about. But it is nevertheless worth pointing out that both CPIF inflation and CPIF inflation excluding energy prices were quite substantially higher in May than in April, which was a positive surprise, at least for me. Another positive element in the inflation picture is that the Riksbank's different measures of the trend, or core, inflation rate are rising. The median for the measures is at 1.2 per cent in May, compared to 1 per cent in April. The two measures that have been shown in an empirical evaluation to be best at predicting future CPIF inflation, UND24 and CPIFPC, amounted in May to 1.4 and 1.9 per cent respectively.[2] In my view, all these numbers are actually rather decent, given the circumstances.

With that, I move on to the development of inflation expectations. Here too, two new outcomes have been published since our last meeting, Prospera's monthly survey for May, which only covers money market participants, and the larger quarterly survey for June, which also measures the expectations of the labour market organisations, among others.

As I have stressed several times previously, right now it is primarily the longer-term inflation expectations that need to be monitored. That short-term expectations are decreasing quite sharply is, as I see it, neither surprising nor particularly worrying, given that these tend to be affected considerably by the prevailing development in inflation, which is currently weak. As pandemics are transitory, there are rather strong theoretical reasons to expect that the effects on long-term expectations will be limited. Despite this, however, it is not possible to rule out that even these expectations will be affected and it is therefore important to watch them closely.

If we look at the five-year inflation expectations of money market participants, which had fallen by just under a tenth of a percentage point in Prospera's survey from April, developments have

[1] The Monetary Policy Report in April contains two scenarios, called A and B, without specifying which of them is to be regarded as the main scenario. But regarding the forecast for average inflation in the second quarter of this year, there is no difference between the two scenarios.
[2] See the article "Why measures of core inflation?" in the Monetary Policy Report, October 2018.

been stable, 1.7 per cent in both May and June.[3] Measured with two decimals, these expectations even increased slightly in June compared to May, by half a tenth of a percentage point. As regards the larger quarterly survey, which is the first survey conducted since the WHO declared a pandemic, a decline of just over a tenth of a percentage point can be noted for the employees' organisations. For the other groups included in the survey, however, the changes are small and all outcomes exceed 1.7 per cent.

The picture for the market-based measures of inflation expectations has also brightened somewhat since our April meeting. Although long-term expectations estimated from bond yields continue in general to be lower than survey-based measures, they have risen somewhat and should still be interpreted cautiously given the remaining uncertainty on the financial markets and the substantial interventions from central banks. In sum and in light of this, I perceive even the development of longer-term inflation expectations so far to be passable.

Although there continues to be major uncertainty, new outcomes covering a longer period with the pandemic and a slightly more stable situation on the financial markets have improved the conditions for making forecasts in recent months. In the draft Monetary Policy Report, it is therefore proposed that we should go back to an arrangement with a single main scenario. According to this main scenario, inflation will gradually rise towards the inflation target in the years ahead, but it will take some time, despite extensive support from both fiscal and monetary policy, before target attainment can be said to be stable and good. However, towards the end of the forecast period, from around the summer of 2023, the inflation rate is expected to be just a couple of tenths of a percentage point below the target.

An important starting-point for me is that no serious, fundamental confidence problems arise during this adjustment period as regards our ability to manage sooner or later to deliver on the 2-percent target. I see this as an assumption that our main scenario, including monetary policy, is contingent on. If signs were to begin to appear of this assumption not being met, it would for me be a very strong argument for making monetary policy even more expansionary than in the main scenario. This would include among other things, and perhaps even above all, a need for a lower repo rate. I will come back to this shortly.

Before I conclude my discussion of inflation and go on to say a few words about the repo rate, I would like to emphasise something I brought up already at our meeting in April, namely that it is far from obvious that tackling low inflation is the only thing we must be prepared to do in the years ahead. In a slightly longer time perspective, a situation may arise in which both the demand

[3] I am focusing as usual on the expectations for CPI inflation rather than for CPIF inflation, as the response rate for CPIF inflation is very low.

and the supply sides of the economy contribute to higher inflationary pressures. The current fall in resource utilisation is certainly considerable and it should take some time before demand-driven inflation picks up. But the level of resource utilisation is always difficult to estimate and, in the event of rapid changes, neither is it possible to rule out the change becoming more important than the level.

It is worth emphasising that most of the inflation impulses coming from the supply side in such a scenario would essentially not be desirable. As is pointed out in an excellent article in the draft Monetary Policy Report, it is a question of factors such as rising energy prices, reduced competition, a decline in global value chains and more protectionism.[4] Another factor is that sharply rising public indebtedness can ultimately lead to a pick-up in inflation, if this is perceived to be the only way to deal with the burden of debt.

Several of these changes constitute so-called negative supply shocks, which put upward pressure on prices and downward pressure on GDP and employment. If inflation were to rise too high, combatting this development by tightening monetary policy would thus not be problem-free, as it would reinforce the losses in GDP and employment. If, in this situation, the aim is to stabilise GDP and employment, monetary policy must instead be made more expansionary. Such a policy response would drive up inflation further but this might be acceptable after many years of too low inflation. As long as inflation does not substantially overshoot the inflation target for a prolonged period of time, such a development might even be desirable, if it were to lead to upward and downward uncertainty around the target becoming more symmetrical.

With this, I would like to round off my contribution with a few comments about the repo rate. As I understand it, the aim of economic policy in Sweden up to now has largely been to employ targeted measures to, as far as possible, avoid corporate bankruptcies, labour redundancies and poorly functioning financial markets. The overall objective has been to limit the long-term negative effects on GDP, employment and – in the Riksbank's case also – inflation. So far, there has not been so much focus on traditional demand stimulus. However, fiscal policy makers have communicated that such measures, for example in the form of reduced income taxes, may be relevant at a later stage. The Riksbank has also clarified that it may use its traditional stimulation tool, a reduced repo rate, if it is judged to be an effective measure.

On a general level, it can be noted that trade-offs have to be made when it comes to timing the implementation of these types of measures. If the measures are employed too late, unnecessary losses in output and employment will arise, along with unnecessarily low inflation. If, on the other hand, the measures are employed too early, they will not be particularly effective when

[4] See the article "Inflation outlook during the corona crisis" in the draft Monetary Policy Report.

people are staying at home due to illness or concern over the spread of infection, both in Sweden and abroad. Stimulation measures explicitly aimed at achieving intertemporal substitution of consumption and investment can at too early a stage also be perceived as contradictory and confusing. Furthermore, in the Riksbank's case, as I already pointed out in April, the very low level of the repo rate means that every rate adjustment must be considered very carefully to avoid unnecessary waste of the ammunition we have left.

Expressing precisely when it may be appropriate to undertake more traditional demand stimulation measures is thus very difficult. It is on the other hand easier, in my opinion at least, to point to circumstances that would make it more likely, all else being equal, that such measures will sooner or later become necessary. The most obvious circumstance is of course that a very substantial need for a measure exists. As regards the Riksbank, I have already touched upon such a situation, namely that the fundamental confidence in the inflation target is in the process of being undermined. As I see it, confidence in the target is what inflation targeting is all about and it is then naturally a question of doing what is required to avoid ending up in such a situation.

This reasoning has also led me to reassess my earlier view on the repo rate's effective lower bound. In a speech in 2018, I argued that the repo rate's lower bound, put simply, occurs when private individuals start to encounter negative rates on their deposit accounts.[5] What I was worried about was not so much that the general public would then choose to empty their bank accounts and, so to speak, stuff their money in the mattress, but rather that it would be difficult to gain understanding for a monetary policy that involves normal citizens having to "pay to save". Although I still believe that negative rates on normal deposit accounts would be a very bad outcome, I now think that this cannot be seen as an absolute, unconditional limit for how much the repo rate can be cut. If the fundamental confidence in the inflation target is at stake, it is probably better, bearing in mind the cost to the Swedish economy, to accept negative rates on normal deposit accounts than not doing everything possible to prevent the nominal anchor for price-setting and wage formation coming loose.

Deputy Governor Anna Breman:

I would like to begin by saying that I support the package of measures presented in the draft Monetary Policy Report. I also support leaving the repo rate unchanged at zero percent, the proposed repo-rate path and the forecast in the draft Monetary Policy Report.

Since the beginning of the crisis, the Riksbank has taken extensive measures to create the conditions for the Swedish economy to recover and to safeguard the inflation target. The

[5] See P. Jansson, "Monetary policy in less favourable times – what are the options?", speech at Insurance Sweden, Stockholm, 4 December 2018.

strategy has constantly been to act quickly, stand ready with the entire toolbox while having the flexibility and preparedness to adapt the measures at short notice.

There are now signs that the economic decline has bottomed out and that we are in the early stages of a recovery. The measures introduced by central banks and governments around the world have helped to stabilise financial markets and create the conditions for an upturn in the economy. Like many other central banks, the Riksbank has expanded its balance sheet to counteract an upturn in market rates and to avoid a credit crunch. The risk of the pandemic triggering a financial crisis has decreased, although the risk of setbacks is still considerable.

In this precarious situation, it is important that the Riksbank supports the recovery in the Swedish economy by conducting an expansionary monetary policy. I therefore consider it to be important at today's meeting for us to extend and reinforce the measures we have previously introduced. Bond purchases of SEK 500 billion, lower interest rates in our lending facilities and extended maturity on funding for lending make up a powerful package of measures.

As at the April meeting, I would like to emphasise that several of our measures, especially the lending facilities, work as a kind of insurance. It is important that these measures are not withdrawn too early. We are reminded almost daily of how quickly sentiment on financial markets can suddenly turn from positive to negative. The mere existence of the facilities, even if they are not utilised to the full, reduces the risk of renewed turbulence on financial markets putting a brake on the recovery.

An important question is whether we should also cut the repo rate. My assessment is that today's package of measures is significantly more effective and accurate than a rate cut of 25 to 50 basis points. I consider that a holistic assessment of the factors I mentioned at the April meeting still argues against a rate cut. A repo rate cut would create a risk for negative side-effects. It is still not certain that the interest rate level on loans to households and companies decreases to the same extent as any cut to the policy rate. In addition, if the lending rates on loans to households and companies remain largely unchanged despite a policy rate cut and banks introduce negative rates on savings accounts for households at the same time, a rate cut could even have a tightening effect on the Swedish economy.

The advantage of the package of measures we are presenting at today's meeting is that it helps to promote both market functionality and low interest rates in general. Today's increased and extended bond purchases and the decision to reinvest principal payments after June 2021 also mean that households and companies can expect interest rates to remain low. The package provides participants in society with better funding options, which is important for the recovery and will help inflation rise towards the target towards the end of the forecast period.

This leads me into my next point – inflation. Today I would like to emphasise the risk for volatility. In the last six months alone we have seen substantial movements in several factors that affect inflation, including the oil price, the electricity price and the exchange rate. We are used to looking past this. But, increased volatility, in combination with measurement problems, makes individual monthly outcomes more difficult to interpret and means that it will probably take longer before we can see for sure how inflationary pressures have been affected by the pandemic. As discussed in the article on inflation and as the alternative scenarios show, the upturn in inflation can either occur more rapidly or take even longer than in the forecast in the draft Monetary Policy Report. In the near term, however, it is clear that inflationary pressures will be dampened. Combatting low inflation is for me an important reason to increase and extend the bond purchases at today's meeting. If it proves to be necessary, the Riksbank has plenty of scope to extend bond purchases beyond the first half of 2021.

The last thing I would like to comment on with regard to today's package of measures is the purchases of corporate bonds. In the draft Monetary Policy Report, there is an article that describes the lack of transparency in the corporate bond market very well. In addition, corporate bonds are a riskier asset than the other bonds purchased by the Riksbank. This increases the risks on the Riksbank's balance sheet. We are tackling this by, for example, limiting purchases to only companies with an investment grade credit rating, increasing our internal resources for analysis, and by being able to consider sustainability when making the purchases.

I welcome the following statement in the decision guidance document Annex B to the minutes: "Considering the requirements imposed by the Riksbank's remit, the purchases may take sustainability into account when selecting corporate bonds". Taking risk management into account, our purchases of corporate bonds should be limited to viable companies that adhere to Swedish and international legislation. If the Riksbank were to purchase securities without ESG analysis we would risk contributing to a breeding ground for financial instability and economic crises, which in my view would be tantamount to going against our mandate to maintain price stability.[6]

Before I sum up, I would like to look ahead to the autumn. It is important to track the development of the pandemic and the restrictions, relaxations, and reinstated restrictions following in its wake. But all this will only give us a limited picture of how the economy will develop in the years to come. People's apprehension about the spread of infection, concern for relatives and grief for those who have lost their lives will affect their behaviour in different ways

[6] ESG stands for "*Environmental, Social and Governance*".

for a long time to come. The willingness to consume, invest, save, travel, look for new jobs and start companies may be affected even once restrictions have been completely lifted.

An important task for the rest of the year will therefore be to analyse the long-term changes in the national economy caused by this pandemic. It is not just people and companies acting differently that affects the recovery but also economic policy reforms that follow from the pandemic, not just in Sweden but also globally. An example mentioned in the draft Monetary Policy Report is “Next Generation EU”. A forecast based solely on historical data and a belief that the economy will return to previous patterns, may lead us astray in the analysis and thus in our policy decisions.

Allow me to summarise. The Swedish economy is in a precarious situation. I support the package of measures proposed at today’s meeting. It is already important at this juncture to reinforce and prolong the measures we have taken to safeguard the inflation target. I would like to re-emphasise that the Riksbank, even during the summer, stands ready to act quickly and forcefully with the entire toolbox should developments require it to do so.

I would like to finish by once again thanking the Riksbank staff for their extraordinary efforts during this intensive spring.

Deputy Governor Martin Flodén:

I support the proposals for decisions and forecasts presented in the draft Monetary Policy Report.

Developments in recent months have continued to be dominated by the coronavirus pandemic. Many countries have now begun to gradually ease their restrictions. Mobility has increased as has economic activity. Economies therefore seem to have picked up after bottoming out in April or May. Financial markets have stabilised and price-setting on equity markets indicates greater optimism.

But the pandemic is not over. There is still no vaccine and the proportion of people that have antibodies against the virus is low. We will therefore not be able to or wish to return to normal mobility patterns any time soon. The pandemic will thus continue to impede economic activity in the autumn. And in the longer term, economic activity will be hampered by indirect effects as fewer investments are made, companies are being knocked out and unemployment is on the rise. The pandemic may also precipitate structural change and permanently change consumption patterns, although such changes may not of course be negative for economic activity in the longer run.

Despite all the events of recent months, I assess the conditions for our monetary policy decision today to be approximately the same as at our meeting in April. We know that GDP will fall sharply this year and that inflation is well below the target. But developments in the years ahead are still very uncertain.

The fact that economic activity has picked up and financial markets have stabilised indicates that the support measures abroad and in Sweden have so far largely had the intended effect. The worst-case scenarios have been avoided.

The Riksbank's measures during the pandemic have focused on keeping interest rates low and contributing to efficient credit supply in the economy. To understand how these measures have worked and what further measures may be relevant in order to provide continued support to the economy and the development of inflation during and after the pandemic, we need to look at how different interest rates and credit volumes have developed.

In March and April, there were tendencies towards certain rates, primarily on risky assets, starting to rise. But in May and June, the rates on many of these assets have fallen back and are now at low levels. For example, rates on 5-year mortgage bonds, that are important for banks' funding, are now slightly lower than the average level last year.

Since banks' funding costs have been kept low, the rates offered to households and companies have also remained at low levels during the crisis. For example, the average rate on new and renegotiated variable-rate mortgages in May was only 0.06 percentage points higher than last year's average, despite us having increased the policy rate by 0.25 percentage points at the turn of the year. Corresponding lending rates to non-financial corporations have risen approximately in line with the increase in the policy rate but are on the same level as at the start of the year.

Aggregate lending volumes to both households and companies have continued to increase during the year. The increased lending to companies seems to be mostly going to large companies but lending to smaller companies has at least not decreased.

Rates on safer assets are also low. Rates on nominal government bonds with shorter maturities than 10 years are negative and thus lower than our policy rate. And rates on nominal government bonds with 5- and 10-year maturities are close to their all-time lowest levels. Rates on real government bonds have risen as inflation expectations have fallen but remain at very low levels.

In other words: There are no clear signs of a credit crunch in the economy. Risk premiums and lending rates are low as are the government's borrowing costs. Rates are expected to remain low going forward and the yield curve is basically completely flat. And this is despite a historically sharp and deep slowdown in economic activity, with increased bankruptcy risk and rapidly increasing public indebtedness.

My assessment is that the Riksbank's extensive asset purchases and various lending facilities, in combination with measures from the government and other authorities, have been necessary to achieve this development. I consider the aim of the measures we decide on today is to safeguard this development. The fact that we are today deciding on measures for the year ahead should reduce uncertainty and facilitate price-setting on the financial markets. The aim is thus to keep interest rates low and to facilitate credit supply in an economy that will continue to be hampered by the consequences of the pandemic in the future. In this way, monetary policy is helping to alleviate the effects of the crisis and provide the conditions for the economy to recover more rapidly. This will ultimately lead to inflation rising faster towards the target.

So I do not consider that the aim of our decisions today is to make monetary policy more expansionary. It is difficult to push down risk and term premiums further from the low levels we now have. And it is difficult to push down rates on safe assets even further below our policy rate.

By this, I do not mean that the scope for conducting an expansionary stabilisation policy has now been exhausted. First, we can extend our asset purchases and lending facilities if necessary to safeguard low interest rates. And as I find it difficult to see a scenario in which rate increases will be justified in the years ahead, I think interest rates can safely be expected to remain at their current level, or at an even lower level, for quite some time to come.

Second, we can probably push interest rates down a little further by cutting the policy rate. The policy rate is currently close to but hardly at its effective lower bound. A rate cut would probably therefore cause some short lending rates to fall somewhat. At the monetary policy meeting in April, I said that a repo-rate cut would have been counterproductive. My view was that the economy at that time would not benefit from an even weaker krona and that the impact on lending rates would be uncertain as there was considerable turbulence on the financial markets. Furthermore, general demand stimulus would be of dubious value when the economy was largely shut down. These arguments against a rate cut are still relevant, but they have weakened. I do not rule out that it may be appropriate going forward to cut the policy rate, for example if the krona continues to appreciate quickly while the inflation outlook and inflation expectations decline in a worrying manner.

Third, fiscal policy has an important role in tackling this crisis. There is plenty of scope to use even more powerful fiscal policy measures if necessary, both to alleviate the direct economic effects of the crisis and to stimulate demand in the economy. As inflationary pressures are weak, and as we also have a history of too low inflation, it is in the Riksbank's interest to keep interest rates low even if fiscal policy becomes more expansionary. Fiscal stimulus will therefore be particularly effective in this situation.

First Deputy Governor Cecilia Skingsley

I support the draft Monetary Policy Report, including the proposal to hold the repo rate and the repo-rate path unchanged. I also support the proposals for new monetary policy measures as described in the annexes to the minutes regarding the extended programme for bond purchases, further measures to boost the supply of liquidity in the economy and amended terms for corporate loans via the monetary policy counterparties.

We are beginning to see some lightening of the restrictive measures that have followed on from the pandemic around the world and an economic recovery can now slowly begin. But the economic visibility ahead is still very poor. The sequence of events for the economy for a long time to come will be determined partly by how the restrictions are changed in different countries and regions, and partly be how individuals, companies, the public sector and the financial markets react to the pandemic.

Ever since March, when the pandemic triggered severe turbulence on the international financial markets, a number of central banks, including the Riksbank, have launched measures both to avoid interest rate shocks and to contribute to the credit supply continuing to function.

From what we can see so far, the serious economic shock has not triggered a financial crisis. Based on major economic policy stimulus and with the expectation of an economic recovery, the stock markets have recovered from their troughs in March. Various risk premiums on the credit markets have approached or already reached the levels that applied in the months before the pandemic was a fact.

All in all, market functioning has improved and the financial conditions have become more stimulating since March. This is a very important circumstance that means that the financial system in general is not worsening the fragile economic situation, but instead supporting the recovery.

The economic statistics are now pointing to some recovery, both in Sweden and in a number of other countries, since some of the restrictions were eased. As Swedish restrictions have been less forceful than those abroad, the decline in economic activity was not as great here. However, I would not attach too much significance to this observation. It is clear that the weaker activity abroad weighs heavily on the prospects for Swedish exports and investment.

The macroeconomic forecast the Executive Board uses as a basis for today's monetary policy decision assumes that society will gradually return to more normal conditions during the autumn and that the restrictive measures will be successively phased out. It is assumed that setbacks in individual regions or cities will be dealt with by means of targeted restrictions rather than general closures of many societies as has been common up to now.

Although the actual pandemic will be temporary, it is difficult to know how extensive the permanent effects will be in different countries' economies. Given the current prospects for the crisis, there are many indications that the growth potential of the Swedish economy will be negatively affected by it. The longer the period with a high level of unemployment, the more negative the effects will be. Economic policy as a whole needs to be adapted to both the cyclical problems and the more long-term challenges.

The best contribution that monetary policy can make to a good economic development is still to stabilise inflation. However, the course of inflation in Sweden will be very difficult to assess for a long time to come, which is also described in the draft Monetary Policy Report. My overall assessment is that the risk that inflation will be low is greater than the risk that inflation will be too high during the forecast period.

I thus support the Riksbank continuing the monetary policy expansion in accordance with the decisions made so far this spring and those proposed today. One positive factor to which I would like to draw attention is that the more long-term inflation expectations, as expressed i surveys and market pricing, have remained relatively stable so far throughout the pandemic crisis. The fact that the Riksbank has shown determination over a number of years, through its negative interest rate and bond purchases, to bring inflation back to the 2 per cent target, appears to have rebuilt confidence in the system with low and stable inflation. This provides stability to get us through the economic difficulties following on from the pandemic.

In conclusion, I would like to say a few words about some of the measures that are currently on the table. The macro effects of the pandemic will remain with us for a long time, and the role of monetary policy is to ensure that financial conditions remain stimulating for a long time. Failure to continue conducting an expansionary policy could create uncertainty regarding the Riksbank's intentions. It is therefore reasonable to now extend the purchasing plans until the end of June 2021, and to expand the maximum volume from the SEK 300 billion decided earlier, by a further SEK 200 billion. I also support the aim of then continuing to roll over the new portfolio until the recovery in the macro economy justifies less expansionary financial conditions once again.

I would also like to highlight the proposal to begin purchases of corporate bonds for a nominal value of SEK 10 billion in September. The corporate bond market is relatively young and not particularly transparent, in relation to other Swedish fixed-income markets. A large share of the issuers lack credit ratings and the pricing is uneven. For a central bank to enter this market requires clear processes and in-depth analysis. I see the proposal as a demonstration of the Riksbank's capacity to further reinforce the transmission mechanism from the monetary policy conducted and to support the functions in this market.

The programme for lending to Swedish companies via the banking sector was the first major programme that was decided when the pandemic became a reality. According to the proposed decision today, the programme will be adapted so that the loan period is doubled and the terms and conditions are made more attractive. In my opinion, this is a good example of what a central bank is capable of doing to contribute to favourable economic developments. Namely, to quickly introduce large-scale measures when the need for them arises, but to also be able to reflect and adjust the measures when there is greater knowledge of their effects.

These measures, together with further decisions today that I will not mention now in my contribution to the meeting, will be a good compilation to support low interest rates for a long time and to continue contributing to an efficient credit supply. Over time, when the economic outlook becomes clearer, the composition of the monetary policy measures will need to be adjusted. The Riksbank's toolbox also includes the capacity to cut the repo rate if this is considered to further increase our ability to stabilise inflation.

Deputy Governor Henry Ohlsson:

I would like to begin by saying that I support the measures package aimed at holding down interest rates in Sweden. And I also support the proposal to hold the repo rate unchanged at zero, and to hold the repo-rate path horizontal during the forecast period.

What do we actually know about the future? What can we use to say something about what will happen? One thing we can use, is to look at how things have been before. The traditional method is to gather data, to structure data and to seek correlations between different economic variables. Data are gathered from history, the correlations found are historical ones.

For me, traditional forecasting is all about using history in various ways to tell us something about the future. But of course it is not always the case that things behave in the same way as before. Sometimes developments take a new path, a path that we had not imagined. Spring 2020 was a good example of this. When the crisis came, history was not much help to us. Apart from being unexpected, each crisis is unique.

The April Monetary Policy Report therefore did not present any forecast. Instead, it presented two scenarios showing two possible developments over the coming period. I consider that this was as far as we could go when we could not use history to help us.

The situation is better now. We are beginning to have access to data from the period after the economic crisis began. This applies to traditional macro data as well as various types of real-time data. Although these data are up-to-date, they are history, what happened recently is also history. With the aid of this data, we now have what we need to begin making forecasts again.

According to the draft Monetary Policy Report, Swedish GDP is expected to fall by 4.5 per cent this year, compared with 2019. The last time we saw a decline of this order was during the financial crisis in 2009, when the decline was 4.3 per cent. During the 1990s crisis, Swedish GDP declined for three years in a row, the total decline was then 3.8 per cent (1991–1993). These comparisons show the seriousness of the current decline.

The most recent inflation figure in May showed an annual rate of increase in the CPIF of 0.0 per cent. However, inflation statistics are difficult to interpret under the prevailing economic crisis.[7] For some groups of goods and services there are, quite simply, no prices. Instead, the missing prices need to be estimated through imputation. Furthermore, household consumption patterns have changed considerably. This means that the actual consumption pattern of today deviates heavily from the consumption pattern assumed via the weights used when the consumer price index is calculated. Or, put differently, Swedes have bought more toilet paper and fewer trips abroad than the weights in the consumer price index imply. Current research shows that imputations and changes in consumption patterns entail inflation statistics tending to underestimate the actual development of the cost of living.[8]

According to the most recent monthly statistics from the Swedish Public Employment Service, the average number of persons registered as unemployed in relation to the register-based labour force was 8.5 per cent in May 2020, not seasonally-adjusted. This was a substantial increase of 1.9 percentage points in relation to the previous month, when the corresponding figure was 6.6 per cent. Unemployment insurance fund members can be considered to have a relatively strong position on the labour market. In May 2020, the percentage of openly unemployed fund members was 4.3 per cent. The same month one year earlier, the share was 2.6 per cent. The

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[7] I discuss this in greater detail in my speech "Monetary policy during the economic crisis", which was published in June. See https://www.riksbank.se/en-gb/press-and-published/speeches-and-presentations/2020/ohlsson-inflation-statistics-difficult-to-interpret-during-the-economic-crisis/

[8] See Diewert, W.E and Fox, K.J. (2020), "Measuring real consumption and CPI bias under lockdown conditions", NBER Working Paper Series, No. 27144 and Cavallo, A. (2020), "Inflation with Covid consumption baskets", NBER Working Paper Series No. 27352.

increase over the past year has been a good 1.7 percentage points. And this has taken place almost exclusively in recent months.

The increased unemployment caused by the economic crisis is of course undesirable. Many of the unemployed are well-equipped and will have good opportunities to obtain work when economic activity increases again. Others will need labour market policy measures to reinforce their human capital so they can get work. Once the financial markets and companies have received their share in the form of liquidity, loans, contributions, guarantees and so on, it must be the turn of human capital. The long-term economic policy task will concern people. Their incomes and labour market situations are important parts of living a good life.

Sweden is a small, open economy. We are dependent on economic activity and politics abroad. During the spring, Draconian measures have been taken around the world, measures that have strongly reduced economic activity. These measures have declined in force recently. For me, the key question in judging the economic conditions for the remainder of the year is: What policy will be conducted abroad? I consider it is an open question whether the political reactions we have seen during the spring will be repeated if the public health situation deteriorates once again.

I will now move on to my monetary policy considerations. Inflation expectations are an important element in judging the credibility of monetary policy when it comes to attaining the inflation target. It is an important observation that inflation expectations five years ahead among money market participants have remained at 1.7–1.8 per cent despite the ongoing economic crisis.

During the spring, the Riksbank has decided on a number of monetary policy measures. When financial markets do not function as normal, the credit supply in the economy is threatened. The measures have had two effects. The credit supply has been facilitated, as the Riksbank has in this way supplied more money to the financial system. When the volume of money has increased, there is also downward pressure on market rates. In other words, the result is both a secure credit supply and expansionary monetary policy.

Today there are a number of proposals on the table, which all follow the line the Riksbank has taken so far. I support this measures package, as it is my assessment that monetary policy should continue on the same path for some time to come. Additionally, I support the economic picture and the forecasts in the draft Monetary Policy Report.

To summarise, I support the measures package aimed at holding down interest rates in Sweden. And I also support the proposal to hold the repo rate unchanged at zero, and to hold the repo-rate path horizontal during the forecast period.

Governor Stefan Ingves:

Since the previous monetary policy meeting, the economic situation has become somewhat clearer and we can now see the outline of a recovery after the dramatic fall in economic activity earlier this year. On the one hand, the situation is still very uncertain and the recovery could become protracted and hit by setbacks. On the other hand, and unlike earlier crises, today's economic problems do not originate from various economic imbalances, which could indicate we will see a rapid recovery. But I think it is too early to sound the all-clear. In the current situation, monetary policy therefore needs to continue to contribute to an efficient credit supply and to holding interest rates at a low level, which in turn contributes to inflation developing in line with our inflation target in the long run. I therefore support the proposal in the draft Monetary Policy Report of a package of new measures that in various ways aim to support the credit supply in the Swedish economy and to stabilise interest rates at a low level. I also support the forecasts and other assessments described in the draft report.

At the previous monetary policy meeting at the end of April, we were in the midst of a period with historically high uncertainty. The corona pandemic had forced countries to take various restrictive measures, which together with changed behaviour by companies and households, has entailed a partial closing down of many economies around the world. To avoid a situation where the various restrictive measures could also create a financial crisis, to stabilise the situation on the financial markets and to prevent a credit crunch in Sweden, the Riksbank took a number of different measures to supply the market with liquidity.

Now some months have passed, and we have seen outcomes and data that indicate the fall in economic activity in Sweden was not as large as we feared in April. And there are several indicators pointing to a recovery. But the effects on economic developments are nevertheless dramatic and our view of the future has changed radically, which can be seen in Figure 1:2 in the draft Monetary Policy Report. The forecasts in the February Monetary Policy Report pointed to a GDP growth of 1.3 per cent in 2020. Now our assessment is that Swedish GDP will instead shrink by 4.5 per cent, which entails a GDP level in 2020 that is almost 6 per cent lower than in the February assessment. The downturn in 2020 is expected to be as great as the one during the financial crisis, and if one adds together the forecast revisions since the February report for both 2020 and 2021, the GDP level for 2021 is 4 per cent lower.[9]

It is important to point out that the relatively rapid recovery in 2021 depends on the spread of the coronavirus pandemic waning and the restrictive measures being withdrawn. In Sweden, the indications are that we have passed the worst phase. But in other parts of the world they have

[9] See Figure 1:3 in the draft Monetary Policy Report, July 2020.

not yet reached a peak, so the negative effects on economic developments, particularly those abroad, will continue for a long time.

The recovery is based on governments and central banks continuing to take forceful measures to alleviate the effects of the pandemic and the restrictive measures. With regard to developments so far, it is worth noting that central banks and other authorities have succeeded in stabilising the financial markets, despite the unique disruption to the world economy. The Riksbank's measures are similar to those taken by many central banks around the world, and essentially they concern ensuring that there is sufficient liquidity in the economy. But it is important to point out that our measures, even if they are described in this way, are also necessary to ensure that we can attain the inflation target in the long run. Given the major disruption to both supply and demand, internationally and in Sweden, it is not possible in the current situation, perhaps less so now than ever, to fine tune the economy and inflation. But all of our measures are pulling in the right direction, that is, contributing to the recovery and to inflation developing in line with the target.

The measures taken so far by the Riksbank and other central banks during the pandemic, and essentially ever since the global financial crisis more than 10 years ago, show that monetary policy has many instruments and is more multidimensional than one might have imagined 15–20 years ago. This can be said to be the new normal situation, and the view that, for instance, asset purchases are "unconventional" or "complementary" probably needs to be revised. The Riksbank thus has several tools at its disposal, and the question of which tool should be used depends on the situation. Going forward, the Riksbank's balance sheet will probably first grow and then, according to the draft Monetary Policy Report and my own analysis, remain at a higher level for many years. With regard to the repo rate, which we retain at the low level of zero per cent, there is still some scope for cuts if the circumstances were such that a policy rate cut was purposeful and effective. I believe that the scope for cuts is not very large and one cannot expect the interest rate alone to be sufficient to attain the inflation target. At the same time, there is scope for further measures on the balance sheet side, which can be seen if one compares the Riksbank's balance sheet total with those of other central banks. Measured as a percentage of GDP, for instance, the Federal Reserve, the ECB and the Bank of Japan all have significantly larger balance sheets.

At the same time, it is important that the strength of the total economic policy is used to manage this historical crisis. Monetary policy and fiscal policy both affect the demand situation, but have an impact through different channels. Monetary policy reaches households and companies primarily through loans and indebtedness, which may have other worrying consequences. The low public debt in Sweden entails good conditions for using fiscal policy to continue to take forceful measures.

To sum up, I support the draft Monetary Policy Report. Even if we now know more about the short-term effects of the pandemic and we can see the beginning of a stabilisation, it is too early to sound the all-clear. It is therefore important that the Riksbank continues to take measures that hold interest rates down and support credit granting, measures that in turn contribute to attaining the inflation target in the long run. In more concrete terms, these concern increased asset purchases as well as more generous terms in our liquidity facilities and in our corporate loan programme. And we will also begin purchasing corporate bonds in September. All of these measures are described in more detail in the draft Monetary Policy Report. They should also contribute fairly directly to holding down interest rates in different parts of the financial sector. I also support the proposal to hold the repo rate unchanged at zero per cent and argue that our other tools are more effective in the current situation. Altogether, these measures entail a monetary policy that is aimed in full at attempting to alleviate the negative effects of the corona pandemic on the Swedish economy, at the same time as the measures are in harmony with our inflation target.

§4. Monetary policy decision

The Executive Board decided

- to hold the repo rate unchanged at zero per cent and that this decision shall apply with effect from Wednesday 8 July 2020,
- to adopt the Monetary Policy Report according to the proposal, Annex A to the minutes, but with the minor editorial change proposed by First Deputy Governor Cecilia Skingsley,
- on an extended programme for the Riksbank's purchases of bonds for monetary policy purposes in accordance with Annex B to the minutes,
- on further measures to boost the liquidity supply in the economy in accordance with Annex C to the minutes,
- on an amendment of the terms for corporate loans via monetary policy counterparties in accordance with Annex D to the minutes,
- to publish the monetary policy decision and the Monetary Policy Report with the motivation and wording contained in a press release at 09.30 on Wednesday 1 July 2020, and
- to publish the minutes from today's meeting at 09.30 on Friday 10 July 2020.

This paragraph was verified immediately.

Minutes taken by

Sofia Kåhre

Verified:

Stefan Ingves	Cecilia Skingsley	Anna Breman
Martin Flodén	Per Jansson	Henry Ohlsson

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